FOSUN 复星

CORPORATE SOCIAL RESPONSIBILITY REPORT 2016

Converge Growth Power Promote Social Progress
Scope of the Report

This Report is not only a summary of the work of Fosun Group in corporate social responsibility (CSR) and public welfare in 2016, but also an important channel of the Group to communicate with all sectors of society concerning CSR and public welfare. Fosun will, in the principle of transparency and sincerity, report all the efforts made by the Group in CSR and public welfare in 2016, hoping to build healthy natural and business ecosystems together with the community.

Scope Definition and Data Selection

Principle of the Report

If the statistical coverage of all the data of the Group is not specifically stated in the report, the data of Fosun International Limited, the listed company, shall prevail. The term "Fosun and its investees" referred to herein shall mean Fosun Group and various companies in which Fosun Group holds equity interests or over which Fosun Group has controls, including economic entities in such industries as steel, mining, real estate, pharmaceuticals, retail, strategic investment, insurance and asset management. Unless specifically stated, data herein shall refer to all the data of 2016.
MESSAGE FROM
THE MANAGEMENT

In 2017, Fosun will celebrate the 25th anniversary of its establishment and the 5th anniversary of the Fosun Foundation. We believe that while long-term growth in shareholder value is an important aspect of any company’s development, a strong and committed CSR program is just as important in order to achieve long-term, sustainable and healthy development goals.

In 2016, the Fosun Foundation received aggregate donations of RMB 42.64 million from the portfolio companies in the Group and related parties, and completed 36 charitable programs, with an annual public welfare expenditure of RMB 41.8 million. Fosun Group and Fosun Foundation continued to promote technology innovation, eastern and western cultural exchanges, academic exchanges between higher education institutions and youth development, protection and promotion of traditional culture and arts, healthcare and medical development, community care, youth entrepreneurship and environmental protection, etc. From small acts of charity around us to product innovation that matters social development and human well-being, we are making efforts to take the responsibility as a global citizen.

In addition, in 2016, Fosun Foundation New York was incorporated, and Shanghai Fosun Art Center was completed and put into operation. As a global company, Fosun will continue its public welfare undertaking around the world to promote global sustainability through its own efforts.

Fosun’s mission is to bring a healthy, happy and wealthy lifestyle to global families by gathering all resources and energy. Looking ahead to the future, Fosun will continue to adhere to the “value-investing” discipline and persevere in “Combining China’s Growth Momentum with Global Resources”. It will improve its industrial integration and asset allocation capabilities, direct its focus towards how to bring a happy life to families, and create a global happiness ecosystem, which will guide the establishment and continuous improvement of Fosun’s CSR and public welfare system.
CULTURAL VALUES OF FOSUN

We advocate
Dreams and passion
Creating value and sharing development
Agree with Fosun’s culture personally
Value investing
Life and humanistic care to employees
Benchmarking study
Team building and talent development
Resource sharing and comprehensive communication

We oppose
Seek no progress and have no fighting spirit
Sacrifice business interests to meet individual needs
About-faces and doing things in his or her own way
Speculative investment
Ignorance of lives and disregard for humanities
Complicity with the status quo
Refuse to make progress and being unable to manage others
Monopoly of resources and being unable to collaborate

CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT MODEL

To the state
Fosun adheres to law-abiding operations, strives to seize the opportunities generated in the rapid development of China, and, through the unique model of “combining China’s growth momentum with global resources”, moves toward the goal of becoming a world-class investment group. In the process of steady development, Fosun has created a lot of jobs and tax revenue, and also received many social honors. Fosun actively advocates the construction of a healthy business ecosystem and spreads the Fosun values in diversified ways.

To shareholders and the public
Fosun is convinced that the basis of the existence and long-term development of business organizations is to make contributions to the society, and create value for shareholders and the public.

To customers and investees
Fosun’s mission is to “innovate a happiness ecosystem and enrich the health, happiness and wealth of families around the world”. Fosun’s customers are its investors and investees. The Group headquarters have continued to create value through management innovation and resources integration, built the “One Fosun” platform to share resources, gathered the power of grow, and jointly built a more harmonious and healthy business ecosystem.

To employees
Fosun has been committed to becoming the best employer, applying a variety of measures to allow all employees to study and work in a comfortable environment. Fosun provides systematic training and career development programs for employees, as well as humanistic care to employees and their families.

To the environment
Fosun is one of the first Chinese private enterprises to establish an environment, health, safety and quality (EHSQ) department at the Group headquarters. In order to further implement energy-saving and consumption reduction measures and execute environmental regulations, Fosun has taken practical actions to contribute to environmental protection both in the investment management level and in the day-to-day work and management aspect.

To the society
Fosun has funded and initiated a large number of charity projects, including supporting youth education, encouraging youth employment and entrepreneurship, protecting traditional Chinese culture and promoting Sino-foreign cultural exchange, etc.

MAIN HONORS OBTAINED BY FOSUN IN 2016

1. Mr. Wang Qunbin, Executive Director and Chief Executive Officer of the Company, ranked in the “Hot 100 List in 2016” by the American insurance Business magazine.

2. At the Third Cross-Border Investment and M&A Summit as well as the Second Annual Golden Whistle Awards Ceremony, the fund under the management of the Company received the honor of the “Golden Whistle Top 10 Chinese Buyers” as a result of its successful acquisition of Canadian company Cirque du Soleil through the fund under the management of the Company.

3. The Company ranked 73rd and 63rd on “China’s Fortune 500” in 2016 in terms of operating revenue and profit respectively, as released by Fortune China.

4. The Company’s Letter to Shareholders from Annual Report 2015, has been awarded the International ARC Awards in the category of Investment Holdings, organised by MarComm, Inc.

5. The Company was awarded the “2016 Best Investment Value Award for Listed Companies” from The Asset, the renowned international asset management and investment magazine.


7. The Company received Gold Award in “The Corporate Awards 2016” from The Asset, the renowned international asset management and investment magazine.

8. The Company’s Chairman Guo Guangchang was presented with the “Lifetime Achievement Award” in the 8th Annual World Chinese Economic Summit (WCES) in recognition of his consistent contributions to the global economy and society as well as the remarkable entrepreneurial spirit he has shown in the global economic arena.

9. At the Third Cross-Border Investment and M&A Summit as well as the Second Annual Golden Whistle Awards Ceremony, the fund under the management of the Company received the honor of the “Golden Whistle Top 10 Chinese Buyers” as a result of its successful acquisition of Canadian company Cirque du Soleil through the fund under the management of the Company.

10. The Company received the China Spectrum Award at the 10th China Brand Festival.


12. The Company received the China Spectrum Award at the 10th China Brand Festival.
Commitment to the State

Fosun’s creation benefited from China’s policy of reform and opening-up. Deng Xiaoping’s southern tour speech in 1992 encouraged the four graduates of Fudan University, resulting in their entrepreneurial success. Since the founding of Fosun, we have always adhered to the core values of “Self-improvement, Teamwork, Performance, Contribution to Society,” fully leveraged the key drivers of China’s economic development at different stages, and keenly identified high-growth industries at different stages, thus realizing rapid development.

While pursuing economic development, Fosun has not forgotten to share its own development with employees, communities, local society and partners, actively giving back to the community. Meanwhile, Fosun is also actively committed to the improvement of China’s business and natural ecosystems to support the revival of the Chinese economy and Chinese culture, striving to be a good corporate citizen and actively fulfilling its social responsibility.

Active participation in the discussion about public policies to fulfill corporate social responsibility goals.

In 2016, Mr. Guo Guangchang, Chairman of the Group, attended the Chinese People’s Political Consultative Conference. Mr. Guo submitted the following proposals:

1. Proposal for the promotion of building a “smart economy”
2. Proposal for giving play to the industrial introduction role of private enterprises in poverty alleviation programs
3. Proposal for the upgrade of 2.0 overseas investment insurance schemes
4. Proposal for the promotion of hierarchical diagnosis and treatment in China with the “internet hospital” model
5. Proposal for the establishment of hierarchical medical service system dedicated to children

Fulfillment of the Commitment to the Society

Community Service Work

We know that community is the foundation on which enterprises are based. Establishing a good image of “qualified citizen” in communities, and seeking collaborative development with communities is a guideline for us to handle community relations. Fosun has always insisted on taking a scientific and pragmatic attitude and effective measures to solve major problems related to community construction so that, on one hand, the business operations of enterprises can truly benefit the general public in relevant areas, on the other hand, a harmonious and healthy external environment can be created to enable enterprises to gain a firm foothold and develop steadily from intense market competition.

Social Sponsorship

Social sponsorship is a kind of actions taken by enterprises to contribute to the society and is an activity of manifesting the excellent social image of enterprises through the comprehensive utilization of various resources of enterprises. Under the highly developed modern market economic conditions, Fosun is deeply aware that economic organizations living in today’s society, in addition to considering their own interests, must also assume certain social responsibilities and obligations to show that they are members of the society and shall contribute their efforts to the society. Social sponsorship is an effective way for enterprises to gain trust and support from all sectors of the society and the general public in communities and implement community benefits constantly through corporate behaviors.

Fosun and its portfolio companies adhere to the following principles when engaging in social sponsorship-related activities: enhance the sponsorship awareness of all staff particularly enterprise leaders; regard sponsorship activities as a form of contribution to communities; specify the purpose of sponsorship, conduct investigations and researches, carefully select the target for sponsorship, develop a detailed sponsorship plan, strengthen communication with news media when implementing the plan, increase the effectiveness of the activities themselves as much as possible, pay attention to inspection and assessment after finishing the activities, and summarize experience and lessons for future sponsorship activities; for other sponsorship requests made by some groups in the community or the public which are beyond the scope of the capacity of enterprises, provide serious explanations or turn to the relevant government departments to help solve the problem.

Community Security

The legal environment of a community not only affects the normal life of community residents but also affects the normal production and operation activities of enterprises. Therefore, both the community public and enterprises should put emphasis on the construction of their surrounding security environment and should make their due contribution to improve the security situation of the surrounding environment. Fosun has always adhered to compliance with the law and regards compliance as the core requirements of enterprises. Once any violation of the rules and regulations is found within enterprises, it will maintain a zero tolerance strategy and deal with the violation resolutely and severely. Community security is of vital importance in the normal production, operation and life of enterprises. While adopting a stringent approach for themselves, Fosun’s portfolio companies attached great importance to the stability and security of the surrounding communities. We believe that enterprises are more powerful and organizational members within communities with relatively strong human, financial and material resources and should assume the corresponding responsibility. We actively participate in communities’ anti-crime activities among citizens and assist communities in containing and eliminating hidden dangers in communities.

Collaborative Development

Fosun firmly believes that achieving collaborative development with communities is a high-level goal for enterprises to engage in community activities and it is presented through the formation of increasingly close common interest groups by enterprises and communities. During the specific implementation of the regional collaborative strategy, we adhere to the following ideas:

With the deepening of operational behavior of enterprises, Fosun members should gradually get rid of the intrinsic awareness of emphasizing the completion of economic targets and disposing the link with the community economy and should recognize that the comprehensive and stable development of communities is an important support for maintaining the economic power of enterprises and should fully establish the economic ties between enterprises and communities. For the community public, we actively promote the reciprocal relationship between enterprises and the public so as to lead the public to believe that through reasonable reciprocal and mutual exchange channels, the public can conveniently obtain quality products and services provided by Fosun and feel the benefits of community enterprises. At the same time, we establish the ideas of respecting communities and sharing both honor and disgrace with communities, implant the awareness of service and development to establish the habit of dealing with and solving stakeholder issues in proper consultation with all sectors of communities.

Commitment to the Public & Shareholders

Fosun Group timely discloses important information and communicates its latest developments through various forms such as shareholders’ meetings, press conferences, annual report conferences, announcement published on the Hong Kong Stock Exchange’s website, communication with analysts, meetings with investors, maintenance of the website of the Company concerning investor relations and dissemination of investor’s newsletter, etc. Fosun considers that effective communication with shareholders is essential for enhancing investor relations and investors’ understanding of the Group’s business performance and strategies. Fosun also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide a forum for communication between the Board and the shareholders. The Chairman as well as the Chairman of the Audit, Remuneration and Nomination Committees and the Chairman of the independent Board committee, are available to answer questions at general meetings.

There are no changes in the Articles of Association during the Reporting Period. The up-to-date version of the Articles of Association is available on the Company’s website and the Hong Kong Stock Exchange’s website.

The Company endeavors to distribute material information about the Group to the public. To promote effective communication, the Company maintains a website at www.fosun.com, where information and updates on the Company’s business developments and operations, financial information and other information are available to the public.

A shareholders’ communication policy for enhancement of the corporate governance had been established and the Board had reviewed the shareholders’ communication policy during the Reporting Period.
Commitment to Customers and Investees

Create value for customers through services

Fosun emphasizes services to investors of capital under its management. On the one hand, Fosun established a soft environment full of care, attentiveness and support for them; on the other hand, it provides personalized and targeted support and services, caring for both the businesses of investors and their health and well-being. Fosun tries to help them out by using various resources accumulated by it.

Supply Chain Management

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

In order to achieve the further standardization, systematization, informatization and sharing of procurement business management of the Group and enterprises controlled by it, this Group has developed and promulgated the “Procurement White Paper”. The Procurement White Paper has compiled procurement management systems that have been promulgated by the Group: “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” and “Procurement-related Complaints Handling Management Regulations”. In addition, the Procurement White Paper has also made clear provisions or guidelines in the aspects of procurement system construction, procurement business implementation management, supplier management, procurement resource sharing, procurement management information system and procurement professional ethics.

On the basis of building systematic procurement, the Group has established the procurement and tender information platform (ap.fosun.com) to provide convenient services to portfolio companies within the Group, and further developed towards the direction of meticulous management, providing supply chain services and enhancing internal customer experience. Meanwhile, the Group 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 two segments of credit, procurement, supply chain, financial services and integrated services, and promoted the construction of solutions for a number of industries. Up to now, the “One Link Network” platform has covered nearly 175 portfolio companies within the Group, bringing together resources of more than 21,500 suppliers.

Fulfillment of the Commitment to Employees

As an investment-oriented group, Fosun regards its employees as its most valuable capital. Fosun has been aiming to become the best employer and the best platform for employees to realize their value. We fully protect the interests of employees, improve the employee incentive schemes, and provide employees with humanistic care and services. We are always concerned with the personal development of our staff, emphasize the importance of cultivating outstanding talents with an international perspective, provide professional and systematic training and career development planning and platform so as to allow both the Company and our employees to develop together.

Human Resources

As of 31 December 2016, Fosun International and its subsidiaries had approximately 53,000 employees.

In 2016, Fosun’s key initiatives of human resources were focusing on urging the Group’s platform, Unicorn and C2M strategy. In order to improve the effect of talent management and build an elite organization, we further clarified Fosun’s talent concepts, attracted and forged both elite individuals and elite teams; optimized and promoted the multi-dimensional Partnership Model around the Group; innovated the talent management mechanism, edging the organizational and talent structure.

We further optimized the mechanism of Recruitment Committees. Benefitting from the internal referral system, the success rate of talent acquisition was increased. To support the Group’s global business development, we strengthened the implementation of globalized talent strategy. By organizing the global campus recruitment again, a batch of “post-90s” excellent investment personnel were recruited successfully from domestic and overseas top universities and colleges, young talents for implementing our global deployment strategy. The function of “handy business school” was utilized constantly to create and explore various learning opportunities, linking up potential talent training camps at various stages. Through establishing a mobile e-learning platform, conducting proprietary research and development and introducing integrated and shared learning resources, fragmented time was fully utilized to attain continuous learning effect.

Through adjusting the organization structure, a flat organization was organized to enhance organization capabilities and efficiency. More transparency was provided on promotion criteria and career path for talents. Meanwhile, further improvements were made to the “partnership models” at various levels and to all ancillary measures for implementing the global partner Share Optimize Scheme, key talent Share Award Scheme and other incentive programs. Continuous efforts were exerted to optimize and enhance the effectiveness of various incentive mechanisms.

To align the interests of investment personnel with those of the shareholders, the Group optimized the Co-investment Management Policy, implemented the incentive concept for co-investment mechanism of “sharing gains and risks”, and further improved the processes of co-investment and incentive control.
We have always put environmental protection, occupational health, safety production and quality control (EHSQ) as an important part of the fulfillment of social responsibility, which is embedded in the Company’s sustainable development strategy. In 2016, according to the new situation, the Group renewed the “Safety, Quality and Environment Policy of Fosun Group” again and it was fully implemented in companies within the Group.

Policies

1. To comply with environmental protection laws and regulations and the government’s emission standards and requirements, constantly improve management and use advanced technology to reduce waste gas, waste water, solid waste and greenhouse gas emissions during the life cycle of enterprises, and strive to minimize the impact on the environment;

2. To make good use of and treasure resources, improve production technology so as to effectively use natural resources, carry out energy conservation and emission reduction, and constantly adopt more environmentally friendly raw materials;

3. To reduce the impact of production operations on natural resources, protect the environment of mining areas, and actively carry out mine geological disaster and environmental management;

4. To provide a safe working environment for employees and protect employees and contractor personnel from occupational injuries;

5. To provide customers with safe products and services, and strive to achieve excellence.

For details, please refer to “Safety, Quality and Environment Policy of Fosun Group”.
Environmental Protection

As an investment group, 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 through 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, the Group 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 the standards and regulations. The Group actively encourages and supports enterprises to respond to the government’s call for implementing energy-saving and emission reduction projects to improve the utilization of natural resources and reduce environmental impacts. Through the implementation of Fosun Group’s EHS management framework system, and while conducting systematic and standardized management of the enterprise’s environmental protection work, the Group actively encouraged its portfolio companies to obtain the ISO14001 certification, and as of 2016, a total of 12 companies have passed this certification.

Steel

In 2016, Nanjing Nangang Iron & Steel United Co., Ltd. ("Nanjing Nangang"), one of our portfolio companies, strictly abided by environmental laws and regulations, consciously fulfilled social responsibility and invested RMB10 million in stepping up efforts in pollution control. In particular, the Group’s sinter and pellet desulfurization facilities to improve the efficiency of desulfurization and approximately 17,400 tonnes of sulphur dioxide were removed for the full year.

Disposal of solid waste

Nanjing Nangang controlled the amount of hazardous waste generated at the source through clean production and reduced the impact of solid waste on the environment through comprehensiva utilisation and other measures. In 2016, Nanjing Nangang in aggregate disposed of 123.12 tonnes of waste oil, 89.182 tonnes of waste oil drums and 57.46 tonnes of waste lead-acid batteries in accordance with the laws and regulations. The company comprehensively reused 1,338.4 tonnes of waste tar residue, 2,237 tonnes of biochemical sludge, 1,109,700 tonnes of converter steel slag, 2,937,500 tonnes of blast furnace slag and 810,800 tonnes of other smelting slag.

Energy Saving and Emission Reduction

Nanjing Nangang insisted on implementing clean production projects. Through its unremitting efforts, all indicators were generally higher than the primary standard for clean production in the PRC. Nanjing Nangang has passed the ISO14001 environmental management system and GB/T23331 energy management system certification, and becomes a "national circular economy standardized pilot unit" in the steel industry in China. Signing a carbon emission reduction purchase agreement with the World Bank, it is the first steel industry project for "carbon financing" of the World Bank.

Dragons waste water, waste gas emissions:

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>Cleaner Production</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx (kg/t.steel)</td>
<td>≤0.006</td>
<td>0.99</td>
<td>0.67</td>
<td>0.39</td>
<td>0.40</td>
</tr>
<tr>
<td>SO2 (kg/t.steel)</td>
<td>≤0.06</td>
<td>1.114</td>
<td>1.091</td>
<td>1.019</td>
<td>1.023</td>
</tr>
<tr>
<td>Smoke dust (kg/t.steel)</td>
<td>≤3.5</td>
<td>0.90</td>
<td>0.73</td>
<td>0.418</td>
<td>0.488</td>
</tr>
<tr>
<td>CO2 (kg/t.steel)</td>
<td>≤0.6</td>
<td>0.024</td>
<td>0.025</td>
<td>0.028</td>
<td>0.017</td>
</tr>
<tr>
<td>Ammonia nitrogen (kg/t.steel)</td>
<td>≤0.8</td>
<td>0.00057</td>
<td>0.0004</td>
<td>0.0006</td>
<td>0.0006</td>
</tr>
<tr>
<td>Water consumption (m³/t.steel)</td>
<td>≤3.5</td>
<td>3.58</td>
<td>3.58</td>
<td>3.14</td>
<td>3.15</td>
</tr>
<tr>
<td>Energy consumption (kg/t.steel)</td>
<td>≤3.5</td>
<td>0.5454</td>
<td>0.5400</td>
<td>0.5441</td>
<td>0.5274</td>
</tr>
</tbody>
</table>

Disposal of solid waste

Nanjing Nangang Iron & Steel United 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 through 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, the Group 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 the standards and regulations. The Group actively encourages and supports enterprises to respond to the government’s call for implementing energy-saving and emission reduction projects to improve the utilization of natural resources and reduce environmental impacts. Through the implementation of Fosun Group’s EHS management framework system, and while conducting systematic and standardized management of the enterprise’s environmental protection work, the Group actively encouraged its portfolio companies to obtain the ISO14001 certification, and as of 2016, a total of 12 companies have passed this certification.
Case: Environmental improvement measures

1. Sintering machine tail dust removal efficiency enhancement

Nanjing Nangang strengthened the management of environmental protection facilities to ensure the emission of all kinds of pollutants according to standard, satisfactorily completed the emission reduction target issued by the municipal government, successfully passed the inspection by the Central Supervision and Inspection Group for Environmental Protection and Inspected the test of 2020 Summit environmental management and control. The plant environment and environmental management work of Nanjing Nangang were recognized and well-received by the environmental protection authorities of the government and Nanjing Nangang was accredited as a clean production environmentally friendly enterprise by China Iron and Steel Association.

2. Sintering machine dust removal efficiency enhancement

In addition, as a mining enterprise which is engaged in the mining of natural resources, Hainan Mining attaches great importance to geological hazard and environmental management and has invested large sums of funds through the years in mine geological disaster and environmental management, which has been recognized by the government. Hainan Mining carried out mine rehabilitation, tree planting and greening. 300,000 Acacia Confusa trees were planted in the 280m dumping area. Good results were achieved in environmental protection emission, energy saving and emission reduction. The industrial wastewater discharge compliance rate was 100% and the exhaust emission compliance rate was 100%. In particular, the water cycle utilization rate has been greatly improved, reaching 91%.

Minning

Hainan Mining attaches great importance to environmental protection. In 2016, effective monitoring data for various kinds of pollutants exceeded nearly 20,000. Both the annual self-monitoring result and the supervisory monitoring result met the standard. Good results were achieved in environmental protection emission, energy saving and emission reduction. The industrial wastewater discharge compliance rate was 100% and the exhaust emission compliance rate was 100%. In particular, the water cycle utilization rate has been greatly improved, reaching 91%.

Pollutant emission targets statistics are as follows:

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste water</td>
<td>169.8</td>
<td>169.2</td>
<td>169.4</td>
</tr>
<tr>
<td>Ammonia nitrogen</td>
<td>5.43</td>
<td>2.65</td>
<td>1.21</td>
</tr>
<tr>
<td>Suspended solids</td>
<td>130.40</td>
<td>84.32</td>
<td>26.01</td>
</tr>
<tr>
<td>Solid waste</td>
<td>No statistics</td>
<td>30</td>
<td>23.3</td>
</tr>
</tbody>
</table>

In 2016, Fosun Pharma's COD emissions totaled 490 tonnes, an increase of 0.5% over 2015. Ammonia nitrogen emissions totaled 65.5 tonnes, an increase of 8.1% over 2015. All portfolio companies not standards for the discharge of wastewater pollutants and continued to achieve up-to-standard discharge, without being subject to any penalty for excessive wastewater discharge or receiving any complaints from surrounding communities about wastewater discharge.

In 2016, Fosun Pharma continued to replace the coal-fired boilers in use by following the relevant requirements for air pollution emission, including various enterprises such as Beihai Wanbang Pharmaceutical Co., Ltd. ("Wanbang Pharmaceutical"), Huan Haining Pharmaceutical Co., Ltd. ("Haining Pharmaceutical"), Zhejiang Lushi Blood Transfusion Equipment Co., Ltd. ("Lushi Transfusion"), Shine Star (Huabei) Biological Engineering Co., Ltd. ("Shine Star") renovated the internal environmental protection facilities to reduce the particulates in air pollutants produced by coal-fired boilers. Such improvement in aggregate reduced airborne particulates by approximately 91 tonnes. In 2016, Chongqing Carelife Pharmaceutical Co., Ltd. was imposed a violation administrative penalty for failing toNormally open the air treatment fan (air pollution control device). The management of the enterprise immediately took initiatives such as opening the pollution control device, started an investigation into the incident and accountability after learning this, and at the same time, strengthened environmental management. This incident did not cause any serious environmental impact. Besides, there were no other violation incidents in respect of air pollution.

Discharge of three wastes (waste water, waste gas and solid waste) of Fosun Pharma:

<table>
<thead>
<tr>
<th>Item</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total waste water</td>
<td>5,817,486</td>
<td>6,265,081</td>
<td>6,787,508</td>
</tr>
<tr>
<td>Solid waste</td>
<td>440</td>
<td>440</td>
<td>440</td>
</tr>
<tr>
<td>Total waste gas</td>
<td>1,773,100,91</td>
<td>2,051,71,092</td>
<td>No statistics</td>
</tr>
<tr>
<td>Total hazardous waste</td>
<td>No statistics</td>
<td>952.4</td>
<td>1,027.1</td>
</tr>
</tbody>
</table>

For the detailed data, please refer to the CSR reports of Fosun Pharma in 2015.

In 2016, Fosun Pharma's COD emissions totaled 490 tonnes, an increase of 0.5% over 2015. Ammonia nitrogen emissions totaled 65.5 tonnes, an increase of 8.1% over 2015. All portfolio companies not standards for the discharge of wastewater pollutants and continued to achieve up-to-standard discharge, without being subject to any penalty for excessive wastewater discharge or receiving any complaints from surrounding communities about wastewater discharge.

In 2016, Fosun Pharma summed up water resource and energy consumption and the results compared to 2015 were as follows:

1) Water consumption and unit water consumption intensity: Total water consumption was 8,769,376 tonnes, an increase of 52,439 tonnes or 0.6% over 2015. The water consumption per RMB10,000 output value was 80,860.9 m3/t, declining from 80,856.7 m3/t in 2015 to 80,860.9 m3/t in 2016. enterprises such as Beihai Wanbang Pharmaceutical Co., Ltd. ("Wanbang Pharmaceutical"), Huan Haining Pharmaceutical Co., Ltd. ("Haining Pharmaceutical"), Zhejiang Lushi Blood Transfusion Equipment Co., Ltd. ("Lushi Transfusion"), Shine Star (Huabei) Biological Engineering Co., Ltd. ("Shine Star") renovated the internal environmental protection facilities to reduce the particulates in air pollutants produced by coal-fired boilers. Such improvement in aggregate reduced airborne particulates by approximately 91 tonnes. In 2016, Chongqing Carelife Pharmaceutical Co., Ltd. was imposed a violation administrative penalty for failing toNormally open the air treatment fan (air pollution control device). The management of the enterprise immediately took initiatives such as opening the pollution control device, started an investigation into the incident and accountability after learning this, and at the same time, strengthened environmental management. This incident did not cause any serious environmental impact. Besides, there were no other violation incidents in respect of air pollution.

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Safety Management

To ensure enterprises are operated in accordance with the laws and regulations, reduce and eliminate environment/health/safety (EHS) risks and implement the Group’s social commitment in respect of EHS, the Group issued a framework standard for the environment/health/safety (EHS) management system manual and the audit system in 2013. The system is established based on OHSAS18001, ISO14001 and national production safety standardization and comprises two sections, namely system management elements, environment, safety, occupational health, fire protection and loss prevention. According to the scores, the EHS management standard and on-site equipment, technology and the actual management status of staff operation of enterprises are divided into five grades from low to high (0~1.5, 1.6~2.5, 2.6~3.5, 3.6~4.5, 4.6~5) for quantitative evaluation. Enterprises with relatively low scores (less than 1.5 points) are included in red light enterprises for focused supervision, at the same time, the audit results are linked to the KPI (key performance index) of the leadership of units subject to audit, which has vigorously ensured that the EHS management standard system is effectively carried out in the enterprises. While actively implementing the standards of Fosun Group’s EHS management system framework, the Group actively encourages its portfolio companies to obtain the OHSAS18001 certification and the certification of national safety production standardization. As of 2016, a total of 11 companies have obtained the OHSAS18001 certification, and all the companies have passed the third-grade appraisal of safety production standardization as required, of which 12 companies even voluntarily went further to obtain the second-grade certification of national safety production standardization.

EHS System Audit

The Group is committed to providing a safe and comfortable working environment for its employees. In order to keep in line with the International Safety Performance Indicator System, the Group issued the "Occupational Health, Safety and Environmental Protection Performance Indicators Management Procedure of the Safety and Environmental Protection Special Standard of Fosun Group" in September 2016, requiring the enterprises to report all lost time injury and the frequency of such cases and other EHS leading indicators, which has further enhanced and refined EHS management.

Product Liability

The Group firmly believes that product quality is the core of product strength. We strive for excellence and make use of advanced quality control methods and means such as the implementation of Lean Six Sigma Management to strive to provide customers with safe and high-quality products. The portfolio companies of the Group have established the product recall system in accordance with the laws and regulations and the relevant management system of the state to ensure that they can take effective measures to quickly recall products in accordance with the product recall system in the event of a quality accident. Fosun Pharma complied with national/international product quality and product safety laws and regulations and affixed product labels in accordance with the national/international standards. All pharmaceutical portfolio companies firmly implemented GMP standard quality system construction. Under the Group’s management platform, the pharmaceutical enterprises were facilitated to establish quality systems meeting the new GMP requirements through such forms as quality management system audit, site inspection, etc. Fosun Pharma also implemented quality risk management in an all-round manner based on the new domestic GMP and international CQMP requirements. Medical diagnostic portfolio companies followed the "Medical Devices Supervision and Management Regulation" and ancillary regulations, particularly significant changes in new product registration. All portfolio companies made contingency plans and formulated management systems such as the preparation, verification, approval and change of all levels of production control documents to meet the requirements stipulated in the registration management measures. We attach great importance to the safety of pharmaceutical products and strictly implement the "Reporting and Monitoring Management System for Adverse Drug Reactions" to strictly monitor adverse drug reactions and report the data.

Fosun emphasizes the construction quality of real estate, adheres to establishing brands with quality and implements them in the various stages of project construction. There were also a number of outstanding projects emerging in 2016 and two selected projects are briefly described as follows:

**Forte Financial Island in Chengdu**

Forte Financial Island was recognized as “Standardized Construction Site of Chengdu”, "Standardized Construction Site of Sichuan" and "Green Site of Chengdu”. It hosted the "Construction Quality and Safety Standards On-site Observation Meeting of Sichuan Province for 2016" and accepted the on-site inspection conducted by the Ministry of Housing and Urban-Rural Development in December 2016 and was highly appraised.

**Xinghong Hefei Financial Innovation City**

Xinghong Hefei Financial Innovation City won the titles of "Safe and Civilized Construction Site of Anhui Province" and "High-Quality Structural Project of Hefei".

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<table>
<thead>
<tr>
<th>EHS System Audit</th>
<th>Hainan Mining EHS System Audit captions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EHS activities of Hainan Mining</strong></td>
<td><strong>Product Liability</strong></td>
</tr>
<tr>
<td><strong>Firefighting emergency drill</strong></td>
<td>The Group firmly believes that product quality is the core of product strength. We strive for excellence and make use of advanced quality control methods and means such as the implementation of Lean Six Sigma Management to strive to provide customers with safe and high-quality products. The portfolio companies of the Group have established the product recall system in accordance with the laws and regulations and the relevant management system of the state to ensure that they can take effective measures to quickly recall products in accordance with the product recall system in the event of a quality accident. Fosun Pharma complied with national/international product quality and product safety laws and regulations and affixed product labels in accordance with the national/international standards. All pharmaceutical portfolio companies firmly implemented GMP standard quality system construction. Under the Group’s management platform, the pharmaceutical enterprises were facilitated to establish quality systems meeting the new GMP requirements through such forms as quality management system audit, site inspection, etc. Fosun Pharma also implemented quality risk management in an all-round manner based on the new domestic GMP and international CQMP requirements. Medical diagnostic portfolio companies followed the &quot;Medical Devices Supervision and Management Regulation&quot; and ancillary regulations, particularly significant changes in new product registration. All portfolio companies made contingency plans and formulated management systems such as the preparation, verification, approval and change of all levels of production control documents to meet the requirements stipulated in the registration management measures. We attach great importance to the safety of pharmaceutical products and strictly implement the &quot;Reporting and Monitoring Management System for Adverse Drug Reactions&quot; to strictly monitor adverse drug reactions and report the data. Fosun emphasizes the construction quality of real estate, adheres to establishing brands with quality and implements them in the various stages of project construction. There were also a number of outstanding projects emerging in 2016 and two selected projects are briefly described as follows:</td>
</tr>
</tbody>
</table>
| **Dragons hidden rectification of Hainan Mining** | **Forte Financial Island in Chengdu**
| **Mechanic guarding rectification** | Forte Financial Island was recognized as “Standardized Construction Site of Chengdu”, "Standardized Construction Site of Sichuan" and "Green Site of Chengdu”. It hosted the "Construction Quality and Safety Standards On-site Observation Meeting of Sichuan Province for 2016" and accepted the on-site inspection conducted by the Ministry of Housing and Urban-Rural Development in December 2016 and was highly appraised. |
| **Carrying out anti-corrosion works** | **Xinghong Hefei Financial Innovation City**
| | Xinghong Hefei Financial Innovation City won the titles of "Safe and Civilized Construction Site of Anhui Province" and "High-Quality Structural Project of Hefei". |
Fosun endeavors to fulfill corporate social responsibility by participating in voluntary works in Hong Kong.

As a renowned non-state-owned Chinese company listed in Hong Kong, Fosun has always been focusing on the sustainable development for its shareholders, investors, media, communities and other stakeholders. This year, Fosun received the “Caring Company” award by The Hong Kong Council of Social Services in recognition of Fosun’s long-term commitment to promoting corporate social responsibility and its continuous efforts in these aspects, namely “Caring for the Community”, “Caring for the Employees”, and “Caring for the Environment”.

In 2016, Fosun participated in the “Heart to Heart Project” organized by The Hong Kong Federation of Youth Groups (HKFYG) and became one of the “Heart to Heart Companies”. Through sponsoring Hong Kong teenagers and schools to organize volunteer activities in the neighborhood, Fosun was able to foster the values of making contribution to the society and serving the community.

In October 2016, Fosun organized “Organic Farm Day” with the organic farm of HKFYG. Fosun’s staff brought primary school students from Hong Kong’s low-income families, and provided these students with opportunities to learn about and gain a taste of organic life. This was aimed at instilling the awareness of cherishing natural environment in Hong Kong’s new generation.

In January 2017, Fosun sponsored community project “Neighborhood First” for HKFYG, and organized neighborhood Lunar New Year reunion dinner to enable the elderly who live alone, low-income families, Comprehensive Social Security Assistance families and people with disabilities to experience the festive care from others, so as to express Fosun’s care for the underprivileged communities.

Fudan–Fosun Health Dream Fund

In June 2016, Fudan–Fosun Health Dream Fund Awards Ceremony was held in Fudan University. It was the first time that Fudan–Fosun Health Dream Fund was presented. After the recommendation of various departments and affiliated hospitals and the collective review by the committee, 30 people won Excellent Teacher of Shanghai Medical College Award in 2015, and 8 people won Hospital Management Award.

At the 110th Anniversary of Fudan University, the Group donated RMB100 million through Fosun Foundation to establish “Fudan–Fosun Health Dream Fund”. The fund was mainly used for the construction of Fudan University No.1 Medical Research Building, to support the medical development strategy of Fudan, recognize teams and individuals who make outstanding contributions in medical research, innovation management, advancement and education, promote the dissemination of the concept of health, help to improve the level of medical services, benefit people and uphold “Chinese Dream” with “Health Dream.”

The Group promoted Sino–German exchanges and made donation to Goethe University

In October 2016, the Group and the German private bank H&A held “Fosun Night” in Frankfurt. In the event, Fosun Foundation donated exchange scholarship to Johann Wolfgang Goethe-Universität Frankfurt am Main (namely Goethe University) and provided German students with opportunities to exchange and study in Chinese first-class universities in the next three years. The move was the commitment of the Fosun Foundation in supporting education for a long-term and attaining importance to the cultural and educational exchanges between China and Germany. The event was another attempt of “breaking down walls and building bridges” in Fosun’s partnership with German enterprises, which further promoted the economic and cultural exchanges between China and Germany.

Fosun Charity Night Concert

In September 2018, the concert “Love of the New World — Fosun Charity Night” hosted by the Fosun Foundation was held at Shanghai Symphony Hall. The revenue of the concert will be used to support the development of public health programs. The concert was the first time that Fosun Foundation held a public performance. In the future, such public shows will be regularly held every year to create a well-known public event in Shanghai.

Charity Class of Parkinson Rehabilitation Treatment Aided by Tai Chi

In cooperation with Ruijin Hospital, Fosun explores the effectiveness of Tai Chi in adjuvant therapy for Parkinson’s disease, and launched a long-term charity program for Parkinson treatment aided by Tai Chi. The first charity class of Parkinson rehabilitation treatment aided by Tai Chi was held in 2016, and more than 20 participating patients had shown different degrees of improvement and significant improvement in their body balance, and all the costs of these participants were borne by Fosun Foundation.

Fosun Foundation

Fosun Foundation (Shanghai) is a non-profit organization launched and supported by the Fosun Group and Fosun Foundation. The center is located in the Bund Fincos 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 East and West, it resembles both an ancient Chinese crown and a Western harp. For several hours each 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 discriminating array of exhibitions, the center also organizes a wide variety of educational programs. Through those talks, forums, film screenings, workshops, and other public events, 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.
## Statement of Donation Received by Shanghai Fosun Foundation

**Period:** January 2016 – December 2016  
**Unit:** RMB

<table>
<thead>
<tr>
<th>Item</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fudan University Education Development Foundation</td>
<td>15,000,000.00</td>
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<tr>
<td>Shanghai Symphony Development Foundation</td>
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<tr>
<td>Longteng Jingying International Model Agency (Beijing) Co., Ltd.</td>
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<td>Shanghai Chamber of Commerce of Zhejiang Foundation</td>
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<td>Shanghai Chen Style Tai Chi Chen Xiaowang Chinese Boxing Research Society</td>
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<td>Shanghai Education Development Foundation</td>
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<tr>
<td>Shanghai Theatre Academy</td>
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<td>Shanghai Biopharmaceuticals Industry Association</td>
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<td>China Anti-Tuberculosis Association</td>
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<td>Zambthing County Tibetan Temple wwo</td>
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<tr>
<td>China Glory Society</td>
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<td>Dongyang City Department of Finance non-tax revenue settlement account</td>
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<td>Chinese Association of plastic surgery</td>
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<td>Beijing STS Charity Foundation</td>
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<td>Shanghai Charity Foundation</td>
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<tr>
<td>Chengsong Pavilion of Shanghai</td>
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<td>City God Temple of Shanghai</td>
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<td>Shanghai Ong Yin Network Technology Co., Ltd.</td>
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<td>Shanghai Fuxing High School are</td>
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<tr>
<td>PramericaFosun Life Insurance Company Limited</td>
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<td>Hangzhou Eagle Golf Leisure Holidays Ltd.</td>
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<td>UNICEF China Office</td>
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<td>Beijing Gui Xinci good foundation</td>
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<td>Ming Yang Weng</td>
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<td>Shanghai Population Welfare Foundation</td>
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<td>Shanghai New Shanghai Business Federation</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>40,741,677.00</strong></td>
</tr>
</tbody>
</table>

## Balance Sheet of Fosun Foundation

**Date:** December 31, 2016  
**Prepared by:** Fosun Foundation  
**Unit:** RMB

<table>
<thead>
<tr>
<th>Asset</th>
<th>Line</th>
<th>Beginning Balance</th>
<th>Ending Balance</th>
<th>Liability &amp; Net Asset</th>
<th>Line</th>
<th>Beginning Balance</th>
<th>Ending Balance</th>
</tr>
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<tbody>
<tr>
<td><strong>Current assets:</strong></td>
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<tr>
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<td>12,497,273.14</td>
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<td>Short-term investments</td>
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<td>Advance payments</td>
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<td>Inventories</td>
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<td>Prepaid and deferred expenses</td>
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<tr>
<td>Other current assets</td>
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<tr>
<td><strong>Subtotal of current assets</strong></td>
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<td>15,029,900.00</td>
<td>12,497,273.14</td>
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<td><strong>Long-term investments:</strong></td>
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<td>Long-term equity investments</td>
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<tr>
<td>Long-term debt investments</td>
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<td><strong>Subtotal of long-term investments</strong></td>
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<td><strong>Fixed assets:</strong></td>
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<td><strong>Total liabilities and net assets</strong></td>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
<td>12,497,273.14</td>
<td>12,497,273.14</td>
</tr>
</tbody>
</table>

**Total liabilities and net assets**

- **Unlimited net assets:** 101 14,997,790.48 12,497,273.14
- **Limited net assets:** 105
- **Net assets:** 110 14,997,790.48 12,496,677.51

**Total:** 60 12,497,273.14 12,497,273.14

**Total liabilities and net assets:** 120 15,029,900.00 12,497,273.14
Self-improvement, Teamwork, Performance, Contribution to Society