



# 中國再保險(集團)股份有限公司

CHINA REINSURANCE (GROUP) CORPORATION

(A joint stock limited company incorporated in the People's Republic of China)

Stock Code : 1508



## 2017

## Corporate Social Responsibility Report

### 專業 讓保險更保險

EMPOWER YOUR INSURANCE **BY EXPERTISE**

# About This Report

This report is a disclosed Social Responsibility Report (or Environmental, Social and Governance Report) of China Reinsurance (Group) Corporation. This report aims at responding to stakeholders' expectation and demonstrating its concept, management, actions and performance related to environment, social, corporate governance and sustainable development.

## Reporting Reference

This report is prepared according to the *Environmental, Social and Governance Reporting Guide (ESG Reporting Guide)* (the Appendix 27 of the *Hong Kong Listing Rules*), and the *Guide for Social Responsibilities Fulfillment in the Insurance Industry* issued by the former China Insurance Regulatory Commission. This report also refers to the *Sustainability Reporting Guidelines(G4.0)* issued by the Global Reporting Initiative (GRI), the *Chinese Corporate Social Responsibility Report Preparation Guide (CASS-CSR 3.0)* issued by the Chinese Academy of Social Sciences and other national and international CSR reporting guidance.

## Scope of the Report

Unless otherwise stated, this report covers the Company and its subsidiaries including China Re P&C, China Re Life, China Continent Insurance, China Re AMC and Huatai Insurance Agency.

## Source of Report Data

The key financial data contained in this report are extracted from *Announcement of Annual Results For the Year Ended 31 December 2017* disclosed on the website of the Hong Kong Stock Exchange and the official website of China Re by China Re, and other data are mainly sourced from internal management systems of the Company.

## Reporting Period

1 January 2017–31 December 2017. Some contents are sourced from historical data as appropriate.

## Reporting Specification

Unless otherwise stated, 'Yuan' in the report stands for RMB.

## Reporting Cycle

This report is an annual report.

## Access to the Report

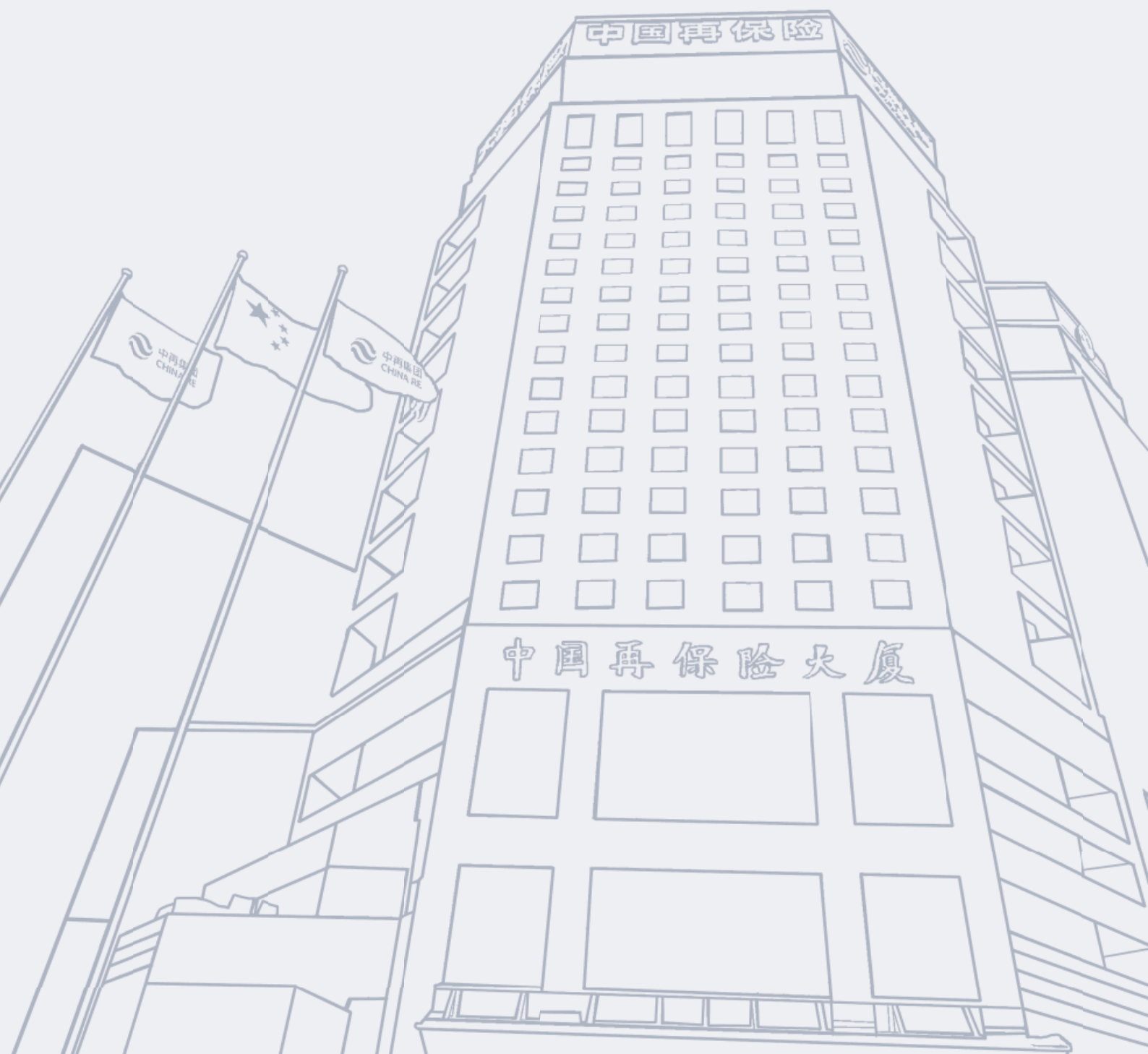
This Report both in Chinese and English version can be browsed or downloaded on the website of the Hong Kong Stock Exchange or China Re.

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# About China Re



China Re was co-founded by the Ministry of Finance and Central Huijin. China Re conscientiously fulfills its function of a reinsurer for the nation. It has rich heritage and experience, strong advantage in local resources, huge client base and diversified domestic and foreign business channels. On 26 October 2015, China Re was listed on the main board of the Hong Kong Stock Exchange, being the first reinsurance group listed in Hong Kong (Stock code: 01508.HK).

In 2017, China Re's business showed a rapid growth. Its consolidated gross written premiums amounted to RMB105.336 billion and its growth rate recorded a new high level for recent years. Total assets reached to RMB242.800 billion and net assets reached to RMB75.370 billion as of 31 December 2017. Its market position remained stable, overall operating results continued to rise, and international ratings maintained. Its rating by A.M. Best remained "A" (excellent) and its rating by S&P Global Ratings remained "A".

China Re adheres to the "reinsurance as the core business", promotes development with innovation, actively performs the functions of the national reinsurance, and promotes the development of the industry. China Re boasts a wealth of industry data, outstanding professional and technical prowess and superior capacities for product innovation. It also has experienced management and technical teams delivering efficient consolidated management and control, prudent risk management and solid operation and management.

China Re will continue to take product innovation, model innovation, and mechanism innovation as the three breakthroughs to improve the assessment mechanism, strengthen project management, and build a cooperative culture based on the three key strategies of innovation-driven, collaborative development, and fission growth. China Re will hold the bottom line of risk to achieve high-quality development and create more value for clients and shareholders.



# Message from the Chairman



In 2017, China Reinsurance Group responded to the requirements of national and industrial development. Guided by the “One-Three-Five” strategy, we accelerated innovation, synergies and fission to bolster national strategies. We served the real economy, optimized its management and control mechanisms, and effectively forestalled risks. Therefore, not only the overall operating results continued to rise, but positive progress was also made in the reform and development.

In 2017, China Re continued to establishing a high-standard environment, social and governance system. While promoting the development of the enterprise, we actively participated in the integration of social development and ecological improvement. To support and serve national strategies, we bravely took on the role as a pioneer in the field of risk management for the Belt and Road Initiative. We initiated the launch of the B&R Initiative International Insurance and Reinsurance Pool and co-founded China Security Pool in order to build the brand of “National Insurance and Reinsurance for Chinese Nationals”. We also served as the managing institution of the B&R Insurance Consortium of Singapore and contributed to the establishment of BRICS countries Insurance and Reinsurance Collaboration and Support Framework to provide China’s overseas interests in 118 countries and regions with localized services. As the leader of catastrophe risk management, we set up China Reinsurance Catastrophe Research Center and co-founded China’s laboratories on risks and insurance for earthquake, flood and agriculture to help build the national disaster management system. With the blueprint of “China Re Digital” drawn, we defined the IT strategy of “converging resources, building platforms and creating eco-systems, being driven by five major trends and the mode of ‘One Body, Two Wings’ (This pattern is for making China Re more competitive to serve national development strategy, domestic insurance industry and international business development.)” to promote the application of new technologies such as artificial intelligence and cloud computing. We signed general strategic cooperation agreements with a number of provincial-level governments and state-owned enterprises to fully promote the implementation of major projects. We became the constructor and the chief reinsurer of the Inherent Defect Insurance (IDI) platform for construction projects in Shanghai. We also continued to strengthen the efforts in preventing systemic financial risks and improving the internal regulatory system and to reinforce its risk



management capabilities. We also proactively brought into play our professional advantages in the fields of insurance and reinsurance and our advantages of platform in the insurance industry. In this regard, we conducted in-depth research on catastrophe risk and developed ecology-and-environment-related insurance products, while striving to reduce the impact of the operations on the environment. For instance, we advocated green office and fewer company cars and encouraged employees to opt for low-carbon means of travel as we committed ourselves to environmental protection.

In 2017, China Re innovated and continuously enriched the “1+N” targeted poverty alleviation model, increasing substantially the amount of poverty-relief funds. The model covered poverty alleviation through insurance and education, dilapidated housing renovation, and twinning for assistance. We fully assisted the elimination of poverty in Xunhua County, Qinghai Province and was fully recognized by the local government and the poor. In the first Commendation Meeting of Poverty Alleviation held by Qinghai provincial party committee and government, the Group was named the “Advanced Unit for Poverty Alleviation”. Moreover, as the only representative of the central fixed-point assistance providers, the Group shared our experiences in the conference. Qinghai Provincial Office of Poverty Alleviation also submitted a feature report to the State Council Office for Poverty Alleviation about the China Re’s “1+N” poverty alleviation model.

In the future, China Re will follow the guideline of Xi Jinping Thought on socialism with Chinese characteristics for a new era. We will remain true to our original aspiration and keep our mission firmly in mind, which is to tackle the three major challenges of innovation, synergies, and fission, striving to enhance the corporate value and bringing sound returns to shareholders. In the meantime, we will actively fulfill our social responsibility and contribute more to economic development and environmental improvement.



**Yuan Linjiang**

*Chairman*



# Foundation of Social Responsibility



An effective corporate social responsibility management system is the foundation for China Re to fulfill the social responsibilities. While advancing the overall strategic development plan, the Group established a sound social responsibility management system and improved the social responsibility management structure. We also defined the policy on social responsibility management, providing guarantee of the further conduct of various social responsibility activities.

**Social responsibility management system**

**Stakeholder communication**

**Materiality Analysis**

# Social Responsibility Management System

In 2017, in order to define the content of social responsibility management, identify its priorities of social responsibility and the types of key stakeholders, and implement a social responsibility impact assessment system, the Group proposed a social responsibility model for the first time. As work on social responsibility borne fruit progressively, the Group timely adjusted the priorities of social responsibility in order to enhance the model's guidance on the work in this regard.



## The Social Responsibility Model of China Re

### One foundation

China Re's social responsibility management system is the structural foundation of the Group's work on social responsibility. It defines the methods, ways and the content of the Group's work on social responsibility in the aspects of management structure, policies and systems, etc.

### Three areas

As the most important state-owned reinsurance group, China Re has the responsibility of serving national strategies. Thus, we focus on the three core areas of responsibility, promoting the building of a harmonious and green society and contributing to the society's sustainable development.

### Five objects

China Re established a modern enterprise management system to identify the types of stakeholders interacting in business operations. We take actions targeting the five major objects of social responsibility to achieve win-win results.

In 2016, in order to meet the regulatory requirements for environmental, social, and governance information disclosure of listed companies, China Re established a preliminary social responsibility management structure. The Board of Directors is responsible for reviewing the Group's CSR strategy and determining the direction of CSR action. The company's management and leaders of various functional departments supervise the implementation of CSR actions, perform performance control on CSR, and put forward suggestions for improvement of responsibility management. Various functional departments and branches and subsidiaries companies are responsible for the operation of CSR actions, and counting and reporting performance of responsibility. Different levels are collaborated to achieve effective identification and control of social responsibility and ESG risks, completing the collection and counting of basic data to meet investors' requirements for disclosures of relevant information.

In 2017, China Re standardized the social responsibility management workflow and determined the tasks hereunder to further improve the social responsibility work structure. The Group established the mechanism of intermediaries of social responsibility for Group Company and the subsidiaries to enhance the executive levels' participation in social responsibility work of the Group.

### Development of China Re's Social Responsibility Management





# Stakeholder Communication

Stakeholders are the group closely related to China Re's operations. While being influenced by the Group, the stakeholders are exerting their influence through actions on every decision made by the Group. In the daily operation and management, the Group has effectively identified the types of stakeholders. The Group has also identified the key stakeholders by combining the sphere of influence of the sustainable development with the industry background. In this connection, we have established diversified communication channels to connect various business departments and stakeholders. In this way, the Group can understand stakeholders' appeals and respond to them in a targeted manner through actions.

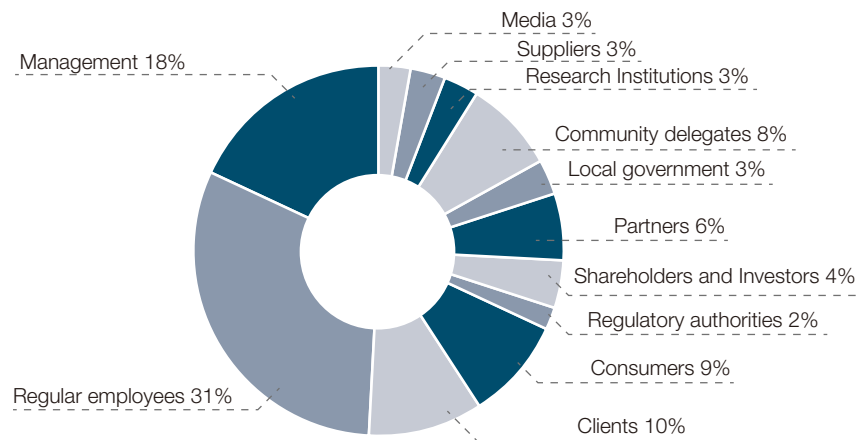
## Stakeholder Communication of China Re

Types of stakeholders	Major Issues of Concern	Major Communication Approaches
Government and regulatory authorities	<ul style="list-style-type: none"> <li>Compliant operations</li> <li>Corporate governance</li> <li>Actively fulfilling social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Regular report</li> <li>Participating in industry meetings</li> <li>Official websites of the companies</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Investment rights</li> <li>Information disclosure</li> <li>Compliance business operations</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' general meeting</li> <li>Regular reports and corporate announcements of the companies</li> <li>The announcement of the results</li> <li>Investors communication</li> <li>Official websites of the companies</li> </ul>
Clients	<ul style="list-style-type: none"> <li>Products and services</li> <li>Timely response to their demands</li> </ul>	<ul style="list-style-type: none"> <li>Client revisit</li> <li>Client satisfaction survey</li> <li>Cooperation with the government and enterprises</li> <li>Official websites of the companies</li> </ul>
Community	<ul style="list-style-type: none"> <li>Public welfare activities</li> <li>Community activities</li> </ul>	<ul style="list-style-type: none"> <li>Charity donation</li> <li>Volunteering activities</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Career growth opportunities</li> <li>Remuneration and benefits</li> <li>Protection of health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Employee representative congress</li> <li>Employee communication meeting</li> <li>Various types of training</li> <li>Caring activities</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Long term and stable strategic cooperation</li> <li>Realizing mutual benefits and creating a win-win situation</li> </ul>	<ul style="list-style-type: none"> <li>Agreements on strategic corporation</li> <li>Discussions on important issues</li> <li>Participating in industrial associations and societies</li> </ul>

# Materiality Analysis

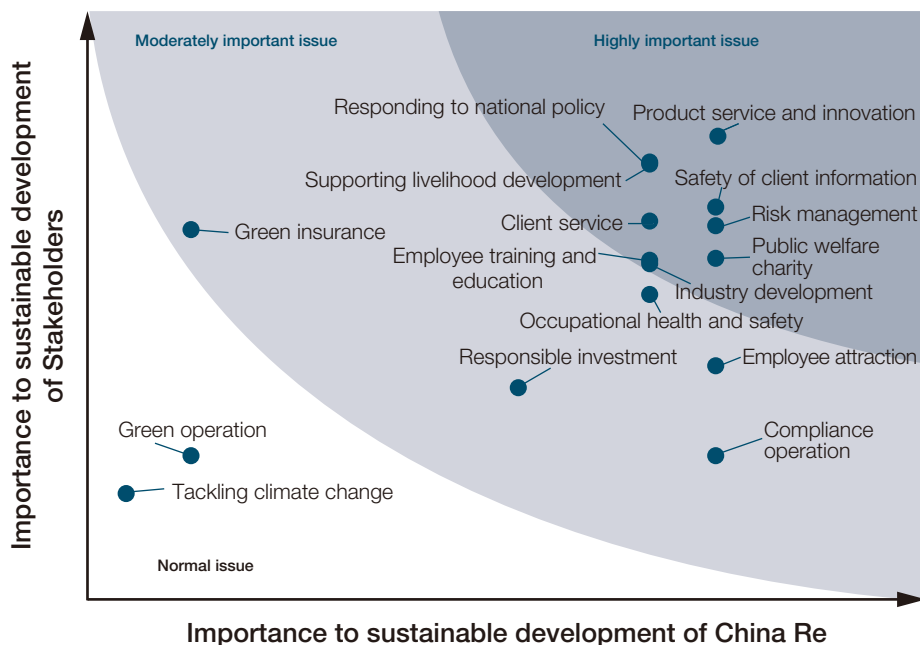
China Re's started the process of determining major issues of social responsibility, in order to systematically identify China Re's major issues of social responsibility, identify annual tasks for social responsibility as the priority, and respond and be disclosed accordingly to them in this report. In 2017, based on the analysis of national macroeconomic policies and relevant requirements of regulators, China Re carried out a survey of stakeholders based on questionnaires. A total of nearly 200 valid questionnaires were received. Compared to 2016, the selection of respondents was more diverse and the scope of the survey was more comprehensive.

**The Composition of the Questionnaire for 2017 of China Re**



By the questionnaire survey, China Re fully understood stakeholders' assessment of the social responsibility activities and received suggestions from various parties. Based on this way, the management of China Re assessed the materiality of various issues of social responsibility. In conclusion, a matrix of materiality of social responsibility for this year was developed and would be responded accordingly in this report.

**CSR Materiality Matrix of China Re in 2017**



# Areas of Social Responsibility



China Re took the responsibility initiatives concerning key social responsibility by incorporating the demand for social sustainable development. We integrated enterprise resources, leveraged the advantage of enterprises' professions and contributed to achieve the objective of social sustainability.

**Financial risks management and control**

**Targeted poverty alleviation**

**Environmental Protection**

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# Financial Risks Management and Control

China Re attaches great importance to preventing systemic financial risks. To this end, we continuously improve our internal regulatory system and strengthens risk management.

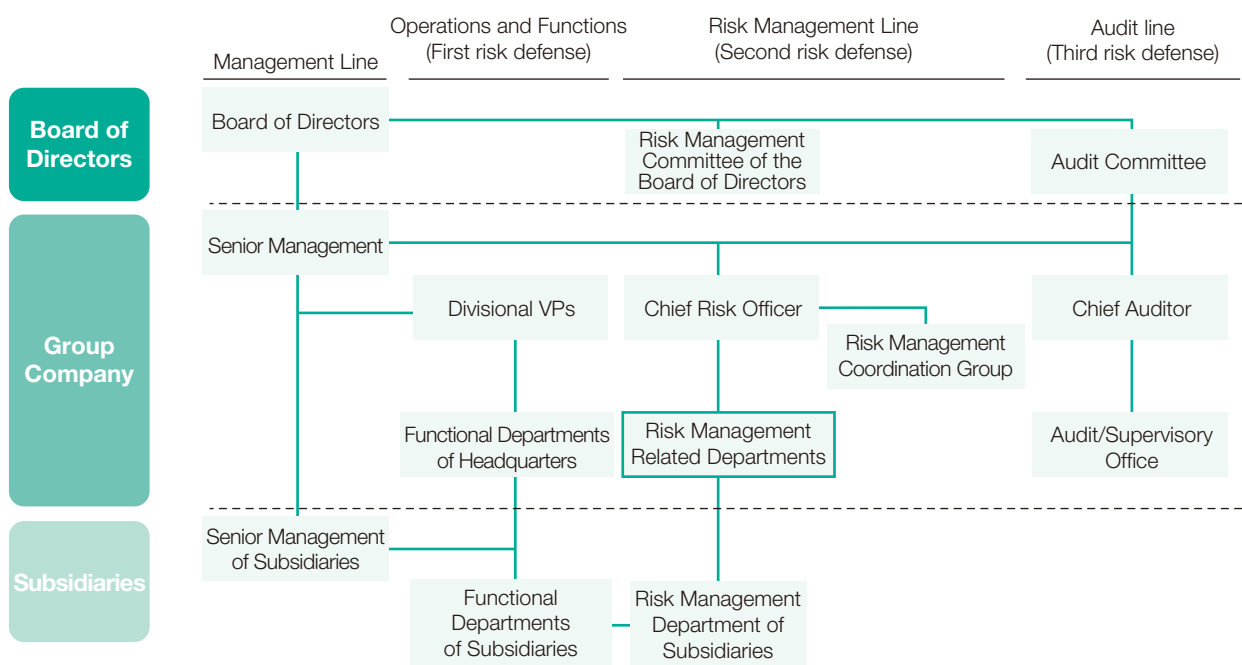


## Optimizing Risk Management

China Re continuously strengthens the comprehensive risk management system. We built a risk monitoring and early warning system for monthly risk monitoring and for irregular thematic risk analysis. The system strengthens risk tracking and assessment and risk early warning. We implement an assessment mechanism of material matters of risk management, which for the first time incorporates risk management capabilities into assessment. A demerit points system is adopted to facilitate effective risk management. The Group also continues to optimize the compliance management system for the internal control. We strictly enforce the compliance assessment of internal control of subsidiaries, thus continue to build up the Group's immunity to systematic risks. The Group strongly supports medium-to-high-level management and employees of functional departments to attend the specific trainings on risk management designed for the insurance industry. The Group also organized internal trainings on risk management and publicity of related systems in order to foster the philosophy and culture of risk management "comprehensiveness and proactiveness".

### Risk management framework

The Group has established an all-around risk governance structure. In the structure, the Board of Directors makes decisions and takes ultimate responsibility. The Risk Management Committee reviews and evaluates the decisions; the senior management organizes the implementation of the decisions; the risk management department conducts overall coordination; various functional departments and subsidiaries exert direct management and closely work with each other during the implementation; and the internal audit departments effectively supervise the management and organization system.



China Re's Risk Management System



## Risk appetite system

The risk appetite system is a core component of the comprehensive risk management system. It consists of three elements, namely risk appetite, risk tolerance and risk limits. The formulation of the Group's risk appetite system meets the requirements of the medium and long-term development strategy of enterprises. The formulation is determined by combining business operation plans, capital status and market environment. Using a combination of qualitative and quantitative approaches, the system determines the tolerance and the limits of various types of risk. The risk management department is responsible for establishing the over-limit disposal mechanism and timely monitoring and reporting on the implementation of risk tolerance and risk limits.

## Risk management system

China Re has established and continuously improved the risk management system which is based on basic risk management system, supported by the pillars of specialized risk management, and supplemented by a set of implementation rules. A number of management measures have been formulated, including *Comprehensive Risk Management Measures of China Reinsurance (Group) Corporation*, *Management Measures of Risk Appetite System of China Reinsurance (Group) Corporation*, *Emergency Management Measures for Solvency Risks of China Reinsurance (Group) Corporation*, and *Interim Management Measures for Risk Monitoring and Early Warning Index System of China Reinsurance (Group) Corporation*. These measures cover risk management's objectives, main tasks, processes of management, ways of implementation, etc., laying the foundation for the Group's risk management.

## Strengthening Internal Control

China Re set up a professional department specializing in internal control and compliance and established an internal control system in accordance with the *Basic Norms for Corporate Internal Control* and the supporting guidelines, *Basic Principles for the Internal Control of Insurance Companies (CIRC [2010] No.69)* and the relevant regulations of the *Hong Kong Listing Rules*. The concept and awareness of internal control and compliance have been vigorously advocated in order to strengthen the building of the culture of internal control and compliance.

In 2017, the Group adopted the following measures to improve continuously the effectiveness of the internal control.

- We conducted the management work of internal control according to such systems as management measures for internal control and the internal control matrix. We carried out routine track assessment of changes in material regulations, changes in rules and major decisions made in operation and management. This enabled dynamic identification of the changes in internal control risks and timely adoption of countermeasures.
- We conducted internal control assessments on a regular basis and organized the subsidiaries to conduct self-examination. For loopholes found in internal control, corrective plans were formulated in time. Rectification work was tracked and the results were evaluated upon completion.

- The authorization system was dynamically adjusted and optimized. The important authorization documents were optimized to define the authorization of the approval authority and decision-making process at each level. New and revised rules and regulations were promoted. Rules and regulations of subsidiaries were evaluated comprehensively to ensure the systems to match the companies' strategies and organizational structure.
- We advocated the philosophy of internal control, popularized relevant professional knowledge and raise employees' awareness of internal control by means including organizing internal and external trainings, system advocacy, daily communication.

## Corruption Risk Control

China Re actively promotes work of clean government and anti-corruption, unswervingly implements the principle of "one position with two responsibilities" and incorporated each and every requirement of clean government into each aspect of business management. Pursuant to *the Company Law of the People's Republic of China*, *the Anti-Money Laundering Law of the People's Republic of China* and relevant administrative regulations on anti-corruption, the Group formulated *China Reinsurance (Group) Corporation's Measures on Anti-Money Laundering and Anti-Terrorist Financing*, *the Accountability Assessment Measures of China Reinsurance (Group) Corporation on the Construction of Clean and Honest Party and Governance (Trial)* and *the Interim Regulations of the New Recruits on Talks Related to Clean Government of China Reinsurance (Group) Corporation* and continued to implement the institutional documents including *the Management Measures for Position Benefits and Business Spending of China Reinsurance (Group) Corporation* and *the Administrative Measures of China Reinsurance (Group) Corporation for Discipline Inspection, Supervision and Petition Work*. All efforts had been made to create a working atmosphere of "honor to integrity and shame on corruption."

In 2017, the Group continued to conduct routine work of corruption prevention:

- Deepening supervision work. We completed supervision work for 2 subsidiaries and their 8 provincial branches.
- Conducting special inspection. We organized and implemented centralized notification and specialized rectification work of the violation of the Eight-point Regulation of the Centre. We investigated and rectified the non-compliance matters of using public funds for purchasing and consuming high-end liquor that has happened since 2017.
- Upholding integrity education. We organized and carried out activities such as a monthly (an education on clean governance culture) activity of education on alerts with the theme of "Strictly Observing Discipline by Case Study". We also set up "column of education on alerts by theme", invited experts and scholars to hold lectures on clean government, carried out knowledge test on party discipline and party regulations, edited and issued the *Manual of Principal leading cadres' Integrity and self-disciplined of China Reinsurance (Group) Corporation*. The Group strengthened the publicity work and education on combating corruption and building clean governance and raised the cadre employees' awareness of integrity by sending articles to the Intranet of "combating corruption" and WeChat Group.

In 2017, no litigation arising from corruption occurred in the Group.

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# Targeted Poverty Alleviation

2017 is the crucial year for China to push forward poverty alleviation, and also the year for China Re to deeply practice the targeted poverty alleviation project. China Re carried out innovative and accurate poverty alleviation work based on the combination of corporate resources and industrial advantages.



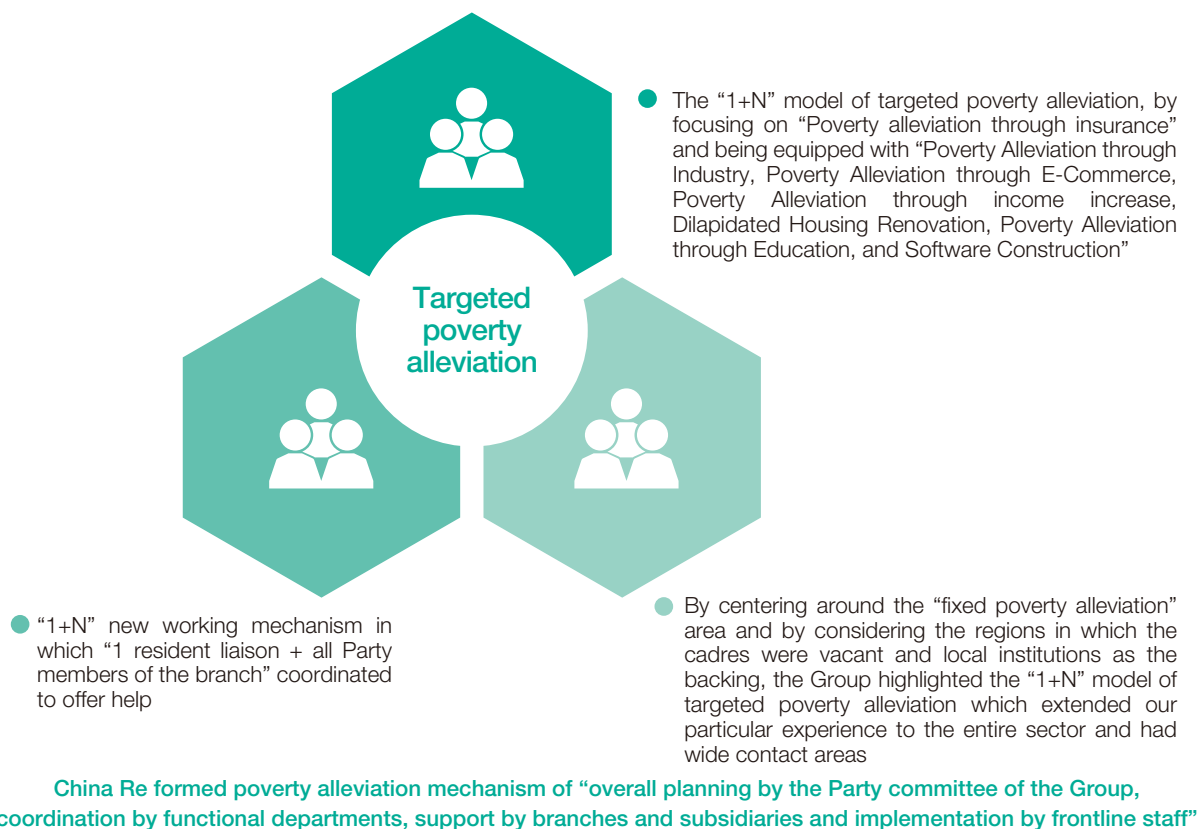
## The “1+N” Model for Targeted Poverty Alleviation

In 2017, China Re creatively proposed and continuously improved the “1+N” model of targeted poverty alleviation and achieved good results. In Xunhua Salar Autonomous County of Qinghai Province<sup>1</sup> (referred to as “Xunhua County”), by focusing on the “Insurance Poverty Alleviation” and being equipped with “Poverty Alleviation through Industry, Poverty Alleviation through E-Commerce, Poverty Alleviation through Income Increase, Dilapidated Housing Renovation, Poverty Alleviation through Education, and Software Construction”, China Re had combined the main business advantages to carry out “1+N” targeted Poverty Alleviation Models. Meanwhile, China Re explored and created “1+N” new working mechanism in which “1 resident liaison + 1 branch head + all Party members of the branch” coordinated to help 143 registered poverty-stricken households in Dazhuang Village, Xunhua County. In addition, by centering around the “targeted poverty alleviation” area and by considering the regions in which the cadres were vacant and local institutions as the backing, the Group highlighted the “1+N” poverty alleviation model which extended our particular experience to the entire sector and had wide contact areas.



**China Re’s “1+N” Model for Targeted Poverty Alleviation**

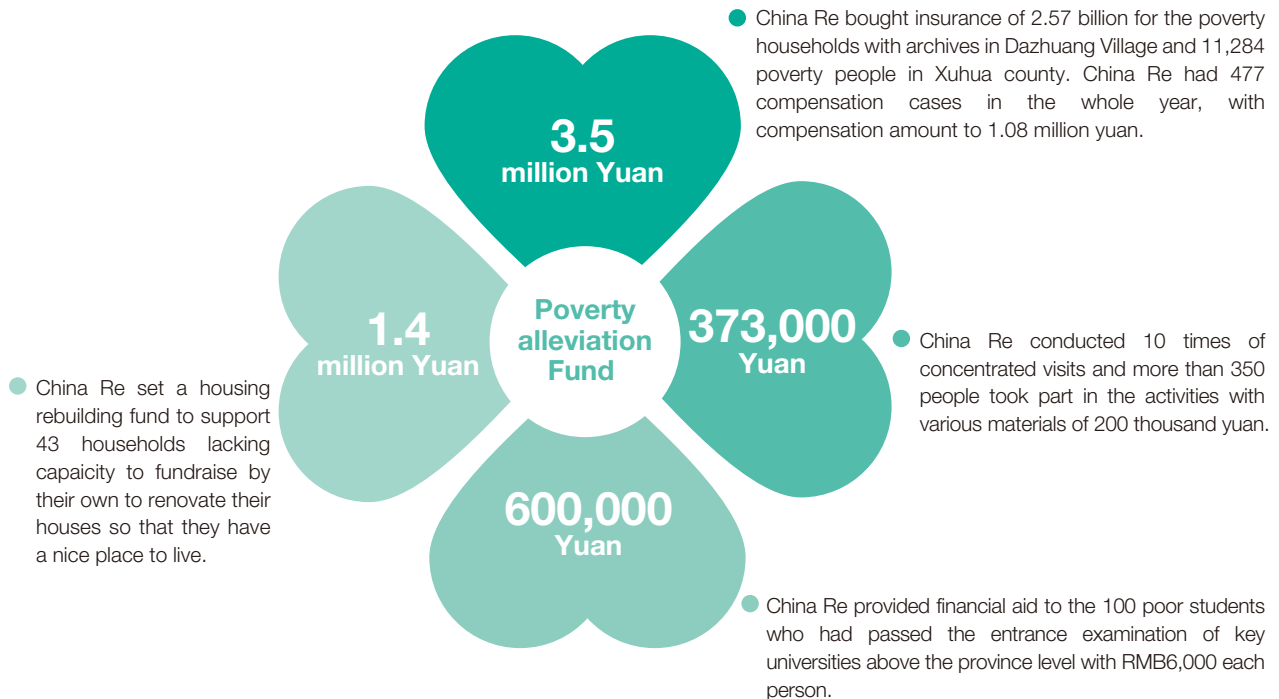
<sup>1</sup> Xunhua Salar Autonomous County is located in the valley of the Yellow River in the eastern of Qinghai Province. It is the only Salar Autonomous County in the country with a total area of 2,100 square kilometers, with a total population of 138,000.



### Targeted Poverty Alleviation Mechanism

China Re thoroughly carries out *Related Principle of Pushing forward Poverty-Relief* by the State Council and insurance regulatory authority. In March 2017, the Group and the government of Xuhua County signed *2017–2020 Framework Agreement for Helping Xunhua County from China Reinsurance (Group) Corporation*, which comprehensively evaluates the specific situation of Xunhua County and is dedicated to local development and solves practical difficulties of poor population. In the same time, we actively carried out unfixed-point poverty alleviation work, constructing related facilities for the convenience and favor of people in Taijiang County, Qiandongnan Autonomous Prefecture of Guizhou Province, actively undertaking the social responsibilities required by the central financial enterprises.

The targeted poverty alleviation of China Re was recognized by the society. The Group was awarded the “2017 Poverty Alleviation Award of China Social Responsibility” in the 2017 China Social Responsibility Charity Ceremony. The Group was awarded “Advanced Unit of Poverty Alleviation” by CPC Party Committee and provincial government of Qinghai province and “Outstanding Contribution Award for Supporting Education” by CPC County Committee and county government of Xuhua County. Furthermore, the Group was awarded “2017 Financial Innovation Award for Poverty Alleviation” by SINA NET finance.



### The allocation of targeted poverty alleviation funds of China Re for 2017

**9.31 million Yuan**  
In 2017, the charitable donations and other contributions made by China Re totaled more than 9.31 million Yuan

In order to ensure the effect of poverty alleviation work from the top-level design, China Re promulgated *Guiding Opinion about Helping to Targeted Poverty alleviation Work by China Re* and *Working Plan of Poverty Alleviation by China Re in 2017*. In 2017, the charitable donations and other contributions made by China Re totaled more than RMB9.31 million.

#### Case: One to one pairing help between China Re and the poor households

In March 2017, China Re initiated 113 party branches inside the system to combine with 373 poverty households with archives from 113 families of Dazhuang village of Xunhua Country township to connection as a family, helping them by one-to-one pairs. China Re contributed RMB373,000 to guarantee the financial aid for help. China Re made concentrated visits three times successively, such as greeting in Lesser Bairam, and the leaders of the Group conducted investigation and visit twice and the party members and cadres made entering-in-home visit more than 300 times. By the time of July 2017, the number of poor households with archives reduced to 43.





## Poverty Alleviation Through Insurance

In 2017, China Re invested RMB3.5 million to purchase the insurance which amounted to RMB2.57 billion for the poverty household with archives in Dazhuang Village and 11,284 poverty people in Xunhua County. These insurances included rural housing insurance, planting and breeding insurance, inpatient medical supplement insurance, accidental injury insurance, outpatient emergency services and group medical insurance, medical death and total disability insurance, school insurance, female safety and health insurance and other multi-level comprehensive insurance products. The Group followed the principle of “if it needs to compensate, pay the most as fast as possible”, and compensated at the earliest convenience when an insurance accident occurs. We provided supplementary protection for the poor, and opened up the “last mile” for poverty-stricken people out of poverty as a whole.



### Case:

#### China Continent Insurance underwrote targeted poverty alleviation supplementary medical insurance

In 2017, China Continent Insurance actively participated in targeted poverty alleviation major diseases supplementary medical insurance for urban and rural population and underwrote the targeted poverty alleviation diseases supplementary medical insurance business in Xunhua County, Qinghai Province and Poyang County, Jiangxi Province. As of the end of December 2017, the total insurance covered approximately 545,200 people and the amount of insurance funds exceeded RMB98.9 billion. The company paid a total of more than 3,000 cases of compensation with payments over RMB8.15 million.

With regard to the types of insurance, China Re had gradually established a system of characteristic agricultural products for poverty alleviation in poverty-stricken areas through product innovation and local cooperation. It successfully developed new types of agricultural insurance products by price, income, and output. The Group extended to cover the comprehensive responsibility for “price drop and output reduction” from the coverage of disasters in traditional crop insurance. China Re actively communicated with local governments and strongly promoted the introduction and implementation of the insurance plan, “benefiting population and helping the poor”, in order to provide insurance assistance to low-income groups and people in need.

China Re took the insurance needs of the impoverished areas as the guide, promoted the localization of employees to solve employment difficulties, and supported the service of the real economy in poor areas. As of September 2017, the coverage rate of institutions in 275 state-level poverty-stricken counties in 20 provinces reached 41%, and 2,129 people were employed in total. China Re will continue to increase the recruitment of new graduates in poverty-stricken areas and continued to provide guarantees in terms of recruitment conditions, recruitment channels, remuneration and benefits, etc.

## Poverty Alleviation Through Education

During our 15 years of poverty alleviation through education in Xunhua County, in addition to financial support for building teaching buildings, subsidizing students' nutritional meals, establishing China Re Reading Rooms, setting up multimedia classrooms, replacing teaching equipment, and donating sports equipment and other good deeds, China Re sponsored poor students in Xunhua County who were admitted to the university every year. In 2017, the Group funded a total of 100 college students with RMB6,000 per person. At the same time, through intensified investigations and research and field visits, China Re actively conducted the investigations and discussed with the county's education department, and gradually improved the teaching facilities of schools in poverty-stricken areas in batches and gradually improved educational hardware support. From 2013 to 2017, China Re invested a total of more than RMB5.76 million to support 67 schools in Xunhua County so as to improve teaching conditions.

More than **5.76** million  
China Re invested  
a total of more than  
RMB5.76 million  
to support 67 schools in  
Xunhua County.



**Case: China Re carried out summer camp activities for poor students.**

In August 2017, China Re officially launched the summer camp, “Elite Youth”, in the beautiful Miyun District, Beijing. The summer camp specially invited 20 Tibetan and Salar poor student representatives from Xunhua Country, Qinghai Province. This camp lightened their youthful dreams of growing up and growing to be talents and improve the self-consciousness of changing their destiny through knowledge and striving for success in the future.



**Case: “New Green Charity Initiative” of China Re AMC**

The “New Green Charity Initiative” is a public welfare organization spontaneously established by employees in China Re AMC under the unified leadership of China Re. Since its establishment in September 2013, the main source of funding of “New Green Charity Initiative” is from individual employees’ donations. The targeted subjects include Yari Primary School in Wendu Township, Xunhua County, Qinghai province and Inner Mongolia and so on. The Group ordered winter clothing and beddings for students and teachers and provided necessary teaching aids, computers, cultural and sports supplies and daily necessities, etc. The annual donation in 2017 was RMB140,500. From 2013 to the end of 2017, the total donated funds amounted to RMB354,100. In 2017, the “New Green Charity Project” won the Insurance Poverty Alleviation And Aid Award of the “Pioneer List of Insurance Companies in Poverty Alleviation” issued by the China Insurance Association.



## Poverty Alleviation Through Supporting Industries

Poverty alleviation through supporting industries is an effective way to promote the development of poverty-stricken areas and increase the income of poor peasants. China Re actively expands sales channels for the local agricultural specialty products through electronic sales, direct purchases and other methods, aiming to help building a new collective economy and a new cooperative economy, therefore, to form a profit community and a development community. To activate the momentum for poverty alleviation, the Group continues to increase the promotion of local specialty products and support all-round the work of poverty alleviation in Xunhua County.

In addition, China Re provided special funds of RMB1.4 million to set up a dilapidated housing renovation fund. It helped targeted impoverished households in poverty-stricken areas that lack self-financing capacity to rehabilitate their dilapidated houses, which made a good living and working condition for poor households.

### Case: China Re conducted the work of introduction of specialty foods for poverty alleviation



In order to respond to the call for targeted poverty alleviation and deepen the implementation of the poverty alleviation development strategy of “blood making model”, in April 2017, China Re facilitated the building service providers to introduce local foods in Xunhua County. Local foods included “Zhenrong Walnut with thin shell” and “Xunhua Xianhong Red Pepper Sauce”, which were tasted and purchased by staffs at convenience stores and restaurants inside the buildings.

### Case: China Re supports E-commerce platform for targeted poverty alleviation

As a new way of targeted poverty alleviation, due to the capability to open up production and marketing channels for agricultural products, E-commerce plays an active role in targeted poverty alleviation. Through investment and shareholdings, China Re AMC has supported a number of new agricultural specialty E-commerce platforms to explore local specialty agricultural products in Sichuan, Guangdong, and Shaanxi provinces. By online and offline integrated marketing models, these platforms have expanded a new internet sales channel for agricultural products in mountain areas. The China Continent Insurance E-Commerce Co, Ltd., a subsidiary of China Continent Insurance, established the “The Office of Direct Supply from Places of Origin of Continent E-commerce Company” in Xunhua County. Continent E-commerce Mall helped famous brands and products in Xunhua County realize the development model of online and offline sales. The model promoted the development of ethnic enterprises in Xunhua County, and as of the end of 2017, five products have been launched online for sale.



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# Environmental Protection

As the “national team” of China’s reinsurance industry, China Re fully leverages the professional strengths in the fields of insurance and reinsurance and the advantages of platform for the insurance industry. We conducted in-depth research on catastrophe risk and developed environment-related insurance products. Efforts were also made to reduce the impact of our business operations on the environment and to commit ourself to promoting environmental protection.



## Responding to Climate Change and Exploring Catastrophe Risk Insurance

On 22 June 2017, China Re set up the Catastrophe Research Center, cooperating with government departments and research institutes. Supported by scientific and technological innovation, the Center had been built into an open catastrophe research platform for China's insurance industry. It would improve the overall level of catastrophe risk management of the industry and promote the development of China's catastrophe insurance. On 27 November 2017, China Re Catastrophe Platform (CRP) V1.0 was officially launched. It is a strategic platform for China Re to highlight the status of national reinsurance. It is also the first open catastrophic risk service platform in China. The platform aggregates national-level catastrophe risk data and expert resources. In collaboration with united meteorological authorities and research institutes, it provides risk management services for governments and primary insurance companies. The platform won the 2017 Award for Outstanding Contribution to Financial Technology Innovation-Award for Contribution to Development and Innovation from *Financial Electronics*, a magazine under the People's Bank of China.

### China Re Catastrophe Platform (CRP) V1.0

China Re Catastrophe Platform (CRP) V1.0 adopts a domestically advanced technology of GIS mapping visualization and big data processing technologies. It integrates a large amount of risk map data, meteorological data, seismic data, basic geographic data, etc. After being processed, the data can be visually presented to users in a map, and the spatial query can be done based on location. The data include:

- Square-kilometer-grid risk data for 9 major disasters (earthquakes, floods, typhoons, torrential rains, landslides, mudslides, storm surges, lightning, snowstorms, and hailstorms);
- Historical data of 2,284 typhoons, more than 6,000 earthquakes, and hundreds of thousands of typical landslides and debris flows since 1949, real-time meteorological warning data and real-time typhoon path data from China Meteorological Administration (CMA);
- Basic data such as China's GDP, population, and topography.



Relying on the experience and strength, the Group launched catastrophe insurance schemes in 13 prefectures. The Group has integrated internal and external resources of the industry to create a catastrophe risk think-tank for the insurance industry. In 2017, the Group promoted the inter-ministerial cooperation between the insurance regulatory authority and the former China Earthquake Bureau (CEB) in the field of earthquake risk; cooperated with China Institute of Water Conservancy and Hydropower Research under the Ministry of Water Resources in setting up a laboratory for flood risks and insurance; invited experts inside and outside the industry to provide experts guidance and technical support for product design, customer service, etc. and to build a catastrophe risk think-tank; led a research project for the Insurance Association of China, in association with 7 other insurance companies and the Academy of Water Resources in carrying out “Research on Risks and Insurance for Water-logging Disasters in Key Cities” project.

**Case: Loquat Climatic Index Insurance**

China Re P&C is committed to promoting the industry to develop specialty insurance and innovative insurance. In order to better meet farmers' needs of risk-dispersing, China Re P&C cooperated with industry partners in 2017 to develop climatic index-based insurance product for loquat in Tangxi, Zhejiang Province. In developing this index-based catastrophe insurance product, China Re P&C took the professional and technological advantages. It provided technical support for primary insurance companies in various aspects including product design, risk management, underwriting and claims in different fields of weather, agriculture, and insurance to ensure the rationality and feasibility of the product. The product effectively dispersed the risks and fluctuations in business operation, expanded coverage and range of products in the industry and served the development of modern agriculture.

**Case: China Continent Insurance unleashes the positive effects of catastrophe insurance on people's livelihood security**

As a member of the Catastrophe Insurance Community, China Continent Insurance actively participated in the disaster relief system co-founded by the government, insurance agencies and grass-roots organizations. A catastrophe insurance pilot project was launched in Ningbo in November 2014. As of 2017, four rounds of large-scale claims settlements were launched. A total of nearly RMB95 million of relief funds had been paid to more than 160 thousand disaster-affected households. Among the amount of the relief funds 5% was borne by China Continent Insurance. This fully demonstrated its positive role of catastrophe insurance in disaster relief, people's livelihood security, and social governance innovation.

## Environmental Pollution Liability Insurance Helps the Protection of the Environment and Resources

Environmental pollution liability insurance is a means of effectively transferring environmental pollution liability risks, apportioning economic losses, and enforcing compliance with compensation liability. It can support environmental protection and post-disaster compensation. China Re and the subsidiary China Re P&C actively participate in the promotion of mandatory environmental pollution liability insurance. By taking advantage of their own expertise in data analysis, damage assessment, actuarial technology and data modeling, they are actively developing China's mandatory environmental pollution liability insurance pricing model and are committed to improving environmental pollution risk management.

### Case: China Re P&C and the Chinese Academy for Environmental Planning (CAEP) signed cooperation agreement

On 6 November 2017, China Re P&C signed a cooperation agreement with the CAEP in Beijing. Under this agreement, a consortium and the Center for Environmental Risk and Insurance Research will be established by integrating the superior resources of both parties. The consortium and the Center will carry out research into environmental risk, pricing, etc. to provide the insurance industry with high-quality, high-efficiency and reasonably priced environmental risk inspection and assessment and environmental damage appraisal services. They will play a functional role in enhancing enterprises' awareness of environmental protection and enforcing environmental measures, reducing environmental risks and damages and ensuring economic and social development.



## Practice of Green Office

Ecology, recycling and sustainable green development have become the consensus and common practice of all sectors of society. China Re operates in strict observance of the national laws and regulations, such as the *Environmental Protection Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Waste*, the *Directory of National Hazardous Wastes*. The Group strives to reduce the impact of each aspect of the operation on the ecological environment and disseminate the concept of green civilization

to the public, while practicing green operation with practical actions. In 2017, the Group reduced the consumption of water, electricity, coal, gas and other energy through energy-saving management in the office area. The specific measures and results were as follows:

#### Measures and Achievements in Energy Conservation and Emission Reduction of China Re in 2017

Measures	Achievements in 2017
<ul style="list-style-type: none"> <li>Fluorescent tube replaced by LED lights</li> <li>Installing voice-activated switches to save energy in unattended periods</li> <li>Strict timing control of the switch-on and switch-off of public lighting (only emergency lighting switched on in unattended periods)</li> </ul>	The power consumption of public illumination was reduced by approximately 45,533 KWh compared with previous year
<ul style="list-style-type: none"> <li>Operation time of air conditioning unit was reduced from 11.5 hours per day to 10 hours</li> <li>Adjusting temperature setting of air conditioning in the office area (temperature of chillers increased by 1°C)</li> <li>Regular air-conditioning water quality tests and reasonable control of water use, and scientific reduction of water consumption and sewage discharge</li> <li>Utilizing ice storage cooling and night trough electricity pricing, and giving full play to the peak-valley spread to reduce the amount of electricity used</li> <li>Installing time controller to the fresh air unit to save electricity use</li> </ul>	Electricity consumption of air conditioning reduced 39,584 KWh, and water consumption and sewage discharge decreased by 1,197 tons compared to previous year
<ul style="list-style-type: none"> <li>Installing more frequency converters on the heating water pump power control cabinet in order to lower the running current</li> <li>Controlling the frequency of the circulating pump of the heat station at around 45Hz in order to lower the power</li> <li>Adjusting circulation pump operation quantity and water temperature according to the weather and temperature</li> </ul>	The energy consumption for heating unit was reduced by 28,689 KWh compared with previous year

The energy consumed by China Re in the operations mainly includes office electricity, company car gasoline and natural gas for office heating, and the resources consumed are mainly office water and paper. China Re has no manufacturing operations. The general waste is mainly office waste such as waste paper, and no waste gas or liquid are generated. Used toner cartridges and ink cartridges generated in business operation are recycled by manufacturers, light tubes and electronic waste are processed by qualified third-party agencies. In 2017, the Group registered no direct or indirect environmental pollution accidents because of the minor impact of operations on the environment.

## Environmental Performance of China Re in 2017\*

Issues	Types	Amount
Resource consumption	Electricity power (KWh)	4,162,016.57
	Gasoline (L)	57,644.86
	Water (tons)	14,610.21
	Nature gas (m <sup>3</sup> )	41,722.00
	Energy consumption density (Unit: kgte/output value in RMB10,000)	0.0575
	Water consumption density (Unit: L/output value in RMB 10,000)	1.332
Waste	Used toner cartridges (pieces)	1,060
	Used ink cartridges (pieces)	310
	Used light tubes (pieces)	1,510
	Kitchen waste (tons)	55.18
	Office waste (tons)	45.78
Greenhouse gas emissions	Category 1 and Category 2 of CO <sub>2</sub> emissions (tons)	909,954.06
	Greenhouse gas emission intensity (kg/output value in RMB10,000)	82.97

\* The data of resource consumption and waste categories is calculated based on the environmental data of Group Company and the headquarters of the subsidiaries. The coal equivalent conversion coefficients in the GB2589-2008T General Principles for Calculation of Total Production Energy Consumption were used in the calculation of energy consumption density.

**Case: China Re organized a tree planting activity**

On 21 April 2017, China Re's labor union organized employees to launch a tree-planting campaign in Shenshan Landscape Planning District, Huaibei Town, Huairou District of Beijing. The participants included the leadership and first-line employees, of whom some were born in the 1960s and some were born in the 1990s. They took a concrete action to contribute to ecological civilization and added a bit of green to the motherland.



# Objects of Social Responsibility



Through in-depth communication with various stakeholders, China Re understands all parties' needs for sustainable development, and, by taking actual actions, serves the country, society, and community to implement sustainable strategy, continuing to create shared value and achieving win-win development.

Shareholders

Society

Customers

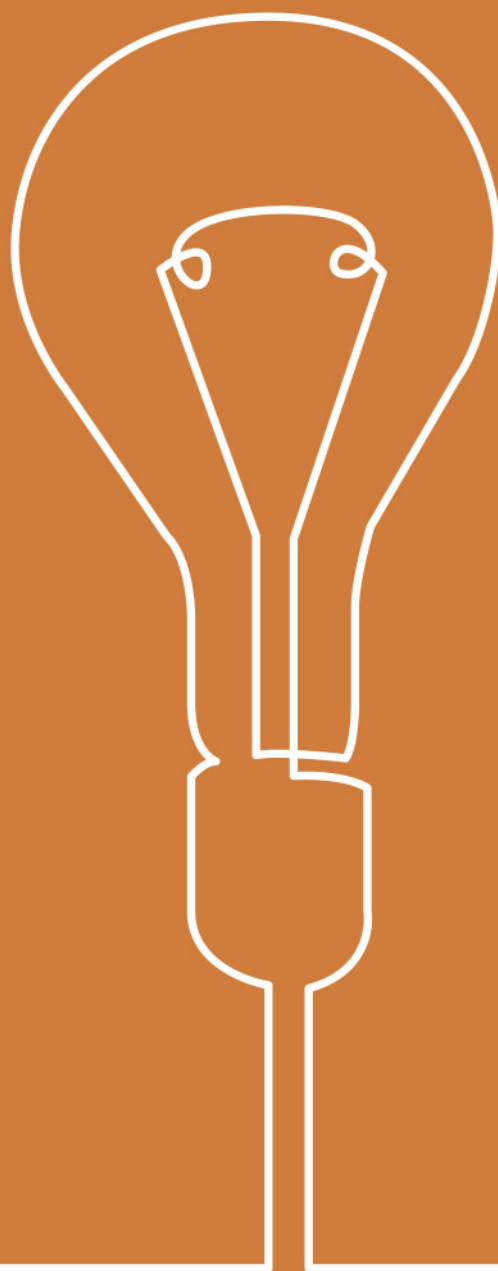
Employees

Cooperative Partners

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# Shareholders

As the main force of China's reinsurance market, China Re embraces the mission of "Dispersing Economic Operational Risks and Serving Steady Industry Development" and consolidates the position in serving the world's most promising Chinese insurance market.

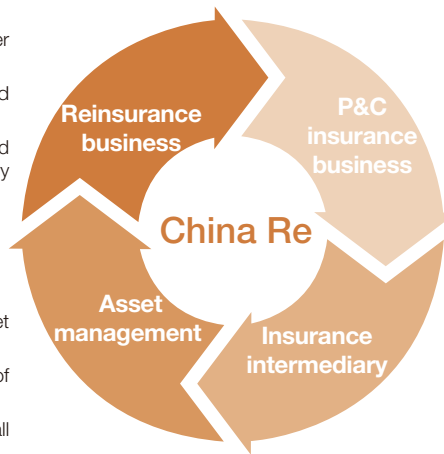


## China's Reinsurance Market Leader

China Re has formed a business structure with reinsurance as the core, reinsurance and primary insurance, domestic and international markets, and underwriting and investment complementing and organically interacting with each other. In 2017, with strong support from shareholders and regulatory authorities, China Re adhered to the "One-Three-Five" strategy as the guideline. We bolstered national strategies, served the real economy, optimized the control and management mechanism, and effectively forestalled risks. Therefore, the Group's speed and quality of development continued to rise. Our premium growth hit a record high, and market share rose steadily. The key areas, such as international property reinsurance, facultative reinsurance, protection-type life insurance reinsurance, and China Continent Insurance's non-auto insurance, grew rapidly. The business structure was optimized at a faster pace. The results of reform were remarkable.

A leader in the China's reinsurance market and major provider of reinsurance services  
Accumulated abundant local data and enjoys core technical advantage in reinsurance  
Extensive client resources, covering over 90% of domestic and Hong Kong clients  
Active participation in establishing and managing industry platforms  
Driving major innovations in the industry and assisting the formulation of industry standards and frameworks

One of the first batch of four insurance asset management companies in China  
Adhere to the investment philosophy of prudence and long-term value investment  
An industry leader in terms of overall investment return  
Steadily promoting business and product innovation and diversification of business  
Establishing China Re Asset (HK), and building a professional overseas investment platform; establishing China Re Capital and steadily advancing the strategic layout



Ranked sixth in terms of market share in domestic P&C insurance  
Wide range of product lines, offering over 3,400 types of products  
A team of professionals experienced in underwriting and claims settlement as well as strong support from reinsurance business  
At the end of 2017, China Re has 2,076 branches with a nationwide P&C insurance distribution and service network  
At the end of 2017, China Re has approximately 27 million individual clients and approximately 600,000 institution clients, with an extensive customer base

The first domestic insurance intermediary approved in China  
Provide long-term and sustaining professional intermediary services to the Lloyd's insurance market  
Serve the domestic and international markets for a long period and enjoy good reputation  
Insist on putting customer's interests first with customers around the globe  
Unique operation and management philosophy and service model

### Case: China Re achieved a historical breakthrough in debt financing

In 2017, China Re successfully issued US\$1.5 billion-worth senior bonds through overseas platform, which was a new breakthrough in financing. It is by far the largest offshore bond issue by Chinese-funded insurance companies, and is of groundbreaking significance in the history of China Re.



## Communication with Investors

China Re actively increases the channels of communication with investors, which allows effective communication with them, continuously expands the Group's influence in the capital market, and enhances the investment value. The Interim Measures for Investor Relations Management of China Reinsurance (Group) Corporation has been formulated to regulate the work on investor relations and strengthen effective communication with regulators, stock exchanges and investor groups in places where listing took place. Relevant information disclosure procedures have been established to ensure that information disclosure is compliant with laws and regulations. The Group was granted the "Best Listed Company Award" in the "2016 China Financing Listed Company Awards" sponsored by Hong Kong's leading financial magazine, China Financing. In the "2017 List of Top 100 Most Valuable Insurance Brands Globally" selected by the internationally renowned brand consulting company, Brand Finance, the Group ranked 41st among the top 100 global insurance brands and 4th among reinsurance companies. In the selection for the "21st Century Asian Financial Competitiveness", China Re was named the "2017 Outstanding Reinsurance Company in Asia"; China Re Life was named the "2017 Innovative Insurance Service Company". At the "Third Forum on Chinese Insurance Market Development" organized by China Insurance News, China Continent Insurance made into the "Top Ten Most Competitive Property Insurance Companies in Chinese Market." These fully reflect the capital market's recognition of the Group's overall strength, profitability, and brand value.

To help investors understand its investment value, we bases ourself on safeguarding investors' rights and interests and meeting investors' needs. As investors are most concerned about the Group's core



competitiveness, operating conditions, risk factors, strategic development, etc., the Group responds to relevant questions raised by investors and actively advises visiting investors on the Group's investment value. The specific methods include one-on-one meetings with investors, investor surveys, investor hotlines, and e-mails to investors. In 2017, China Re organized a number of investor relations activities in Hong Kong such as annual and interim results announcement conferences and press conferences. The number of participating investors, analysts, and media representatives totaled more than 230. In organizing road shows at home and abroad, the Group had in-depth exchanges with more than 40 large investment institutions. It also attended five domestic and international summits of investment banks, brokers and investors to hold talks with more than 30 large investment institutions. China Re organized 28 surveys participated by domestic and international investors and analysts, and received more than 80 visits by investors.

In 2017, China Re disclosed *2016 Annual Results Announcement and 2016 Annual Report*, *2017 Interim Results Announcement and 2017 Interim Report*, *2016 Corporate Social Responsibility Report*, as well as over 60 provisional announcements on listing and over 40 announcements on insurance supervision. In 2017, our net profit attributable to equity shareholders of the parent company amounted to RMB5,256 million, earnings per share was RMB0.12, and the weighted average return on equity was 7.22%. China Re implements a proactive and stable dividend policy to reward shareholders. The proposal of the *Dividend Policy of China Reinsurance (Group) Corporation* was approved by the Board in July 2016. According to the policy, the Company shall distribute dividends once a year and the profits distributed in form of cash shall be no less than 30% of the consolidated net profit attributable to the equity shareholders of the parent company realized for the year. In 2016 and 2017, the Group's dividend payment to shareholders reached approximately RMB2.039 billion, in line with the requirements of the above dividend policy.

In 2017, the net profit attributable to equity shareholders of the parent company amounted to

RMB5,256 million

The weighted average return on equity was

7.22%

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# Society

China Re adheres to the mission of national reinsurance and takes the responsibility of enhancing the society's overall capability in guarding against risks. We actively engages ourself with the country's development strategies to realize participation in all aspects from macro-social policies to micro-community philanthropy. We also give full play to our reinsurance expertise in promoting social and economic development.



## Contributing to the Belt and Road Initiative and Serving Chinese Enterprises in Going Global

In 2017, the insurance regulatory authority issued the *Guidelines for the Insurance Industry in Serving the Belt and Road Initiative*. China Re promoted the establishment of the Belt and Road Initiative Insurance Pool based on the overseas network and cooperation with international and domestic insurance companies. In 2017, we undertook relevant research projects under the insurance regulatory authority. For that purpose, we conducted industry surveys, integrated efforts in the industry, and designed a preliminary insurance pool operating mechanism on the basis of in-depth understanding of corporate needs and industry appeals.

### Case:

#### China Re helped the establishment of the Belt and Road Insurance Consortium of Singapore

In November 2017, at the 14th Singapore International Reinsurance Conference, representatives of the Singaporean government officially announced the establishment of the Belt and Road Initiative (B&R Initiative) Insurance Consortium of Singapore, which is managed by the Singapore Branch of China Re.

The Consortium will bring together Singaporean local insurance companies, reinsurance companies and brokerage companies to provide quality underwriting services, professional insurance and risk management services for the B&R Initiative projects of China in the Asia Pacific region. China Re will provide one-stop solutions and proceed with the fields of engineering insurance, cargo and liability insurance, so as to make positive contributions to the cooperation between China and Singapore and to the construction of B&R Initiative projects.

In May 2017, the Group promoted the establishment of China Security Pool and entered into a strategic cooperation agreement. China Re joined by five domestic leading security companies to develop a comprehensive insurance scheme for overseas personnel. The Group also cooperated with a number of primary insurance companies to jointly build an overseas emergency assistance system advocating “Chinese Insurance for Chinese People”. China Re provides more comprehensive and efficient risk protection services to address Chinese companies’ concerns over facing the risks of personal injury in going global.

**Case:****China Re provides a comprehensive insurance scheme for personnel stationed overseas from Chongqing**

In June 2017, China Re signed a strategic cooperation agreement with the Chongqing Municipal Government to provide a comprehensive insurance scheme for 95 enterprises and individuals in the city who were “going global”. By the end of 2017, Chongqing had registered a total of 2,346 personnel dispatched to 59 countries or regions. All of them had joined the scheme with a total insurance coverage of RMB97.1 billion.



China Re vigorously developed the Belt and Road business and led the industry based on the platform of insurance pools. By the end of 2017, 26 memorandums of cooperation have been signed with foreign countries, and the cooperation network has covered 118 countries and regions; providing risk protection for China-Laos Railway, Pakistan photovoltaic projects, etc.; joining the “going global” coalition of nuclear power equipment and promoting the implementation of liability insurance for environmental pollution of radioactive sources and other new products.

**Case:****China Re participated in building the BRICS Insurance and Reinsurance Collaboration and Support System**

In August 2017, the Group upon invitation attended the BRICS Business Council as a member of the Financial Services Working Group of the BRICS Business Council. Under the joint initiative of China Re and Bank of China Insurance Company Limited, during the conference, representatives of leading insurance and reinsurance companies from China, Brazil, Russia, India and South Africa signed the *Cooperation Agreement on Building the BRICS Insurance and Reinsurance Collaboration and Support Framework*. The agreement fills the gap in the financial cooperation among the BRICS countries.





## Contributing to Social Infrastructure Building and Protecting Domestic People's Livelihood

China Re actively contributes to the construction and improvement of social infrastructure through the industry attributes and the resource advantages of insurance and reinsurance. Providing reinsurance and other financial services to the infrastructure construction industry has always been an important business of the China Re. The Group's subsidiaries, China Re Asset and Huatai Insurance Agency, have set up dedicated infrastructure business units to design creative and pertinent service models for related industries, such as energy, agriculture, transportation, etc.

In 2017, China Re actively contributed to the development of China's infrastructure construction. In the field of rail transportation, following the investment in Beijing-Shanghai high-speed rail construction, Beijing Rail Transit Line 16 was formally put into use in 2017, which meant China Re Asset and Beijing Infrastructure Investment Co., Ltd. jointly set up the industry's first rail transit stock-and-bond infrastructure investment scheme has been implemented. By the end of 2017, Huatai Insurance Agency had provided insurance brokerage services for 14 cities, 17 metro owners, and more than 70 subway lines across the country. In cyber security, since the *People's Republic of China Cyber Security Law* formally entered into force on 1 June 2017, China Re developed cyber security insurance products adapted to the domestic market. After that, the Group began providing cyber security insurance to a large utility provider in Beijing via Huatai Insurance Agency, in order to control the social risks from cyber security.

### Case: China Continent Insurance launched policy-based agricultural insurance

In 2017, under the support of the local government's poverty alleviation department and the Dalian Commodity Exchange, China Continent Insurance launched the corn "insurance + futures" scheme in Bairin Left Banner, Inner Mongolia Autonomous Region. The scheme provided a total coverage of RMB148.2752 million for 10,149 poor households to cope with price fluctuations in the corn market. In cooperation with China Agricultural Development Group, China Continent Insurance launched the first pilot central policy-based seed potato insurance scheme in the Inner Mongolia Autonomous Region, which provides a total coverage of RMB87.0175 million to help potato planters fight against natural disasters, accidents, diseases, pests and rodents. Combined with the actual agricultural development of in various regions, China Continent Insurance developed a variety of local specialty insurances covering hazelnuts, crab-apples, citrus, calves, cattle, sheep, donkeys, Chinese herbal medicines, etc. This provided guarantees against risks for the development of local specialty agriculture and promoted income growth for rural households.

China Re actively develops affordable personal insurance and critical illness insurance for impoverished areas and the poor against accidental injuries and diseases, while providing corresponding reinsurance services. China Continent Insurance provides critical illness insurance for urban and rural residents in Chongqing Municipality, Kunming City in Yunnan Province, Kaili City in Guizhou Province, Baotou City and four banners of Wulanchabu in Inner Mongolia Autonomous Region, and 5 counties and districts of Shangrao, Yingtan and Pingxiang in Jiangxi Province. By end of 2017, a total of 12.763 million people were covered by more than RMB2.32 trillion of insurance. For disadvantaged groups, China Continent Insurance assisted Jiangxi's Shangrao government in exploring a long-term care insurance system to protect the basic living rights of disabled people. China Re also joined the "Guard for Left-behind Children Program" which is designed to

provide critical illness insurance for left-behind children in Zhejiang Province. In this program, China Continent Insurance provided a commercial insurance with a maximum coverage of RMB300,000 for each of 7,600 plus left-behind children in Chun'an County, Hangzhou and Pingyang County, Wenzhou. The "Carnation Women's Health Public Welfare Insurance Scheme" was launched by China Continent Insurance, planning to cover tens of thousands of women of the right age in eight urban areas in Taizhou and Jiaxing, Zhejiang Province. For the elderly, Huatai Agency assisted the Qingdao Municipal Civil Affairs Department in initiating the "Accidental Injury Insurance for the Elderly Aged 60 and above". To this end, Huatai Insurance Agency set up a dedicated insurance service center in Qingdao to provide comprehensive insurance services against accidental injuries for 1.61 million elderly people in the city.

### Contributing to the Construction of Harmonious Communities and Participating in Philanthropic Activities

China Re pays close attention to the contribution of each operation site to the development of local community. By leveraging the professional and resource advantages, the Group goes deep into the communities to raise public awareness of insurance and enhance their ability to guard against risks. In the "July 8 National Insurance Publicity Day" in 2017, China Re won the "Best Creative Award".

Among the subsidiaries of Group Company, China Continent Insurance's activities for community participation have been increasingly diversified.

**Community Charity Projects of China Continent Insurance in 2017**

Location	Project
Jilin	<ul style="list-style-type: none"> <li>Donating computers to Jilin Province Orphan School</li> </ul>
Guangxi	<ul style="list-style-type: none"> <li>Donations to establish "Children's Paradise" in Xinlian Village, Liantang Town, Hezhou City</li> </ul>
Inner Mongolia	<ul style="list-style-type: none"> <li>Contribution to Qianlishan Township Student Aid Fund</li> </ul>
	<ul style="list-style-type: none"> <li>Donations to poverty-stricken mothers in response to "Love in May Day, Thanks to Mothers" campaign</li> </ul>
	<ul style="list-style-type: none"> <li>Donating household items to Hohhot Children's Welfare Institute</li> </ul>
Jiangxi	<ul style="list-style-type: none"> <li>Donations to Pingxiang City Charity Federation</li> </ul>
	<ul style="list-style-type: none"> <li>Donating clothing to Jiangxi Provincial Home for the Elderly</li> </ul>
Ningxia	<ul style="list-style-type: none"> <li>Buying cotton shoes for elementary school students in Hechuan Township</li> </ul>
Shaanxi	<ul style="list-style-type: none"> <li>Donations to victims in the September 25 flood in Pingli County, Ankang City</li> </ul>
Zhejiang	<ul style="list-style-type: none"> <li>Donations to "Love Police Foundation" of Yiwu City Public Security System</li> </ul>
Gansu	<ul style="list-style-type: none"> <li>Donations to charity donation event "Safety Love Package"</li> </ul>
Shanxi	<ul style="list-style-type: none"> <li>Donations to Love Charity Foundation of Shanxi</li> </ul>
	<ul style="list-style-type: none"> <li>Donating education funds to Yangquan Boarding School in Linxian County, Lyuliang, Shanxi</li> </ul>
Shandong	<ul style="list-style-type: none"> <li>Donations to "Benevolence Day" event of Laiwu City Charity Federation</li> </ul>
	<ul style="list-style-type: none"> <li>Donating teaching equipment to No. 5 Middle School in Lingcheng District and Shuangmiao Township Middle School in Xiajin County, Dezhou City</li> </ul>



**Case: China Continent Insurance — Happy Sports Fund of Hope Project**

China Continent Insurance — Hope Project Happy Sports Fund was established in September 2013. It is China's first special charity fund set up by China Continent Insurance under China Youth Development Foundation for the purpose of donating sports equipment to rural primary schools in poor areas. In 2017, China Continent Insurance's Happy Sports Fund identified 50 schools across the country as the targets of donations. These schools include Tieshagai Town Central Elementary School located in Chahar Right Wing Middle Banner, Wulanchabu of Inner Mongolia, Youfu Village Wanquan Primary School in Yongping, Dali of Yunnan, Fengxiang Primary School in Yingshang Village, Mufu Office, Enshi of Hubei, etc. China Continent Insurance donated sports facilities to each school, including basketball stands, soccer gates, single and parallel bars, and ping-pong tables, etc.



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# Customers

China Re puts the concept of service into all aspects of operations and management, explores deep into customers' needs, and provides personalized reinsurance and insurance products and high-quality service for customers.



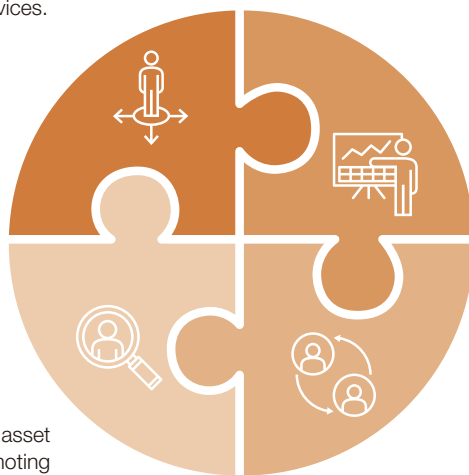
## Implementing the Big Customer Strategy, and Cooperating with Strong Enterprises for Common Development

In 2017, China Re attached great importance to the integrated service for big customers, such as government, major enterprises and organizations, implemented the “Big Customer Strategy”, coordinated internal and external resources to carry out deep cooperation in product, service, technology, and investment and financing, etc, and got closer to customers, mined their needs, and provided tailored solutions.

China Re promotes the customer-centered strategy transformation and the landing of “Big Customer Strategy” from four aspects:

Setting up strategic customer department to directly connect with government and large enterprise customers, focusing on customers' comprehensive needs, realizes the deep development of customers, and coordinating the resources of each subsidiary to provide customers with a package of products and services.

Giving full play to the advantages in institutional customers, leading in coordination with internal and external resources, carrying out deep cooperation with institutional customers in product, service, technology, investment and financing, and providing multilevel, diversified and comprehensive solutions.



Carrying out special action of asset and liability linkage, and promoting asset subsidiaries and liability subsidiaries to achieve more in-depth collaborative development by establishing relevant business objectives and assessment mechanisms, building collaborative communication platform, and other measures.

Focusing on the customers with great potential for strategic growth to carry out strategic layout and business operation, increasing the channels to contact customers, strengthening the coordination and integration of various channels, realizing the migration of customers between different products, and developing customer value in depth.

**Case: CICS customer-oriented strategic project of China Continent Insurance**

In 2017, China Continent Insurance started the CICS (Continent Insurance Core Strategy) customer-oriented strategic project to build a customer-centered business philosophy and business culture and realize the transformation of customer-centered business mode. The project confirmed the blueprint for the strategic transformation of customer integrated management driven by science and technology, constructed the new product factory, adjusted the organizational structure, continued the work of channels deepening, comprehensively enhanced the ability of specialized management of channels, and jointly create a new customer-centered mode.

## Adhering to the Guidance of Science and Technology, and Innovating Product System

Taking product innovation, mode innovation and mechanism innovation as breakthrough point, China Re strengthens information system and data infrastructure construction, hatches a variety of new businesses, upgrades the industry innovation ability and our leadership and provides customers with new products and new services.

### Technology innovation

China Re clears the IT strategy of “gathering resources, constructing platform, building ecology, five drives, one-body and two-wing pattern”, and creates the new pattern “China Re Digital”. China Re establishes the information technology center, continues to increase investment, integrates insurance business data, risk data and market operation data to build the big data platform of China Re, and comprehensively promotes the integration and innovation between artificial intelligence, block chain, cloud computing and other new technologies and business development and operation management, thereby laying a technical foundation for product and service innovation.

On 30 September 2017, the reinsurance NCR (New Core Reinsurance) project group of China Re formally went into operation. The reinsurance NCR project group of China Re is a benchmarking case that the first reinsurance core system in China uses the world’s leading SICS products and implements successfully. China Re has comprehensively built the “gold” data source of reinsurance business, has further promoted the informationisation level of reinsurance sector, and has laid a solid foundation for promoting “China Re Digital” and “Internet + Reinsurance”.

“Using Catastrophe platform to help direct insurance companies and governments to enhance risk management ability” of China Re wins the FINTECH Industry Outstanding Contribution Award of 2017 China’s Financial Science and Technology Innovation List, and wins the “2017 Outstanding Contribution Award for Financial Science and Technology Innovation — Contribution Award for Development and Innovation” in the “Eighth Award Ceremony for Excellence in Financial Science and Technology and Service of 2017 China’s Financial Science and Technology Annual Conference” held in by the magazine, *Financial Computerizing*.

Attaching great importance to the intellectual property of all enterprises, China Re formulates the *Regulations for the Management of Legal Affairs of China Reinsurance (Group) Corporation* to regulate the intellectual property management.

**Case: REAPS core analysis system of China Re P&C obtains national copyright certificate**

In July 2017, the reinsurance combination analysis and pricing system of China Re P&C ("REAPS") successfully obtained the national copyright certificate (computer software copyright registration certificate) from the State Copyright Bureau, which realizes the independence of core technology tools.

**Case: China Re Life independently developed the first whole-process intelligent underwriting system in the country.**

In December 2017, the first intelligent underwriting engine system demonstrating the reinsurance and risk management idea of China Re Life independently developed by China Re Life was officially launched, which obtains the national copyright certificate and fills the gap in domestic industry.



## Product innovation

China Re fully implements the national concept of innovative development. We full play to the professional advantages of financial industry, and constantly speeds up the innovation of insurance products. We also develop and design products that meet society needs and satisfy customers and clients, solve problems of customers' diverse needs and provide effective protection for customers.

**Case: China Re Life developed the products of "Expense-Reimbursement for Severe Illness"**

In 2017, aiming at the innovation of the payment method of thyroid cancer, China Re Life developed the products named "Expense-Reimbursement for Severe Illness", which replaced the traditional "quota payment" by "expense reimbursement". From the essential function of severe illness products and the core security needs of the public, China Re Life improved the insurance effectiveness and leverage ratio of products, effectively controlled the risk of adverse selection of thyroid cancer, and provided consumers with double security before and after death.

**Case:****China Continent Insurance undertakes the “inherent defects insurance” and “insurance for the pilot of key technical equipment”**

In 2017, China Continent Insurance undertook the Inherent Defects Insurance (“IDI”) and provided more than RMB3 billion of insured amount. China Continent Insurance propagated among governments in various areas the good social management function of IDI insurance in improving the quality and safety of building, improving the quality management level of construction enterprises, and reducing the financial burden, and helped Ma’anshan and other governments to design policies and insurance schemes, which has achieved positive social benefits.

In 2017, China Continent Insurance continued to promote the business of “insurance for the pilot of key technical equipment”, the growth of related business was over 100%. The product is an innovative and comprehensive insurance product to respond to the quality risk and liability risk for the pilot of key technical equipment. It plays an important role in promoting the high-end transformation of equipment manufacturing industry and building the upgraded version of Made-in-China.

## **Improvement of Service Quality, and Protection of Customers’ Privacy**

China Re believes that high quality service standard and protection of customers’ privacy are the most basic requirements. In the daily operation, China Re standardizes service behavior, responds to customers’ needs and opinions in a timely manner, and constantly improves service quality and efficiency; and takes various measures to ensure customers’ information security and prevent information disclosure and abuse.

### **Improvement of service quality**

China Re maintains a good relationship with customers, keeps full communication with ceding companies and customers, and carries out customer return visit and satisfaction survey irregularly to know customers’ satisfaction and opinions about products and services, find out the processes and links needing improvement in customer services, and improve deficiencies in time and perfect customers’ service experience.

**Case:****China Re P&C provided exclusive service of customer service directory for customers to improve service quality**

In 2017, to further enhance service pertinence, China Re P&C provided 129 exclusive services of customer service directory for many important customers, among them, the customized contents account for 80% of the service contents, highlighting the precise service orientation. The proportion of the total “very good” or “good” evaluations of customers on the service contents provided exceeded 80%, and there was no bad feedback.

**Case: China Continent Insurance improves the service experience**

In order to implement the “customer-centered” service concept, fulfill the commitment of insurance service, improve customer experience and enhance customer satisfaction, China Continent Insurance firstly launched “four eras” for car insurance claims in 2016, and upgraded the 2.0 edition of “four eras” in 2017.

- The “Friend Era” featured by claims through WeChat. WeChat claims are further optimized, and functions are increased, such as progress query of claims, real-time location sharing for claim investigators guided by cooperative maintenance factory, WeChat payment, etc.
- The “Small Era” featured by direct claims through phone calls. Direct claims through phone calls are expanded to all customers and it covers all institutions.
- The “Intelligent Era” featured by simple and fast claims. Optical Character Recognition (OCR) image recognition and intelligent damage-assessing technology are utilized in simple and fast claims, which optimize the automatic calculation rules, and expand the range of automatic calculation.
- The “Assisting Era” for personal injury claims. Personal injury claims provide services of “Four Assists”, “Two Exempts”, and “Two Cares”. “Four Assists” helps customers identify accident liability, advance medical expenses, coordinate the compensation disputes on accident damage, and provide professional legal advice; “Two Exempts” refers to no paper documents below RMB10,000 and no disability evaluation on the clear disability grade; and “Two Cares” provides “warm visit” and “home visit with gifts” services for the wounded.

China Continent Insurance held the “520 customer service day” kick-off meeting on 12 April 2017, and started a one-month customer service festival. “520 customer service day” is the traditional annual customer service festival for China Continent Insurance. In 2017, the theme is “let love forever”, and a number of activities were conducted to interact closely with customers.



**Case: Complaint evaluation of China Continent Insurance**

From November to December 2017, China Continent Insurance carried out “zero” supervision complaint activity to urge branches to improve basic service management, handle customers’ prompt matters and complaints timely and properly, accelerate the handling time of complaints, and avoid the escalation of contradictions. During the “Zero Complaint” activity, the numbers of complaints in November and December is significantly lower than the average monthly number of the previous 10 months.

In 2017, China Continent Insurance’s cycle of the cases below RMB10,000 was 9.3 days, which was a year-on-year reduction of 1.2 days; non-prosecution rate was 48.4%, which was a year-on-year increase of 6.4 percentage points; and prepaying rate was 40.3%, which was a year-on-year increase of 9.7 percentage points. The evaluation of insurance company’s supervision service has obtained A rating for the second year in a row.

The main customers of China Continent Insurance are insurance consumers. China Continent Insurance formulates *Complaint Management Measures*, *Complaint Handling SOP*, *Contingency Plan for Major Emergency Complaints*, and *Measures for Assessment of Supervising Complaints* to regulate complaint management work, standardize complaint handling, registration and other specific operation processes, ensure that every complaint is handled in a timely and proper manner, and solve customers’ demands.

Huatai Insurance Agency formulates *Standard of Reward and Punishment for Customer Complaints and Praise* to motivate employees to speed up feedback and problem handling, and conducts customer satisfaction survey to know customers’ preferences and needs and provide better services for customers.

**Case: Huatai Insurance Agency conducted a customer satisfaction survey**

In December 2017, Huatai Insurance Agency carried out phone call return visit activity for customer satisfaction to widely collect customers’ opinions, understand customers’ preferences and feeling on the products to the fullest extent, meet customers’ needs, and find out company’s shortcomings and improve management level. The full mark in this customer satisfaction survey was 10. Huatai Insurance Agency obtained 9.65, and reaped the praise from certain customers.

## Protection of customers' privacy

China Re attaches great importance to the protection of customers' information and privacy. Combined with the actual situation of the Group, it formulates the *Methods for Confidentiality Management of China Reinsurance (Group) Corporation* according to the provisions of the *Law of the PRC on Guarding State Secrets*, *Regulations on State Secret Scope of Insurance Work* and other relevant laws and regulations to protect state secrets and business secrets. For the business secrets acquired in the process of business operation, China Re will take necessary confidentiality measures to enhance confidentiality management according to the contract or confidentiality agreement signed by both parties. Moreover, China Re clearly requires in the *Code of Ethics for Employees* that all employees of the Company have the confidentiality obligation for the confidential information of Company's customers or potential customers obtained through duties or other channels, and the confidentiality obligation is still valid within a certain time after departure.

The subsidiaries of China Re formulate management measures and take corresponding measures to protect customer information from being disclosed according to own business operation. For example, China Continent Insurance formulates *Methods for Customer Information Management of China Continent Property and Casualty Insurance Company Ltd.* and Huatai Insurance Agency formulates the *Regulations for Protection and Management of Customers' Information and Privacy of Huatai Insurance Agency and Consultant Service Limited.*

## Standardization of brand image management

China Re deeply recognizes that brand image is a crucial intangible asset for an enterprise, and plays an important role in the future development. In order to effectively protect the brand image, China Re strictly observed relevant laws and regulations such as the *Advertisement Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and the *Interim Measures for the Administration of Internet Advertising* and established a series of brand management systems such as the *Administrative Measures for Brand Publicity of China Reinsurance (Group) Corporation*, the *Measures for Website Management of China Reinsurance (Group) Corporation*, the *Management Measures for Reputation Risk of China Reinsurance (Group) Corporation*, the *Management Rules for News Release of China Reinsurance (Group) Corporation*, the *Interim Measures for the Administration of Spokesperson of China Reinsurance (Group) Corporation*, as well as a series of management rules such as the *Handbook of Visual Identification System of China Reinsurance (Group) Corporation*.

According to the relevant provisions and requirements of the Trademark Office of the State Administration for Industry & Commerce, China Re constantly standardizes the trademark management, continuously conducts daily monitoring on the trademark and domain names, objects to or makes announcement of invalidation for similar trademarks, so as to protect the trademark interests according to the law. In case of unauthorized use of China Re's name for advertisement release or other promotional event, China Re shall immediately hold their accountability according to the law.

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# Employees

Employees' progress and growth are motivation for the Group to move forward. With the principle of people-oriented and harmonious development, China Re provides supportive development space, creates harmonious working atmosphere for employees and becomes their solid backup. The Group tries to give tangible care to employees with full effort in order to achieve common growth and development of both employees and the company.



## Guaranteeing Employees' Lawful Rights and Interests

Taking national laws as the fundamental guidance and the company regulations as standards, China Re insists to legally carries out labour management work. The Group earnestly implements relevant laws and regulations such as *the Labor Law of the People's Republic of China*, establishes and strictly observes a series of company regulations including *Management Rules on Labor Contract of China Reinsurance (Group) Corporation*, *Interim Management Rules on Employees' Recruitment of China Reinsurance (Group) Corporation* and *Interim Management Rules on Employment Term of China Reinsurance (Group) Corporation*. The signing rate of employees' labor contracts of China Re has reached 100%. We resolutely prevent and resist the use of child labor and forced labor.

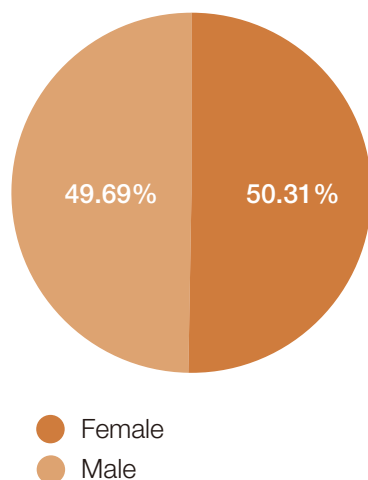
With the good corporate image and talent management mode, China Re attracted professionals from various fields. As of 31 December 2017, China Re had 49,431 employees in total, including 32,059 contractual employees.

Type of employment	Number of employees
Regular employees	32,059
Dispatched employees	16,858
Employees with service agreements	514

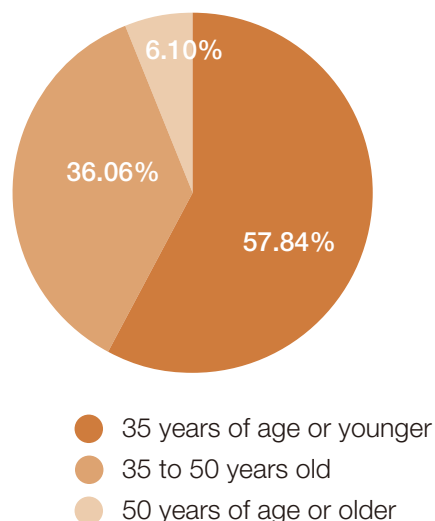
China Re respects and attaches great importance to all employees' lawful rights and interests. Taking the employees' interests as the starting point, China Re creates equal working environment and provides competitive welfare package for employees. In terms of talent recruitment, salaries and welfare, employee training, and career development and others, the Group prevents all inequities caused by different genders, regions, races, religions, ages, political stands, etc. China Re has always been devoting itself to guaranteeing employees' basic rights and interests and providing them with due welfare. Thus, China Re provides supplementary medical insurance, annuity and other welfares in addition to the well-established basic welfare guarantee system including basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing fund.

In respect of employees' management, China Re formulates *the Interim Measures on Resignation and Dismissal of China Reinsurance (Group) Corporation*, *the Interim Measures on Attendance and Leave of China Reinsurance (Group) Corporation* and *the Interim Measures on Employees' Salary of China Reinsurance (Group) Corporation* and other measures to impose specific requirements for the procedures and process regarding the dismissal of employees, working hours and holidays and to permit designated exam leave to encourage employees to undergo training and develop their skills by formulating.

EMPLOYEE PERCENTAGE BY GENDER



EMPLOYEE NUMBER BY AGE

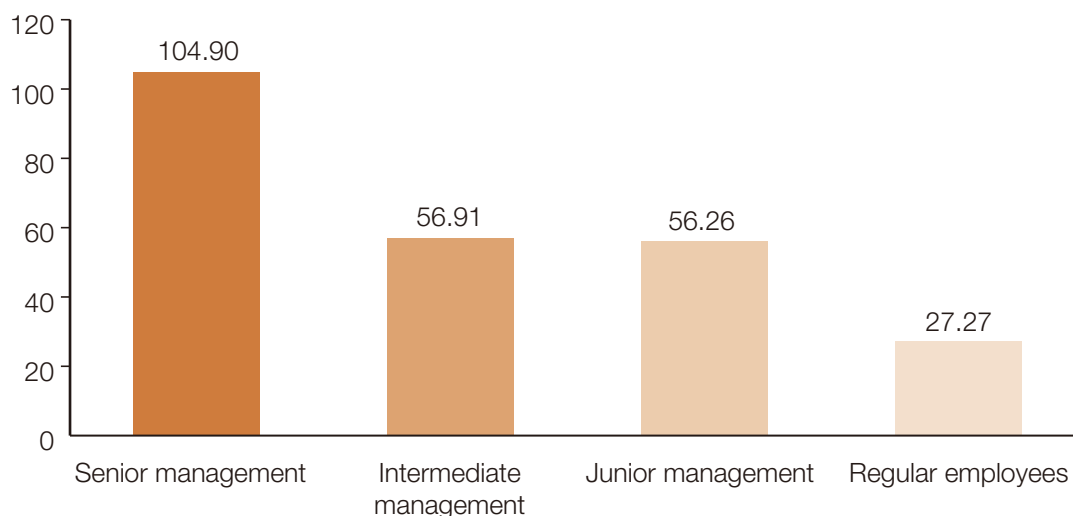


### Continuously Strengthening Career Development

China Re continues to improve employees' career development path, creates a platform for employees to achieve their personal growth and value, in order to realize the common growth, common progress and common development of both employees and the Group. China Re attaches importance to the communication and connection between the management level and employees, tries to understand and grasp employees' thoughts, work and life trends in a timely manner and provides assistance for their career development. China Re pays high attention to employee training, establishes a series of training management systems including *Interim Management Rules on Employees' Training of China Reinsurance (Group) Corporation*. The Group constantly perfects the training system and effectively carries out training programs in order to improve employees' qualities and capabilities.

In 2017, the training at all levels of China Re covered 100% employees, among whom the male employees averagely attend training for 30.51 hours while the females averagely attend training for 27.92 hours. In addition to strictly complying with the Group's unified training requirements, the subsidiaries also independently organized targeted training according to their own business characteristics.

AVERAGE TRAINING HOURS BY EMPLOYEE LEVEL



**Case: A strategic initiative of talent team construction — the “Double Hundred Project”**

The “Double Hundred Project”, namely “recruiting 100 talents, training 100 talents”, is a strategic initiative for the systematic talent team construction of China Re. It effectively supplements the constraints and deficiency of management staff at all levels and professional personnel of all types, further inspires the vitality and work enthusiasm of all cadres and employees.



In 2017, 5 companies of China Re in Beijing altogether recruited 46 fresh graduates and 90 social mature talents. 51 cadres were covered by 2 cadre exchange programs and 11 got the opportunity to study abroad. A core backbone talent pool has been established. More than 65% newly-recruited fresh graduates were graduated from key professions of renowned institutions; near 60% newly-recruited social mature talents possess middle or senior professional titles or technical qualifications. While recruiting social mature talents, the Group Company encourages all employees to recommend excellent talents by implementing the “Talents Recommend Talents” strategy and setting up “Bole Award”.



In 2017, China Re organized 2 times employee exchange programs to promote communication between the Group Company and its subsidiaries, among different subsidiaries and between home and abroad. The Group Company and all subsidiaries successively developed specific measures for employee exchange management and cared them through informal discussions, setting up WeChat groups and conducting questionnaire surveys, all of which have improved the effectiveness and pertinence of the program. The exchange program has significant effects on broadening employees’ work vision, enriching their work experience, promoting professional competence and enhancing grassroots practice.

**Case: Salary Optimization Reform Program**

In July 2017, China Re invited an advisory body to launch the optimization program for salary management system. The program follows the principle of “focusing the structure adjustment, ensuring the control of overall cost; insisting on the performance-oriented strategy, concentrating on both motivations and constraints; specifying the preferential resource receivers, moderately widening the income gap; guaranteeing the overall stabilization of employees’ income, keeping the employee team steady”. It insists to combine the market practice with China Re characteristics. Based on full reference of the prevailing market practice, the program properly designed the salary system and incentive mechanism, made efforts to solve the current most significant contradictions and issues. It aims to ensure the salary system to be fully effective on attracting, motivating and preserving talents, which has actually helped the Group confront the increasingly intense competition for talents in the industry.



**Case: China Continent Insurance promotes employee growth**

On 28 February 2017, China Continent Insurance established Continent Talent College at Shanghai Advanced Finance College of Shanghai Jiao Tong University. During the year of 2017, Continent Talent College altogether organized 6 senior management training programs, subjects of which including innovative leadership of financial institutions, Internet finance, strategic service management, enterprise value analysis and business model interpretation. Over 300 employees attended the training.



China Continent Insurance launched the mobile learning platform “handheld college” in November 2016, which has enriched the company’s learning resource and expanded the training coverage. In 2017, the company launched “Thousand Talent” program. It manages online virtual classes by “handheld college” and organizes offline teaching team formed by trainers with considerable business experience, plenty of practical cases and excellent teaching capabilities from the head office and subsidiaries. They take turns to give lectures to trainees.



## Building a Harmonious Big Family

China Re attaches great importance to protecting staffs' lives, property and occupational health rights and interests. The Group carries out management in strict accordance with the *Labor Law of PRC*, *Injury Insurance Regulations*, *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, *Fire Protection Law of the People's Republic of China* and other relevant laws and regulations. In 2017, there were no deaths or serious injuries within the Group due to production safety accidents. On 28 August 2017, China Re organized the Fourth Meeting of the Third Session of Staff Representative, where the *Administrative Measures of China Reinsurance (Group) Corporation on Trade Union Member Condolence (Trial)* was considered and approved.

China Re is devoted to creating a harmonious working and living environment for its staff and helping them solve difficulties both in their work and life. In order to improve the condition of working space, China Re has designed and reconstructed several parts of the office building, and upgraded and optimized the fresh air system, regional monitoring equipment and the personnel access management system. Moreover, the Group has upgraded the pantries and provided various kinds of snacks and drinks. In addition, the Group has also set up exclusive baby-sitting rooms, special refrigerator for the breastfeeding mothers in workplace. In accordance with the national regulations on occupational diseases, the employees of China Re have not involved in high-risk operation and have not suffered risk of occupational diseases. Nonetheless, China Re arranged health examination annually for all employees, thereby delivering care and love to the employees.

On the eve of 2017 Spring Festival, the leaders of China Re visited poor employees in Xinyu City and Pingxiang City in Jiangxi Province, and Loudi City in Hunan Province. The activities were carried out simultaneously in six companies of China Re, and they visited 218 poor employees in total. In March 2017, more than 50 female staff participated in an activity organized by China Re to learn how to make western style pastry in the "Women's Day". In May 2017, the Youth Forum among young league members was held, aiming to celebrate the arrival of the Chinese Youth Day and greet the 95th anniversary of China's Communist Youth League.



In July 2017, the "China Re Expert Forum" specially invited a renowned expert in health management to give a lecture named "Health Management and Operation like Fortune" for the employees of China Re.

To enhance internal communication among staff within the Group and enrich staff's life in their spare time, China Re has actively carry out the construction of corporate culture, organized diversified cultural and sports activities.



In November 2017, the Fifth "China Reinsurance Cup" Calligraphy Painting and Photograph for Insurance Industry in China was held on the Qianmen Street, Beijing , attracting nearly 4 million visitors.



The Staff Sport Games of China Re was held in Chaoyang Sports Center in October 2017.



China Re P&C organized the "Re-launch • Health Run" and publicity campaign for catastrophic insurance at the Garden Expo Park in May 2017, being committed to the constructing the company's culture, and publicizing the fruits in the construction of catastrophic insurance.



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# Cooperative Partners

Peace, development, cooperation, and win-win situation remain the trend of our times. China Re has been working closely with cooperative partners such as reinsurance companies, insurance companies, and suppliers to explore a win-win situation in strict accordance with the country's development philosophy of "achieving shared growth through consultation and collaboration".



## Consultation

“Consultation” means that all cooperative partners shall seek consensus, seek common economic interests, and pursue common development by taking into account the interests of others, negotiating and interacting with each other on the basis of mutual respect and equality. China Re provides equal business opportunities for all cooperative partners and maintains open and close communication with them. We aim to realize the mutual assistance and win-win situation in the face of risks, promote social security protection levels, and better serve the real economy in the form of insurance.

## Respect suppliers

China Re cannot smoothly operate without the support of suppliers. Thus, China Re respects the rights and interests of suppliers and regards them as an integral part of the cooperative partners. The Group has established long-term cooperation models and close cooperative relationships with suppliers, with an aim to stand together and face all the difficulties with dignity. The ultimate goal is create values, achieve win-win cooperation, and realize significant development through close and effective mutual communication and cooperation.

China Re has announced the *China Reinsurance (Group) Corporation's Measures on the Administration of the Procurement*, and *China Reinsurance (Group) Corporation's Administration Measures on the Administration of IT Service Providers*, to standardize the basic processes of procurement and strengthen compliance management, thus to provide suppliers with a level playing field. China Re adheres to the principles of openness, fairness, impartiality, integrity, competition, and efficiency in procurement. The Group separate the responsibilities for procurement execution and procurement supervision. When there is a stake between certain procurement personnel and the suppliers involving a procurement, the procurement personnel are required to apply for withdrawal.

## Communication in the industry

China Re organized and actively participated in multiple seminars, summit forums and other industry exchange activities, covering the reinsurance companies, insurance companies, scientific research institutions, government agencies, and enterprises. The topics focused on how the insurance industry can be transformed and upgraded to serve the country's real economy, under the goal of common development.

In 2017, China Re delivered keynote speeches in several forum activities such as “Asian Finance Association Forum on Frontier Issues in Middle East & Eastern Europe Financial Sector”, “Asia Pacific Asset Management Summit Forum”, “2017 China Overseas Engineering Safety and Emergency Response Forum” and “China Overseas Security Service Development Forum”, where China Re shared its insurance products and experiences to the representatives of engineering companies, security industry companies, and insurance companies. These forums aimed to unite cooperative partners together with their united strength to promote the sustained and healthy development of insurance ecosystem in China.



*The Chairman of China Re, Yuan Linjiang, attended the “Asian Finance Association Forum on Frontier Problems in Middle East & Eastern Europe Financial Sector” and gave the keynote speech with the themed of Working Together to Promote the Belt and Road Initiative, and Share the Development Opportunities for Win-win Cooperation.*

**Case: The First Session of Blockchain Consortium of the Multi-industry held by China Re**

On 22 December 2017, China Re initiated the Blockchain Consortium of the Multi-industry (BCM<sub>i</sub>). The participants included the Chief Information Officer (CIO) and special representatives of China Investment Corporation, China Development Bank, China CITIC Group and other large companies. BCM<sub>i</sub> is an open platform focusing on cross-industry restructuring of blockchains, with an aim to build a new ecosystem. It is expected to serve the country's development strategy, and promote the multi-industry integration, innovation, and digital transformation.

**Case: The 2017 CEO Roundtable in China Property Insurance Industry held by China Re P&C**

On 6 November 2017, China Re P&C successfully hosted the 2017 CEO Roundtable in China Insurance Industry in Beijing. A heated discussion was carried out among the participants with topics focusing on the “technical innovation and development transformation in the insurance industry”, “2017 market assessment and trend discussion in the domestic property insurance industry” and “discussion on several issues in China's property insurance industry” and others. Since 2013, five rounds of CEO roundtables in China's property insurance industry have been successfully held by China Re P&C. The conference has become an industry high-end communication platform focusing on the hot spots and development frontiers in China's insurance and reinsurance markets.

**Case:****The “Seminar on Risk and Management of Offshore Wind Power During the Construction Period” organized by China Re P&C**

On 15 November 2017, China Re P&C organized the “Seminar on Risk and Management of Offshore Wind Power During the Construction Period”. On the seminar, an in-depth discussion was carried out among the major market participants such as owners, primary insurance companies, primary insurance brokers and third-party service organizations. The topics focused on the domestic and foreign offshore wind power insurance market, the characteristics of risks and insurance arrangements involving offshore wind power, and the introduction of the maritime inspector system. The seminar was expected to promote the insurance and risk management mechanisms involved in the domestic offshore wind power during the construction period.

## Co-constructing Platform

“Co-construction” means that all cooperative partners shall participate in the construction of a mutually beneficial community of interests by an integration of their advantages and resources. “One hand cannot clap alone; many hands make light job”. Collaboration is the only way to achieve common development in face with the complex economic environment. Initiatives were jointly proposed by China Re and other insurance companies to establish an insurance pool and sign cooperation agreements with cooperative partners, thus to construct a cooperation platform.

### Co-construction of insurance pools

Nuclear insurance and agricultural insurance share a common feature: large amounts of compensation insurance. Hence, it is difficult for a single insurance company to fully cover the insurance liability. Only through the “Insurance Pool”, an insurance peers cooperation organization, can the insurance system run steadily, thus to lay the foundation for the development of nuclear power and agriculture. The insurance community can integrate the industry resources, construct an industrial co-protection platform, and extend the industry’s insurance ability. As one of the management agencies, sponsors, and members of CNIP and CARP, China Re has made an on-going commitment as a community management agency and the main force to promote the steady development of CNIP and CARP, and the effective management of the nuclear risks and agricultural risks.

### China Nuclear Insurance Pool (CNIP)

China Re, China Re P&C, and China Continent Insurance have participated in the nuclear insurance businesses worldwide through CNIP. In 2017, China Re’s reinsurance premium income from CNIP was RMB96 million.

CNIP was established in 1999. The Group Company is the management company and chairman of CNIP since its establishment until November 2016. Since November 2016, China Re P&C has replaced the Group Company as the management company. The members of CNIP include 29 domestic and foreign property insurance and reinsurance companies. CNIP’s main scope of coverage includes the businesses such as nuclear property insurance and nuclear third party liability insurance. CNIP mainly targets the various nuclear power countries at home and abroad, the risks of which are well dispersed geographically.



## China Agricultural Reinsurance Pool (CARP)

On 21 November 2014, an initiative was jointly proposed by China Re P&C and 23 insurance companies to establish CARP. It was established to integrate domestic insurance industry resources, and improve the overall risk management of agricultural insurance, thus to provide continuous and stable reinsurance protection through institutionalization and marketization models.

In 2017, the number of CARP members has expanded to 32 member companies and five companies as observers, whose insurance capacity has expanded to RMB360 billion. Base on the perfect operating mechanism, the CARP took reinsurance as crucial measure to serve agricultural insurance and support agriculture and give full play to the function of agricultural reinsurance, with an ultimate goal to provide support for the reform of agricultural modernization.

In 2017, the CARP cooperated with the Central Rural Work Leading Group Office, insurance regulatory agencies, the Ministry of Finance and other relevant ministries to carry out research on catastrophe risk dispersion mechanisms for agricultural insurance. The CARP played a very important role in the development of the industry with its professional and technological advantages.

## Signing strategic cooperation agreements

To build a long-term, stable, mutually beneficial and comprehensive strategic partnership, China Re has signed cooperation agreements with governments, insurance companies, research institutes and other cooperative partners.

### Case:

### China Re signed a strategic cooperation agreement with CIG Pannónia First Hungarian General

On 28 November 2017, China Re signed a strategic cooperation agreement with CIG Pannónia First Hungarian General (“CIG”) in Budapest, Hungary. The two sides reached a consensus on the provision of mutual insurance support and insurance & reinsurance services for Chinese companies’ overseas interests in Hungary, and Central and Eastern Europe. This is the first strategic cooperation agreement between the Chinese insurance industry and the Hungarian insurance industry. China Re is committed to deepening its businesses in the international insurance and reinsurance market, expanding its partnerships, achieving mutual benefits, thus to support Chinese companies to “go global”.



**Case: China Re signed a strategic cooperation agreement with Ceska pojistovna**

On 1 December 2017, China Re and Ceska pojistovna entered into a strategic cooperation agreement, pursuant to which, both parties will provide insurance services to the Belt and Road projects and the Chinese enterprises for the sake of their overseas interests in Central & Eastern Europe. The signing of agreement embarks on a new beginning for deepening the bilateral strategic cooperation, and that both parties will have bigger room of cooperation in respect of the Belt and Road construction, nuclear insurance and regular business areas.

**Case: China Re and the local governments signed strategic cooperation agreements**

China Re has signed strategic cooperation agreements with the local governments in various regions to strengthen the deep cooperation in insurance, reinsurance, investment and financing.

On 27 February 2017, China Re and the People's Government of Inner Mongolia Autonomous Region signed a strategic cooperation agreement, to cooperate in project investment and financing, insurance intermediary, internet industries, etc. including: establishment and improvement of multi-level risk protection mechanisms for agriculture, catastrophes, and internal quality defects in residence; municipal infrastructure construction, and critical illness supplementary medical insurance for urban and rural residents, policy-based agricultural insurance, and targeted poverty alleviation insurance projects; transportation, energy, shantytowns reconstruction, municipal construction, environmental protection, mixed ownership reform of state-owned enterprises, etc.

On 13 June 2017, China Re and the People's Government of Tibet Autonomous Region signed a strategic cooperation agreement, to carry out close cooperation in the areas of catastrophe insurance, agricultural insurance risk dispersion mechanism, poverty alleviation, environmental and ecological protection, and development of local characteristic industries.

On 25 June 2017, China Re and the Chongqing Municipal People's Government signed a strategic cooperation agreement, to cooperate in the establishment of institutions, catastrophe insurance, policy-supported forestry insurance, family planning-special family care, comprehensive insurance for low-income and poverty-stricken people, long-term care insurance, and promoting the development of Chongqing's characteristic industries with insurance funds.

## Sharing Achievements

“Sharing” means that under the principle of “reciprocity and mutual benefit”, all cooperative partners carry out research projects, formulate industry standards and share the research results together, ultimately achieving a win-win or all-win situation.

China Re has put a great effort to strengthen the underwriting pricing mechanism, reinforce the technical output of catastrophe model and data analysis, share research results with cooperative partners, consolidate the technical foundation for the development of the insurance industry and improve the risk management ability of insurance industry. The Group also actively participated in formulating industry standards and product research and development, expanded the catastrophe business, accelerated the catastrophe model and product research and development, launched the “Zai • Kan” “Zai • Shang” China Re catastrophe platform, promoted the refinement of operation mechanism of CARP, developed new products and expanded the business scope of the agricultural catastrophe insurance. We participated in the drafting of the Nuclear Safety Law and the design of the liability reserve system for nuclear insurance catastrophe, joined the “going global” coalition of nuclear power equipment, and promoted the implementation of liability insurance for environmental pollution of radioactive sources, anti-cancer insurance, tax premium health insurance, endowment insurance and other new products, and supported the product development, risk dispersion, and premium rating for primary insurance companies, and supported the overall risk assurance capacity for the society. China Re P&C launched the first set of risk curves of marine insurance for the insurance industry in China, which played an important and active role in the development of domestic insurance and reinsurance industry. China Re Life officially announced the “Experience Analysis Report of Personal Accidental Injury Insurance for the Insurance Industry of China” to supplement the constraints of lacking in reliable experience data of accidental insurance in the insurance industry.

# ESG Reporting Guide Index

Subject area	Topic	Performance indicators	Information source
Environmental	A1 Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	33
		A1.1 The types of emissions and respective emissions data	35
		A1.2 Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	35
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	35
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	35
		A1.5 Description of measures to mitigate emissions and results achieved	34
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	34
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials	34
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	35
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	35
		A2.3 Description of energy use efficiency initiatives and results achieved	34
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	34
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	No related issue
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	33–34
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	33–35

Subject area	Topic	Performance indicators	Information source
Social	B1 Employment	General Disclosure: Information on:	57
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
		relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare	57–58
		B1.1 Total workforce by gender, employment type, age group and geographical region	
	B2 Health and Safety	B1.2 Employee turnover rate by gender, age group and geographical region	—
		General Disclosure: Information on:	62
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
		relating to providing a safe working environment and protecting employees from occupational hazards	62
		B2.1 Number and rate of work-related fatalities	
		B2.2 Lost days due to work injury	62
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	62
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	58
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	58
		B3.2 The average training hours completed per employee by gender and employee category	58
	B4 Labour Standards	General Disclosure: Information on:	57
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
		relating to preventing child and forced labour	57
		B4.1 Description of measures to review employment practices to avoid child and forced labour	
		B4.2 Description of steps taken to eliminate such practices when discovered	57



Subject area	Topic	Performance indicators	Information source
Social	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	65
		B5.1 Number of suppliers by geographical region	—
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	65
	B6 Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	52–55
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	No related issue
		B6.2 Number of products and service related to complaints received and how they are dealt with	54
		B6.3 Description of practices relating to observing and protecting intellectual property rights	50–51
		B6.4 Description of quality assurance process and recall procedures	52
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	55
	B7 Anticorruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering	21
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	21
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	21

Subject area	Topic	Performance indicators	Information source
Social	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	23–25, 43–47
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	23–29, 43–47
		B8.2 Resources contributed (e.g. money or time) to the focus area	25

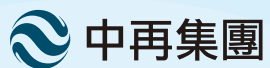


# Definitions

“China” or “PRC”	the People’s Republic of China and, for the purpose of this report and for geographical reference only and except where the context requires, references in this annual report to “China” or the “PRC” do not include Hong Kong, Macau and Taiwan
“Central Huijin”	Central Huijin Investment Ltd.
the “Company” or “Group Company”	China Reinsurance (Group) Corporation
the “Group”, “China Re” or “we”	our Company and its subsidiaries (except where the context requires otherwise)
“China Re P&C”	China Property and Casualty Reinsurance Company Ltd., a wholly-owned subsidiary of the Company incorporated in the PRC on 15 December 2003
“China Re Life”	China Life Reinsurance Company Ltd., a wholly-owned subsidiary of the Company incorporated in the PRC on 16 December 2003
“China Continent Insurance”	China Continent Property & Casualty Insurance Company Ltd., a subsidiary of the Company incorporated in the PRC on 15 October 2003
“China Re AMC”	China Re Asset Management Company Ltd., a subsidiary of the Company incorporated in the PRC on 18 February 2005
“Huatai Insurance Agency”	Huatai Insurance Agency and Consultant Service Limited, a subsidiary of the Company incorporated in the PRC on 1 March 1993
“Belt and Road Initiative”, “B&R Initiative” or “B&R”	Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road issued by the National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of PRC on 28 March 2015
“Board of Directors” or “Board”	the board of directors of our Company
“CARP”	China Agricultural Reinsurance Pool
“CNIP”	China Nuclear Insurance Pool

“CSR”	Corporate Social Responsibility
“ESG”	Environmental, Social and Governance
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Lloyd’s”	the Society of Lloyd’s, a global leading specialized P&C and liability insurance market
“Ministry of Finance”	the Ministry of Finance of the PRC
“Reporting Period”	since 1 January 2017 until 31 December 2017
“RMB”	Renminbi, the lawful currency of the PRC
“Yuan”	unless otherwise stated, Yuan is the unit of Renminbi.

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