

CREATE A HAPPY & SUSTAINABLE HOLIDAY LIFE



2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

复星旅游文化集团 FOSUN TOURISM GROUP
A company incorporated under the laws of the Cayman Islands with limited liability
(Stock code:01992.HK)



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About the Report

The Report is the sixth annual Environmental, Social and Governance Report (hereinafter the "Report") issued by Fosun Tourism Group to disclose the Group's strategies, objectives and performance on ESG issues. The Report covers the ESG performance during the financial year from 1 January 2023 to 31 December 2023. Description in some parts dates back to previous years or cover the first quarter of 2024.

Scope of the Report

Unless otherwise specified, the scope of the Report is consistent with that of the Group's annual report for the Reporting Period (hereinafter referred to as "Annual Report"), covering all subsidiaries of the Group. The scope of environmental data includes all Club Med resorts¹ that have been in operation for at least one season and Atlantis Sanya.

Standards of the Report

The Report is prepared in compliance with the *ESG Reporting Guide*, and with reference to the *GRI Standards*.

The content of the Report has been determined in accordance with a set of systematic procedures. The relevant procedures include: identifying and ranking material stakeholders, identifying and ranking material ESG-related issues, determining the boundaries of ESG Report, collecting relevant materials and data, preparing reports based on data, and reviewing the data in the Report.

The Report is prepared in accordance with the following reporting principles required in the *ESG Reporting Guide*:

"Materiality": Key stakeholders were identified during the compilation of the Report and key ESG topics were determined through stakeholder engagement and materiality assessment in the course of the Report preparation.

"Quantitative": The Report uses quantitative data to present key performance indicators at the environmental and social aspects, explaining its purpose and impacts. We also provide comparative data on key performance indicators in the Report.

"Consistency": The statistical methods used in the Report is consistent with those used in the *Environmental, Social and Governance Report 2022*.

"Balance": The Report follows the principle of "Balance" and objectively demonstrates the Group's ESG management status.

Data Source and Reliability Warranty

The data and cases in the Report mainly come from the Group's statistical reports and related documents. The Group undertakes that there is no false record or misleading statement in the Report, and bears responsibility for the truthfulness, accuracy and completeness of its content.

Confirmation and Approval

The Report was approved by the Board on 14 March 2024 upon confirmation by the Management.

Report Access and Response

The report, in both traditional Chinese and English versions, is available on the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>) or Fosun Tourism's official website (www.fosunholiday.com).

We value the opinions from stakeholders and welcome any feedback through the following contact details. Your opinions will help us further improve the Report and enhance the Group's overall performance on sustainable development.

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Mail: 16/F, Tower 1, No.118 Feihong Road, Hongkou District, Shanghai, People's Republic of China

¹Club Med resorts are classified as permanent, seasonal and bi-seasonal in terms of operating period. Permanent resorts open all year long. Seasonal resorts open in either the summer season or the winter season of each year. Bi-seasonal resorts open in the summer season and the winter season of each year.

Chairman's Statement

With the mission of "Better Holiday, Better Life", Fosun Tourism strives to meet people's expectation for a better life. We continuously explore greener holiday solutions, provide sustainable products and services for our customers, colleagues, partners and other stakeholders, and advocate the concept of sustainable development.

Despite the complicated and evolving global situation last year, we maintained our ESG commitment and consistently made strides towards the Group's 2030 sustainable development goals. Specifically, we actively fulfilled our corporate social responsibility at each of our hotels and resorts.

As a global company, we are exposed to potential uncertainties arising from climate change. Therefore, we have committed to "achieving carbon neutrality by 2050" based on higher standards. This year, we also released the first Climate-related Disclosures Report. This report marks a significant milestone in our efforts to manage climate resilience and demonstrate our commitment to climate action to the whole society.

To reduce water and energy consumption and carbon emissions in operations, we have explored innovative urban vacation product line. On this basis, we apply cutting-edge energy-saving and carbon-reducing technologies, and encourage our customers and employees to practice the low-carbon concept to help the Group achieve carbon neutrality. We also care about nature and work to protect biodiversity. We continuously contribute to turtle rescue and the breeding of marine life. Most of our hotels and resorts have achieved the sustainable tourism or green building certification.

We always adhere to the concept of diversity, equality and inclusion. Within the Group, we respect and protect human rights, create an inclusive work environment, safeguard the rights and interests of employees and their physical and mental health, and help them realize personal development. Outside the Group, we proactively undertake the responsibility for improving the well-being of society and encourage our employees to support social welfare activities. We focus on the economic, social and environmental well-being of the communities in which we operate, bringing economic and social benefits to the communities and promoting community inclusion through our operations.

We also keep optimizing the ESG management of the supply chain. We promote local sourcing, while conducting ESG assessments and training for our suppliers. By doing so, we convey sustainable development philosophy throughout the value chain, and work with our partners to build a responsible supply chain.

Supported by our employees and partners worldwide, we have maintained our leadership in a number of major ESG ratings and won multiple awards. For two consecutive years, we are the only MSCI AAA-rated company in hotel and travel industry in Greater China Region. In June 2023, we were included in S&P Global' *Sustainability Yearbook 2023 (China Edition)* and recognized as "Industry Mover". Moreover, we have been included in the Hang Seng Corporate Sustainability Benchmark Index for consecutive years. These recognitions reflect our progress in sustainable practices and inspire us to constantly strive for excellence.

Despite the challenges that lie ahead, our conviction in the power of "Belief" and "Travel" remains unwavering. Drawing on our capabilities cultivated through years of global operation, Fosun Tourism will spare no effort to create green and innovative vacation products, while actively promoting the sustainable development of green tourism. Our ultimate goal is to achieve the mission of "Better Holiday, Better Life".

Chairman
Xu Xiaoliang

Board Statement

The Board and all Directors guarantee that the information in the Report does not contain any false records, misleading statements or material omissions, and make the following statements regarding the ESG supervision and management of the Board:

The Group has established a governance structure to strengthen its ESG-related work. The Board bears ultimate responsibility for the Group's ESG strategy and reporting, and comprehensively oversees related risks and opportunities. In order to implement sustainable development and effectively manage ESG issues, the Company has established the ESG Committee to assist the Board in overseeing and promoting the implementation of various ESG strategies. In addition, the Company has set up the ESG Working Group to assist the Board in identifying and prioritising significant issues. The ESG Working Group also reports regularly to the Board on the effectiveness of the ESG system and the Group's performance in environmental and social key performance indicators. The ESG Committee of the Company held two meetings in 2023. For outcomes of the meetings, please refer to the [Sustainable Development Governance](#) section of the Report.

In 2023, the Company conducted extensive and in-depth communication with key stakeholders through various channels to identify issues concerned and actively adopted constructive comments and suggestions. During the Reporting Period, the Company invited internal stakeholders to review and update various issues and continued to respond to major issues. The Board and the ESG Committee have actively managed the priority issues identified, and highlighted the approach to these issues in the Report. For details of the management approach and strategy, please refer to the [Sustainable Development Strategy](#) section of the Report.

The Company has formulated sustainable development strategy and goals to review and manage the Group's ESG impacts and integrate the concept of sustainable development into relevant operating levels. On a regular basis, the ESG Committee reviews the ESG strategy and goals as well as progress and achievements. For details of review on the goals, please refer to the [2030 Sustainable Development Goals and Progress](#) section of the Report.

Going forward, the Board will continue to monitor and refine the Group's sustainable development initiatives and performance, so as to devote ourselves to creating long-term value for all stakeholders and the communities in which we operate.

Performance Highlights

Financial

Financial performance



Revenue
RMB 17,151.8 million



Adjusted EBITDA
RMB 3,729.9 million

ESG Rating



• HSI result

A



• MSCI result

AAA



• S&P CSA result

53

Environmental

Environmental performance

- Energy Consumption Intensity (by revenue) **359.52** kWh/RMB 10,000 of Revenue, decreased by **6%** compared to 2022
- GHG Emission Intensity (by revenue) **136.93** kgCO₂e per RMB 10,000 of revenue, decreased by **11%** compared to 2022
- Freshwater Consumption Intensity (by revenue) **4.21** m³ per RMB 10,000 of revenue, decreased by **11%** compared to 2022
- **86%** of eligible resorts and hotels are Green Globe certified or EarthCheck silver certified

Social

Social performance

- Overall average customer satisfaction rate: **92.6%**
- Completion rate of customer complaint handling: **100%**
- **Zero** significant privacy data leakage case
- Total number of employees: **19,314**
- Proportion of female employees: **40.9%**
- **100%** of employees receive regular performance and career development reviews
- Total number of training hours for employees: **1,212,769** hours
- Employee training rate: **100%**
- Selected **16** new partners, of which **38%** were women
- Atlantis Sanya and Taicang Alps Resort local procurement proportion reached **67%**, and the proportion of local procurement in Club Med reached **64%**
- **81%** of operational suppliers in China received ESG assessments conduct by the Group headquarters
- Accumulative resources invested in public welfare is about RMB **4.79** million, and accumulative time invested in public welfare is more than **10,000** hours

About Us

1.1 Our Business

1.1.1 About Fosun Tourism

Fosun Tourism Group is one of the world's leading integrated tourism and leisure groups. The Group was listed on the Main Board of the Hong Kong Stock Exchange in 2018 (01992.HK). It is an integral part of Fosun's Happiness Ecosystem, one of its four strategic segments - Health, Happiness, Wealth and Intelligent Manufacturing. Forging ahead with the mission of "Better Holiday, Better Life", we endeavor to pioneer the holiday lifestyle and create a world-leading family leisure and tourism ecosystem.

Fosun Tourism is committed to strategic innovation and transformation. In recent years, Fosun Tourism has defined the development strategy covering two major dimensions, "vacation-like lifestyle, lifestyle-based vacation", and has proposed two strategic pathways of focusing on both IP and membership operations. Fosun Tourism has also strengthened its four principal capabilities, namely global operation, dual drivers of "operation + investment", asset-right, and integrated business ecosystem, so as to better adapt to market changes and satisfy consumers' needs.

For the year ended 31 December 2023



the Group achieved revenue of RMB **17,151.8** million, adjusted EBITDA of RMB **3,729.9** million.

1.1.2 Business Overview

After years of development, Fosun Tourism Group owns brands and products including Club Med, the global leader operating more than 60 resorts that offers exquisite "all-inclusive" holidays; Atlantis Sanya, a one-stop ocean-themed integrated high-end tourism destination; Taicang Alps Resort and Lijiang Club Med Resort, two one-stop global leisure and tourism destinations; Foryou Club that serves members of Fosun Tourism Group worldwide, etc.

Club Med and Others

- Club Med: A world-renowned family centric all-inclusive leisure and vacation service provider
- Club Med Joyview: Focusing on premium short holidays
- Club Med Exclusive Collection: Generous premium all-inclusive packages for a luxurious and elevated experience
- Club Med Urban Oasis: Focusing on urban vacation



Atlantis Sanya

- A one-stop high-end resort destination with marine as the theme, integrating hotel, waterpark, aquarium, international exhibition, restaurant, entertainment, shopping and show



Vacation Asset Management Center

- Lijiang Club Med Resort: One-stop International Leisure and Tourism Destination
- Taicang Alps Resort: One-stop International Leisure and Hostel Holiday Destination



Foryou Club and Other Services

- Foryou Club is Fosun Tourism's official global membership operation platform, covering members of Club Med, Atlantis Sanya and other business segments under Fosun Tourism



1.1.3 Awards and Honors



In 2023, Fosun Tourism was selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for consecutive years, with a rating of "A"



In 2023, Fosun Tourism was awarded an "AAA" rating by MSCI ESG



In 2023, Fosun Tourism's S&P Global Corporate Sustainability Assessment (CSA) score was 53, also included in *S&P Global' Sustainability Yearbook 2023 (China Edition)* and recognized as "Industry Mover"

1.1.4 Industry Association

The Group actively responds to global and domestic sustainable development initiatives. By joining industry associations, the Group works with global peers to advance the sustainable development of the world and the industry and strives to be an industry leader in ESG development and practice.

Industry association	Position
China Chamber of Tourism	Xu Xiaoliang, Chairman of Fosun Tourism, as the Vice President
Sanya Emergency Management Association	Wang Chunling, Senior Director of Health and Safety of Fosun Tourism, is the Honorary President
Subsidiaries' membership of industry associations ²	

Award/Recognition	Award issuing authority	Brand/Resort entity/ Tourism destination receiving award	Award/Recognition	Award issuing authority	Brand/Resort entity/ Tourism destination receiving award
Most Honored Company	<i>Institutional Investor</i>	Fosun Tourism Group	International Upscale Hotel 2022	Meadin.com	Club Med
New Fortune Best IR Hong Kong Listed Company	<i>Institutional Investor</i>	Fosun Tourism Group	2022 Most Popular Hotel	ctrip.com	Atlantis Sanya
Best ESG Award	<i>China Excellence IR Awards</i>	Fosun Tourism Group	Annual Top 10 Glamorous Hotels	AHF - China Starlight Awards	Atlantis Sanya
2023 All-Asia Executive Team	<i>Institutional Investor</i>	Fosun Tourism Group	China City Light Hotel of the Year	The 7th Hotel Discovery Awards (2023)	Atlantis Sanya
Best Hong Kong Stock Connect Company	<i>Zhitong Caijing</i>	Fosun Tourism Group	Icon Hotel of the Year	<i>Platinum Traveler</i>	Atlantis Sanya
Best in ESG - Small Market Capitalization	BDO Limited	Fosun Tourism Group	2023 Night-time Economic Innovation Case	China Tourism Academy	Atlantis Sanya
The MBI Brand of Influence Value	Meadin Academy	Fosun Tourism Group	Sustainable Green Contribution Brand	BANG! Shanghai	Taicang Alps Resort
Pioneer for Supply Chain ESG Management in China's Hospitality Industry	Organizing Committee of China Hospitality Purchase and Supply Summit	Fosun Tourism Group	LEED-NC Gold Certification	U.S. Green Building Council	Taicang Alps Resort
Excellent Family Vacation Brand of the Year	<i>Life Element</i>	Club Med			

²Non-exhaustive list

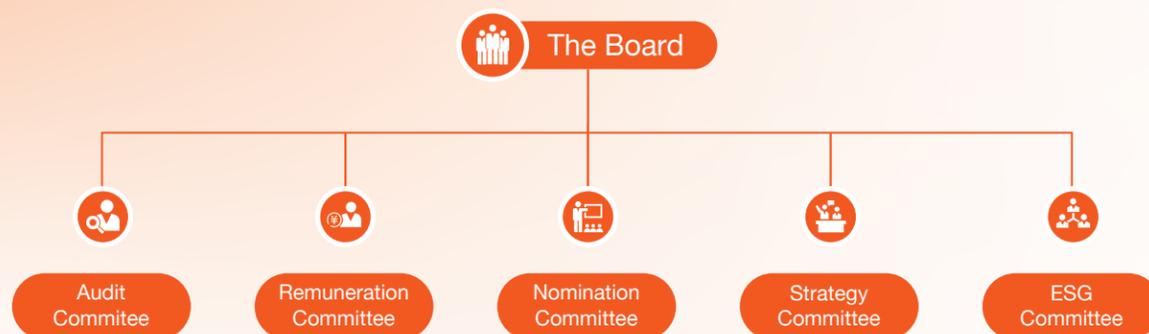
1.2 Corporate Governance

The Group is committed to improving the corporate governance system and procedures and building a diversified governance structure to protect the significant interests of the stakeholders. Besides implementing comprehensive risk control within the Company, we are also constantly improving our business ethics and compliance management to ensure that the Company operates in a sound and efficient manner.

1.2.1 Corporate Governance

We are keenly aware that a high level of corporate governance is essential to boosting investors' confidence in the Company. We have applied and fully complied the principles and provisions of the Corporate Governance Code set out in Appendix 14 to the *Listing Rules*, and regularly review our corporate governance performance. We also provide comprehensive on-the-job trainings for directors to ensure that they have a full understanding of the Group's businesses and operations as well as their duties and obligations under the *Listing Rules* and regulatory requirements.

Diversified governance



The Company has established a sound corporate governance structure in which the Board of Directors ("Board") is responsible for leading and overseeing the business, strategic decision-making and performance of the Group. Under the Board, the Audit Committee, Remuneration Committee, Nomination Committee, Strategy Committee, and ESG Committee have been set up to review special issues. For the terms of reference of the Board and its committees, please refer to the "[Corporate Governance](#)" Page on Fosun Tourism's website.

Based on the *Director Nomination Policy*, all appointments of directors are made on the basis of merit. All committee members have relevant industry experience and expertise, and regularly attend various training sessions for upskilling to fulfill their duties. With due regard to the benefits of diversity on the Directors, selection will be based on a range of diversified criteria, including but not limited to gender, age, cultural and educational background, experience (profession or others), skills and knowledge. In this way, we can ensure that one or more of Directors have experience in risk management, finance and relevant industries.

By the end of 2023, the Board of the Company consisted of 10 Directors, namely 3 Executive Directors, 3 Non-executive Directors and 4 Independent Non-executive Directors. Among them, one is a female (who has served as an Independent Non-executive Director of the Group since 2018). Recognizing the importance and benefits of gender diversity, the Board will continue to take proactive measures to select female candidates to enhance gender diversity among Board members. The proportion of Executive Directors fell from 36% last year to 30%, giving Independent and Non-executive Directors greater representation. In terms of the Board's nationality diversity, the Group has appointed 1 American, 2 Hong Kong (China) and 7 Chinese Directors. Many of the Board members have degrees in business administration. Moreover, Mr. Guo Yongqing is a non-practicing member of the Chinese Institute of Certified Public Accountants and a member of the China Accounting Standards Committee of the Ministry of Finance, with extensive financial experience. Several Board members have more than 20 years of industry experience in the tourism management industry, which further diversifies the Board composition. For details of the functions and roles of the Board members in various committees, please refer to the *List of Directors and Their Roles and Functions*.

In addition, Ernst & Young, as the external auditor, has issued the "Independent Auditor's Report" for the Company for 6 years since its listing. In addition, we have established procedures and standards for the selection of audit firms to ensure that, to the extent possible, external auditors with appropriate skills, knowledge and experience are selected and engaged.

Performance and remuneration

The Human Resources Department of the Company is responsible for regularly reviewing the remuneration assessment mechanism and setting targets and metrics for variable pay (short-term and long-term), and submitting relevant proposals to the Remuneration Committee and the Board for approval. These efforts ensure that the remuneration mechanism of the Company is consistent with its business development needs, and is appropriate to the remuneration packages for Directors.

To further improve ESG performance, the Company conducts short-term variable pay assessment for Executive Directors, which includes non-financial performance indicators like ESG management. Long-term variable pay is applicable to both Executive Directors and Non-executive Directors (except Independent Non-executive Directors) of the Company to motivate them to create long-term value for the Company through the grant of restricted shares and/or share options. For details, please refer to the *Employee Remuneration and Incentive* section of the Report.

1.2.2 Risk Management

We have formulated and implemented the *Fosun Tourism Group Guidance on Enterprise Risk Management* with reference to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) enterprise risk management integration framework. By doing so, we review relevant risk management policy documents annually and update them as necessary, so as to establish a comprehensive risk management and control mechanism for the Group. Through materiality assessment, we identify and incorporate ESG risks into the comprehensive risk management. We also identify and assess emerging risks on a regular basis, and build a risk culture across the Group.

Risk governance structure

We have established a risk management system that covers all business units and member companies of the Group. Under the system, the Board is the highest decision-making body for the Group's comprehensive risk management. We have also defined in the system the risk management functions and responsibilities of the CEO and the members of the Executive Committee, the Risk Management Department and each business unit.



In addition, we have established "four lines of defense" for risk management, separating and guaranteeing the function independence of our risk management system.



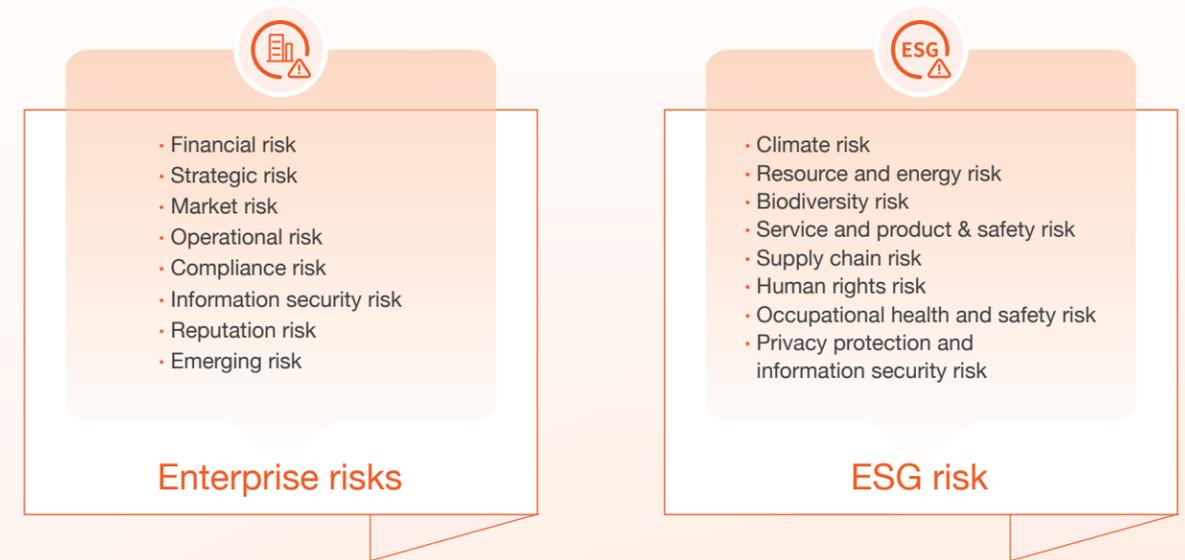
Risk management mechanism

Our risk management model focuses on continuous improvement, which comprises six key steps: risk identification, risk assessment, risk response, risk management communication, risk management supervision and improvement, and risk management culture construction. The Group regularly analyze the design and implementation results of the comprehensive risk management system to ensure effective implementation, and identify vulnerable links in risk management through supervision to constantly improve the comprehensive risk management mechanism. We review the important comprehensive risk management regulations at least on an annual basis and make necessary updates.



Risk classification

We classify risks into two categories, namely enterprise risks and ESG risks, as described below:



Compliance risk management

We regularly review the effectiveness of relevant policies and systems, and revise the policies in accordance with the latest laws and regulations to enhance the Group's compliance management capabilities in a timely manner. We have subscribed to "China Law & Reference of Wolters Kluwer", an external specialized database of laws and regulations. In this way, we can receive the latest developments and updates on compliance governance, ESG management, etc. in a timely manner and ensure the collection of complete laws and regulations. Upon the release of new regulations, we will first communicate with the business units for publicizing, and define compliance solutions and precautions. In addition, the Legal Department of the Company further safeguards the Group's compliance operations by organizing monthly meetings to communicate with business units on the latest regulatory requirements. During the Reporting Period, we carried out training for relevant departments in accordance with the latest laws and regulations on the protection of personal information. We also introduced a management mechanism for the application for security assessment of outbound data transfer to protect information security.

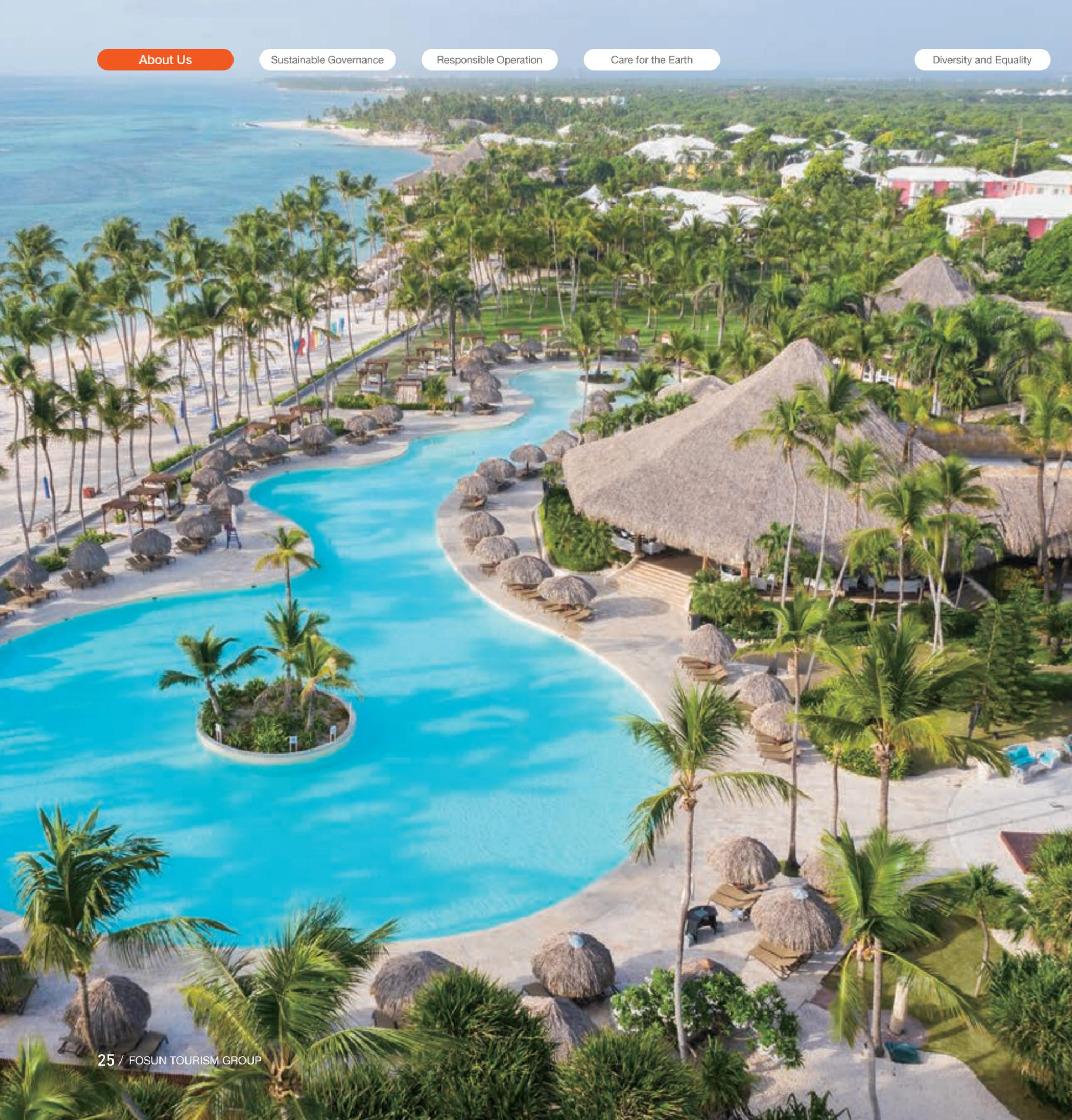
We also actively participate in external seminars and exchange activities and organize timely compliance training for our Directors and staff. In addition, we focus on the identification and rectification for compliance risks when conducting business ethics audits of member companies and supplier audits to ensure compliance operations of the Group. During the Reporting Period, the Group was not subject to any fines as a result of any breaches of laws and regulations.

Emerging risk identification

Emerging risk identification is an important part of the Group's risk management mechanism. Emerging risks are new or changing risks arising from changes in the external environment, which may cause serious negative impacts on the Group and need to be prevented and managed with effective measures. We continuously identify, assess, monitor and report emerging risks, and analyze the identified risks in depth to determine their potential medium- and long-term impacts and formulate corresponding mitigation measures.

During the Reporting Period, we re-assessed and analyzed the risks. Two emerging risks were identified for 2023, namely the geopolitical risk and the network information security risk. In response, we conducted impact assessments and implemented appropriate mitigation and management measures.

Emerging risk	Geopolitical risk	Cyber and information security risk
Description	<p>In recent years, geopolitical risk has gradually increased with the escalation of local tensions and the rise of local conflicts around the world. The Russian-Ukrainian conflict, which broke out in 2022, and the Palestinian-Israeli conflict, which broke out in 2023, had far-reaching global consequences, including supply chain disruptions, higher commodity prices, and compliance issues.</p>	<p>With the rapid development of information technologies, people increasingly rely on digital network systems. Meanwhile, changes in lifestyles and ways of work due to the COVID-19 pandemic, such as remote working and online shopping, have accelerated this trend. Digital transformation is gradually becoming an important part of the development strategies of governments and enterprises. While the application of information technology makes work and life more convenient and significantly increases productivity, it also poses network information security risks, including private data leakage, ransomware, and digital system disruptions.</p>
Business implications	<p>The major impacts of geopolitical risks include higher commodity prices, transport disruptions and potential compliance issues.</p> <p>As Russia, Ukraine and the Middle East are the world's leading energy exporting regions, relevant geopolitical conflicts have led to increases in the price of crude oil and natural gas, thereby resulting in higher prices for other commodities. As a result, we will suffer from lower profits due to higher purchase costs for raw materials and energy.</p> <p>Transport disruptions arising from geopolitical</p> <p>conflicts can, on the one hand, cause supply chain disruptions and increase logistics costs, hindering the transportation of purchased goods and affecting normal operations. On the other hand, the mobility of our potential consumers may also be impacted, resulting in a decline in resort bookings and our revenues.</p> <p>As geopolitical conflicts are often accompanied by international sanctions against countries, regions, companies and individuals, some of our businesses may be exposed to compliance risks that impact our operations and reputation.</p>	<p>The cyber and information security risk includes three main types: information security, privacy data leakage, and digital system disruption.</p> <p>Information security has faced enormous challenges in recent years due to frequent cyber attacks and a surge in malware and ransomware. Once the information system is hacked, we can be blackmailed by hackers. Our financial system can also be attacked, resulting in huge financial losses.</p> <p>Meanwhile, if the network information system is hacked, a large amount of private data stored therein will be at risk of leakage. The leakage of such data can lead to numerous cases of fraud and cause financial loss to customers and consumers, thus affecting social stability and severely damaging our reputation.</p> <p>In addition, network outage, server damage, or exploitation of vulnerabilities can result in digital system disruptions, which cause problems such as data loss and system unavailability and affect our normal operations.</p>
Response	<p>The Group actively responds to geopolitical risks and enhances operational resilience with the following key mitigation measures:</p> <p>The Group continuously monitors the global geopolitical situation, in particular, paying close attention to geopolitical risks in the countries and regions where the Group operates. Furthermore, the Group uses scenario analysis, stress testing, sensitivity analysis and other means, as appropriate, to assess its operational resilience to geopolitical risks, and takes corresponding actions based on the assessment to minimize the impact of such risks;</p> <p>The Group actively promotes the digital transformation of supply chain management and continuously improves the organizations and mechanisms for managing supplier operational risks. The Group identifies and assesses various</p> <p>supplier risks such as the political risk, geographical risk, global operational risk and supply chain disruption risk, so as to establish risk early warning mechanisms and supplier risk mitigation/remediation plans. In addition, the Group actively promotes local sourcing and gradually develops alternative supplier solutions for core merchandise procurement to strengthen its ability to manage supply chain disruptions;</p> <p>The Group works with external legal advisers to continuously assess and regularly update issues related to laws and regulations and trade restrictions, and other compliance issues arising from geopolitical conflicts. We conduct comprehensive due diligence before business investments, acquisitions, and operations to identify potential compliance risks of projects. We also monitor them on an ongoing basis to avoid compliance issues in operations.</p>	<p>The Group is committed to protecting information security and private data. We strictly abide by the rules and regulations on privacy protection and information security in the countries and regions where we operate. We have established network and information security systems which are continuously enhanced. We have set up the Information Security Committee, which regularly reports to the Group's top management. In addition, we have appointed a Chief Security Officer with the overall responsibility for managing information security and privacy protection.</p> <p>We have formulated a series of policies, including the <i>Fosun Tourism Group Information Security Management Regulation</i> and the <i>Fosun Tourism Group Personal Information Protection Policy</i>, to standardize the process</p> <p>and principles of data processing. We regularly conduct information security audits and security tests. We actively build the information security culture and continuously strengthen information security awareness training for all employees, and have formulated a reward and punishment mechanism. We also require our suppliers and partners to establish an information security management system and conduct regular audits.</p> <p>For details of information security and privacy protection measures of the Group, please refer to the <i>Information Security</i> section of the Report.</p>



Risk culture building

The Group promotes and enhances an effective risk culture throughout the organization, establishing the risk accountability mechanism and setting risk management requirements into employees performance evaluation. To improve risk identification and communication, and to provide a reporting channel, we have set up a special instant risk communication section for employees on the OA message center. This allows employees to actively engage in the Company's risk management process, including potential risk report and risk management feedback. Meanwhile, we put great efforts in the risk management awareness programs for all employees. We provide risk management training and education before and during their employment and organize risk culture tests, so as to enhance employees' risk awareness and risk management capabilities. We produce risk culture posters which are displayed in our office spaces and in the business operations of our subsidiaries.

1.2.3 Crisis Management

The Group has established a Crisis Management Committee to co-ordinate the Group's management over crisis and public opinion issues. An Emergency Response Team is set up under the Crisis Management Committee to take on the responsibility for monitoring daily public opinions on the Internet; analyzing, researching and determining countermeasures, treatment plans and recovery plans for the Group's public opinion crisis; and supervising the implementation of crisis response measures.

The Group has formulated the *FTG Emergency Response & Reporting Management Program*, which guide and strengthen the ability of each department to address different crises. By doing so, the Group can make a positive, honest and responsible assessment and responding to the causes, potential trends and impacts of a crisis at the fastest possible time. We regularly communicate with internal and external stakeholders, including employees, management, and partners, about our crisis management program. This enables us to understand and evaluate the effectiveness of current crisis management, and advance the continuous improvement in our Group's crisis response and management capabilities.

For details of information on the Group's emergency management training and drills, please refer to the *Operation Safety* section. During the Reporting Period, the Group was not involved in any material ESG crisis incidents.

1.3 Code of Conduct and Compliance

1.3.1 Anti-Corruption and Business Ethics

Fosun Tourism follows the highest standards of business ethics and corporate governance, and has a "zero tolerance" stance on unethical business practices.

Integrity management

The Board is the highest responsibility organization for anti-corruption and business ethics. The Risk Management Department, an independent supervision department authorized by the Board, is responsible for maintaining complaints and whistle-blowing channels and investigating frauds.

The Group strictly complies with the *Company Law of the People's Republic of China* and other relevant laws and regulations of the People's Republic of China, as well as applicable laws and regulations of overseas operating locations. During the Reporting Period, the Group formulated the *Fosun Tourism Group Code of Business Ethics* and revised the *Fosun Tourism Group Anti-Fraud Policy*. This intends to optimize the integrity management standards and safeguard the normal operation and management of the Group. During the Reporting Period, the Company made no political lobbying or political donations.

The Group has formulated the *Management Regulations of Fosun Tourism Group Disclosure Management of Conflict of Interest in Key Positions*, which requires all employees in important positions to declare potential conflict of interest matters and sign a notification letter when they join the Group, and declare such matters on a yearly basis afterwards. While all staff of the Group are required to sign the *Commitment for Honest Practices*, we also require all suppliers to sign the *Integrity Agreement*.

Code of conduct

Fosun Tourism Group Code of Conduct formulated by us provides a reference for employees to abide by core values and assists them in making correct choices in their business activities. The Group regularly reviews and revises the Code of Conduct to ensure its compliance with the latest laws and regulations. All employees of the Group are required to gain complete knowledge of the Code of Conduct and the business ethics practices in their orientation training. We have also established a reward and punishment mechanism to include integrity as one of employees' performance indicators. We will punish employees who violate integrity policies through verbal warning, written warning, serious warning, and removal and dismissal.

Business ethics audit

The Group's Risk Management Department implement *Management Measures for Integrity Risk Assessment and Red, Yellow and Green Lights*, carries out annual inspection of relevant business points according to the importance level and risk level every year, and carries out anti-corruption and business ethics audit in key areas with high and frequent occurrences corruption such as procurement and sales, and strengthens the management and supervision of business ethics of member companies. In addition, we conduct business ethics audits on all operating locations every three years. During the Reporting Period, the annual inspection work covers 100% of the key core companies of the Group within the annual inspection plan.

Corruption Risk Assessments on Operations



Club Med, one of our member companies, has initiated Corruption Risk Assessments on operations, a risk-based approach to risk management, and has invested more resources in high-risk business units and areas of operation. For example, the Corruption Perception Index developed by Transparency International was used to identify high-risk countries or regions, and methods such as heat mapping of business risks were used to assess the risk in terms of both business units and resort locations. Based on the level of fraud risk, types of risk, and risky activities in the countries where the identified operations are located, Club Med formulate relevant risk control measures to reduce the occurrence of fraud risk.

Whistle-blowing and complaint management

The Group has always been adhering to the values of integrity and compliance, and committed to creating an open and honest communication environment. We encourage all our employees, suppliers and other partners to be engaged in the supervision over integrity. We have formulated sound reporting and investigation procedures in the *Fosun Tourism Group Anti-Fraud Policy*. The whistle-blower can report to the members of the Disciplinary Committee and the Head of Audit and Anti-corruption of the Group through legally protected anonymous channels such as email, phone, letter and appointment. During the Reporting Period, we further optimized the protection measures for whistle-blowers. The responsible departments handled violations in accordance with the laws and regulations and took appropriate measures to protect whistle-blowers and witnesses.



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QR code



We strictly follow relevant provisions of the "Protection and Incentives for Whistle-blower and Witnesses" in the *Fosun Tourism Group Anti-Fraud Policy*, and adhere to the principle of confidentiality throughout our whistle-blowing investigation work. The Group has also formulated the anti-retaliation policy to strictly protect whistle-blowers and relevant witnesses from being treated unfairly for their provision of evidence.

Measures for the protection for whistle-blower and witnesses

Whistle-blower confidentiality

We adhere to the principle of confidentiality throughout our whistle-blowing investigation work. We also strictly keep the personal information of whistle-blowers and witnesses and all materials and evidence provided by them confidential and free from being leaked and lost in the process of acceptance, registration, storage and investigation. Strict actions will be taken against individuals who violate confidentiality provisions. Those found guilty of committing a crime will be reported to the judicial authorities for legal action.

List of whistle-blowers and witnesses that need special protection

We have put in place a "List of Whistle-Blowers and Witnesses that Need Special Protection" for the sake of employees, suppliers and partners who have made the reporting in their real names and provided the real evidence, which is managed by the Risk Management Department.

Anti-retaliation system

The Risk Management Department is responsible for implementing the protective measures as the case may be, so as to eradicate exclusion, retaliation and false charge for their actions.

Upon receipt of the reporting information, the Group's department will assess and investigate each reporting case, and immediately inform the Disciplinary Committee. If a reporting case is accepted, designated investigators will be arranged to conduct related investigations in accordance with the principles of fairness, justice and confidentiality, ensuring that appropriate channels and resources are used during the investigation. All reporting and related data will be kept in accordance with the file management regulations of Fosun Tourism Group.

During the Reporting Period, the Group received and investigated a total of 7 reporting cases. There was 1 litigation casefiled and concluded for corruption. During the Report Period, the Group was not subject to external anti-corruption investigation and punishment.

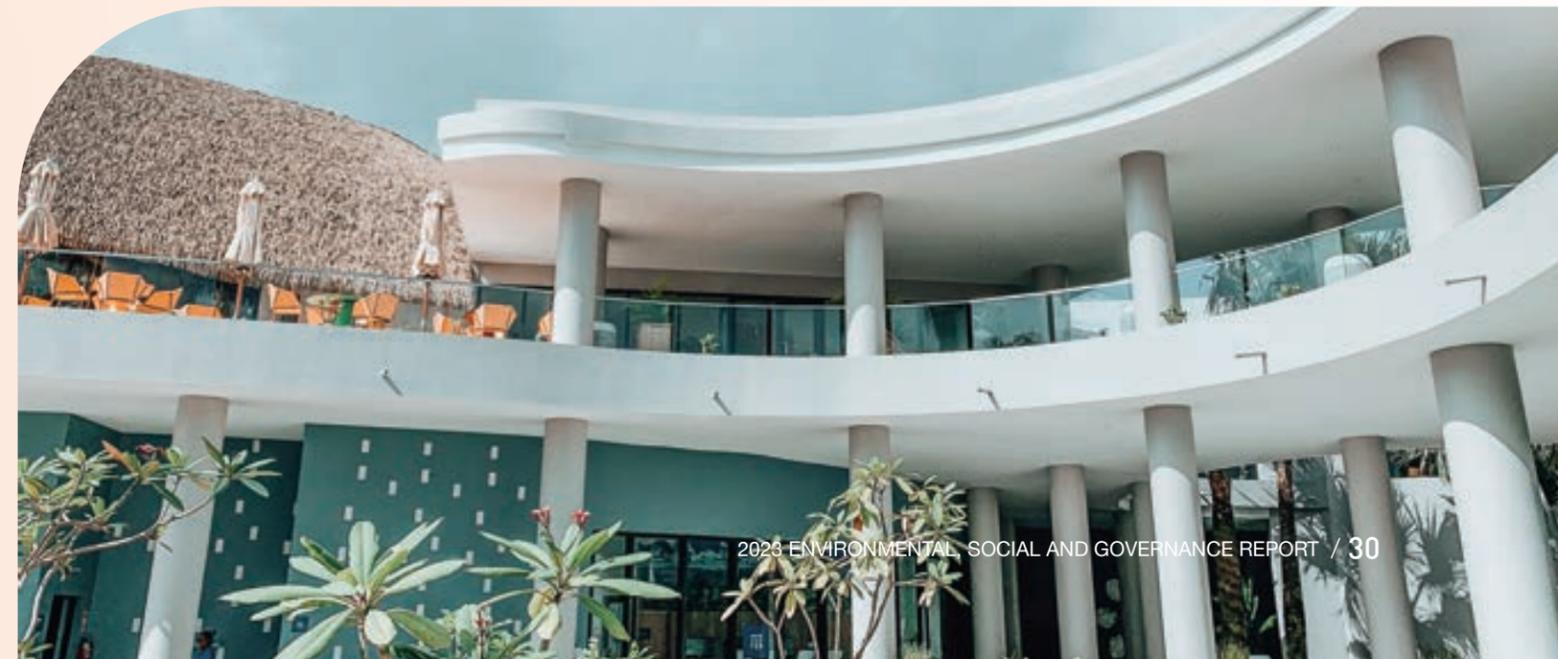
Integrity and compliance culture

The Group provides anti-corruption courses for the Board, all employees (including part-time employees), suppliers and contractors. We carry out a series of activities to promote integrity and compliance every year, including the integrity training of new hires, online and offline compliance training for all employees, training for the Board, specific compliance training for each business, training for suppliers. Meanwhile, we also put up posters, send compliance mailings on an irregular basis, set up an anti-corruption column on the WeChat official account, and include integrity and compliance content in the *Fosun Tourism Group Employee Handbook* for all employees to study. During the Reporting Period, all employees of the Group were trained in integrity and compliance. The average duration per employee reached 1.5 hours.

Anti-money laundering and anti-unfair competition

As a responsible global corporate, we comply with the *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations on anti-money laundering in the countries or regions where we operate and the guidelines or requirements of relevant competent authorities and international organizations, and actively assist and cooperate with the anti-money laundering and anti-terrorism financing (hereinafter referred to as "anti-money laundering") institutions in the countries or regions where we operate. The Group has formulated the *Fosun Tourism Group Anti-money Laundering and Anti-unfair Guidelines* to instruct the Company and subsidiaries to carry out anti-money laundering in accordance with regulations to promote the Group's steady operations in accordance with laws and regulations. During the Reporting Period, there were no material violations of anti-money laundering laws and regulations in the Group.

We strictly comply with the laws and regulations of the *People's Republic of China* and other countries where we operate, including the *Law of the People's Republic of China Against Unfair Competition*. The Group actively maintains healthy economic development and encourages and protects fair competition to avoid unfair competition. We attach importance to enhancing the anti-unfair competition awareness of employees and the management. During the Reporting Period, we provided employees with anti-unfair competition trainings relating to anti-bribery, false advertisement, marketing compliance and other topics, with an average training time of 1 hour per person. We explicitly prohibit unfair competition in the contracts with channels and distributors to manage unfair competition among our partners. During the Reporting Period, there were no material violations of anti-unfair competition laws and regulations in the Group.



1.3.2 Tax Transparency

The Board is the highest regulatory body for tax matters of the Group. As a responsible global corporate, we strictly comply with the tax policies of the countries and regions where we operate, and actively fulfil the tax disclosure obligations. During the Reporting Period, we issued the *Tax Guiding Principles of Fosun Tourism Group* based on the overall operation strategy to implement fair, transparent and ethical taxation principles.



Regularly review the tax policies to ensure that they are in line with the latest domestic and international tax laws and regulations



Implement training plans to enhance employees' understanding and ability to respond to tax regulations



Identify and resolve potential tax issues by means of regular internal audits and risk assessments

The Group continuously reviews and optimizes tax processes. The tax department regularly assesses the accuracy and timeliness of the processes and the effectiveness of key tax indicators to ensure all activities are compliant and legal, thus contributing to the sound financial management of the Group.

1.3.3 Protection of Intellectual Property Rights

As Fosun Tourism's global strategy advances, we have pushed ahead with innovation and intellectual property (IP) protection in an all-round way. During the Reporting Period, the Company established the Intellectual Property Management Department, which was responsible for the management and risk prevention of intellectual properties such as trademarks, patents, copyrights, right of font, commercial (technical) secrets, domain names and data rights, at the group level. The Department also supported and supervised the IP management of member companies.

The Group strictly abides by relevant IP management rules and provisions in countries and regions where we operate. During the Reporting Period, we revised the *Fosun Tourism Group Intellectual Property Management Policy* to provide standardized guidelines and recommendations for the Group on the protection of the intangible assets. During the Reporting Period, there were no significant litigations for infringement of intellectual property rights.

During the Reporting Period, we launched the electronic management system for intellectual property rights and encouraged member companies to apply for Important Trademarks of Shanghai. As of the end of the Reporting Period, we owned a total of 2,553 trademarks and copyrights.

We provide the training on IP-related regulatory affairs for all hires (include new hires) every year, and actively organize the training on IP affairs for employees, so as to build the Company into a model enterprise in the IP protection field. In January 2024, all employees of the Group and all subsidiaries participated in the training on the protection of IP rights, with an average of 1 training hour per person.





Sustainable Governance

Fosun Tourism has adhered to sustainable development and creation of long-term value for all stakeholders. In 2021, we set out our sustainability strategy of "Creating a Happy & Sustainable Holiday Life" and our 2030 Sustainable Development Goals to produce a deeper and more positive impact on our employees, customers, partners and the communities in which we operate.

2.1 Sustainable Development Strategy

Strategic Goals

Creating a Happy & Sustainable Holiday Life

Strategic Pillar

Definition

Key Management Areas



Responsible Operation

We are committed to providing all our clients across the world with safe, healthy and quality recreational holiday experience. We cultivate a considerate services culture through high and strict quality control with a view to delivering more happiness to global families.

- Customer health and safety
- Customer experience and satisfaction management
- Privacy protection and information security
- Animal welfare



Care for the Earth

We are committed to the conservation of limited resources on the Earth, and actively addressing the challenges of climate change through improving environment management system, raising awareness of our employees and customers for environmental protection and deploying innovative plans. In so doing, we can improve our resource use performance, and boost ecological conservation, thereby making devotion to ecological sustainability.

- Biodiversity
- Water resource utilization
- Use of energy
- Waste management
- Climate change response



Give Back to Society

We are committed to sharing the benefits with communities, initiating new coordinated plans with people from all walks of life to help the vulnerable groups, promote the development of communities, and do our part in advancing cultural communication, and doing our best to help more people to enjoy happy lives through global philanthropic programs in the course to push ahead with social progress.

- Support community construction
- Respect for local culture



Diversity and Equality

We are committed to creating an equal, diverse and inclusive working environment, providing employees with highly competitive remuneration and welfare, efficient training system and global job opportunities, and giving full play to their own potential, so that every employee can "Work Happily and Live with Peace of Mind".

- Labor rights
- Talent development
- Occupational health and safety
- Diversity, inclusion and equality
- Care for employees



Coordinated Development

We increasingly optimize management of the supply chain and extend the concept of sustainability to each link in the value chain to foster a sustainable business model. We also pay active attention to the business environment and future development of the cultural tourism industry, and work together with parties concerned in the exploration of new opportunities for the development of the industry.

- Sustainable supply chain

2.2 2030 Sustainable Development Goals and Progress

 Ahead of plan  In progress

Pillar of sustainable strategy	Our commitments	Progress made in 2023	Status
Responsible operation	<ul style="list-style-type: none"> 30% of hotels and resorts get/obtain food safety HACCP or ISO 22000 or equivalent system certifications 	<ul style="list-style-type: none"> Atlantis Sanya has obtained HACCP certification for six consecutive years (including 2023) Lijiang Club Med Resort has obtained HACCP certification in 2023 	
Care for the Earth	<ul style="list-style-type: none"> 100% operating resorts get or obtain an eco-certification (BREEAM Good minimum or equivalent, LEED (silver), or equivalent) for new built and deep renovations 	<ul style="list-style-type: none"> 67% of Club Med new resorts and major renovations have been certified or are in the process of being certified BREEAM or equivalent Atlantis Sanya, Taicang Alps Resort and Lijiang Club Med Resort received LEED-NC (New Construction) Gold Certification 	
	<ul style="list-style-type: none"> 100% operating resorts get or keep Green Globe/ EarthCheck /Green Hotel or equivalent 	<ul style="list-style-type: none"> 86% of eligible resorts and hotels are Green Globe certified or EarthCheck silver certified Atlantis Sanya, Club Med Joyview Thousand Islands Lake Resort and Club Med Changbaishan were awarded "China Five-leaves Green Hotel" 	
	<ul style="list-style-type: none"> Reduce carbon intensity by 40% (GHG scope 1&2) (2019 baseline) 	<ul style="list-style-type: none"> Compare to 2019, GHG emission intensity (scope1&2) decreased by 5% (by bed capacity), increased by 4% (by hotel night sold) and increased by 2% (by revenue) 	
	<ul style="list-style-type: none"> Reduce energy consumption intensity by 30% (2019 baseline) 	<ul style="list-style-type: none"> Compare to 2019, energy consumption intensity increased by 11% (by bed capacity), increased by 22% (by hotel night sold) and increased by 19% (by revenue) 	
	<ul style="list-style-type: none"> Reduce water use intensity by 10% (2019 baseline) 	<ul style="list-style-type: none"> Compare to 2019, water use intensity decreased by 22% (by bed capacity), decreased by 19% (by hotel night sold) and decreased by 21% (by revenue) 	
	<ul style="list-style-type: none"> Reduce waste output by 30% (2019 baseline) 	<ul style="list-style-type: none"> Compare to 2019, non-hazardous waste generation decreased by 22%, non-hazardous waste intensity decreased by 22% (by bed capacity), decreased by 19% (by hotel night sold) and decreased by 21% (by revenue) 	
	<ul style="list-style-type: none"> Achieve a maximum of renewable electricity use 	<ul style="list-style-type: none"> 21% of all electricity consumed in Club Med Resorts comes from renewable sources and 44% of its villages uses electric vehicles 	
Diversity and equality	<ul style="list-style-type: none"> Take actions to constantly raise the environmental awareness of our employees and customers 	<ul style="list-style-type: none"> 100% of employees received training on environmental awareness Environmental protection related promotional materials are placed at the rooms and publicplaces of the hotels and resorts 	
	<ul style="list-style-type: none"> Protect biodiversity throughout construction and operation 	<ul style="list-style-type: none"> 100% of eligible resorts and hotels have undergone an EIA (including biodiversity impact) before project construction, and protected biodiversity throughout the operation 100% of Club Med new projects have obtained support from external experts (such as ecologists) 	
	<ul style="list-style-type: none"> Establish safety & health management system according to ISO 45001 and other international standards, to continuously create a safe and healthy working environment for employees 	<ul style="list-style-type: none"> Established internal audit system in accordance with ISO 45001, including 9 dimensions such as management system, occupational health and safety and public hygiene and completed 19 EHSQ audits, constantly improving a safe working environment for our employees Atlantis Sanya obtained ISO 45001 certification 	
Coordinated development	<ul style="list-style-type: none"> Reduce Lost Time Injury Frequency Rate (LTIFR) by 15% (2019 baseline) 	<ul style="list-style-type: none"> The LTIFR in China is 6, reduced by 9.6% compared to 2019 and the overall LTIFR is 13.94 	
	<ul style="list-style-type: none"> Achieve 100% attendance rate of employee safety and health training 	<ul style="list-style-type: none"> 100% employees received safety and health related trainings 	
Give back to Society	<ul style="list-style-type: none"> Continuously improve local procurement 	<ul style="list-style-type: none"> The proportion of local procurement in Atlantis Sanya and Taicang Alps Resort reached 67% Club Med local procurement proportion reached 64% 	
	<ul style="list-style-type: none"> Encourage suppliers to set environment-protection goals and validate through auditing and incentive programs 	<ul style="list-style-type: none"> 81% of key suppliers worldwide and 100% of key suppliers in China have passed ESG audits by the Company 100% food and construction raw material suppliers of Atlantis Sanya and Lijiang Club Med Resort have been audited 	
Give back to Society	<ul style="list-style-type: none"> Continuously improve local employment and procurement 	<ul style="list-style-type: none"> The proportion of local employment reaches over 70% Continued to engage in public welfare activities concerning social inclusion, care for children, marine protection, and cultural communication. The accumulated resources invested in public welfare were about RMB 4.79 million and the accumulated time invested were more than 10,000 hours 	
	<ul style="list-style-type: none"> Promote local cultural communication 	<ul style="list-style-type: none"> Club Med has taken local traditional culture into design, presented various local cultural creation works in the resort and hosted local culture promotion activities 	

2.3 Sustainable Development Governance

2.3.1 ESG Governance Structure

The Board is the highest responsible organization for the ESG governance, which plays a major leadership and supervision role in the ESG governance. The Group has established a top-down three-level ESG governance structure, which consists of the Board, the ESG Committee and the ESG Working Group.



ESG Committee

The Group has established an ESG Committee. As of the end of the Reporting Period, the Committee comprised three members, including two independent Non-executive Directors, Mr. Guo Yongqing (Chairman) and Ms. Katherine Rong Xin, and one Executive Director, Mr. Choi Yin On. The responsibilities of the ESG Committee have been defined from three aspects, namely, the ESG vision, goals, strategies and governance structures, the ESG performance and the ESG reporting. Meanwhile, the ESG Committee performs other ESG-related functions specified by the Board. For specific duties, please refer to the [Terms of Reference of the ESG Committee](#).

The ESG Committee shall meet at least once a year. The ESG Committee held two meetings in 2023, and the outcomes of the meetings were as follows:

- Reviewed the latest global ESG trends and regulatory requirements, assessed the Group's potential ESG risks and opportunities, and reported to the Board;
- Reviewed and evaluated the adequacy and effectiveness of the Group's existing ESG governance structure and ESG policies, and reviewed and approved the revision of some ESG policies;
- Reviewed the progress of the Group's ESG strategies and goals;
- Reviewed and approved the Group's annual ESG plan;
- Reviewed and approved the Group's annual ESG Report;

ESG Working Group

We have set up an ESG Working Group under the ESG Committee to drive the implementation of specific ESG-related work. We have included the responsible persons of each functional department at the headquarters and relevant departments of our major subsidiaries in the ESG Working Group. For specific duties, please refer to the [Fosun Tourism Group Scope of Responsibility of ESG Working Group](#). During the Reporting Period, the ESG Working Group continued to implement the Group's ESG strategies and goals, reviewed ESG rating gaps, global trends and potential risks, and provided recommendations for the ESG Committee.

2.3.2 ESG Policies

The high-level ESG governance is inseparable from adequate and effective ESG policies. For our ESG policies, please refer to the [Sustainability - Governance and Policy](#) page on the official website of the Group.

To ensure that the Group's ESG governance is aligned with the needs of stakeholders and the latest ESG regulatory requirements, we appoint relevant internal departments and engage third-party professional institutions to regularly review the adequacy and effectiveness of our ESG policies. During the Reporting Period, ESG policies and systems below were updated and/or approved:

ESG policies and systems	Status
Stakeholder Engagement Policy of Fosun Tourism Group	Approved
Fosun Tourism Group Code of Business Ethics	Approved
Fosun Tourism Group Intellectual Property Management Policy	Updated
Fosun Tourism Group Personal Information Protection System	Updated
Fosun Tourism Group Personal Information Protection Policy	Updated
Tax Guiding Principles of FTG	Updated
Fosun Tourism Group Anti-Fraud Policy	Updated
Fosun Tourism Group EHS Policy	Updated
Fosun Tourism Group Supplier Code of Conduct	Updated
ESG Regulation for Suppliers of Fosun Tourism Group	Updated

2.4 Sustainable Development Innovation

Fosun Tourism integrates innovation into the concept of sustainable development, promotes a culture of innovation, and encourages stakeholders such as employees and suppliers to participate in innovative activities. We provide resources and platforms for the development of innovative technologies while working closely with external partners. Meanwhile, we regularly assess the effectiveness of the innovative measures we have adopted, and continuously optimize them in a bid to enhance our sustainability and better address future challenges.

2.4.1 Development Strategy Innovation

We combine business development with sustainable innovation, innovate leisure models and tourism products to meet the increasing demand for sustainable consumption among consumers. Meanwhile, we explore sustainable financing channels to support stable and long-term growth of the Group. For details of the Group's sustainable development innovation strategy, please refer to the *Fosun Tourism Climate-related Disclosures Report*.

2.4.2 Organization Management Innovation

Fosun Tourism implements innovation management and encourages the promotion of innovative culture and activities within the organization. In 2023, we launched a variety of innovative activities aimed at optimizing management within the organization, including a workshop on innovative thinking for employees, and the school-enterprise cooperation of "Cultural and Creative IP Empowerment" in partnership with the USC-SJTU Institute of Cultural and Creative Industry (ICCI). Our member companies also conducted employee innovation incentives to empower business progression and development.

Club Med innovation activities



Club Med, a subsidiary of the Group, shares with its employees every month the latest news and trends in the tourism industry and analyses the latest innovations and initiatives among its peers. Club Med regularly organizes brainstorming sessions on topics such as catering / meetings / edutainment and converts innovative ideas from its employees into innovative products and action plans, with successful examples such as the launch of Lego-themed rooms in a cross-border collaboration. Club Med launched Club Med Innovation Week in October 2023 to promote the internal communication of diverse and innovative thinking.

We also promote the integration of innovation and sustainable development management across the Group. We make full use of internal and external experts and information resources to encourage employees to learn about ESG and enhance their ESG capabilities. We have incorporated ESG-related courses into the orientation training to ensure that all new employees participate in ESG training. We award and recognize departments and individuals that made outstanding contributions to the Group's ESG performance in a timely manner. We encourage employee to drive optimization of ESG management within the organization in an innovative way.

ESG capacity development for employees



The Group, as one of the co-organizers, participated in the Fourth ESG Culture Week jointly organized with Fosun Group in 2023. A series of activities such as ESG Experts' Talk, ESG training and ESG knowledge competitions were organized, which contributed to the dissemination of ESG culture training among all employees. The Culture Week invited representatives of outstanding member companies to share their experience in ESG governance, and engaged external experts to conduct themed training on ESG. During the Reporting Period, Fosun Group upgraded the content on the online ESG learning platform. Employees of the Group actively learned about ESG-related knowledge and hot topics through the platform.



2.5 Stakeholder Engagement

The Group recognizes the importance of engaging two-way, transparent and regular communication that enables us to understand and respond to the views and expectations of our stakeholders. This practice can help us maintain a strong reputation, enhance our sustainability performance and achieve long-term success. During the Reporting Period, the Group formulated the *Fosun Tourism Group Stakeholder Engagement Policy*, which provides guidelines on stakeholder identification, engagement, risk management and implementation. This policy aims to enhance the trust between us and our stakeholders, solidifies partnerships, and drives the sustainable development performance and long-term success of Fosun Tourism.

Stakeholder Identification and Prioritization



Follow the AA1000 stakeholder engagement criteria, and take into account factors such as inclusion, dependency, impact, and multiple perspectives.

Stakeholder Engagement



Determine specific stakeholder engagement approach based on the type and background of the stakeholders, the possibility of the approach and the specific issues discussed.

Risk Management



Fully consider and proactively address the risks of stakeholder engagement such as stakeholder apathy, conflict of interest, malicious slander and low will of involvement.

Monitoring



Set up a top-down management structure, with the Group CEO as the person ultimately responsible for the stakeholders and reporting regularly to the Board of Directors;

Establish a system of indicators for assessing the effectiveness of stakeholder engagement and include the annual performance of relevant functions as one of the indicators;

Continuously assess and communicate the results and mechanisms of stakeholder engagement to drive improvements.

We have identified seven major stakeholder groups in respect of their close relation with the Group, and established a normalized and diversified communication mechanism with them. In 2023, we continued to regularly communicate with major stakeholders through methods listed below to timely and effectively understand their demands and adopt their suggestions. By doing so, we consider their concerns in our operation and decision-making process.

Stakeholder group	Issues concerned	Communication channels
 Investor/ Shareholder	Business ethics and anti-corruption Corporate governance Customer experience and satisfaction management Customer health and safety protection	General meeting/interim general meeting Earnings release conference Investor meeting Press release/announcement/annual report/corporate newsletter Roadshow
 Customers and Clients	Customer experience and satisfaction management Privacy protection and information security Customer health and safety protection	Face to face communication Customer satisfactory survey
 Hotel Owners and Franchisees	Food health and safety Sustainable supply chain Animal welfare	Regular/Irregular meeting Performance release conference Press release/announcement/annual report/corporate newsletter
 Employee	Labor rights Care for employees Occupational health and safety Diversity, inclusion and equality	Executive sharing session Staff meeting Employee engagement and satisfaction survey Team building activities
 Supplier	Business ethics and anti-corruption Sustainable supply chain Animal welfare	Supplier complaint feedback channel Supplier on-site visit/audit Supplier annual executives meeting Supplier training and related activities
 Media and Local Residents	Climate change response Use of energy Biodiversity Water resource utilization Support community construction Waste management Respect local culture	Press release/announcement Public welfare volunteer activity Local procurement plan
 Industry Association	Business ethics and anti-corruption Climate change mitigation Support community construction	On-site investigation Telephone communication Periodic report and announcement

2.6 Materiality Assessment

Accurately identifying, assessing and proactively responding to key ESG issues will help the Group continuously improve its sustainability performance. We have formally conducted the materiality assessment since 2020 and reviewed the results of the materiality assessment annually based on the latest global sustainability trends and feedback from communication with internal and external stakeholders. In 2023, we reassessed the material issues in terms of "impact on Fosun Tourism' finance and business" and "impact on environment and society" based on the principle of "dual materiality".



The Group has incorporated materiality assessment into comprehensive risk management, continuously focusing on material issues and allocating resources to manage all issues affecting the Group and the external environment and society. The materiality assessment matrix is shown below:



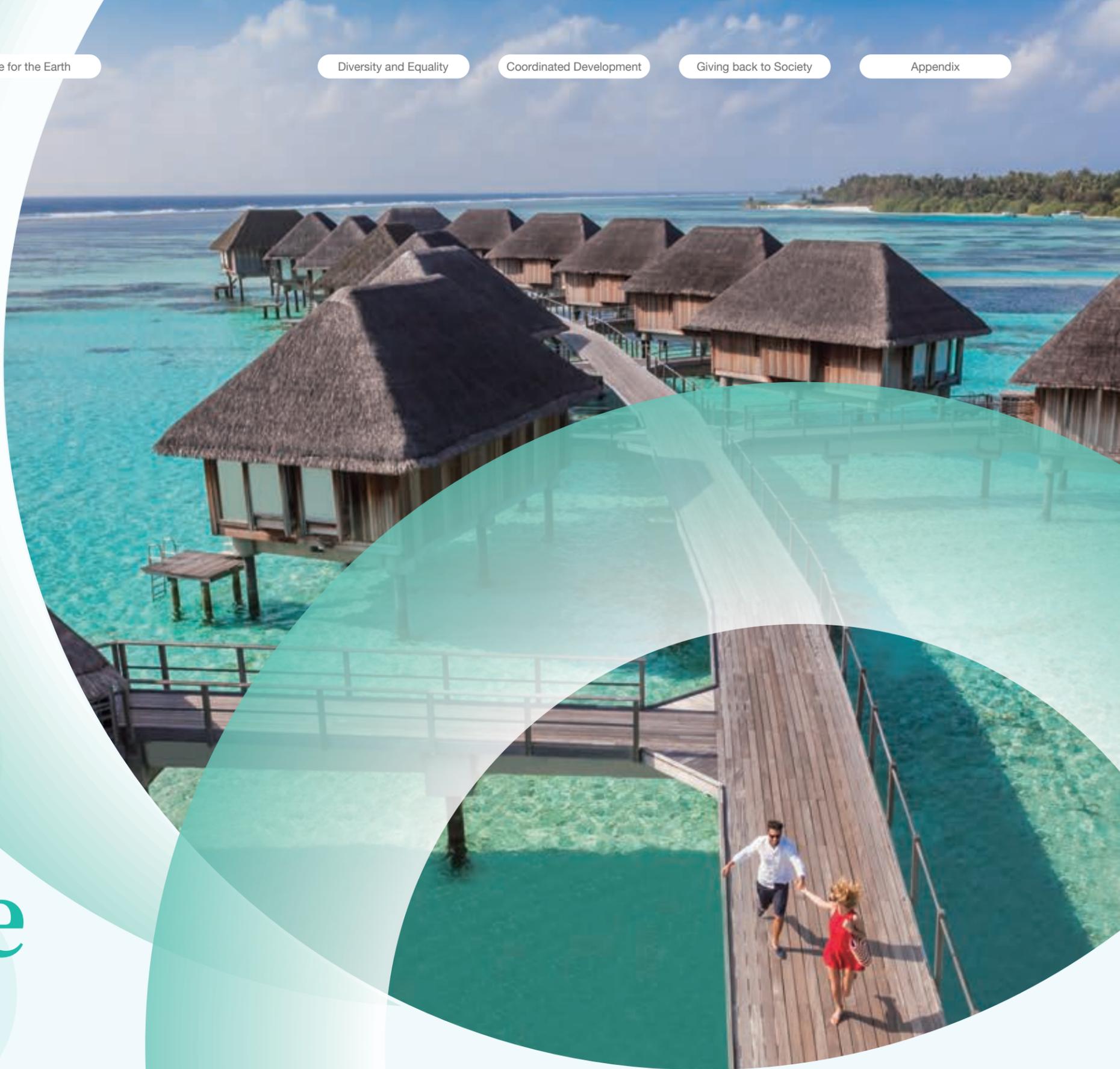
The Group has also further assessed the impact of the material issues identified on Fosun Tourism's finance and business as well as the impact on environment and society. Accordingly, we formulated management objectives and strategies to ensure that the material issues are properly managed and addressed.

Material issues	Description of issues and impacts	Management objectives and response strategies
Customer experience and satisfaction management	With the gradual growth of demand in the tourism market, competition in the cultural and tourism industry has become increasingly fierce. As the leader in the leisure tourism industry for families worldwide, we focus on customer experiences and are committed to creating a new experience of recreational tourism for customers. High-quality and high-standard customer services will help us to enhance brand effect, attract more consumers, and expand market share and operating income.	Please refer to the <u>Quality Improvement</u> section of the Report
Customer health and safety	Customer health and safety is the foundation for our business operations. Negative health and safety events will seriously affect our reputation and cause loss of revenue. To ensure customer health and safety, we have set up a complete safety and health system, strengthened training and emergency drills for employees, and actively coped with operation, food, construction and other safety risks.	Please refer to the <u>Safety Protection</u> section of the Report
Occupational health and safety	Safeguarding employees' health and safety is a basic principle and bottom line of the Group. Our achievements are the result of the joint efforts of 19,314 employees around the world. Failure to safeguard the health and safety of our employees will not only result in financial penalties, but also reduce our appeal to employees. We will bear the consequences of labor shortage or rising labor costs, which will disrupt our operations.	Please refer to the <u>Occupational Health and Safety</u> section of the Report
Climate change mitigation	Due to increasingly frequent extreme weather disasters in recent years and the tightening climate-related policies globally, climate-related risks will pose challenges to our business, including reduced revenue, higher operating costs and asset impairment. Actively tackling climate change and achieving a low-carbon transformation will help us turn climate risk into opportunities and realize financial and reputational growth at the same time.	Please refer to the <u>Fosun Tourism Climate-related Disclosures Report</u>
Privacy protection and information security	The Group actively promotes the digital transformation. The Foryou Club online platform was launched to provide consumers with a wide range of leisure products under Fosun Tourism and other brands. The platform has cumulatively attracted 6.53 million customers. The leakage of customer information and privacy will be detrimental to our reputation, potentially leading to lawsuits and financial liabilities. This, in turn, will severely impact our financial performance and operation stability.	Please refer to the <u>Information Security and Privacy Protection</u> section of the Report

2.7 Response to SDGs

We fully support United Nations Sustainable Development Goals (UN SDGs), identify the ones most relevant to our business and make adjustment to our strategy accordingly. We look forward to more cooperation with government and other institutions in support of UN SDGs and contribute to the tackling of various key global issues such as climate change mitigation and the sustainable use of terrestrial ecosystem.

Title of sections	Corresponding issues	Corresponding UN SDGs
About Us	Corporate governance Code of conduct and compliance	 
Sustainable Governance	Sustainable development strategy Sustainable development innovation Stakeholder engagement	   
Responsible Operation	Safety protection Consumer services Information security and privacy protection	 
Care for the Earth	Environmental commitments and management policies Climate change and energy Water resource utilization Ecological protection Emission management	      
Diversity and Equality	Building a diversified working environment Promoting employees' personal growth Improving the sense of happiness	   
Coordinated Development	Supply chain management Responsible procurement Cooperation for win-win results	   
Give Back to the Society	Care for the community Concern for humanity Focus on the ocean	    



Responsible Operation

Fosun Tourism is committed to providing all our customers across the world with safe, healthy, thoughtful and sincere recreational holiday experience. Attaching great importance to customers' safety and healthy, we have set up a complete safety and health system to cope with various risks in operations, food, construction, and personal information. Focusing on customer experience, we have developed the sound customer service management system to cultivate Fosun Tourism's service culture of providing thoughtful and warm services and delivering a pleasing and sustainable experience to families around the world.

3.1 Safety Protection

We strictly comply with the *Work Safety Law of the People's Republic of China*, the *Food Safety Law of the People's Republic of China* and other relevant People's Republic of China laws and regulations, as well as applicable laws and regulations of overseas operating locations. We attach great importance to the safety in every aspect of our operations. By improving the safety management system, raising the employees' safety awareness and capability, regularly identifying the risks related to safety and taking corresponding measures, we manage to ensure the safety of our clients and employees.

3.1.1 Operation Safety

Implementation of safety management

The Group has set up the EHSQ Department for the management of EHSQ issues, and has constantly improved the existing safety management system. In 2023, the Group's EHSQ team newly compiled the *Fosun Tourism Security Management Manual* in accordance with the business requirements and updated seven other systems. Our Environment, Health and Safety (EHS) policy applies to all operating businesses, employees and contractors, and we require suppliers and other relevant parties to comply with our EHS policy as well.

Our EHSQ management is based on the PDCA (Plan, Do, Check and Act) principle to continuously improve project management.

Regularly identify risks of the Company and subsidiaries, and formulate plans for EHS management, potential danger investigation and audit.

Based on the results of risk identification and assessment, we will inform corresponding subsidiaries of corrective suggestions for identified risks, and require them to report the progress of corrective actions within the specified time.



Regularly carry out safety inspection and potential danger investigation at operation units.

Irregularly conduct risk investigation and evaluation. The risk audit covers fire safety, operation safety, food safety, public health, pandemic containment, customer service, environment protection.

We regularly identify EHS risks of subsidiaries, and investigate and audit their potential dangers. The risk audit covers EHS system, climate change, customer service, environment protection, fire safety, operation safety, food safety, occupational health and safety. Based on the results of risk identification and assessment, we issue an audit report and communicate on-site about various improvement matters. We require enterprises and projects to make improvements within specific time limits and report monthly on the progress of these rectifications. [Through the implementation of the PDCA principle, the Group's average EHS audit score was increased to 82.03 in 2023 \(74.5 in 2022\).](#)



While meeting the Group's EHSQ management requirements, each subsidiary also constantly improves its own safety management systems, implements various safety management measures and conducts risk identification and safety inspection based on its business characteristics and EHSQ risks.

• Atlantis Sanya



Atlantis Sanya has established an EHSQ Management Committee, and designated full-time safety management personnel within the EHSQ Department as well as safety supervisors for each department of the hotel. In addition, it has formulated and implemented internal policies such as the *Fire Prevention and Safety Management System* and the *Contingency Plan*. Atlantis Sanya sets out annual EHSQ goals and work plans every year, and promotes their implementation. Additionally, Atlantis Sanya also conducts safety inspections on and after major public holidays, irregular risk investigations and evaluations, and monthly safety checks.

Atlantis Sanya is subject to EHS audits by Fosun Tourism Group twice a year, resort EHS audits by Fosun Group every 3 years, and internal annual audits in compliance with the ISO 45001 system. In 2023, Atlantis Sanya passed the ISO 45001 third-party external audit.

In addition, China Certification & Inspection Group (CCIC), a third-party institution, conducts quarterly unannounced inspections of food safety, water sanitation, public hygiene and swimming pool hygiene at Atlantis Sanya to examine the EHS performance of the project. The combination of internal and external audits provides a more comprehensive approach to safeguarding operation safety.



During the Reporting Period,



Atlantis Sanya conducted **26** internal EHS inspections in total



A rectification completion rate of **100%**

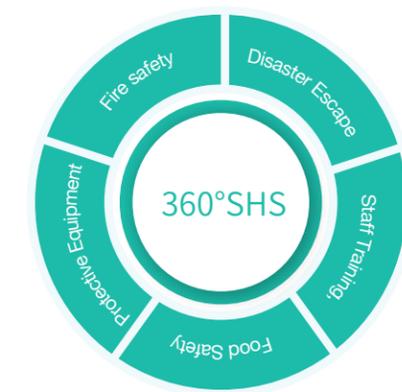
• Club Med



Club Med has established a Safety, Hygiene and Health (SHH) Department in its headquarters. The SHH Department regularly releases/updates policies and operating procedures on SHH topics on a dedicated intranet site, which is accessible to all resorts and offices. The site provides guidelines of prevention, safety, hygiene, and health to GM® and GO® as well as GE. Each business unit and resort also has a dedicated EHS Manager to manage environmental, health and safety issues at the resort. To ensure the competence of the EHS Manager, all business units at the resort are required to undergo a uniform training programme.

Regular internal and external audits and investigations on health and safety are also carried out in Club Med resorts. The SMICE digital tool has been fully deployed in all resorts, which allows teams to perform self-checks of all on-site activities (people/processes/structures) every month. The self-check results are available on the SMICE app and platform. Resort General Managers steer all health and safety related topics and data, including risk assessments data, accident investigation assessments data, etc. via a monthly health and safety meeting.

To provide guest safety globally, Club Med has established a 360 ° SHS (Safety, Hygiene and Health) tool. SHS working guidelines have been set up for fire safety, disaster escape, staff training, food safety, protective equipment and more. Through measures such as the inclusion of SHS content in job descriptions, monthly SHS meetings, and regular 360 ° SHS assessments of the resort, Club Med ensures the effective implementation of the 360 ° SHS guidelines. Nowadays, the 360 ° SHS plan has been deployed to all resorts.



Emergency drill plan

To improve employees' emergency response and handling abilities and to safeguard business continuity, we have formulated a complete safety emergency drill plan and an emergency handling system. Meanwhile, we issued the *FTG Emergency Response & Reporting Management Program*, which require all member companies to develop their own emergency drill plans according to their operational risks. The emergency drills are divided into comprehensive drills and special drills, covering different scenarios such as fire fighting, food safety, infectious disease outbreaks, chemical spills, emergency rescue of large rides, pool drowning, first-aid in accidents, search and rescue of people travelling outside the resort and severe weather. Atlantis Sanya also formulates contingency plans for flood prevention, elevator accidents, equipment logistics and major power supply disruptions in response to extreme weather.

All hotels and resorts are required to perform fire safety management according to the fire safety requirements for crowded places, strictly carry out fire safety trainings and fire drills for all members at least twice a year, identify key areas of fire protection and formulate special plans and undertake special drills.

The Group places a high priority on the safety of employees and contractors in its management process. We regularly organize safety emergency drills covering all employees and contractors to help our colleagues and partners familiarize themselves with the emergency process and improve their skills and collaboration abilities in responding to emergencies, thus ensuring overall safety. The Group's member companies, Atlantis Sanya, Club Med, Lijiang Club Med Resort and Taicang Alps Resort, have formulated a safety emergency drill plan to organize all employees and relevant contractors to conduct safety emergency drills. During the Reporting Period, Fosun Tourism' member companies completed a total of 190 EHSQ-related emergency drills.

Safeguard the health and safety of contractors



Atlantis Sanya conducts fire safety drills covering contractors twice a year. In November 2023, Atlantis Sanya conducted a Fire Safety Month event with the theme of "Prevention First, Life First". During that month, a variety of emergency drills were held, such as nighttime fire emergency response, anti-terrorism, and evacuation of staff shuttle buses, contractors are also invited to participate.

Taicang Alps Snow Live, prior to its opening, organized safety training and drills for all employees and contractors to raise their awareness of safety risks.



Atlantis Sanya emergency drills

Enhancement of safety awareness and capability

Fosun Tourism has set up a full-level, multi-dimensional training matrix, in which different training contents and frequencies are specified for employees from different departments based on risk requirements, so as to ensure the effective implementation of safety policies and systems.

Trainings at the group level

- Orientation training
- Annual EHS training

Trainings at the hotel and resort level

- Orientation training
- Monthly EHS training
- Centralized pre-opening training of seasonal resorts

Trainings at the department and position level

- EHS pre-service training
- Regular training
- Real-time training

The Group-level trainings include *EHS culture, fire safety, public health and food safety* that every new employee is required to attend as well as EHS trainings for all employees at least once a year. In addition, in order to enhance the EHS professionalism of our member companies, Fosun Tourism' EHSQ Department has set up various professional courses and instructor training programmes. During the Reporting Period, the EHSQ Department of the Group arranged a total of 7 EHSQ training sessions with a total duration of 10 hours, and a total attendance of 604 from full-time and part-time EHS managers and department heads from all subordinate enterprises. These training sessions covered "EHS incident management", "environmental protection and waste management", "water sports safety management", "security handling for emergency response to incidents", and "biodiversity and marine life protection". In addition, we uploaded all the videos of the EHS training courses held since 2019 to the Fosun Tourism Academy online platform. This allows our employees to access the courses anytime and anywhere, thus enhancing the safety awareness of all employees.

To improve all employees' awareness of safety, we have enhanced EHS culture promotion and training by providing trainings at the hotel and resort level such as orientation training, centralized pre-opening training of seasonal resorts, monthly EHS training and work safety month EHS activities, and trainings at the department and position level such as EHS pre-service training, regular training and real-time training.

Enhanced security capabilities of member companies



Our member company, Club Med, provides annual on-site training for all EHS managers, as well as a resort health and safety risk assessment tool, continuously improve their skills and management capabilities in health, hygiene, and safety. In addition, all employees are required to participate in regular health, safety and hygiene trainings, basic fire safety and evacuation drills.

In 2023, Club Med launched three levels of safety training at the resort level, departmental level and position level, covering all EHS content, including EHS awareness training, KARE training that integrates safety and employee health, Green Globe training, fire and security training, food safety training, public health and other topics. Targeting high-risk groups such as the engineering department and contractors, but also launched training on electrical safety, work at heights, restricted spaces, etc., and all the security staff of the resort participated in and completed the training, and the training time per person in high-risk positions was more than 12 hours.

3.1.2 Food Safety

Tracking of progress for 2030 Sustainable Development Goals

• **30%** of hotels and resorts get/obtain food safety HACCP or ISO 22000 or equivalent system certifications

2023 Progress

- Atlantis Sanya has obtained HACCP certification for six consecutive years (including 2023)
- Lijiang Club Med Resort has obtained HACCP certification in 2023

Food safety is an important part of customer safety. To provide our customers with healthy and safe food and help them enjoy healthy holidays, we constantly improve relevant policies and personnel training, carefully select cooking ingredients and conduct stringent control over food handling process and food serving standards.

Food safety management system

We have formulated an array of management regulations and standards concerning food safety such as the *Fosun Tourism Food Safety Management System*. Based on the food safety management regulations of the Group, the member companies have set up their own standard operating procedures, and management and implementation rules. In addition, we conduct annual food safety and hygiene audits on resorts, thus forming a multi-dimensional and multi-level management and review system.

• Atlantis Sanya



In accordance with the decree of the General Administration of Market Supervision of the People's Republic of China, Atlantis Sanya has appointed Food Safety Director to undertake the responsibilities in daily management and training of food safety, HACCP system management, etc.



During the Report Period, Atlantis Sanya optimized the food safety policies in accordance with China's food safety regulations and the latest requirements of HACCP. Also, Atlantis Sanya passed the annual review of the HACCP system.

• Club Med



All Club Med resorts employ a Health and Food Safety Manager who monitors various food health and safety action plans, including food safety training and assessment, daily inspection.

All Club Med resorts are subject to third-party food safety audits which are conducted every two months by Intertek or CCIC.

In 2023

For its resorts situated outside China, Club Med has conducted

196 food inspections

113 water quality inspections

Achieving an average score of

82.17

83.42

For its resorts situated in China, Club Med has conducted

34 food safety external audit

34 water quality external audit

Achieving an average score of

82.71

87.58

Food safety management measures

Fosun Tourism' EHSQ team carries out food safety inspections in all operating locations every year and requires them to improve according to corrective suggestions. To better respond to food safety incidents, we have formulated the emergency drill plan and special drills regarding food safety. All employees of the Group are required to take the special training on food safety at least once a year.

Atlantis Sanya



- At Atlantis Sanya, all new employees have to attend the HACCP-related training within 3 months of joining Atlantis Sanya. In 2023, all 1,232 new employees completed the orientation training and assessments as scheduled.
- Atlantis Sanya provides compulsory and customized food safety training, both online and offline, for all staff in the Food and Beverage Department. During the Reporting Period, Atlantis Sanya provided 19 special training sessions on food safety, involving 692 participants; and conducted the annual HACCP review training, with 585 trainees completing the training.
- In addition, Atlantis Sanya conducted the HACCP internal auditor training in November 2023. 42 internal auditor representatives from various departments attended the training and passed the assessment as qualified HACCP internal auditors, which effectively improved the food safety management of Atlantis Sanya and safeguarded customer health.



Club Med



In 2023, all food processing staff in Club Med resorts around the world completed the HACCP training. In addition, Club Med has formulated response procedures for foodborne diseases outbreaks to ensure the safety of customers in all aspects, monitors compliance with HACCP standards every two months.

Food safety audit on suppliers

The Group attaches great importance to the food safety management in supply chain, and makes efforts to build a solid food safety barrier. The Group conducts regular performance evaluations and audits on food suppliers to identify potential food safety risks in a timely manner, and takes prevention and control measures accordingly. Our member companies have also established a strict supplier food quality and safety assessment mechanism. Through risk assessment, on-site review, spot check and close communication, the mechanism can ensure the supplier compliance and protect the quality and safety of food at the source.

Atlantis Sanya

Atlantis Sanya has established a strict annual audit system for food suppliers, conducting routine qualification audit and on-site audit for food suppliers every year, and strictly controlling the food quality and safety of food suppliers. For the unqualified suppliers found in the audit, corrective measures have been taken or relevant cooperation has been stopped. During the Reporting Period, Atlantis Sanya audited 55 food suppliers. 5 of them met the requirements after correction; and its cooperation with 3 of them were terminated as they failed the audit.

Club Med

Club Med identifies the food supply chain as a target risk and mitigates the risk with precautionary measures such as audits. The Purchasing Department of Club Med conducts regular performance evaluations and audits on food suppliers. As a member of Check Safety First and CRISTAL, the Purchasing Department set up a risk mapping on sensitive countries and on high-risk categories such as the supply of fresh meat and fish and frozen products in 2019. This mapping is followed by a supplier self-assessment, which is addressed and analyzed by Check Safety First, and Club Med takes relevant measures based on the assessment results. As of the end of the Reporting Period, more than 130 suppliers were identified as "sensitive suppliers".

Taicang Alps Resort

Taicang Alps Resort inspects the ingredients provided by suppliers on a daily basis, and turns back the non-fresh and non-compliant ingredients for correction and replacement. Meanwhile, places such as kitchens and restaurants are subject to regular food safety inspection to form a checking list in time for correction and follow-up on the existing problems. During the Reporting Period, Taicang Alps Resort performed hygiene and food safety audit on suppliers, and provided corrective suggestions regarding pest control, food placement and warehouse hygiene to help suppliers improve their food safety management ability.

3.1.3

Construction Safety

To reduce product quality and safety issues in the supply chain, the Group conducts regular performance evaluations and audits on construction raw materials suppliers. During the Reporting Period, Atlantis Sanya and Lijiang Club Med Resort conducted product quality audits on construction raw materials suppliers, and the coverage rate reached 100%. During the development of the Taicang Alps Resort project, we paid extreme attention to its design, construction and delivery quality and endeavored to provide customers with high-quality products. We strictly abide by the *Product Quality Law of the People's Republic of China* and other laws and regulations, and have made stringent acceptance standards. Through the product design, construction quality, delivery status, customer perception and other field inspections, to the customer's point of view on the delivery of housing acceptance. For any deficiencies identified, we require timely rectification or plans, and closely follow up on the progress of rectification to strictly control the delivery quality.

3.2 Consumer Services

3.2.1 Responsible Marketing

The Group believes that a sustainable future relies on the efforts of every person. Committed to responsible marketing and compliance, we actively circulate the philosophy of green life among our employees and customers, and have incorporated the idea of the responsibilities for biodiversity protection and animal care into our marketing activities. By doing so, the awareness of sustainable development is improved continuously, promoting the characterized culture of sustainable tourism of Fosun Tourism to thrive.

Compliant marketing

In the light of the *Advertising Law of the People's Republic of China* and other laws and regulations applicable in China and overseas locations of operation, we implement the *Fosun Tourism Brand Handbook* to ensure that all advertising and marketing activities have gone through internal review and are compliant. We do not conduct any false, misleading, fraudulent or unfair, unclear or ambiguous marketing. We strictly provide clear and complete information to customers, actively communicate necessary information with customers, and guide consumers to make rational consumption decisions. At the same time, employees' awareness of responsible marketing is enhanced through online and offline compliance training courses held on from time to time.

Marketing compliance training



In February 2023, the Fosun Tourism Innovation and Leadership Center and the Legal Department jointly conducted the "Marketing Compliance Training" to enhance the risk aversion awareness of all employees and those in key positions in the marketing process. The training focused on issues concerning advertising law, data compliance and intellectual property rights in marketing. Employees from all marketing lines of Fosun Tourism participated in the training. Those courses were recorded and are available on the Company's online learning platform for all employees to watch and learn.

Marketing compliance audit process of Club Med



Our member company Club Med has developed a stringent sales information compliance process, which is reviewed by multiple departments such as the Marketing Department and the Legal Department to ensure that the sales terms and conditions are clear, complete and reliable and can meet the requirements of applicable tourism regulations and the actual needs of consumers. In addition, Club Med is member of SETO, the French trade union for tour operators and, and adheres to its travel charter. During the Reporting Period, Club Med did not receive any major complaints due to violation of sales terms or SETO Charter.

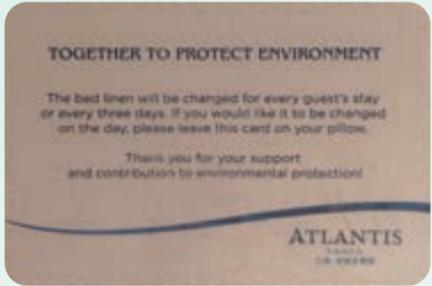
Guiding sustainable consumption

We are committed to promoting the sustainable tourism philosophy to consumers. We inform customers of environmental options and proper code of conduct before the service, and encourage them to choose green products and services in their consumption experience. Accordingly, we have launched a range of natural landscape and local culture exploration activities to let customers experience the positive impact of sustainable tourism.

Our main subsidiaries, Club Med and Atlantis Sanya, have environmental protection related promotional materials in their hotel rooms.

Promotion of sustainable behavior



- In Atlantis Sanya, reminders are visible in the electronic displays in the hotel lobby and placards in rooms, encouraging customers to reuse towels and other toiletries, save water and minimize waste generation. In addition, we promote the sustainable tourism philosophy of rejecting disposable supplies to customers through the page of every booking platform. Moreover, environmental protection publicity cards are placed in the rooms to encourage customers to choose a greener lifestyle.
- 
- Club Med reminds customers on every booking platform that hotels generally do not provide disposable supplies in the light of the "Bye-Bye Plastic" policy. Club Med has actively promoted the glass bottled water project to reduce the use of single-use plastic bottles. During the Reporting Period, Club Med Maldives Resort built its own bottled water filling workshop, and Club Med Phuket Resort provided glass bottled water filling services for neighbouring suppliers, successfully reducing the consumption of single-use plastic bottled water. Information boards and cards are visible in Club Med's resort rooms, outlining the actions taken by the resort for water, energy and waste management and biodiversity conservation. Moreover, customers are encouraged to take environmental protection actions during their stay in guest rooms or other eco-certified areas to raise their awareness of water and energy reservation and environmental protection.
 - Our member companies also take active steps to inform customers the proper code of conduct. For example, Club Med provides customers in concerned countries with digital leaflets on initiatives of protecting children from sexual exploitation before their trips. For the detail of this program, please refer to the section *Care for Children and Education* of this Report.

In addition to the advocacy for sustainable consumption behaviors, we designed and integrated various environmental awareness campaigns into our travel business to raise customers' awareness of sustainable living along their journey, encouraging them to take actions with us to address global climate change.

"Educational Vegetable Garden" of Club Med

Since 2014, Club Med has set up "Educational Vegetable Garden" in several resorts across the world, where children and their parents can explore local plants and products. As of the end of the Reporting Period, the program had been carried out in a number of resorts, including those in Indonesia, Maldives, Malaysia, China, Dominican Republic and Seychelles.

"Green Activities" of Club Med

Club Med resorts provide customers and employees with experience of "Green Activities", including "Discovering nature: educational paths and walking tours" and treasure hunt game on "Club Med Play" APP. In 2023, 72% of the Club Med resorts offer educational "Green Activities".

Dolphin Island of Atlantis Sanya

Science popularization and education publicity activities (including interpretation in science popularization corridor, exhibition on animal care in dolphin area, exhibition on free socialization of sea lions, and psychological and ethological games) have long been carried out on the Dolphin Island of Atlantis Sanya to raise customers' knowledge of marine mammals and raise their awareness of animal protection.

Turtle Rescue by Atlantis Sanya

Atlantis Sanya sets up a turtle rescue and rehabilitation team in 2019. Customers are invited for turtle-themed activities every year, gaining knowledge on biodiversity and marine conservation.

3.2.2 Quality Improvement

Fosun Tourism strictly abides by the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other relevant laws and regulations in China, as well as relevant foreign laws and regulations applicable for our operation locations abroad. We have formulated and issued a series of policies such as the *Fosun Tourism Group Customer Service and Product Supervision Management Program*. We have established robust iCARE service management system. Focusing on customer experience, we thoroughly implement the customer service quality management system and product quality management standards to improve service quality.

Service enhancement

The customer-oriented Fosun Tourism is dedicated to delivering a new experience of recreational tourism for customers by keeping our customers as a top priority, listening to customers' needs, and providing consistent high-quality and high-standard customer services.



Committed to improving customer satisfaction in all aspects, the Group has established the Customer Experience Department to take the responsibility of relevant work, including fully hearing customers' voice, cooperating with the whole industry to identify the troubles bothering our customers in travelling and taking quick actions. The implemented service enhancement and optimization plans have already brought positive results.

During the Reporting Period, we continued our efforts in improving services and carried out customer service audit and Foryou Club digital service platform improvement, in a bid to further enhance customer service quality.

Audit on customer experience management



In 2022, we launched and steadily conducted audits on customer experience management system, including cultivating cultural value, reviewing the organizational structure, sorting out the work standards and rules, establishing measurable satisfactory indicators management system, and building customer voice management and extraordinary experience design system. During the Reporting Period, the Group conducted 14 internal customer service audits and invites a third party, Forbes Services, to perform 2 audits inspections and issue rectification and enhancement reports. For the projects to be enhanced, timely follow-up on monthly progress was in place by the department until the correction was completed.

Diversified services of Foryou Club



Foryou Club has integrated members from our various brands in the Fosun Tourism ecosystem, including Atlantis Sanya, Club Med (the Chinese Mainland) and other activities and services we provide.

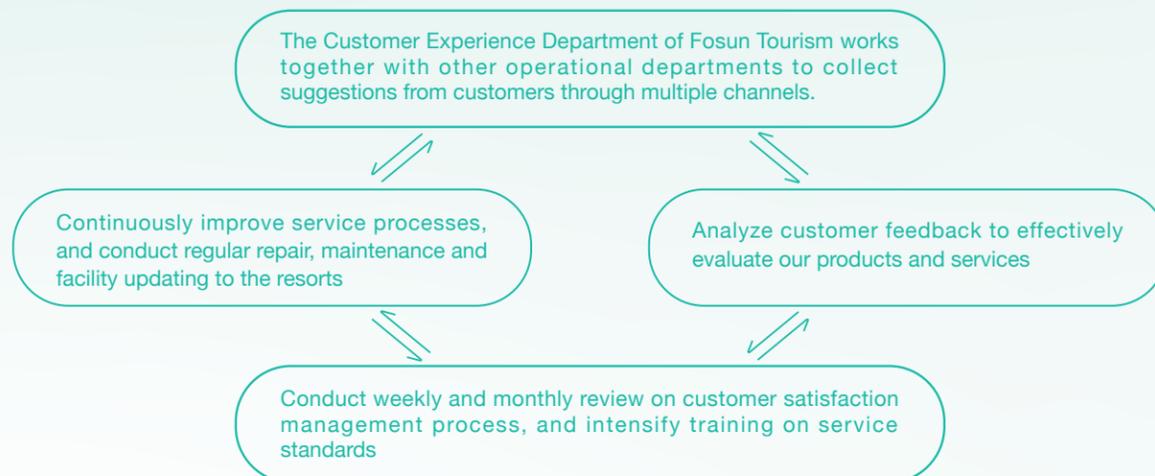
In 2023, we adjusted the business of Foryou Club. In the future, Foryou Club will continue to focus on family tourism. Meanwhile, by making full use of the major advantageous tourism IPs and products of Fosun Tourism, Foryou Club will continue to recommend global vacation and living goods to meet family users' "vacation + life" full-scenario needs, demonstrating its commitment to becoming a scenario-based one-stop life service platform to "bring greater happiness to global families" and creating more value for customers.



As of 31 December 2023, Foryou Club had a total of approximately 6.53 million members.

Customer satisfaction management

Customer satisfaction has always been our driving force. We collect suggestions and opinions from customers through multiple communication channels and customer satisfaction surveys. We constantly evaluate our products based on customer feedbacks to upgrade customer experience.



Customer satisfaction survey



We conducted customer satisfaction questionnaire research and collected 9,346 pieces of customer feedback in China through satisfaction data center. Compare to 2022, the overall satisfaction rate³ increased by 1.2% to 92.6%, and the Net Promoter Score (NPS)⁴ increased for the third consecutive year to 67.2%, increased by 4.9% compare to 2022.

In addition, the customers' ratings through social media network significantly increased, with a score of above 4.8 on multiple mainstream rating sites, ranking Fosun Tourism among the top in the Chinese market.

Third party survey visit/audit



We invited a third party with extensive industry experience, to conduct monthly mysterious visitor audit on Taicang Alps Resort and Lijiang Club Med Resort and inspect the procedures of online services.

We also engaged third parties for the annual satisfaction survey visit to quasi-property owners and new property owners of the resorts above.

Real-time monitoring of customer reviews



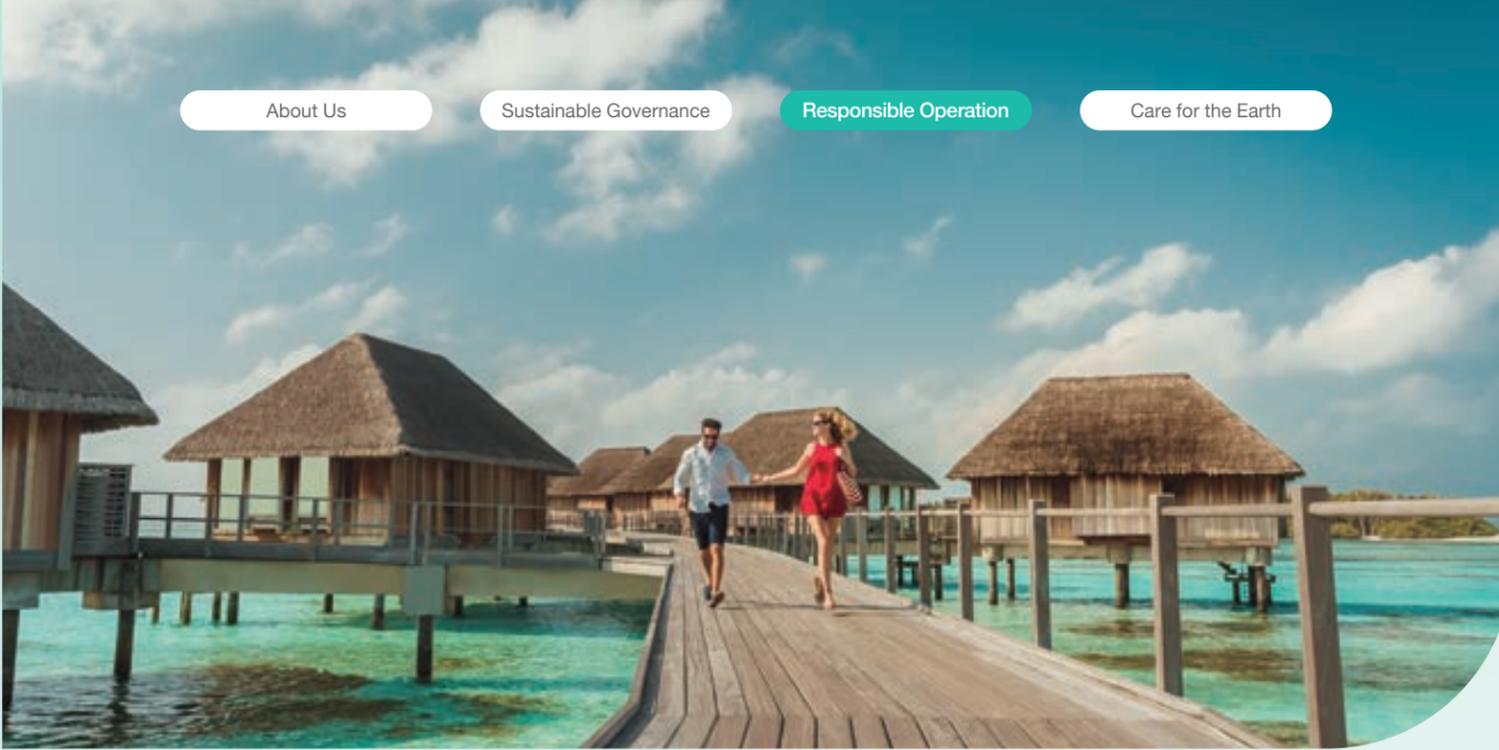
We collaborated with a third-party company to instantly monitor our brands and products mentioned on social media, news and reputation platforms (such as Weibo, Xiaohongshu, TikTok, Sina, and Ctrip). We evaluate the positive and negative reviews and reputational feedback of customers, identifying deficiencies and implementing targeted special rectification in a promptly manner to increase satisfaction. Atlantis Sanya and Club Med are included in this monitoring project.

In 2023, there were more than 330,000 reviews on the Group from various platforms, a year-on-year growth of 300%; and the overall Net Satisfaction Rate (NSR)⁵ reached 92.5%, a year-on-year increase of 7.4%.

³Customer satisfaction is scored on a scale of 1-5, with the lowest to highest scores being very dissatisfied, dissatisfied, neutral, satisfied, and very satisfied. Customer satisfaction rate = sample size of customers choosing 4 and 5 scores / total customer sample size.

⁴Net Promoter Score (NPS) is calculated as (NPS) = (number of promoter/total number) × 100% - (number of non-promoter/total number) × 100%

⁵Net Satisfaction Rate (NSR) is calculated as NSR=(number of positive reviews - number of negative reviews)/(number of positive reviews + number of negative reviews)



Communication with customers

The Group values the communication with customers, and is committed to providing customers with diversified channels for communication. We have opened various channels such as email, official website and Foryou Club member platform customer service center to ensure the proper handling of every customer complaint.

During the Reporting Period



Fosun Tourism Group's customer service feedback channels received a total of **115** feedbacks of all kinds



A year-on-year decrease of **15.4%** in the number of complaints compared to 2022



The feedbacks were **100%** handled



The average settlement time was no more than **48** hours



Feedbacks from email

folidayts@fosunholiday.com



Feedbacks from official website



The Group's Foryou Club platform customer service center provides customers with a multi-dimensional interaction and communication channel. Online customer service and customer service hotline are available for pre-sales and after-sales inquiries and feedback collection. During the Reporting Period, the customer service center received nearly 67,000 consultations in total, which were responded in 22 seconds on average. For such consultations, the customer service center answered nearly 25,000 phone calls with a connecting rate of 94.05%.

3.3

Information Security and Privacy Protection

The Group strictly abides by national and local laws and regulations such as the *General Data Protection Regulation of the EU* (GDPR), the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and applies stringent standards and measures to protect user information, which ensures that all new products and services can meet the requirements of relevant laws and regulations on information security and privacy protection.

The ESG Committee under the Board is the highest responsible organization for user privacy and data security management. To achieve comprehensive protection, we have set up the Information Security Committee, consisting of the core members of the Intelligent Technology and Innovation Department, the Human Resource Department, the Risk Management Department, the Brand and Corporate Communications Department and the Legal Department, to perform major decision-making and regulation on the Group's information security matters and regularly report to the ESG Committee of the Group. The Intelligent Technology and Innovation Department is directly responsible for consumer data security and privacy protection. Its main responsibilities include formulating information security procedures and policies, implementing information security strategies, following up on information security policies and regulations, formulating, updating and implementing privacy policy and carrying out internal information security and privacy protection training.

The Group's member company Club Med has established a Safety Committee to convene meetings on a quarterly basis to discuss and supervise its practices on information security and data compliance. In addition, Club Med has a Chief Information Security Officer (CISO) to develop and test security procedures and report information security status to Club Med' CEO; and has a Data Protection Officer (DPO) to take charge of privacy protection.

3.3.1

Information Security

The Group takes proper administrative, technical and physical security measures, and builds an information security protection system in view of the current business development with reference to domestic and overseas information security standards and best practices.

We formulated the *Fosun Tourism Group Information Security Management Regulation*. From the perspective of data life cycle, we established security measures for all relevant links such as data collection, storage, display, disposal, use and destruction. We take different control measures based on the level of information sensitivity, including but not limited to access control, SSL encrypted transmission and desensitization of sensitive information. We also strictly manage employees who may have access to user information, establish approval mechanism for all critical operations like data access, internal and external transmission and use, desensitization and decryption, and sign confidentiality agreements with the aforesaid employees.

In 2023, we revised the *Fosun Tourism Group Personal Information Protection System*, which specified the detailed process and remediation measures for dealing with personal information security incidents to respond to the security incidents of data leakage. We have also formulated data leakage prevention and emergency response plans to prevent or deal with data leakage mainly through password leakage risk reminders, user sensitive information leakage risk reminders, external public relations methods, and monitoring of information disclosure and transactions on the dark web. During the Reporting Period, the Group had no significant leakage of customer privacy or loss of customer data.

Information security review and certification

The Group regularly conducts internal and external information security review, which involves quarterly network penetration security scanning, irregular security scanning by external third-party, and "Red" vs "Blue" security competitions with external professional security teams. The Group also carries out annual IT audits, in which the Company or external audit team independently checks and audits the completeness and accuracy of data, the stability and security of IT system architecture and abnormal risk control measures. Club Med and Foryou Club have been granted the Level III Certificate under the National Cybersecurity System Grade Protection. Under this certification, the information security system is assessed and evaluated every year, which effectively ensures the security of our information system.



Club Med and Foryou Club's Level III Certificate under the National Cybersecurity System Grade Protection

Club Med's information security compliance review



Club Med conducts information security compliance review on internal and third-party partners. Club Med has formulated the *Personal Information Protection Policies*, and has established a systematic information security management mechanism, which includes internal information security compliance audit, monthly vulnerability scanning of IT infrastructure, and annual penetration test on e-commerce infrastructure, mobile applications or internal network. Club Med conducts information security compliance review on third-party partners before signing the partnership contract with them.

Club Med has obtained the compliance certification of SWIFT (Society for Worldwide Interbank Financial Telecommunications) for its customer security control framework. In addition, Club Med has formulated the business continuity plan (BCP) and the security incident response plan for its data center. Every year, information security crisis drills, tests and reviews are carried out based on such plans to ensure the stability and security of Club Med's information systems.

Supplier information security management

The Group has established an information security system compliance management mechanism for suppliers, which includes conducting preliminary due diligence and compliance review on suppliers and requiring suppliers to make improvement according to assessment results.

Preliminary due diligence



Suppliers are required to sign the letter of commitment to personal information and data protection and data security terms, build necessary data security capabilities and report security incidents in a timely manner, as well as not to provide the processed personal information to any third party.

Compliance review



Conduct regular information security compliance review of partner suppliers and collect the information security compliance certificates of suppliers.

Correction and improvement



Assess suppliers based on their commitment fulfilment and information certificates, and provide corrective suggestions for suppliers to improve their information security capabilities.

As of 31 December 2023, all suppliers of the Group signed the updated letter of commitment or contracts with relevant compliance provisions. The Company and its subsidiaries also conducted information security compliance review of cooperating suppliers to ensure that all cooperating suppliers had established qualified information security systems.

Information security culture cultivation

The Group timely cultivates the information security culture by arranging a series of campaigns, training and publicity on information security for all employees and suppliers, so as to enhance the education on awareness of information security for all employees.



Information security training

In January 2023, the Company invited all employees to participate in the online training courses titled "Personal Information Protection and Data Compliance Training" and the open online class of "Protecting Information on the Internet" arranged in June, which explained the basic concepts and means of information security, common principles and key protection points of information security practices, as well as regulations, norms and policies related to information security.



Information security culture cultivation at Club Med

The Group's member company Club Med pays attention to employee information security and personal privacy protection, and has formulated employee-related global security policies, personal data protection policies, information security-related systems and compliance documents to effectively protect the privacy security of employees. Besides, Club Med helps employees better understand the policies via training and email reminders to improve their personal information protection abilities.

3.3.2 Privacy Protection

Privacy protection principles and policies

We put users' interests first when collecting and using user information. During the Reporting Period, the Group revised the *Fosun Tourism Group Personal Information Protection System* and the *Fosun Tourism Group Personal Information Protection Policy*, clarifying the basic requirements for the Group and its member companies to collect, use and manage personal information when providing products and services to customers. We update the policies in a regular manner to ensure that they are applicable to relevant business and laws and regulations. We also require our suppliers to sign the *Letter of Commitment on Personal Information Protection* to ensure that they comply with our privacy system and policy.

The Group's primary purpose of collecting user data is to improve user experience and enhance the quality of our products and services. The Group's whole information collection process is implemented under the principles of legitimate, authorization, minimal collection, classified management, encrypted storage, data desensitization and undisclosed destruction. Based on the purpose of information collection and business needs, we minimize the data retention period within the law and safely remove the data after the retention period expires. In addition, we will not rent, sell or provide users' personal information to third parties, except for the provision of services or the explicit consent of the user. We require third parties to sign the *Confidentiality Agreements for Information Users and Personal Information and Data Protection Commitment Letter*, etc.

We have always been committed to providing our customers with enhanced information transparency. All users who sign up for Foryou Club membership need to confirm the *Foryou Club Membership Registration Agreement*, through which the users are clearly informed of our rules on user data and privacy. Users are allowed to log in to their accounts at any time to view or modify personal information, or request us to update, correct, delete and/or stop processing their personal information, and we will process such requests in accordance with applicable laws.

We have developed strict punishment mechanism against privacy violation. Employees can report any violation via the whistle-blowing mailbox, and the Group seriously protects the whistle-blowers from retaliation. Any violation of the personal information protection system will be punished with reference to the *Reward and Punishment Policy of Fosun Tourism Group*, depending on the severity of the case and the consequences caused. Criminal violations will be transferred to administrative and judicial authorities for legal liability.

Club Med's privacy protection compliance review



Club Med regularly conducts internal compliance audit of the implementation of the Company's privacy protection policies. The internal audit team performs private data security assessment on Club Med's facilities (e.g. offices, travel agencies or resorts) in accordance with the *Personal Data Protection Policy* of Club Med. Audit points related to personal data protection/privacy are subject to systematic audit, with audit results and corrective suggestions being reported to the DPO, so as to ensure the data and privacy security of Club Med.





Care for the Earth



4.1 Environmental Commitments and Management Policies

4.1.1 Environmental Commitments

We are fully aware of the growing environmental concerns and the Group has been actively enhancing our environmental performance by strictly complying with the environmental laws and regulations applicable to our business operations. Each of the Group's operations has formulated guidelines and policies in accordance with their size, location and nature of business. In addition, we continuously monitor and evaluate our environmental performance, risks and the effectiveness of the policies and measures we have put in place.

4.1.2 Management Policies

Environment management policies

The Group strictly complies with the *Environmental Protection Law of the People's Republic of China* and the *Environmental Protection Tax Law of the People's Republic of China*, as well as the environmental laws and regulations of the countries and regions in which we operate. We have established an environmental management responsibility structure to implement our management responsibilities. The EHSQ Department of the Group is responsible for overseeing the implementation and promotion of environmental protection work across the Group. We have also set up an EHS Committee in each of our member companies, which is responsible for overseeing the implementation of EHS work and holding monthly EHS meetings to discuss EHS-related issues. As of the end of the Reporting Period, the Group had 65 persons engaged in EHS work.

For the Group's member company Club Med, the Sustainable Development Department manages and supervises environmental issues, and the business units undertake their corresponding environmental responsibilities in each stage of product delivery. The Sustainable Development Department of Club Med formulates the CSR strategy together with the General Management Committee and other major operational departments, which carry out the strategy in the fields they are taking charge of (e.g. development & construction, product & service, procurement, technical department, and operation). Club Med appoints a technical manager as the key executor of environmental policies at the resort to closely collaborate with the service department of the resort to ensure the implementation of the environmental policies formulated by Club Med.

We constantly improve environmental management system, and have formulated environmental management policies such as the *Fosun Tourism Group EHS Policy*, the *Fosun Tourism Group EHS Responsibility Program*, the *Fosun Tourism Group Solid Waste Management Guideline* and the *Fosun Tourism Group Hotel/Resort EHS Audit Program*. In 2023, we revised the *Fosun Tourism Group EHSQ Policy* to further improve our environmental management. During the Reporting Period, the Group had no significant violations of relevant environmental laws and regulations.

Project lifecycle management

The Group actively cooperates with stakeholders and applies the philosophy of full life cycle in all aspects of our projects, including investment planning, asset design and construction, and business operations.

Project Full Life Cycle Management Approach

Investment planning

Project Selection

- Hire environmental consultants to conduct environmental and ecological impact studies, assess the ecological impacts of development projects, and design effective measures to eliminate and reduce negative impacts.

Corporate Investigation

- Focus on corporate initiatives in environmental protection and social activities, and assess potential environmental and social risk factors.
- Prioritize selecting partners with good ESG performance (e.g. environmental protection, employee care, social contribution).

Asset design and construction

Green Building

- The design of the hotel takes into account internationally recognized green building standards to create an energy-efficient and environmentally friendly building (e.g. Club Med's commitment to eco-certifying all new or deeply refurbished resorts according to the BREEAM building standards).

Low Impact Development

- Adhering to the principles of "development through conservation" and "conservation through development", we adopt the principles of low-impact development, refined development, with strict adherence to the environmental assessment system.

Responsible Procurement

- Prioritize the purchase of sustainable materials and closely monitor the consumption of resources to reduce unnecessary purchases.

Business operation

Environmental Management:

- In the course of business operations, corresponding environmental management departments have been set up, and energy-saving, emission reduction and water-saving responsibility systems and reward and punishment mechanisms have been established (e.g., energy-saving and emission reduction teams have been set up in Atlantis Sanya, and technical departments have been set up in Club Med resorts).
- With reference to internationally recognized sustainable tourism standards, carry out environmental protection management for business operations.
- Through environmental management platforms and digital tools, real-time monitoring of the environmental impact of operations (e.g. Atlantis Sanya's energy monitoring platform, Club Med's Tech Care data collection tools, etc.).

Promote Sustainable Tourism

- Promote environmental awareness among staff, customers and partners.

Green certification

Tracking of progress for 2030 Sustainable Development Goals

- **100%** resorts get or obtain an eco-certification (BREEAM Good minimum or equivalent, LEED (silver), or equivalent) for new built and deep renovations
- **100%** operating resorts get or keep Green Globe/EarthCheck/Green Hotel or equivalent

2023 Progress

- **67%** of Club Med new resorts and major renovations have been certified or are in the process of being certified BREEAM or equivalent
- Atlantis Sanya, Taicang Alps Resort and Lijiang Club Med Resort received LEED-NC (New Construction) Gold Certification
- **86%** of eligible⁶ resorts and hotels are Green Globe certified or EarthCheck silver certified
- Atlantis Sanya, Club Med Joyview Thousand Islands Lake Resort and Club Med Changbaishan were awarded "China Five-leaves Green Hotel"

The Group has set a target and made commitment to obtain BREEAM or LEED (silver) or other equivalent certifications for all newly constructed or largely renovated resorts, and obtain/renew Green Globe⁷ or EarthCheck, Green Hotel certification, etc. for all operating resorts. As at the end of the Reporting Period, most of our resorts and hotels have achieved the goal. Please find the details below.

Atlantis Sanya

- Three-Star Green Building Design and Operation Certification, the highest level of Chinese green building certification, issued by the Chinese Society for Urban Studies
- LEED (Gold) Building Design and Construction Certification issued by the U.S. Green Building Council
- EarthCheck silver certification in the leading environmental certification and benchmarking program for the global tourism industry
- National Quality Engineering Award issued by China Association of Construction Enterprise Management
- China Five-leaves Green Hotel Certification

Club Med

- **67%** of newly opened Club Med resorts have obtained/are in the process of obtaining eco-construction certification
- In 2023, **54** resorts are Green Globe certified, representing 86% of eligible and operating resorts

Taicang Alps Resort

- LEED-NC (New Construction) Gold Certified
- Received Certificate of Green Building Design Label (Two-Star)

⁶Eligible resorts include all resorts between one year after opening and two years before closing.

⁷The Green Globe certification has indicators covering the entire corporate social responsibility process of sustainable tourism. The certification verifies energy and water conservation, waste management, pollution risk control, biodiversity conservation of the operating locations and the existence and effectiveness of ecological procurement policies in the environmental context.

Environmental and ecological awareness improvement

Tracking of progress for 2030 Sustainable Development Goals

- Take actions to constantly raise the environmental awareness of our employees and customers

2023 Progress

- **100%** of employees received training on environmental awareness
- Environmental protection related promotional materials are placed at the rooms and public places of the hotels and resorts

The Group believes that environmental protection relies on the efforts of every person, and actively raises employees' awareness of sustainable development. By conducting trainings on environmental protection awareness, the Group encourages the employees of its hotels and resorts to practice the philosophy of sustainable development in their lives and work, and also help them communicate with customers in a more persuasive and effective manner for choosing sustainable tourism products and services.



• Atlantis Sanya

In order to establish a culture of caring for nature and protecting the environment at Atlantis Sanya, all new hires are required to learn the basics of environmental protection and complete the quizzes in the "Earth Assessment" course online, as well as undergo the 1-hour "Energy Saving and Emission Reduction Awareness" course and 1-hour "Environment, Health, Safety and Quality Culture" course offline. During the Reporting Period, the completion rate of all three courses was 100%.

Atlantis Sanya also launches online courses for employees every year, such as "Waste Sorting" and "Creation of Zero-waste Hotels", and 100% of employees completed those courses during the Reporting Period.

In addition, various departments of the resorts have organized relevant training sessions (e.g. carbon peaking, carbon neutrality and climate change), promoting green office, energy and electricity saving, the use of non-disposable supplies and environmental protection activities such as beach cleaning.



• Club Med

In Club Med resorts certified by Green Globe, GO® and GE are trained on environmental issues and eco-friendly behavior related to their position and resort life, including but not limited to waste sorting, ecological protection, "Happy to Care" and "Bye-Bye Plastic" programs. Moreover, many resorts initiate or support local projects engaging employees in environmental protection such as beach clean-ups, protection of sea turtle eggs and coral reef preservation.

We also actively raise customers' awareness of sustainability. For more information on customer practices, please refer to the section *Responsible Marketing* of this Report.



4.2 Climate Change and the Energy

Tracking of progress for 2030 Sustainable Development Goals

- Reduce carbon intensity by **40%** (GHG scope 1&2) (2019 baseline)
- Reduce energy consumption intensity by **30%** (2019 baseline)
- Achieve a maximum of renewable electricity use

2023 Progress

- Compare to 2019, GHG emission intensity (scope1&2) decreased by **5%** (by bed capacity), increased by **4%** (by hotel night sold) and increased by **2%** (by revenue)
- Compare to 2019, energy consumption intensity increased by **11%** (by bed capacity), increased by **22%** (by hotel night sold) and increased by **19%** (by revenue)
- **21%** of all electricity consumed in Club Med resorts comes from renewable sources and **44%** of its resorts use electric vehicles

During the Reporting Period, the Group issued its first *Fosun Tourism Group Climate-related Disclosures Report* with reference to the *Guidance on Climate Disclosures* by the Hong Kong Stock Exchange and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to further enhance the Group's resilience to climate risks. Please refer to the Report for details on the Group's climate-related governance, strategy, risk management, indicators and targets.

4.3 Water Resource Utilization

Tracking of progress for 2030 Sustainable Development Goals

- Reduce water use intensity by **10%** (2019 baseline)

2023 Progress

- Compare to 2019, water use intensity decreased by **22%** (by bed capacity), decreased by **19%** (by hotel night sold) and decreased by **21%** (by revenue)

The Group understands that water resources are very important to the sustainable development of our businesses and the wider community. We strictly comply with the *Water Law of the People's Republic of China* and other relevant laws and regulations of water resources applicable to the regions/countries where we operate. We formulated the *Water Policy* and adopted better water management and conservation measures, to reduce water consumption, and to help alleviate the pressure of water scarcity in our operations.

The Group has realized that water shortage remains a serious global challenge, which affects the long-term sustainability of enterprises. It is very important to identify water stress⁸ risks of all operating locations and carry out targeted management for the conservation and protection of water resources. We adopt the Water Risk Atlas Aqueduct™ tool developed by the World Resources Institute (WRI) to regularly identify water stress areas. During the Reporting Period, we had 9 resorts located in the water stress area, defined by the extremely high baseline water stress.

Our water stress risk identification and evaluation result and water conservation measures taken for all operating sites are detailed in the *Fosun Tourism Climate-related Disclosures Report*.

⁸The ratio of freshwater withdrawals to renewable surface and groundwater resources

During the Reporting Period, the Group's water withdrawals data are as follows:

Category	Unit	2023	2022	2021
Municipal Water	m ³	5,302,779	4,443,904	3,649,884
Groundwater	m ³	1,507,289	1,568,019	1,359,856
Surface Water	m ³	254,654	320,392	241,997
Purchased Recycled Water	m ³	153,454	60,784	50,377
Drinking Water	m ³	0	131,840	187,703
Total Freshwater Consumption	m³	7,218,176	6,524,940	5,489,817
Freshwater Consumption Intensity (by bed capacity)	m ³ /bed	0.52	0.49	0.61
Freshwater Consumption Intensity (by hotel night sold)	m ³ /night	0.90	0.93	1.32
Freshwater Consumption Intensity (by revenue)	m ³ /RMB 10,000 of revenue	4.21	4.74	5.93
Total Seawater Consumption	m³	4,530,565	4,538,107	4,137,104

Note

- (1) The total amount of water withdrawal is calculated in cubic meters and includes all water used on each site, whether paid or free.
- (2) Drinking water refers to the drinking water used by Club Med resorts which is delivered by truck.
- (3) Seawater is mainly used for the breeding of marine animals in the Aquarium and Dolphin Cay of Atlantis Sanya.

4.4 Ecological Protection

4.4.1 Biodiversity Protection

Tracking of progress for 2030 Sustainable Development Goals

- Protect biodiversity throughout construction and operation

2023 Progress

- **100%** of eligible resorts and hotels have undergone an EIA (including biodiversity impact) before project construction, and protected biodiversity throughout the operation
- **100%** of Club Med new projects have obtained support from external experts (such as ecologists)

Fosun Tourism Group takes various actions to protect biodiversity in its operations. We value the balance of the ecosystem in regions where our operations are located in all phases of planning, design, construction and operation to minimize the negative impact on the surrounding ecology. We have developed the *Biodiversity Policy* and also encourage major subsidiaries, partners and other relevant parties to respect and protect biodiversity.

We apply the methodological framework of the Science Based Target Network (SBTN) to systematically protect biodiversity through the following steps:



① Assessing biodiversity risks

All member companies of the Group actively assess potential biodiversity risks during the project planning and development process through the Environmental Impact Assessment. Our subsidiary Club Med is committed to carrying out an Environmental Impact Assessment for 100% of new or deeply renovated projects since 2022. From 2020 to 2023, 100% of eligible resorts (construction projects in undeveloped areas) have undergone an environmental impact assessment, and 100% of construction projects in undeveloped areas have been guided by biologists.

● Atlantis Sanya



At the design phase of Haitang Bay seawater intake and drainage project, Atlantis Sanya carried out a biodiversity survey near its operation location based on the results of biological investigation conducted by the Hainan Academy of Ocean and Fisheries Science, identifying 85 species, 33 genera, 3 phylum of phytoplankton, 10 species, 40 genera and 50 species of zooplankton, 15 species of macrobenthos and fewer larvae. No endangered or protected species were found.

● Lijiang Club Med Resort



Survey on the biodiversity of the flora and fauna around the operation location of Lijiang Club Med Resort was carried out at the project design phase, including on-site investigation and historical data study, and the assessment and analysis were backed by vegetation sampling and remote sensing technology. The survey identified 64 species of endemic plants of China and 2 species of endemic plants of Yunnan, as well as 242 species, 197 genera, 76 families of vascular plants, of which 2 species of plant were listed as near threatened species of the International Union for Conservation of Nature's Red List, and 2 species of birds were listed as low risk species. In addition, there was 1 species of bird classified as Level 2 in the *List of State Key Protected Wild Animals*. Lijiang Club Med Resort actively formulates measures to protect biodiversity in its operations and surrounding areas based on the results of biodiversity survey and experts' suggestions.

② Identifying vulnerable areas

We assess and update biodiversity risks in areas where we operate every year. According to the latest assessment in 2023, 39% of the total surface area of our resorts is located next to protected sites⁹, with another 19% located at less than 3 km from the protected site.

③ Setting biodiversity goals

The Group actively sets biodiversity protection targets based on the biodiversity assessment results and the actual operations. Club Med joined Act4Nature¹⁰ in 2018 and has made commitment to voluntary action by setting targets and goals and regularly reviewing their achievement. These targets include the proportion of resorts that are green certified, the proportion of built-up areas, and the proportion of resorts that offer the educational "Green Activities". Refer to the *Club Med Commitments* for details.

④ Developing biodiversity protection measures

To minimize the impact on protected areas, the Group carried out a number of biodiversity conservation practices and awareness-raising activities. In addition, Club Med has taken various measures during the development and operational phases to protect ecosystems and endemic species, control the risk of pollution and avoid overexploitation of natural resources.

⁹The resorts in or next to protected sites are either concerned by a marine zone or concerned by the adhesion zone of national parks in the mountains (this is an area outside the heart of the park itself), which do not belong to the core reserve of the nature reserve and are allowed to carry out tourism development.

¹⁰Act4Nature program, led by the non-profit organization EpE (Entreprises pour l'Environnement), is a long-term, continuous improvement initiative based on 10 common measures and voluntary actions, in line with the French national policy to preserve biodiversity.

Club Med takes steps at all phases to conserve biodiversity

Resort development phase

- Strategic studies of environmental impacts and biodiversity. Committed to carrying out an Environmental Impact Assessment (EIA) for 100% of new or deeply renovated projects since 2022.
- Vegetation alteration and restoration: Limiting the proportion of built-up areas to 10%
- Differentiated management of green areas
- Habitats for the local fauna
- Considering the risk of invasive species when selecting resort vegetation

Resort operation phase

- **Purchase responsibly:**
 - Set and regularly track KPI on local and sustainable products
 - Fish Purchasing Charter
- **Make commitment:** Implement biodiversity conservation programmes in all Club Med resorts by 2030
- **Green space management:** Differentiated management of green spaces, plant species selection, respect on the environment of green space care
- **Protection of endangered species:** Continue to fight against the proliferation of the red palm weevil and xylem itch resistant bacteria to maintain the biological sensitivity and biodiversity of all sites
- **Focus on biodiversity in the most sensitive sites:** including invasive species, destabilizing species and pest organisms
- **Raise clients' awareness of nature conservation and exploration**

Atlantis Sanya has also taken proactive measures to protect marine biodiversity, such as rescuing marine life like sea turtles and pilot whales, and assisting in the breeding of rare marine life. Refer to the *Focus on the Ocean* section of this Report for details.

⑤ Making continuous optimization

The Group continuously tracks the progress towards biodiversity management targets, assesses the effectiveness of management and action measures, and develops targeted optimization measures. By the end of 2023, our member company, Club Med, had made the following progress in reaching its biodiversity protection targets:

Targets	2023 Progress
Carry out an Environmental Impact Assessment for 100% of new or deeply renovated projects since 2022	100% of eligible resorts (construction projects in undeveloped areas) have undergone an environmental impact assessment
Limit the proportion of built-up areas to 10%	This number was 7% in 2023
By 2030, 100% resorts work with local environmental non-profit organizations to protect biodiversity	By the end of 2023, Club Med has partnered with 44 environmental organisations covering 31 resorts accounting for 45% of the total number of resorts
By 2030, eliminate chemical pesticides from all green landscapes	In 2023, 57% of resorts used no nitrogen fertilizers or external pesticides
By 2030, 100% of Club Med resorts will carry out educational "Green Activities" for customers and employees	In 2023, 72% of villages offer educational "Green Activities"

In addition, we recognize that biodiversity protection requires joint efforts with our employees, customers, suppliers and other stakeholders. We encourage and call customers and partners to join us to participate in biodiversity protection activities and to devote efforts into the Earth's ecological conservation. We offer a variety of eco-awareness activities for our customers. For more information on customer practices, please refer to the *"Guiding Sustainable Consumption"* in the *Responsible Marketing* section of this Report.



4.4.2 Animal Welfare

Animals play an important role in both natural and cultural heritage and contribute to the richness of tourist destinations. We are actively engaged with our subsidiaries to ensure that animals are treated in appropriate and humane way along business operations, including our supply chain.

• Club Med's Animal Welfare Policy

The [Animal Welfare Policy](#) of Club Med has been published and implemented for several years. Under the guidance of this policy, Club Med collaborates with external experts and suppliers to practice animal welfare care throughout the value chain.



Club Med's Commitments and Actions to Animal Care

Elephants

- Since 2021, all resorts operate only elephant observation activities. Circus shows, riding and bathing with elephant activities have been stopped by the end of 2020.

Cetaceans

- Since end-Aug of 2021, all resorts only provide activities to observe wild cetaceans. Since 2019, all Club Med cetacean viewing tour suppliers started to comply with the *Global Best Practice Guidance on Responsible Whale and Dolphin Watching*¹¹ written by Club Med and the World Cetacean Alliance (WCA) to protect the cetaceans in a better way.

Wild animal

- Since 2021, all resorts only provide wild animals observation activities. By the end of 2020, all wild animal interaction activities has been stopped and the use of wildlife as photographic props was no longer allowed as well.

Sea turtles

- In all resorts located in a turtle nesting site, partnering with local experts, Club Med commits to protecting turtles by securing the nests, ensuring non disturbance by business operations, and raising awareness. Club Med will keep the *Turtle Protection Guide*¹² available to its staff and follow its right application.

Animals from supply chain

- From 2025, all egg products in the hotels of Europe, Brazil and the United States will come from cage-free suppliers, and it will be promoted to all locations from 2027. From 2023 onward, Club Med will require all suppliers to implement [Animal Welfare Policy](#) and conducted related audits of supplier's practices.

¹¹*Global Best Practice Guidance on Responsible Whale and Dolphin Watching*: In 2018, Club Med sponsored the creation by the WCA of the first international guidelines on cetacean observation *Global Best Practice Guidance on Responsible Whale and Dolphin Watching*. This document highlights best practices and unacceptable practices for observation by boat and by swimming.

¹²*Turtle Protection Guide*: In 2013, Club Med developed an internal guide on turtle protection based on specialists' advice to raise awareness among teams and support them in their action of protecting turtles on site. The guide contains information on marine turtles and their threats, as well as advice on related actions implemented by Club Med.



• Protection of marine animal welfare at Atlantis Sanya

Atlantis Sanya attaches great importance to the protection of animal welfare within the scope of operation, and endeavors to create safer and more comfortable living environment for animals in the aquarium and the Dolphin Cay through feeding water environment improvement, health care for animals and themed education for customers, so as to fully protect the welfare of marine animals.

Animal care practices at Atlantis Sanya

Feeding environment improvement



- We establish operation procedures for ozone regulation; adjust the equipment operation status periodically according to annual and seasonal changes; carry out preventive adjustment and maintenance;
- To improve the use quality of aquarium display cylinders and reduce the potential harm of rust to aquatic life, we carry out rust removal and maintenance for rusty iron frame structure cylinders;

Health care for animals



- We establish individual profile for the animals, and perform daily routine physical examination and regular in-depth health examination for marine animals, including body temperature check and body surface examination, blood sampling and ultrasonic testing. We also employ well-known veterinary consultants in China to conduct health assessments on animals and train medical staff;
- We focus on the mental health of animals. The animal keepers conduct training and studies on the logical thinking of animals through scientific training methods so that these animals are capable of receiving compound signals;
- We conduct professional nutrition monitoring and follow the feed composition and feed amount recommended by the veterinarian. The storage and handling of feed are strictly controlled in accordance with SOP to ensure the safety, health and appropriateness of feed;

- Marine animal trainers receive regular training on Atlantis marine animal training regulations and policies;
- We arrange appropriate daily learning contents according to the situation of marine mammals, and design different types of play/companionship/social programs based on the natural habits and individual differences of these animals.



Themed education for customers



- The Aquarium and Dolphin Cay conduct long-term science education and publicity to increase customers' understanding of marine mammals and their animal protection awareness. Refer to [Advocating Marine Education](#) for detailed information on animal protection education.

- 30% reduction of waste generation (2019 baseline)

4.5 Emission Management

Tracking of progress for 2030 Sustainable Development Goals

- Reduce waste output by **30%** (2019 baseline)

2023 Progress

- Compare to 2019, non-hazardous waste generation decreased by **22%**, non-hazardous waste intensity decreased by **22%** (by bed capacity), decreased by **19%** (by hotel night sold) and decreased by **21%** (by revenue)

The group has always been trying to explore ways to improve waste management measures and to use limited resources more efficiently. The Group has established the *Environmental Pollutants Management Policy*, the *Fosun Tourism Group Solid Waste Management Guideline* and the waste reduction targets to guide and supervise the Company and all subsidiaries to adopt targeted emission management methods to reduce emissions from operations.

4.5.1 Waste Management

Reduction for generation and reasonable disposal of solid waste are an important element for minimizing environmental impact. The Group strictly complies with the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes and relevant laws and regulations on wastes where we operate. The group has formulated *Fosun Tourism Group Solid Waste Management Guideline*, committed to continuously reducing solid waste from operations.

During the Reporting Period, the waste generated by the Group is shown as follows:

Waste Category	Unit	2023	2022
Non-hazardous Waste	Tons	24,645	23,019
Non-hazardous Waste Intensity (by revenue)	kg/RMB 10,000 of revenue	14.37	16.71
Hazardous Waste	Tons	251	388
Hazardous Waste Intensity (by revenue)	kg/RMB 10,000 of revenue	0.15	0.28



Note

- (1) As the law requirements and regulations vary in different operating locations of the Group with regard to whether waste cooking oil treated as hazardous waste, the volume and intensity of cooking oil generated by the Group are separately disclosed.
- (2) Due to the different waste classification requirements of each country where Club Med resorts are located, the statistical coverage of non-hazardous waste and hazardous waste varies. In order to maintain the completeness and comparability of the data, the data of non-hazardous waste and hazardous waste have been extrapolated according to the proportion of beds in the resorts, and thus the coverage rate of waste data in the above table is 100%.
- (3) The Group recycled non-hazardous such as disposable plastics, metals, paper, glass, porcelain and wood, etc. During the Reporting Period, the recycling ratio was 17%.
- (4) Non-hazardous waste disposal includes 6,653 tonnes of food waste at Atlantis Sanya and Club Med.

Management of non-hazardous waste

The non-hazardous waste generated by the Group in its business operations mainly include dry waste, cardboards, papers, glass, porcelain, wood, biodegradable waste and other waste to incineration and landfill. We foster the concept of circular economy throughout our business operation process, insisting on sustainable waste management including waste sorting, waste reducing and recycling, quantitative waste monitoring, and limiting food waste. We attempt to reduce non-hazardous waste generation and actively cooperate with all parties to boost circular economy.

Sustainable waste management measures

Waste sorting

- 36% of Club Med resorts use recycling channels for the five most common types of waste (paper, plastic, cardboard, metal and glass). During the Reporting Period, the recycling volume reached 4,027 tons.
- Atlantis Sanya also launches online courses of "Waste Sorting" for employees every year, and the completion rate of courses was 100% in 2023.

Reduce and recycle waste

- Set targets for reducing waste that is not recycled with the aim of moving toward zero waste.
- Reduce waste at the source via purchasing (minimizing packaging) and changes in services (eliminating some individual packaging).
- Resorts continue to work with their suppliers and carriers on the recovery and reuse of packaging (containers, pallets, plastic crates for fish to replace polystyrene bins. etc.).

Quantitative waste monitoring

- Continue quantitative waste monitoring, with a standard waste monitoring procedure charged by inventory and supply managers for all sites.

• Create "Zero-waste Hotels" in Atlantis Sanya

Atlantis Sanya actively responds to the Hainan Provincial Government's campaign to create "Zero-waste Hotels". Since being certified as the "Zero-waste Hotel of Sanya" in 2021, Atlantis Sanya has regularly conducted relevant training and publicity for employees and tourists to keep the certification valid.

To promote source reduction, recycling and harmless management of solid waste, Atlantis Sanya has established a dedicated management and responsibility organization, and incorporated corresponding assessment and reward mechanism in the hotel performance assessment system. During the Reporting Period, Atlantis Sanya developed waste management plans according to the PDCA process and continued to promote waste reduction by taking following measures:

- Plan**
Determine waste reduction targets and develop waste reduction and management plans.
- Do**
Plan implementation, including not providing or replacing disposable supplies and daily necessities (such as disposable slippers, toothbrushes and bathing supplies) in guest rooms without being requested, and promoting the use of recyclable and reusable daily necessities, using degradable disposable products in guest rooms, purchasing paper towels certified by the Forest Stewardship Council (FSC), setting a temporary storage room for solid waste for standard management of hazardous solid waste, and entrusting a qualified third party to treat the hazardous waste. Atlantis Sanya also provides sorting trash bins in each area of the hotel.
- Check**
Establish a dedicated management and responsibility organization, and incorporate corresponding assessment and reward mechanism in the hotel performance assessment system. Make statistics on the amount of waste generated and recycled by all resorts.
- Improve**
Continuously improve annual benchmark assessment, display all publicity signs related to the theme of "zero waste" in conspicuous areas such as hotel rooms, restaurants and lobbies, and carry out public welfare activities with the theme of "zero-waste hotels". All employees have received the training on "creation of zero-waste hotels".

The Group actively responds to the *Opinions on Further Strengthening Plastic Pollution Control*. During the operation process, in accordance with the *Regulations of Hainan Special Economic Zone on Prohibiting Disposable Non-degradable Plastic Products*, we adopt a step-by-step approach in prohibiting or restricting the use of single-use plastic products and replacing them with degradable ones to reduce the impact of single-use plastic items on environment. The "Bye-Bye Plastic" program, launched by Club Med aims to eliminate single-use plastic products in all Club Med resorts.

• Club Med "Bye-Bye Plastic" Plan

The "Bye-Bye Plastic" program, launched in 2018, aims to eliminate single-use plastic products in all Club Med resorts. Meantime, Club Med signed the Global Tourism Plastic Initiative (GTPI) led by United Nations Environment Programme (UNEP) and World Tourism Organization (WTO) in partnership with the Ellen McArthur Foundation, as part of the "One Planet Sustainable Tourism" program.

Target	Achievement
Phase out single-use plastic for catering (straws, cups, mugs, as well as plates, cutlery and trays)	100% of Club Med resorts have achieved target by the end of 2019 (excluding the cutlery in Brazil)
Use of reusable large bottles for shower gels, shampoos and creams in bathrooms	100% of Club Med resorts have achieved target by the end of 2022 (excluding the Exclusive Collection range and Brazil)
Phase out plastic packaging of accessories in guest room by the end of 2021	100% of Club Med resorts have achieved target by the end of 2021
Reduce progressively the consumption of plastic water bottles compared to 2019: by 10% in 2022, 25% in 2023, 50% in 2024	In 2021, 7 resorts have achieved this target. 3 resorts run their own bottling plant and use reusable glass bottles. Single-use plastic water bottles are no longer available for hiking customers. Instead, there are reusable water bottles in resort shops.
Starting in 2023, gradually replace single-use plastic items in rooms with products made from alternative materials.	Disposable plastic products in guest rooms have been replaced by accessories made of alternative materials since 2023

In addition, a large amount of waste is generated at the construction sites of some new buildings. To ensure proper disposal of waste, we require contractors to recycle, treat and dispose of construction waste in accordance with our construction waste management plan. Contractors are required to achieve the project-specific recycling targets in accordance with the requirements of relevant certifications related to energy and environmental design.

Management of food waste

To reduce food waste, the Group is committed to implementing effective food management practices in its hotels and resorts. Club Med has set a target to reduce food waste to around 100 grams per person per meal at all resorts by 2030 and to adopt a proactive approach to measuring and reducing food waste at all Club Med resorts.

Club Med food waste disposal	
Food waste (tons)	3,815
of which compositing(tons)	1,026
of which methanation (tons)	678

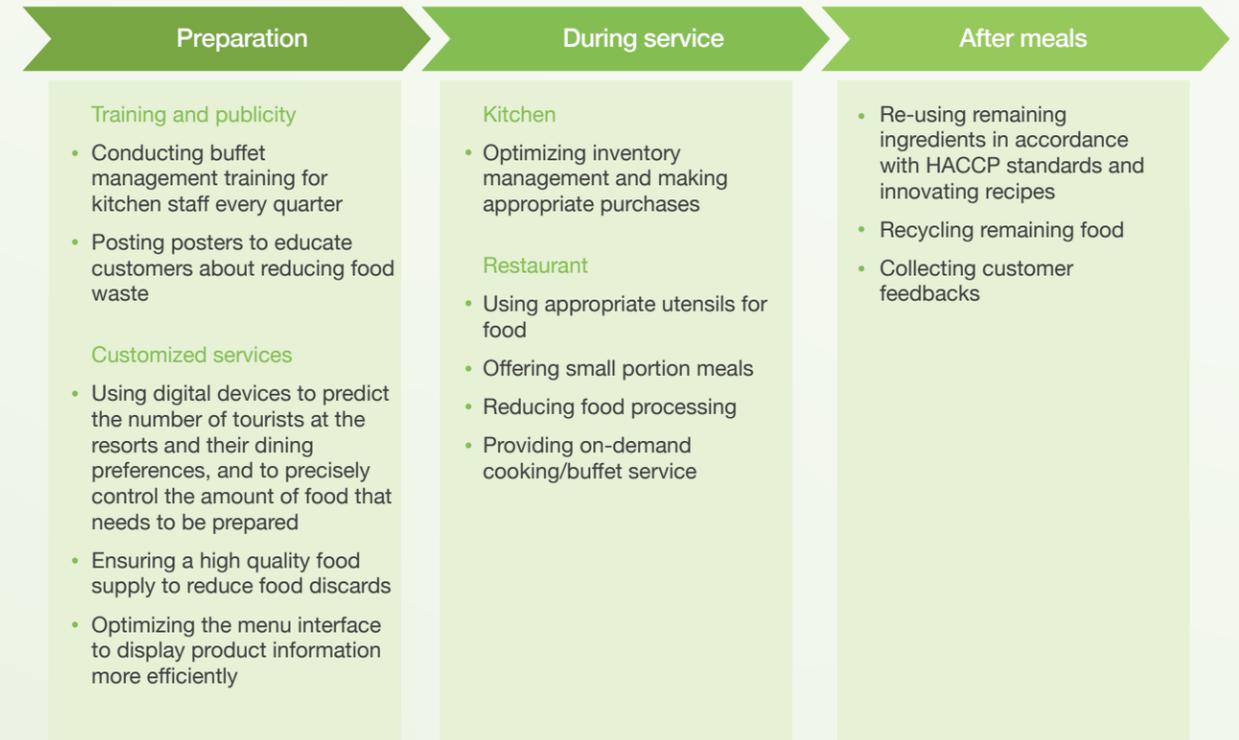
We have developed a sound food management strategy to reduce food waste through food waste awareness campaigns, food waste audits, employee training, intelligent monitoring and other measures. For detailed measures on food waste reduction education for customers, please refer to the "Guiding Sustainable Consumption" section in the *Responsible Marketing* section of this Report.

Club Med food audit

- In order to reduce food waste, Club Med conducted a food waste survey to measure and analyze the amount of food per person per meal in 12 resorts.
- Multi-party survey:** Develop an improvement plan on food waste reduction after full process analysis of the food supply and communication with kitchen staff.
- On-site assessment:** Weigh waste generated from meals (breakfast, lunch and dinner) in the resorts to obtain the average amount of food waste per person per meal.
- Baseline determination:** Obtain the total amount of food waste per person per meal (excluding breakfast) by considering the food types and differences in preparation processes of each meal activity, and use it as a baseline for comparison with different types of catering industries.
- Promotion practice:** Set the goal of reducing food waste to 100g per person per meal in all resorts by 2030, gradually promote food audit in all resorts, and continuously optimize food management measures based on feedback results.



To reduce food waste, the Group's hotels and resorts have adopted appropriate measures to optimize food waste management in food preparation, during service and after meals. Some highlights are summarized below.



Club Med's food waste solutions

Club Med has used the Winnow solutions, a smart Internet-based trash bin technology to measure and limit food waste, to reduce food waste quantity by nearly 50% and the cost of food by 1.5%. Club Med plans to promote the practice to 50% of resorts by 2025 and 100% by 2030. In 2017, Club Med France signed a food waste recycling agreement to support the resort's circular economy. In 2023, 56% of Club Med resorts recycled kitchen wastes. In the future, more Club Med resorts will carry out food waste collection and recycling.

Winnow is a professional provider of commercial food waste solutions which can reduce the value and cost of food waste by using AI intelligence technology to measure and limit food waste. By 2023, 5 pilot resorts in Asia Pacific and the Caribbean will have an automated food waste monitoring process.

Waste cooking oil

We strictly comply with the local laws and regulations when treating waste cooking oil. We have entrusted qualified third party to transport and dispose of waste cooking oil to ensure the standard recovery of waste cooking oil and improve the resource utilization of waste cooking oil.

Waste Category	Unit	2023	2022
Cooking Oil	Tons	444	499
Intensity of Cooking Oil (by bed capacity)	Kg/bed	0.03	0.04
Intensity of Cooking Oil (by revenue)	Kg/RMB 10,000 of revenue	0.26	0.36
Intensity of Cooking Oil (by hotel night sold)	Kg/night	0.06	0.07

Note

(1) As the law requirements and regulations vary in different operating locations of the Group with regard to whether waste cooking oil treated as hazardous waste, the volume and intensity of cooking oil generated by the Group are separately disclosed.

(2) Due to different requirements of each country as to whether waste cooking oil needs to be treated separately, some Club Med resorts do not disclose the amount of waste cooking oil separately. In order to maintain the comparability of the data, the data of waste cooking oil of the above resorts have been extrapolated, so the coverage rate of waste data in the above table is 100%.

Other hazardous waste

A limited amount of hazardous waste may be generated in our operations. The hazardous waste generated is collected in a timely manner and stored in a clearly marked and dedicated storage area before it is handed over to qualified contractors or government departments for recycling and treatment. At the same time, the Group has established emergency response procedures and requires its subsidiaries to establish procedures for handling chemical leakage to prevent damage to the environment caused by any chemical or hazardous waste leakage accident. We also conduct emergency drills to ensure that staff are aware of their responsibilities and actions to be taken.

Hazardous waste treatment measures

Club Med

Club Med regularly conducts outreach in all resorts on sorting, tracking and maintaining records of hazardous waste and actively seeks for hazardous waste solutions at all new resorts.

Atlantis Sanya

In accordance with the *Directory of National Hazardous Wastes*, Atlantis Sanya sets solid waste temporary storage rooms for standard management of the hazardous waste generated in the production process, with all types of hazardous solid waste clearly classified, recorded though ledger and accurately measured, and entrust qualified third party to treat the hazardous waste.



4.5.2 Wastewater Management

All wastewater discharged by the Group is domestic wastewater, which is discharged in strict accordance with the *Water Pollution Prevention and Control Law of the People's Republic of China* and the relevant laws, regulations on the wastewater where we operates to ensure that all wastewater is properly treated before discharge. We also regularly test and assess the wastewater quality of our facilities to ensure that all applicable standards are met.

The Group's domestic wastewater discharge has negligible impact on the environment, and the Group is unable to systematically measure its discharge. Therefore, the key performance indicator A1.1(the types of emissions and respective emissions data) regarding wastewater discharge in the *ESG Reporting Guide* are not disclosed in the Report.

Wastewater Disposal

Club Med

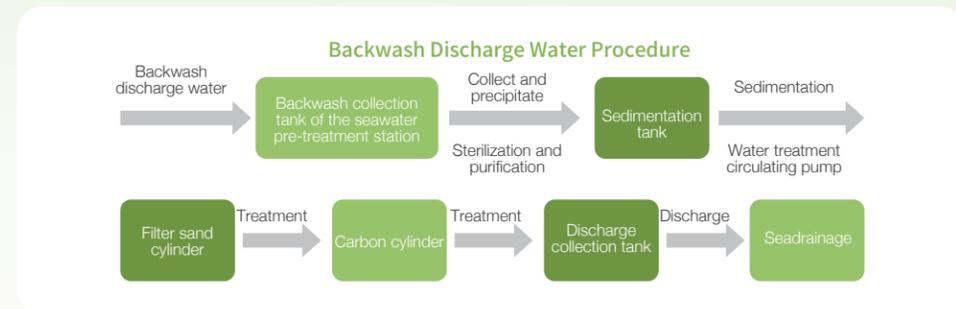
The only water discharged by Club Med is domestic wastewater. Through systematic wastewater treatment and run-off management, Club Med managed to avoid contamination of soil and groundwater.

Wastewater sanitation: Treatment plants are built when water treatment facilities are not available locally, particularly for resorts in remote areas or in those lacking infrastructures.

Wastewater monitoring: Conduct water quality monitoring on the final discharge outlet of domestic wastewater, and record water quality parameters, technical data, analysis results and other information to ensure compliance of discharge.

Atlantis Sanya

Atlantis Sanya discharges the marine system drainage and overflow, egg splitting and backwashing water from the operation to the seawater pre-treatment collection tank, which is strictly treated, precipitated and then recycled or directly discharged to the sea after passing recycling and filtration treatment. Water quality tests are regularly conducted in drains to ensure that they do not pollute the water quality.



4.5.3 Other Waste Management

The Group has adopted different pollution prevention and control measures for exhaust gas, noise and light pollution, in order to ensure that all pollutants are discharged in compliance. The member companies of the Group have formulated implementation programmes targeting exhaust emission, noise pollution and light pollution.



Exhaust emissions

Club Med

The percentage of resorts with equipment using CFC gases dropped from 68% in 2012 to 9% in 2023 (2022: 16%). This equipment is being progressively eliminated in resorts (excluding China) where it is still used

Atlantis Sanya

It carries out quarterly cleaning of fume pipes, conducts irregular inspection and maintenance on kitchen fume purifier and installs the fume remote monitoring system of the Internet of Things of the government department

Taicang Alps Resort

Its construction strictly abides by the *Integrated Emission Standard of Air Pollutants*



Noise pollution

Club Med

51% of resorts have a decibel meter and 43% have been evaluated for noise by external experts

Atlantis Sanya

Third parties are engaged to monitor hotel noise on a regular basis

Taicang Alps Resort

Its construction strictly follows the noise emission limits set out by the *Emission Standard of Environment Noise for Boundary of Construction Site*



Light pollution

Club Med

Steps have been taken to prevent light emitted by the company from having an impact on wildlife (especially in the context of marine turtle protection)



Diversity and Equality

Adhering to the humanistic spirit of "Diversity, Equality and Human-centered", the Group is committed to creating an equal, diverse and inclusive working environment. We provide employees with highly competitive remuneration and welfare, as well as efficient training system and global job opportunities. On the basis of respecting human rights and diversity as well as ensuring their health and safety, we help our employees reach their full potential, so that every employee can "Work Happily and Live with Peace of Mind".

The Board is the highest governance body on employee-related issues such as employee rights and development, respect for human rights and diversity, and occupational health and safety, and its ESG Committee is responsible for monitoring and promoting these issues.

During the Reporting Period, Club Med and Atlantis Sanya were awarded the "2023 Excellent Employers in the Tourism Services Industry" by VERYEST.CN.

5.1 Building A Diversified Working Environment

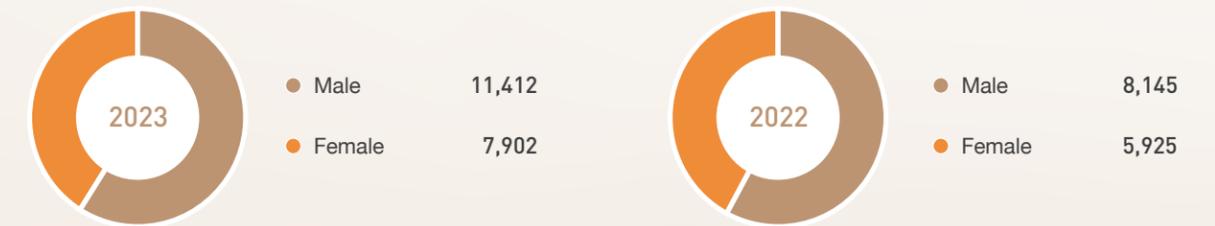
As a group that operates globally, we are committed to building an equal and inclusive work environment for our employees and promoting positive and diversified development.

The Group strictly abides by the *Labor Law of the People's Republic of China* as well as the laws and regulations of the countries and regions where we operate. With reference to the principles of international labor agreements such as the *International Labor Organization Convention* and the *Universal Declaration of Human Rights*, and in combination with the actual operational situation of the Group, we have formulated a number of normative documents, including the *Fosun Tourism Group Employee Handbook*, the *Provisions on Remuneration and Welfare Management of Fosun Tourism Group* and the *Regulations on Attendance and Holiday Management of Fosun Tourism Group* to regulate the recruitment and dismissal, working hours and holidays, promotion, equality, diversity and anti-discrimination, remuneration and benefits, employee health and safety protection, etc., so as to effectively support employees' all-around diversified development and to protect the legitimate rights and interests of our employees.

As of 31 December 2023, the employees of the Group came from six continents, with a total number of **19,314**. The classification of employees by gender, age, region, employment type and job level are shown as follows:

Employee indicator	2023	2022
The total number of employees within the scope of the Report	19,314	14,070

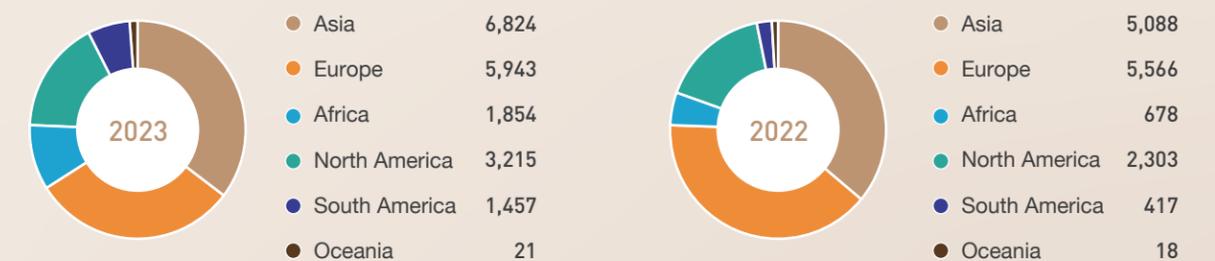
By Gender



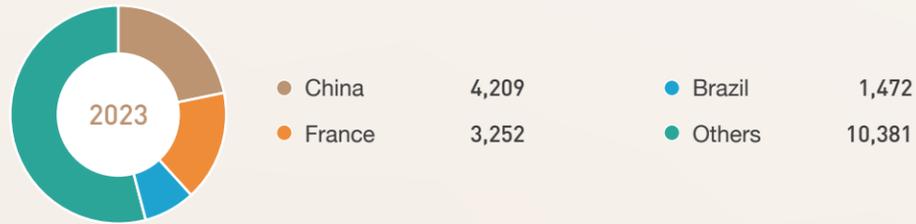
By Age



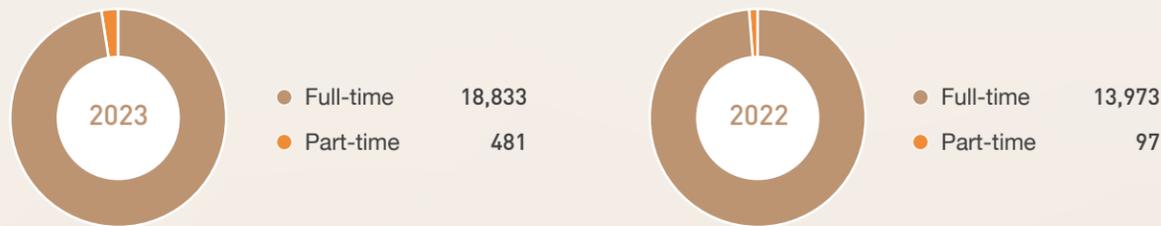
By Geographical Region



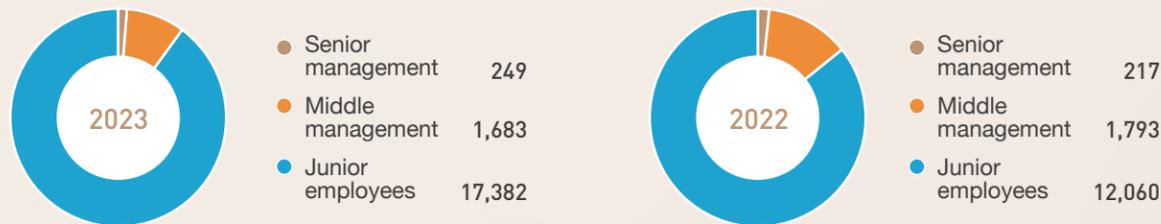
By Nationality



By Employment Type



By Job Level



During the Reporting Period, the Group hired **12,119** new employees, and **18%** of the positions were recruited through internal promotion or transfer.

New employee indicator

The total number of employees within the scope of the Report

2023

12,119

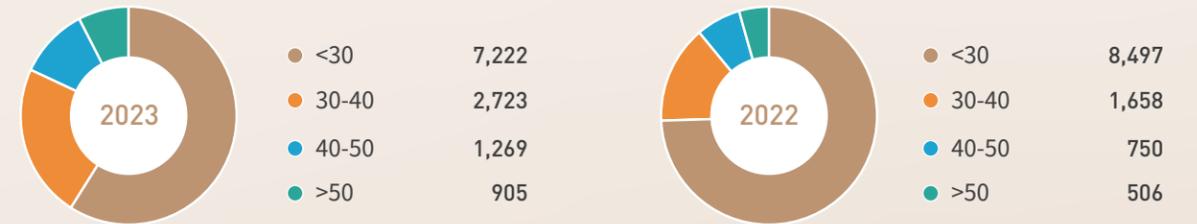
2022

11,411

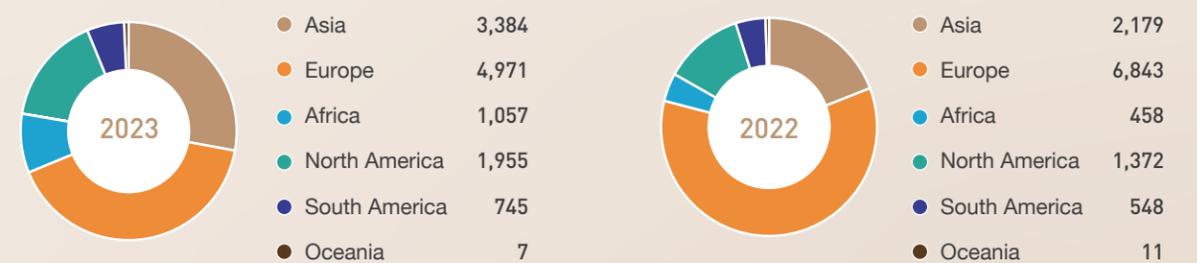
By Gender



By Age



By Geographical Region



5.1.1 Diversified Employment

The Group upholds a strategy of localization and diversification of global talents, keeps in line with global business layout, continues to optimize talent introduction, recruitment processes and channels management efficiency to ensure a scientific and rational talent employment mechanism.

We strictly regulate recruitment-related procedures, sign labor contracts with each employee, and clearly define the rights, responsibilities and obligations of both employees and employers (including compensation, working hours, benefits and holidays, etc.). During the recruitment and selection process, we evaluate candidates on the basis of their work experience, abilities and qualifications, regardless of their gender, age, family background, race, religious belief, nationality, sexual orientation or disability. We have incorporated anti-discrimination related requirements into the *Fosun Tourism Group Interviewer Handbook*. Besides, we provide training to all employees of the Group in the position of recruitment to not take discriminatory factors such as gender and age into consideration.

We focus on promoting the localization of employees in different regions where we operate and is committed to continuously enhancing local employment through opening more local vacancies.

Strategic planning for talents

The Group has developed a sound talent strategy to evaluate talent shortages and flows, and has established a complete talent management framework and talent crisis response mechanism, including:

- 

Conducting employee engagement and satisfaction survey and the 360° survey of core management twice a year. Analyzing and reviewing the survey results, and formulating action plans accordingly
- 

Analyzing and reviewing employee resignation every half year
- 

Participating in the internal discussion on talent reserve shortage and evaluation organized by Fosun Group every month
- 

Holding the weekly meeting of Fosun Tourism Group to analyze recruitment progress and planning
- 

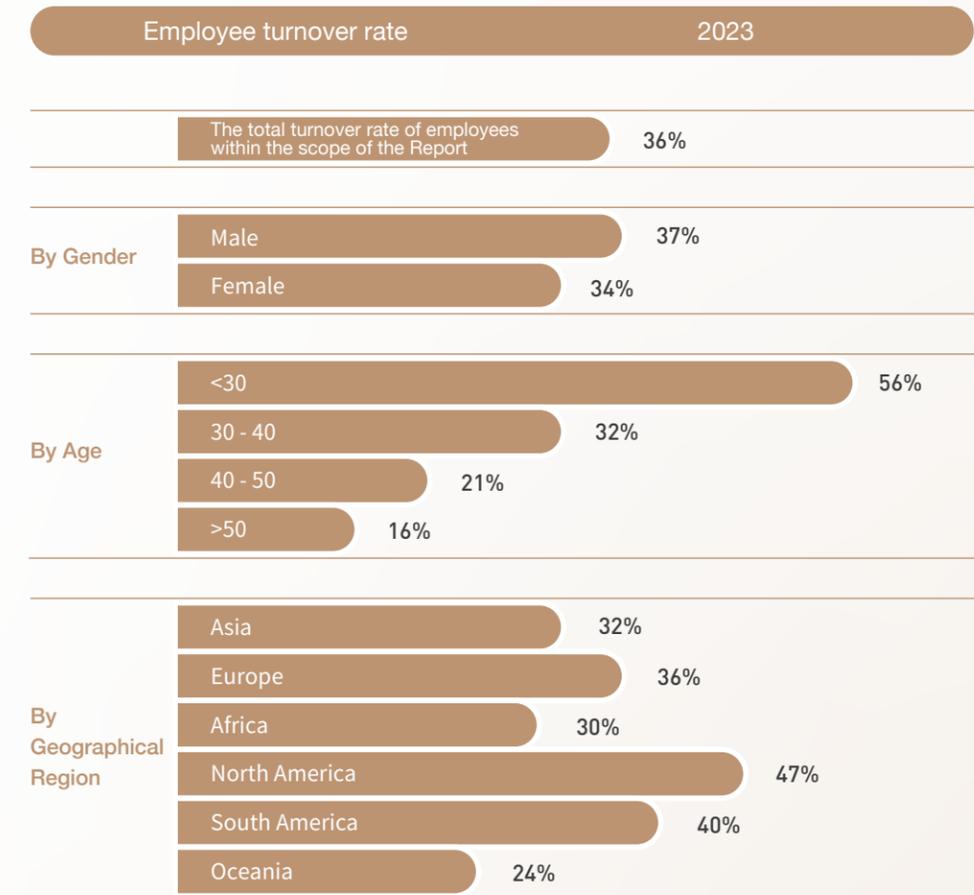
Holding management meetings twice a week to review the status quo of talents and relevant strategies of each business sector

Based on the talent strategy and talent reserve evaluation, the Group also launches targeted recruitment programs such as the Star Rising Plan to strengthen the young talent reserve of Fosun Tourism.

Resignation and dismissal

All employees are entitled to terminate their employment with the Group. The conclusion, modification, cancellation and termination of relevant employment contracts are in strict compliance with the relevant laws and policies. The Group has established clear dismissal criteria and resignation procedures and does not dismiss employees arbitrarily to protect the rights and interests of employees. During the Reporting Period, the Group had no large-scale layoffs.

As of 31 December 2023, the Group's employee turnover rates by gender, age and region were as follows:



Note

Turnover rate by category = number of employees in the category who left during the Reporting Period / number of employees in the category at the end of the Reporting Period * 100%

5.1.2 An Inclusive and Equal Workplace

The Group is committed to creating an equal, diverse and inclusive working environment. We strictly complies with the laws and regulations of different countries and regions, and is committed to advancing the cause of human rights on a global scale.

With reference to the principles of international employment agreements such as the *United Nations Universal Declaration of Human Rights* and the *United Nations Convention on the Rights of the Child*, we have formulated and released the *Fosun Tourism Group Human Rights Statement*, promising that we will respect and promote labor and human rights protection in all aspects of our business operations, do our utmost to provide a healthy and safe workplace and offer compliant compensation for work, respect employees' political rights, realize equal pay for equal work, and prohibit forced labor, child labor, human trafficking, etc. Our member company Club Med is a signatory to the *Global Code of Ethics for Tourism* (GCET) of the United Nations World Tourism Organization (UNWTO), committed to promoting a fair, responsible and sustainable world tourism order and protecting the human rights of tourists, employees and local communities in the course of resort operations.

We incorporate the *Fosun Tourism Group Human Rights Statement* into the *Fosun Tourism Group Code of Conduct* and upload it to Fosun Tourism's online learning platform. Through irregular training, we ensure that all employees as well as suppliers and contractors closely related to the Group's businesses also abide by the principles of this policy and are able to effectively protect their rights in a timely manner. In addition, we actively promote our subsidiaries and other stakeholders to abide by the relevant undertakings in our human rights statement.

The Group's industry covers a vast land of geographical areas. Hence, we encourage our member companies to formulate corresponding anti-discrimination and harassment policies and management measures according to the specific conditions of the country/region where they operate.

Building an equal and inclusive workplace of Club Med



Club Med is committed to promoting equality in the workplace. The principles of diversity and non-discrimination have also been included in Club Med ethics charter, and focused its activities on three key areas:



Gender

Club Med has signed a series of workplace gender equality agreements with employee organizations and has taken a number of safeguards to promote gender equality in the workplace in terms of hiring, promotion, remuneration, holidays, benefits etc.



Age

Club Med has signed intergenerational agreements with employee organizations, including provisions to protect the rights of employees over 50 and to provide career development training and opportunities for younger employees.



Disability

Club Med has signed an agreement to recruit more people with disabilities. Once hired, Club Med actively responds to their needs, and provides relevant training and additional telecommuting days.

Due diligence on human rights risks

We actively conduct human rights risk due diligence to identify the potential human rights risks we face. The Group operates globally and the results of our human rights risk due diligence indicate that the main human rights risks we are facing include:

- Difficulty in protecting the labor rights of seasonal short-term, part-time and outsourced employees;
- Resort employees may be subject to discrimination, harassment and other violations;
- Our operations may impair the rights and interests of local residents near to our operations.

We regularly assess potential human rights risks and implement corrective actions and follow up on any problems identified.

Due diligence on human rights risks at Club Med resorts



Club Med conducts resort audit during the annual Green Globe certification process to evaluate the effectiveness of human rights measures implemented. Club Med would take immediate actions to correct and remediate the human rights management non-conformities identified during the assessment and submit rectification evidence to Green Globe, ensuring that the human rights and basic rights of employees and local communities are under proper protection.

The Group also pays attention to the human rights risks of its partners. Every year, the Group conducts a comprehensive assessment on the ESG risks and management level of its suppliers to ensure that the supply chain stakeholders with whom it collaborates meet the human rights requirements. Please refer to *Coordinated Development* Section for details.



Human rights risk management

We strictly abide by laws and regulations of the countries/regions where we operate and prohibit child labor through rigorous identity review process. In addition, the Group has formulated remedial procedures and measures for the employment of child labor. Once child labor is found, we will stop his/her work immediately and report to the local labor department, and conduct health checks to ensure that no physical or mental harm has incurred. At the same time, we prohibit and do not support any form of servitude or forced labor and ensure that employees engage in work on a voluntary basis. During the Reporting Period, there was no material violation of labor standards in any form in the Group.

On the premise of complying with local laws, regulations and the Group's policy requirements, we respect employees' political rights such as the right to freedom of association, the right of collective bargaining, and free election and voting rights. We also respect the rights of employees around the world to join, form or not join various labor organizations, and are committed to conducting friendly dialogues and collective bargaining with labor unions or employee representatives. Both the Company and its subsidiaries have established labor unions to carry out activities within their respective jurisdictions. During the Reporting Period, 85% of the Group's employees in China joined a trade union.

Club Med encourages and actively arranges social dialogue



Club Med staff representatives have formed the Economic and Social Committee, which participates in meetings on the Club Med major economic situations, strategic directions as well as any matters affecting the Club Med operations and management structure; In 2022, employee representatives actively engaged in dialogue and reached an agreement on working hours and remote working in the resort.

At European level, employees from several countries, including France, Italy, Switzerland and Portugal, have come together to form the European Social Dialog Committee (ESDC), which holds meetings twice a year on matters of importance to the Club Med employment, development and corporate social responsibility.

At operational sites around the world, local employee representatives regularly engage in dialogue and consultation with the support of Club Med's resources, and they inform the operational organizations or local HR managers in their respective countries of the meeting outcomes.

Anti-discrimination and anti-harassment

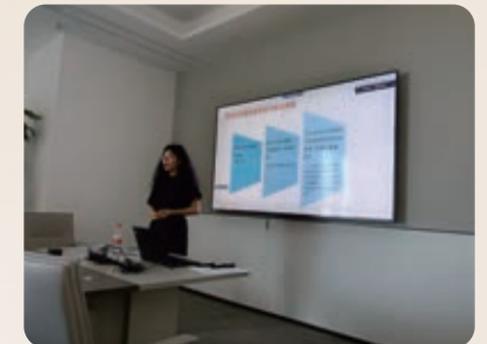
Our *Fosun Tourism Group Human Rights Statement* clearly states that we have a "zero tolerance" attitude to all forms of discrimination, harassment, abuse, coercion and violence. We respect the tangible and intangible differences of all our employees, regardless of their gender, age, race and ethnicity, color, religious beliefs, nationality, sexual orientation, physical condition, marital status, political affiliation, etc. For misconducts involving discrimination and harassment, we will make corrections and punishments. We will also evaluate existing management measures and make adjustments and improvements accordingly.

The Group has an anti-sexual harassment reporting line, through which employees can promptly and anonymously report complaints about inequality, discrimination and harassment. During the Reporting Period, the Group did not receive any complaints relating to anti-discrimination and harassment. In addition, we also promote awareness among our employees through anti-discrimination and anti-harassment training.

Themed training on anti-discrimination and anti-sexual harassment



In September 2023, the Company held a themed training on "legal issues against sexual harassment in the workplace". In December 2023, the Company conducted a themed training on "anti-employment discrimination". All employees participated in the above training and passed the online assessment. All offline training materials have been uploaded to the online learning platform for all employees to learn. The total per capita training time is 2 hours.



Promotion of gender equality

The Group is determined to maintain gender diversity and equality in its workforce. During the Reporting Period, we set a diversity target for females to further advance the Group's equality and gender diversity progress.

Diversity target for females	2023 Progress
By 2025, female employees will account for 43% of all employees	Female employees accounted for 34.9% among senior management, and 45.8% among middle management
	Female employees accounted for 29.6% in STEM sectors
	Female employees accounted 40.9% among all employees
	Female employees accounted 50.2% in management positions of revenue generating departments

We are committed to promoting gender pay equality and regularly conduct deep analysis of the average salary levels of male and female employees in different businesses and functional departments. During the reporting period, we have strengthened the review mechanism for the recruitment process and annual compensation to ensure that the principle of gender equality is effectively implemented.

The Company's gender pay gap	2023
Mean gender pay gap	0
Mean bonus gap	0

Promote gender pay equality



Club Med signed a *Workplace Gender Equality Agreement* with the labor union in 2012, committing to the principle of occupational equality in recruitment, promotion and the fulfilment of family obligations. In 2020, Club Med signed an agreement to guarantee occupational equality and quality of work and life, reaffirming its commitment to occupational equality, which includes non-discrimination on age and gender in pay assessment and the maintenance of pay equality between male and female employees.

Equal communication

To enhance the sense of belonging and integration of employees, we clearly stipulate the management methods and communication procedures for employee communication, complaints and reports in the *Fosun Tourism Group Employee Handbook*, ensuring a transparent dialogue and communication mechanism at the institutional level. We have always maintained an open and smooth channel for information transmission and communication, and have also established multi-dimensional communication channels.

During the Reporting Period, we received

- a total of **22** complaints from employees
- successfully handled **22** complaints
- The processing rate was **100%**

We conduct engagement surveys for all employees at the company level twice a year, as well as special surveys on issues concerned to employees.

During the Reporting Period

- the engagement survey at the company level involved **637** employees
- The participation rate reached **71%**
- 83%** of the questionnaires collected were valid
- Based on the results of the two surveys, the proportion of employees who rated "high engagement" reached **87.9%**

We summarized and analyzed the feedback, and made targeted improvement to the management mechanism for the issues identified. Member companies of the Group also actively conducted engagement or satisfaction surveys.

• Atlantis Sanya



Every year, Atlantis Sanya conducts CES (Current Employment Statistics) survey to find out employees' evaluation on 10 dimensions, such as work/life balance, diversity and inclusion, career development opportunities, talent and staffing, and reward and recognition. During the Reporting Period, we carried out the yearly CES survey as scheduled, involving 1,944 employees with a coverage of 84.31%. We scored 4.74 out of 5 in the survey. In addition, we also organized an employee responsibility survey that involved 62.95% of our employees, and scored 4.89. We compiled the results of the surveys and shared them with all employees in the form of a report and implemented improvement measures for the corresponding departments.

In addition, we set up The Voice function in the corporate WeChat, where employees can submit suggestions and demands regarding their work and life through mobile phones. We will quickly seek for solutions for their concerns.

• Club Med



Club Med is committed to improving the well-being of its employees. In 2014, Club Med officially launched the "GO®-GE Voices" project. The project consists of an online questionnaire dealing with subjects such as pride, integration, sense of belonging, management, development and work environment, which has been translated into more than 20 languages and is launched every two years for employees worldwide. At the same time, we involve third party HR professionals to analyze the results and develop improvement actions plans.

In the latest questionnaire survey conducted in 2022/2023, the satisfaction rate for GO®-GE was 92% (a 2% increase compared to 2018). In addition, from the questionnaire, Club Med also received feedback on areas in need of improvement, such as internal career opportunities and compensation.

In 2022, Club Med launched the internal campaign "#RaiseYourVoice" with Obea, an independent firm specialized in human resources and opinion surveys, in a bid to listen to the voice of our employees.

5.2

Promoting Employees' Personal Growth

5.2.1

Employee Remuneration and Incentive

We follow the salary policies of the countries and regions where the workplaces are located, and on the premise of ensuring that the local minimum salary requirements are met, we set up incentive mechanisms in a scientific manner to provide employees with competitive remuneration incentives. We have formulated performance evaluation and incentive mechanism policies such as the *Provisions on Remuneration and Welfare Management of Fosun Tourism Group* and the *Reward and Punishment Management of Fosun Tourism*, encouraging employees to continuously realize their value based on performance.

Remuneration and incentive

The remuneration of our employees includes basic salary, performance bonus, special incentive, equity incentive, etc. Meanwhile, the short-term, medium-term and long-term remunerations are combined, and the cash and equity are matched, and resources are inclined to high-performance/high-potential talents.

Performance Bonus



All employees are entitled to performance bonuses, which are linked to the completion of the Company's performance and the results of individual annual performance assessments, and are calculated and distributed after the assessment.

Special Incentive



Special incentives include corporate value growth awards, BD incentive/innovative business sales bonus, etc., and employees with better performance output enjoy higher incentives and salaries. We have also formulated the *Recognition Plan of Fosun Tourism Group*, under which we will select the Values Star Award, the Annual Outstanding Individual Award and the Annual Team Award within the Group and its core subsidiary companies and incubators every year.

Equity Incentive



We have developed an equity interests plan and a share option plan to grant shares and option incentives to eligible employees to further achieve a positive interaction between the development of the Group and the growth of employees. During the Reporting Period, we continued to reward qualified employees with options and equity interests, targeting senior managers and high-performing and high-potential talents of Fosun Tourism Group. In which, 75 employees were rewarded with equity interests, and 61 employees were rewarded with options.

We have also adopted a withdrawal mechanism to safeguard the overall interests of the Group. In the withdrawal mechanism of the granted share units, we clearly stipulate that if the assessment result of the share grantee fails to meet the expectations, the Company will cancel or withdraw the shares for the assessment year according to the assessment result of the current year.

In addition, if the share grantee engages in unauthorized profit-making business activities, transfers or pledges the shares granted under the incentive plan in violation of the grant terms, provides services to rival companies, or otherwise causes damage to Fosun Tourism's interests/reputation, the unvested shares shall immediately become invalid and the grantee shall compensate for the losses.

Performance assessment

The Group has been constantly exploring the incentive mechanism for talent development in line with the process of globalization, and is committed to ensuring the fairness, effectiveness and continuity of incentives.

The Company has formulated the *Performance Management Measures of Fosun Tourism*, defining that all employees are subject to multi-dimensional performance appraisals, and the results of performance appraisals are used as the basis for measuring employees' work achievements and professional abilities and are combined with remuneration incentives.

We have introduced the OKR performance system that has been implemented across the entire Group. In the annual performance evaluation, the employee performs self-evaluation first, and then the direct supervisor will fairly and objectively perform comprehensive appraisal based on the employee's general performance, colleagues' opinions and the fulfilment of OKR goals. The Group implements predetermined development and incentive policies based on the results of each employee's performance evaluation. We attach great importance to performance communication and feedback throughout all aspects of performance management.

Promotion channels

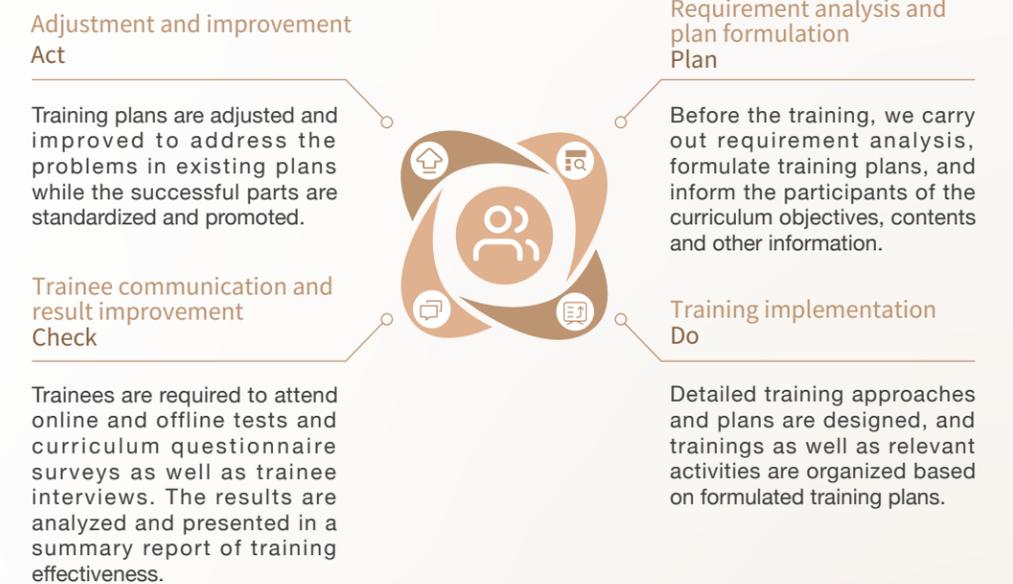
As a multi-national enterprise, we uphold the concept of "global interaction and talent sharing" and are committed to creating a smooth and active mechanism for internal talent flow, and cultivating talents' multi-discipline and multi-dimensional capabilities through global rotation of employees. Through the establishment of a comprehensive grade and level system of the Group, we set clear promotion channels, strengthen the construction of talent pool, and build the "soft power" of globalization. During the Reporting Period, 18% of open positions were filled by internal candidates, either promoted or transferred internally.

5.2.2

Talent Training and Development

We have formulated the *Fosun Tourism Group Training Management System* and other policies to establish a systematic and standard mechanism for training management. For training projects implemented, we closely track their effectiveness and the feedbacks to support subsequent improvements. During the Reporting Period, we newly formulated the *Internal Trainer Management System of Fosun Tourism Group* to explore employees' potential, cultivate internal industrial trainers to help more employees with self-development and value realization. As of the end of 2023, we had cultivated nearly 90 internal industrial trainers in total.

Training employees in communication and continuous creativity is at the core of the Group's talent development strategy. We provide employees with special talent development and training programs each year in accordance with the Group's development strategy and human resources planning. During the Reporting Period, the Group invested a total of RMB 61.36 million in employee training and development.



Training system

We have launched a variety of training programs through constantly enriching internal and external training channels to ensure quality and diversified training opportunities for each employee. Innovation and Leadership Lab is Fosun Tourism's major functional department in talent cultivation and it has four segments, i.e. Industry Empowerment Center, The High Potential Talent Center, Cultural Exchange Center and Innovative Experiment Center.



• Club Med Université des Talents

Our member company Club Med has created the Université des Talents as an important part of its talent development strategy, in line with its own operations. With an organizational network connecting all our premises in different regions and a powerful training team, the Université des Talents has created a training structure that suits the actual situation of the Club Med to constantly integrate and develop employees' skills. The knowledge, technical and interpersonal skills as well as managerial and leadership skills of trainees from each department are enhanced through the yearly training course "Academy Week", which also strengthens employees' sense of belonging and motivation. With training programs targeting managerial employees, "Manager@Club Med" unifies and standardizes the management practices and develops the management culture of "Human-centered".



Industry Empowerment Center

The industry empowerment center aims to provide employees with industry training for business empowerment, such as coach club, new employee training, industrial trainers certification, strategic focus sharing and business line lecture and external salon.

Since the implementation of the *Internal Trainer Management System of Fosun Tourism Group* in May 2023, we have organized a number of trainer certification courses on skill trainer certification and team trainer certification at the industry empowerment center. Through such courses, we have cultivated over 90 internal industrial trainers and deepened the exploration of employees' potential.

We also organize other empowerment trainings for employees. During the Reporting Period, we organized more than 10 training sessions and monthly integration programs for new employees, more than 20 special training sessions for employees at each business line and product line, more than 20 hierarchical training sessions for management at different levels (managers, directors and ED), and more than 10 tailored training sessions for subsidiaries.



High-potential Talent Center

The high-potential talent center cultivates employees' leadership and explores talents with high potential, and various growth programs for high-potential employees from all business lines have been implemented. These projects cultivated 2 trainees of CEO Leadership Program, 3 trainees of CHO Training Camp for HR Department, 6 trainees of Backbone Voyage Camp, 26 trainees of High-potential Training Camp, 8 trainees of Fosun Youth Training Camp aiming at high-potential talents under 35 years old, 60 trainees of Club Med Key Talent, 9 trainees of Growth Star Management Trainee Program, etc.

The success rates of all the training programs have reached over 80%, with over 10 innovation achievements put into practice, which provides more than 40% of trainees with better career development (promotion or rotation). Through the mode of "external training + internal training + practice + evaluation", all the training camps can efficiently explore talents with potential to cultivate them to be professional technical backbones and capable managers for the talent pool of Fosun Tourism Group.



Cultural Exchange Center

Through cultural publicity and employee activities, the cultural exchange center encourages employees to actively carry out inter-departmental and inter-discipline study and exchange, actively share new knowledge, and realize a virtuous circle within the team. During the Reporting Period, we organized 17 cultural activities for employees at the cultural exchange center that include wellness and fitness activities, charity sales, holiday parties, reading activities, employee experiences and benefits presenting. In addition, we organized 15 employer branding campaigns including school-enterprise cooperation and enterprise publicity presentations and communication. With the competition of Values Star and iCARE Service Star of Fosun Tourism Group, the outstanding deeds of 35 exemplary trainees were introduced as models at the learning platform of the Innovation and Leadership Lab for employees to follow after.



Innovative Experiment Center

The innovative experiment center is responsible for the incubation of innovation projects, and is committed to providing employees with innovation training programs from multiple perspectives, fields and levels to help them achieve all-round development. During the Reporting Period, the Group improved the form of orientation training by adding innovative activities such as cultural sandboxes. We also organized a number of executives of the Group to participate in coach club, and conducted training and sharing in Shanghai, Taicang, Hainan and other places.

Fosun Tourism partners mechanism

In 2020, we began to implement the Fosun Tourism Partners mechanism, which selects FTG Partners from among senior executives, business leaders and service champions who have served the Group and its subsidiaries for more than two years in the position of the core management. As elites from Fosun Tourism's top talent pool, the partners hold regular meetings and discussions to ensure the inheritance of the Group's cultural values, the implementation of strategies and the sustainable and stable development of the business.

During the Reporting Period



we refined the selection criteria for business unit partners and business line partners, and elected **16** new partners, among whom female partners accounts for **38%**.

School-enterprise cooperation

Fosun Tourism has reached strategic cooperation with a number of universities in diverse forms such as industrial colleges. During the Reporting Period, we continued the MBA courses and executive training programs carried out in cooperation with Shanghai Jiao Tong University and KEDGE Business School. We cooperate with USC-SJTU Institute of Cultural and Creative Industry (ICCI) to carry out IP-enabled school-enterprise co-creation and provide each other with trainers for student and employee training. Meanwhile, we also cooperate with a number of universities to establish the Industrial College of Fosun Tourism. In 2023, we entered into agreement with 14 new colleges and universities for this project. Our subsidiaries Atlantis Sanya and Taicang Alps Resort are also carrying out exchange meetings on school-enterprise cooperation in universities to attract diverse talents for the Group.

During the Reporting Period, the total hours of training of the Group was **1,212,769** hours. The details are as follows:

	2023	2022
Percentage of Employees Trained (%)	100%	100%
By Gender (%)		
Male	100%	100%
Female	100%	100%
By Job Level (%)		
Senior management	100%	100%
Middle management	100%	100%
Junior employees	100%	100%
Average Training Hours Per Capita (hour)	62.8	33.0
By Gender (hour)		
Male	60.7	33.0
Female	65.8	33.0
By Job Level (hour)		
Senior management	20.1	25.5
Middle management	37.1	31.0
Junior employees	65.9	34.0
Investment in employee training (RMB 10 thousand)		
Total investment in employee training	6,136	750
Average investment in employee training	0.32	0.05

Note

(1) Percentage of employees trained by category = number of employees in the specified category who took part in training during the Reporting Period / number of employees in the specified category at the end of the Reporting Period * 100%;

(2) Average training hours by category = Total number of training hours for employees in the specified category during the Reporting Period / number of employees in the specified category who took part in training during Reporting Period * 100%.

5.3 Improving the Sense of Happiness

We focus on listening to our employees and carry out rich and diverse employee care activities to help them achieve work-life balance, while paying attention to their physical and mental health and providing protection for their occupational health and safety.

5.3.1 Care for Employee

The Group values employee care and provides employees with diversified welfare. On top of the mandatory employee benefits as required by the countries and regions where we operate, we adopt additional welfare package to improve employees' well-being. We also care about the physical and mental health of our employees, organize regular employee care activities and protect the privacy of employees to help enhance employees' privacy security.

Working hours and holidays

The Group has formulated the *Regulations on Attendance and Holiday Management of Fosun Tourism Group* to regulate the management of employees' attendance and leave. All subsidiaries formulate and implement independent attendance management and leave policies in accordance with the laws and regulations where they operate and their own operating conditions. We regulate working hours and ensure that employees enjoy reasonable and adequate rest time. In case of special circumstances requiring overtime work, employees are required to communicate and get approval from the head of the department in advance and arrange for compensatory leave. Employees are entitled to national legal holidays, statutory annual leave, personal leave, sick leave, maternity leave, bereavement leave, parental leave, etc. We also provide additional paid holidays in accordance with the requirements of different countries and regions.

Employee benefits



Statutory welfare

All employees of the Company are entitled to social insurance, housing fund, annuity or pension, and other social security schemes in accordance with the regulations of their countries and regions. 100% of our employees are covered by social insurance



Additional benefits

- **Commercial insurance**
We buy group supplementary medical insurance, group accidental injury insurance, group major illness insurance, group traffic accident insurance, group life insurance and group travel insurance for all employees
- **Allowances and gifts**
Communication allowance, transportation allowance, working lunch, wedding gift, birth gift, birthday gift, funeral condolence money
- **Living wages**
We are continuously improving the wages of our employees to improve the lives of our employees and their families. We have released *A Living Wage Guidance of Fosun Tourism Group*, setting forth an objective to match employee wages with living wages. In 2023, the wages of the Company's employees are higher than the local living wage

Family responsibility leave of Club Med



To better support occupational equality and encourage male and female employees to fulfill family responsibilities equally, Club Med grants employees 5-day leave of "caring for sick children" every year to help employees maintain a family and life balance during the childcare period.

5-day leave of "caring for sick children"



Care for employees' health

We care for employees' health. The Group buys medical insurance for employees every year, and employees can have an annual physical examination, health consultation, appointment, post-examination review and other services. The member companies of the Group have also launched a wide variety of activities to protect employees' health. To enhance AIDS prevention, Club Med has been providing free condoms to employees since 1985 and assists them in free medical checkups when necessary. Atlantis Sanya has formulated special guidelines on employee return-to-work, requiring that the return should be approved by managers of different businesses and HR heads before the returning employees are re-admitted.

• Returning processes well designed by Atlantis Sanya



To ensure a safe return to work after employees recover from illness or injuries and to prevent deterioration in their health or health impacts on other colleagues after returning, Atlantis Sanya has formulated well-designed returning processes. According to the processes, the medical staff should evaluate the condition and function of the injured/patients and then discuss the appropriate post for such employees with the head of business departments and HR to minimize risks through close collaboration of multiple parties.

• Club Med telework agreement



Club Med has signed a 4-year unanimous agreement with all employees on teleworking and the agreement came into force in September 2022, proposing a new work experience with the "SmartWorking@ClubMed" concept, which encourages flexible work when practically possible and appropriate. This working arrangement allows employees to balance work with other priorities and contributes to a harmonious and inclusive working environment.

Care for employees' mental health

The Company and member companies take various measures to take care of employees' mental health, including evaluating the mental health of employees, establishing a system for mental health prevention, organizing free medical and health consultations and mental health trainings.

Care for employees' mental health

Psychological risk assessment

- Our member company Club Med has incorporated the requirements for psychological risk assessment of employees into its occupational health and safety policy and performs psychological risk assessments during the recruitment of positions in Mini Club Med that serve children.

Mental health assistance

- With the network of doctors at resorts, Club Med is capable of providing employees at each resort with both physiological and psychological assistance in a timely manner.

Assistance in emotion management

- Atlantis Sanya, the Group's member company, carried out the themed employee care activity "Enjoy Joyous Life", providing employees with daily advice and courses on emotion management to help them manage their emotion and stay happy.

Mental health training

- During the Reporting Period, Fosun Tourism collaborated with Fosun Group, the parent company, to organize four mental health trainings for employees, themed with "Play the Role as a Mental Health Defender", "Response to Mental Crisis in Enterprise", "Team Stress Management and Communication Techniques for Managers", etc. These trainings covered 80% of the employees with an average of 3 hours per person. Through mental health trainings, we help employees alleviate mental stress and improve the management of work-related mental problems.
- Club Med has launched trainings for the HR department of resorts and offices in different countries, helping them timely identify employees' work-related mental problems or signs and providing assistance, which effectively intervenes and alleviates work-related mental problems.

Employee privacy protection

In accordance with national and local regulations regarding privacy protection and data protection, Fosun Tourism uses and protects the information of customers and employees in a responsible manner. We have formulated the *Fosun Tourism Group Personal Information Protection System* and organized trainings on information security protection to protect the privacy of employees' personal information. In 2017 and 2018, Club Med, the member company of Fosun Tourism, collaborated with professional third-party consulting service providers to evaluate the compliance and effectiveness of the existing privacy protection mechanism for a better protection of employees' privacy.

5.3.2 Occupational Health and Safety (OHS)

Tracking of progress for 2030 Sustainable Development Goals

- Establish safety & health management system according to ISO 45001 and other international standards, to continuously create a safe and healthy working environment for employees
- Reduce Lost Time Injury Frequency Rate (LTIFR) by **15%** (2019 baseline)
- Achieve **100%** attendance rate of employee safety and health training

2023 Progress

- Established internal audit system in accordance with ISO 45001, including **9** dimensions such as management system, occupational health and safety and public hygiene and completed **19** EHSQ audits, constantly improving a safe working environment for our employees
- Atlantis Sanya obtained ISO 45001 certification
- The LTIFR in China is **6**, reduced by **9.6%** compared to **2019** and the overall LTIFR is **13.94**
- **100%** employees received safety and health related trainings

Safeguarding employees' health and safety is a basic principle and bottom line of the Group. We strictly abide by the laws and regulations of China such as the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and those of the countries and regions where we operate, and also formulated the Group's *Fosun Tourism Group EHSQ Policy* and the *Fosun Tourism Group Hotel/Resort EHS Audit Program*. We adopt a robust safety management system to support the implementation of occupational safety and health prevention and control measures, employee safety awareness training and accident investigation. Each subsidiary has established a safety committee responsible for implementing preventive measures to help identify and manage occupational safety and health hazards, and review occupational safety and health incidents. The safety committees also conduct regular meetings.

In order to clearly assess our progress, the Group has set 2030 health and safety performance target. Aiming to promote the achievement of the goal, we established a comprehensive health and safety management system and approaches, and performed regular reviews.

The Group had no work-related fatalities in the past three years and there was no work-related death of the Group's contractors during the reporting period. The Group's safety and health related key performance indicators for the Reporting Period are listed in the table below.

Work Injury	Total
Work-related Lost Days (day)	7,910
Lost Time Injury Frequency Rate* (LTIFR) of Employees ¹³	13.94
Lost Time Injury Frequency Rate (LTIFR) of Contractors	0.093

Occupational health management

The Group has taken a series of measures to minimize the negative impact on health and safety arising from operations, including but not limited to the establishment of occupational health management system, continuous review and development of safety contingency plans, implementation of regular safety audits, and provision of personal protective equipment. We regularly review our safety and health policies and management systems to ensure compliance with legal requirements and industry standards. We implement relevant protection measures to constantly control and reduce occupational health and safety risks. The subsidiaries such as Atlantis Sanya and Club Med carry out their own occupational safety and health management in compliance with the Group's requirements.

Atlantis Sanya



During the Reporting Period, Atlantis Sanya continued to promote occupational health and safety management and strengthen the Occupational Health and Safety Management System (OHSMS). The major measures include regular and comprehensive hazard identification and assessment, strengthening resistance against occupational disease emergencies in accordance with the *Emergency Response Plan for Occupational Hazard Accidents*, equipping professional medical and first aid personnel, providing employees with appropriate personal protection equipment and organizing regular physical examinations for employees in certain special positions.

During the reporting period, Atlantis Sanya passed and received the ISO 45001 certification.

Club Med



Club Med implements occupational health and safety protection through its Health, Hygiene and Safety (HHS) department and its network of coordinators.

Through the establishment of a network of doctors in the resorts, all Club Med resorts (except in France, USA, and Japan) have a resident nurse on their team and a medical assistance system based on a network of local doctors. Meanwhile, Club Med structures its precautionary policies based on lessons learned in the resort accidents to identify the causes of accidents. Club Med also provides occupational health and safety training for employees through the GO®-GE Awareness Module.

We provide our employees with comprehensive occupational health and safety training to fully improve their self-protection awareness and ability. Atlantis Sanya, a member company of the Group, invites the Red Cross Rescue Center every year to teach them first-aid courses and practical exercises, so that employees can learn the knowledge and skills of cardio-pulmonary resuscitation, trauma dressing and emergency medical care. The orientation training also includes EHS series courses and after-class tests, such as those relating to infectious disease prevention and control and basics of occupational health.

Meanwhile, Club Med has been running the GO®-GE Awareness Module since 2013, with an intention to raise employees' awareness of health, lifestyle, harassment, risk behaviors, addictions, drugs, and alcohol, including the effects on their health and safety, with the training performance on the participants closely tracked and recorded.

To ensure solid implementation of the safety management measures at workplace, we regularly conduct occupational safety-related training for all employees and contractors, including Atlantis Sanya Safety Month activities, resort security training, etc. Please refer to the *Operational Safety* Chapter of this report for more details of the training.

¹³Lost Time Injury Frequency Rate (LTIFR) = (number of lost time injury/ total working hours) × 1,000,000



Coordinated Development

Tracking of progress for 2030 Sustainable Development Goals

- Continuously improve local procurement
- Encourage suppliers to set environment-protection goals and validate through auditing and incentive programs

2023 Progress

- The proportion of local procurement in Atlantis Sanya and Taicang Alps Resort reached **67%**
- Club Med local procurement proportion reached **64%**
- **81%** of key suppliers worldwide and **100%** of key suppliers in China have passed ESG audits by the Company
- **100%** food and construction raw material suppliers of Atlantis Sanya and Lijiang Club Med Resort have been audited



The Group is committed to developing a responsible supply chain and creating eco-friendly and responsible holiday experience. We continuously optimize management of our supply chains, in which each link related to procurement bears social and environmental responsibility. During the reporting period, Fosun Tourism won the "The Benchmarking Enterprise on the Supply Chain Informatization of China Hospitality Industry" award of Procurement Supply Chain in the 2023 China Hospitality Brand Value Award (CHBA).

6.1 Supply Chain Management

The Group has laid out internal management policies such as *Fosun Tourism Group Cost Contract Management System*, established standardized processes and mechanisms including supplier admission and registration, maintenance and assessment, dismissal, and punishment, and implemented graded management of suppliers to secure the scientific and effective management of procurement and suppliers.

Admission and registration

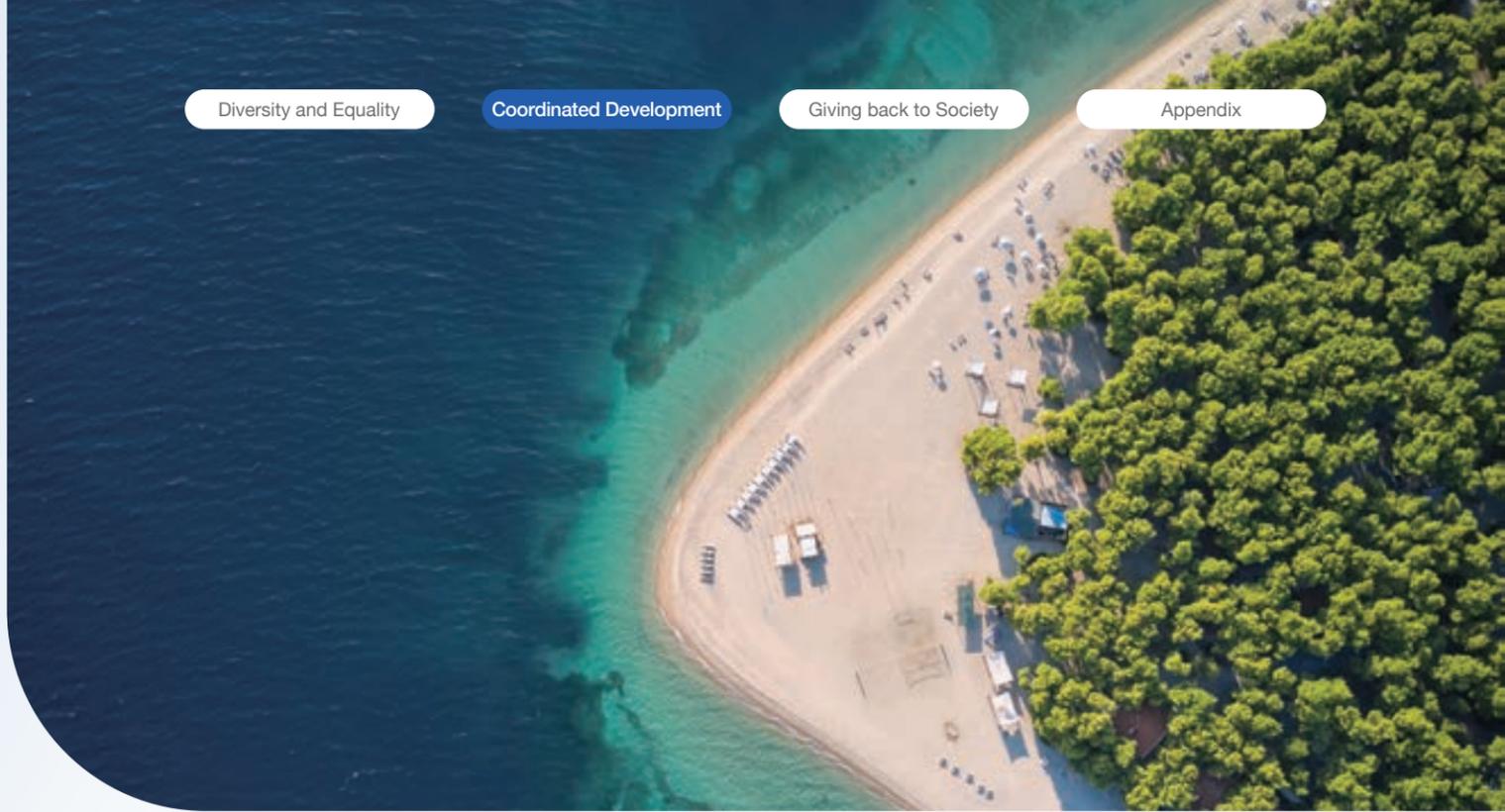
A strict inspection process for selecting suppliers has been also in place. Prior to the admission of candidate suppliers, we will conduct inspections on them and produce an *Enterprise Supplier Investigation and Assessment Form*, which shall be jointly signed by all the inspection panel members before the procedure of examination and approval of selected ones.

Maintenance and assessment

All suppliers in the pool of the Group must be evaluated every half a year for upgrade, downgrade, and dismissal in accordance with applicable regulations.

Dismissal and punishment

Suppliers assessed as unacceptable for two years running or those with poor integrity or violation of Integrity Agreement, will be "blacklisted" and forbidden to bid in the projects of Fosun Tourism for two years.



Supplier performance evaluation



In 2023, Atlantis Sanya, one of our subsidiaries, conducted an annual compliance assessment on 266 suppliers of long-term cooperation, with a coverage rate of 100%. Among the suppliers assessed, 79 were rated as excellent, 85 good, 70 qualified and 23 poor. The 23 underperforming suppliers were required to rectify the gaps identified within 3 months, and were temporarily disqualified until the gaps are closed. 9 suppliers failed the assessment and were suspended for cooperation.

The subsidiary Taicang Alps Resort also conducted an annual compliance assessment on 74 suppliers that we cooperated with in the development and operation process, with a coverage rate of more than 80% and a qualified rate of 100%.

As of December 31, 2023, we have **2,028** suppliers in the world, which are divided by region as follows:

Suppliers by Geographical Region		
Region	2023	2022
America	377	408
Europe, Middle East and Africa	781	635
APAC	870	655
Total	2,028	1,698

Note

The headquarter of the Group and Club Med manage their suppliers respectively. The number of Club Med's suppliers includes only those with a procurement amount greater than €50,000, and we have restated the number of suppliers for 2022 based on this criterion.

Supplier selection

The supply chain management departments of subsidiaries and member companies of the Group is required to classify suppliers to form the *List of Key Suppliers*, and carry out hierarchical supplier management.

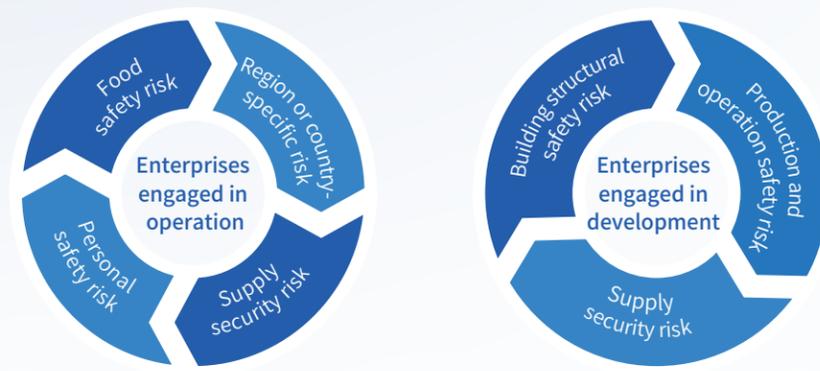
Criteria for selecting key suppliers



- Suppliers of bulk purchase or with similar conditions
- Suppliers of key components or with similar conditions
- Suppliers that are irreplaceable or with similar conditions
- Other requirements defined by operation and development projects based on their own business situations

For suppliers interested in cooperation, we will identify and review them according to key supplier qualifications in advance. Cooperation will be initiated only after the assessment and selection has been completed. During cooperation, suppliers in the *List of Key Suppliers* will be inspected and evaluated on site on a regular basis by the supply chain management department. Each subsidiary may also formulate the implementation rules for on-site inspection and evaluation according to its own business characteristics.

Subsidiaries of the Group are required to identify existing or potential ongoing risks that fit their own business characteristics. Subsidiaries shall also update, on a yearly basis, the *List of Ongoing Risks in the Supply Chain* and the *List of Suppliers with Ongoing High Risks*, and develop corresponding risk control measures or implementation procedures in detail. At Fosun Tourism, we carry out special evaluation, management and control over key suppliers and those with ongoing high risks, to effectively avoid or reduce supply chain risks.



In 2023, we identified 185 key suppliers and 181 key non-tier 1 suppliers.

6.2 Responsible Procurement

We are committed to responsible procurement. By establishing a management mechanism for supply chain ESG risks, and fully conveying sustainability concepts to supply chain management teams and supplier partners, we have integrated sustainability commitments into every stage of the procurement process. In addition, we actively promote local sourcing and sustainable product certification to produce and provide consumers with more sustainable, healthy and transparent products and services.

Fosun Tourism responsible procurement management

Principles

- ESG Policy of Fosun Tourism Group for Supply Chain Management*
- ESG Regulation for suppliers of Fosun Tourism Group*
- Fosun Tourism Group Supplier Code of Conduct*

Risk assessment

- Supplier ESG qualification
- Graded and classified risk management of supplier
- ESG self-assessment questionnaire for Suppliers
- On-site scrutiny of supplier ESG

Assessment and improvement

- On-site review
- Annual scrutiny
- Occasional review and assessment

Training and coaching

- Online ESG courses
- Materials sharing
- Regular communication and exchange

Industry exchange

- Supplier conference
- Supplier forum
- Quality supplier award
- Responsible procurement seminar



During the reporting period, we updated the *Fosun Tourism Group Supplier Code of Conduct* to strengthen the requirements for suppliers in the areas of climate change and energy management, biodiversity protection, information security and privacy protection, as well as fair competition. During the reporting period, 100% suppliers managed by the headquarter of the Group learned and signed the *Fosun Tourism Group Supplier Code of Conduct*, 59% of the suppliers managed by Club Med signed CSR Clause.

Internal empowerment on responsible procurement

We occasionally organize internal communication meetings for all employees, focusing on the concept and practice of sustainable supply chain, in order to deepen employees' understanding of corporate responsible procurement. Since 2007, Club Med has been regularly holding internal sustainable sourcing training sessions every year to improve the knowledge and skills purchasing personnel on sustainable sourcing. At the 2022 International Procurement Conference, Club Med's procurement leader shared and discussed the relevant adjustments in the implementation of sustainable sourcing and how to achieve corporate social responsibility goals.

Special ESG training for suppliers

During the reporting period, the Company jointly conducted supplier ESG training with its member companies Atlantis Sanya and Taicang Alps Resort. The topics covered included "Human rights and anti-discrimination", "Anti-corruption and win-win cooperation", and "Supplier ESG Code of Conduct", and sent training videos and keynotes to all suppliers for further study.

The training hours of the three supplier training sessions totaled **1,733** hours, representing **1.3** hours per person.



6.2.1

Supply Chain ESG Risk Management

In line with the *ESG Policy of Fosun Tourism Group for Supply Chain Management* and other relevant policies and regulations of the Group, we have formulated the *ESG Regulation for suppliers of Fosun Tourism Group*. We have introduced ESG management goals for supplier management, and defined the ESG management measures for suppliers in the whole process concerning supplier admission, selection of key suppliers, identification and control of supply chain risks, ESG assessment, rectification and termination. Meanwhile, we have also officially integrated ESG considerations to the existing supply chain management strategy and in every link of the supply chain, sparing no effort to develop a sustainable supply chain.

Since 2022, Club Med has systematically incorporated qualitative and quantitative objectives related to corporate social responsibility (CSR) into its supplier performance evaluation system. Starting from 2023, Club Med analyzes the annual CSR goals achieved by suppliers and integrate the results into the setting of procurement goals and strategic planning for the next year.

Supplier admission

In the selection of suppliers, we will conduct ESG audit and evaluation on suppliers according to the *FTG Supplier ESG Information Registration Form*, and comprehensively evaluate the ESG performance of suppliers through field visits, written audits, stakeholder interviews, external databases, news observation, third-party agency evaluation and more. The Group will not cooperate with suppliers that have been involved in major environmental incidents, violations of employee rights or corruption within three years. For suppliers not involved in the aforesaid situations, we will conduct ESG review and assessment by the head of Cost Procurement Department. Only those above the passing line could be listed as candidate suppliers.

Supplier ESG assessment

During the reporting period, the Group continued to improve the *Fosun Tourism Group Supplier ESG Rating Scale*, better supporting the assessment of suppliers' ESG risks and management level from 5 aspects (i.e., labor, health and safety, environment, ethics and management system) and 62 risk points. Suppliers must complete self-assessment according to the *Fosun Tourism Group Supplier ESG Rating Scale* every year, and upload the results and supporting documents to the relevant supply chain management department of Fosun Tourism Group.

The supply chain management departments of the Group's member enterprises are responsible for on-site inspection and audit of suppliers, and the supply chain management department of the Company will conduct a sampling review of the supplier ESG evaluation results of each member enterprise.



- ESG assessment must be conducted at least once every three years for existing suppliers.
- Existing suppliers included in the *List of Key Suppliers or Service Providers* and the *List of Suppliers with Ongoing High Risks* are subject to self-assessment at least once every year, as well as on-site review and assessment at least once every three years.

Supplier rectification and elimination

Based on the assessment results, we make a comprehensive analysis of ESG risk exposure and management level of suppliers. Suppliers with a score rate lower than 80% are required to submit rectification plan within one week after inspection, and the next cycle of assessment will focus on the items rectified. For suppliers with a score rate lower than 60%, we will terminate the cooperation and require the suppliers to immediately implement corrective measures. After then, they must continue to submit rectification plans and carry out rectification accordingly, until they attain a score rate higher than 80%. For those who are still unqualified after three times of rectification, the continued cooperation with them will be restricted.

During the Reporting Period, the Group's Cost Procurement Department conducted pilot ESG assessment on operational suppliers in China. The assessment and audit results are shown in the table below. In the future, we plan to further increase the proportion of supplier on-site audits.



Based on the result of ESG assessment, 12 suppliers got a score rate lower than 60%, 11 of them implemented corrective measures and met the requirements for continued cooperation after the on-site audit, while 1 supplier failed to meet the rectification requirements and was terminated.

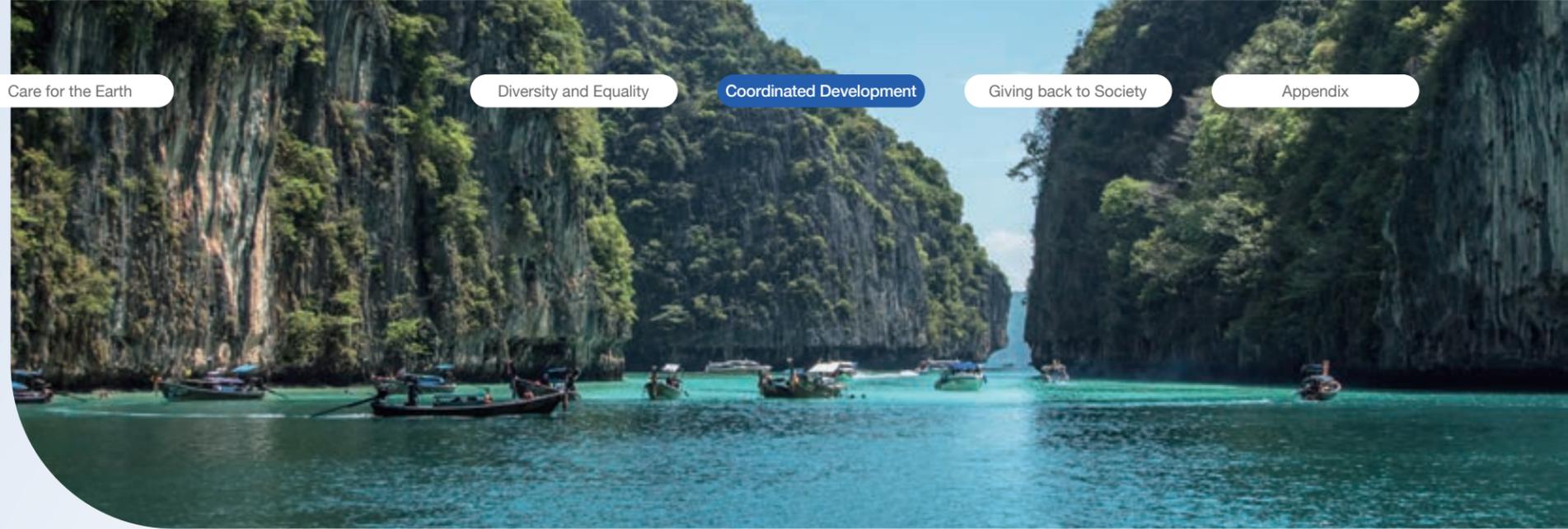
Club Med supplier audit plan

Club Med, a member company of the Group, regularly conducts CSR audits of high-risk suppliers, including internal and external audits. The internal audit is carried out by the procurement department or the audit department of Club Med in accordance with the *Club Med Sustainable Sourcing Charters*. External audits are performed by third parties accredited and trained by the Initiative for Compliance and Sustainability (ICS) in accordance with the *ICS Audit Checklist*. In 2023, Club Med conducted CSR audit on 200 suppliers.

For non-compliant suppliers thus identified, Club Med has formulated corresponding rectification or termination procedures:



- For suppliers in an open competitive market, the agreement will be terminated in accordance with the terms of the contract
- For long-term suppliers, a rectification plan needs to be developed to improve their social responsibility performance
- For suppliers in a small market with rare alternatives, backup plans will be formulated before terminating the contract



6.2.2 Conveying Sustainable Concepts

Sustainability certification

We promote the development of sustainable products and services, combining social, economic, and environmental factors, to offer consumers more responsible consumption choices. Fosun Tourism gives priority to eco-friendly certified products when providing services to customers, and includes the eco-friendliness of products as an important consideration when selecting suppliers.

Using paper towels with green certification

In hotel rooms of several premises in different locations in China, we choose paper products with green certification, such as zero-carbon paper products with China Green Product certification and "carbon neutral" certification, conveying the concept of sustainability and environmental protection to customers through green procurement.



Club Med's sustainable procurement

Club Med has released a series of written purchasing Charters, including the *Seafood Charter*, and works with multiple international supply chain initiatives to implement the goal and commitment of sourcing sustainable products and local products, including:



Providing eco-friendly products

100% of the coffee is certificated under the Fairtrade system;

100% of the paper products are sourced from manufacturers certificated by FSC (Forest Stewardship Council) or PEFC (Program for the Endorsement of Forest Certification);

By launching the "Bye-Bye Plastic" program, we are removing single-use plastic products from all our resorts, and reusable and plastic-free alternatives are preferred thereafter.



Protecting biodiversity and animal welfare in the supply chain

Providing **100%** cage-free egg products in the resorts located in Europe, Brazil, and the United States by the end of 2025, and in other regions by 2027;

Removing all products containing animal skin or fur from all Club Med stores by the end of 2022;

Since 2022, Club Med requires its suppliers to gradually implement the *Animal Welfare Policy*, and the suppliers will be subject to animal welfare assessment procedures.

Local procurement

The Group pursues the policy of prioritizing local sourcing. We believe that increasing the proportion of local sourcing will not only reduce transportation costs, improve supply efficiency and reduce carbon emissions, but also contribute to the environmental, social, economic and sustainable development of the local community.

Club Med has made a commitment to purchase 65% of its fresh ingredients (vegetables, fruit, butter, egg, cheese, meat) from local sources by 2030. And as part of our group-level 2030 sustainable development goal, we are committed to further increasing the proportion of local employment and procurement. During the Reporting Period, our local sourcing in China reached 66.7%. For more cases about local procurement, please refer to the *Supporting Local Community Development* section of the Report.

Eco-friendly packaging

The Group strives to improve product sustainability at source through many improved packaging solutions. For example, we limit packaging waste by purchasing products with minimized packaging and without separate packaging. We are also increasing the use of reusable and recyclable packaging and working with our suppliers to further recycle packaging materials.

Club Med abandons disposable plastic packaging

Our member company Club Med is replacing disposable plastic packaging with wood, paper, glass, and textile materials. In 2023, Club Med used 300 tons of plastic packaging. Club Med also gradually uses digital tools to collect and count the amount of packaging materials used, in order to manage packaging materials more precisely.

Collaborative innovation

During the cooperation with suppliers, we encourage them to work with us to develop green and eco-friendly products and to minimize negative environmental impact by maintaining the environmental protection performance of products throughout their lifecycle. We also encourage suppliers to have a stronger sense of social responsibility, so as to accelerate the sustainability of the supply chain and achieve more eco-friendly and responsible procurement.

Club Med's "less plastic" design of product packaging

Club Med and its supplier AHAVA have worked together to develop more eco-friendly toiletry packaging. The pump head and the bottle contain less plastic, reducing the product's environmental impact. The new packaging is also designed to be recyclable: While the inner bottle and pump head are replaced when needed, the outer cap can be used for a long time. Compared with the old design where the entire packaging was discarded when the product was used up, the new design extends the product's useful life and embodies the concept of sustainability. During the Reporting Period, Club Med started to use toiletries in the new packaging in its Chinese resorts, reducing plastic consumption by 56%.



Cooperation for win-win results

We are committed to continuously improving the overall capabilities of suppliers through business communication and mutual assistance, and to enhancing the quality and efficiency of our suppliers' products and services through multi-parties interactions. We have established communication channels with our suppliers. All suppliers can provide suggestions and communicate with us through the customer service center on the online bidding platform. We have also strengthened cooperation with suppliers through regular communication, visits, seminars, cultural exchanges, to learn from each other and make progress together.

Responsible procurement seminar

Fosun Tourism participated in the 2022 Responsible Procurement Seminar themed on "Ecological Synergy and Responsible Growth" hosted by Fosun Global Supply Chain Center, and discussed with ecological partners about promoting the sunshine responsible procurement and boosting the construction of sustainable supply chain. Industry leaders for responsible procurement were invited to the seminar to share the excellent practices inside and outside Fosun Group, which were discussed in depth during the seminar.

We have prepared the *A Living Wage Guidance of FTG*. During the Reporting Period, we assessed the living wages paid by our leading suppliers to understand the salaries and benefits they provided to their employees.

6.2.3

Supplier Integrity Management

We implement a strict code of business ethics for suppliers. In the *Fosun Tourism Group Supplier Code of Conduct*, we require suppliers to avoid all forms of corruption, extortion and bribery and to disclose to the Group any potential conflicts of interest they may have as co-suppliers. We also require all suppliers to sign the *Integrity Agreement* before engaging them. At the end of the Reporting Period, all of our active suppliers had signed the Integrity Agreement.

Club Med's CSR Clauses

As part of the anti-corruption and compliance program, Club Med has included the CSR Clauses in its contracts with suppliers since 2006. In 2017, Club Med amended the CSR Clauses in the standard contract, focusing on anti-corruption, environmental protection, the promotion of fundamental labor freedom, and measures to deal with breaches in relation to these matters. By 2023, 58.9% of the contracts signed by Club Med contained the CSR Clauses.



We review and periodically assess suppliers' business ethics throughout the contract period. Suppliers who are found to be unqualified in the assessment and fail to take corrective actions and complete the filing within five working days, or who are proved to be unqualified for two consecutive years, will be excluded from bidding for the Group's projects. During the Reporting Period, we terminated business relationships with and blacklisted 5 suppliers due to their ethical violations. Meanwhile, we offer smooth complaint and whistle-blowing channels, including a complaint hotline and email address and a whistle-blowing QR code, to further ensure and monitor the implementation of the code of conduct.

Fosun Tourism supplier management complaint channel

-  Tel
+86 21 23150143
-  Email
ftgprocurement@fosunholiday.com

Fosun Tourism risk control and integrity whistle-blowing channel

-  Tel
+86 21 23300629
-  Email
ec@fosunholiday.com

Whistle-blowing through QR code



We are committed to fostering a culture of integrity and honesty in our operations and conduct regular integrity compliance training for all suppliers to enhance their awareness of integrity. During the Reporting Period, the Group provided online integrity training for suppliers in the Chinese mainland. The average training duration was 1.3 hours, the total training coverage was 35%, and the training coverage for key suppliers was 100%. Atlantis Sanya delivered the "Clean Cooperation and Business Ethics" training, which was attended by over 430 persons from 176 suppliers. The cumulative training duration reached 439 hours. Taicang Alps Resort organized the "Collaboration for Integrity and Win-win Results" training for suppliers, recording a cumulative training duration of 142 hours.



Supplier integrity training



Giving back to Society

 Tracking of progress for 2030 Sustainable Development Goals

- Continuously improve local employment and procurement
- Promote local cultural communication

2023 Progress

- The proportion of local employment reaches over **70%**
- Continued to engage in public welfare activities concerning social inclusion, care for children, marine protection, and cultural communication. The accumulated resources invested in public welfare were about RMB **4.79** million and the accumulated time invested were more than **10,000** hours
- Club Med has taken local traditional culture into design, presented various local cultural creation works in the resort and hosted local culture promotion activities

With the mission of "Better Holiday, Better Life", Fosun Tourism actively undertakes its social responsibilities. Concerned about the fundamental rights of communities, we design and create cultural tourism products based on our mature industrial ecosystem, taking into account local resource advantages and unique cultures, in order to contribute to rural revitalization and community development. Insisting on doing business for good, we make proactive efforts to assume corporate social responsibilities in cultural preservation and inheritance, health and well-being promotion, care for children, and marine protection. These efforts have had a positive impact on society and the environment.

7.1 Care for the Community

During the design, construction and operation of resorts and hotels, we would conduct a comprehensive study of local social and economic conditions. While respecting and protecting the rights of local communities, we continually assist them in improving the livelihoods of their people and developing their economies with our influential tourism products and services.

7.1.1 Protecting the Rights of Local Communities

The Group pays close attention to the needs and rights of local communities in its global operations. We have fostered a harmonious and symbiotic relationship with the communities through close communication with our stakeholders, inviting local residents to visit our projects, cooperating with local civil organizations, and other means. Fosun Tourism is committed to protecting local resources during project construction and operation. Our member companies also fulfil this commitment with concrete actions.

During the Reporting Period, we developed the *Stakeholder Engagement Policy of Fosun Tourism Group* that applies to all operations of the Group. It provides explicit guidance for identifying stakeholders, maintaining communication channels, and responding to stakeholder opinions. We require our hotels and resorts to maintain thorough, timely and open communication with local communities during their construction and operation. For example, they should consult with local residents at the project planning stage and communicate regularly with local stakeholders during project construction and operation, so as to fully protect the economic, social and environmental rights of local communities.



Taicang Alps Resort is concerned with the needs of the community

Our member company Taicang Alps Resort fully considered the needs of the local community during its design and construction. It strives to create public spaces that meet people's needs for dining, shopping, entertainment, living, traveling and recreation, and to develop a tourist resort integrating landmark image, public art, entertainment experience and shared space.



Creating a seamless transport connection

During project design and planning, Taicang Alps Resort fully considered the compatibility with transport facilities in the surrounding places, aiming to achieve a seamless transport connection and ensure that the walking distance between the bus station and the resort is conveniently short. Pedestrian corridors and bicycle lanes are also available within the resort. All functional buildings are connected in series by two-story structures to facilitate access to all areas within the resort.



Accessible, inclusive design

For the safety and convenience of people with disabilities, the elderly, pregnant women, children and other members of our society, our project plan includes barrier-free facilities, including but not limited to the barrier-free entrances to buildings and elevators and ramps for the disabled.

7.1.2 Enabling Community Development

In our global operations, we pursue coordinated development with local communities. For example, our hotels and resorts prioritize local employment and procurement and work with local professional or civic organizations to develop appropriate projects that benefit the community.

	Local employment	Local Procurement
Atlantis Sanya	In 2023, local employees account for 69% of the total staff at Atlantis Sanya.	Atlantis Sanya is committed to increasing the proportion of localized procurement. During the reporting period, the number of local suppliers at Atlantis Sanya accounted for 43% of the total number of suppliers; 75% of suppliers in the food and wine category were local suppliers.
Club Med	Club Med is committed to increasing local employment to 73% by 2023. It works to promote technical progress in the local community by helping local employees improve their job skills. In 2023, 45.2% of GE employees in World scop received systematic training.	It has made a commitment to purchase 65% of fresh agricultural products (including vegetables, fruits, butter, eggs, cheese, and meat) from local suppliers by 2030.
Taicang Alps Resort	During project construction, over 500 jobs have been created for local residents. Local employees make up 40% of the total workforce.	During construction and operation, Taicang Alps Resort gives priority to local vegetables, fresh fruits and other ingredients to ensure the materials are supplied in a timely manner.

Boosting rural development

In May 2023, Lijiang Club Med Resort, a member company of the Group, hosted "2023 Simple Holiday" with the support of the Lijiang Municipal People's Government and Fosun Foundation. Famous singers and bands were invited to perform for rural doctors. Charity fairs were also held to sell agricultural products from the hometowns of those rural doctors. In this way, it contributed to rural revitalization in the form of music + charity events + commercial activities. The event attracted nearly ten thousand visitors across the country and communicated the concept of common prosperity through music, acting as a driving force for rural revitalization.



Club Med promote green agriculture

During community building, the resorts of our member company Club Med are committed to the sustainability of land ecosystem. While providing consumers with healthy and eco-friendly locally sourced products, they work hard to make a positive economic and environmental impact on local communities.

Club Med's Green Farmer Project

Since 2008, Club Med has been working with the NGO Agrisud to train farmers in places where its resorts are located to use the land more sustainably following agro-ecological principles. It has incorporated local agricultural products into the resorts' food supply network.

In 2023

the project was implemented in **11** resorts in **7** countries. Club Med supported **407** small farms, benefiting a total of **2,000** farmers. Nearly **250** hectares of land were used for ecological farming, with an average of **31** crops grown per project.

From 2008 to the end of 2023

Club Med has provided a cumulative financial contribution of EUR **1,555,000** and produced **77,729** tons of agricultural products in ecological farms.

7.1.3 Social Impact Assessment

The community impact of Fosun Tourism as a responsible enterprise is not only embodied in the responsible operation and community service of each of our hotels and resorts, but also in our vision and tireless efforts to build a more sustainable and community-friendly tourism industry. We are proud of our positive contribution to the development of the communities in which our hotels and resorts are located. However, we are always mindful of and responsible for the impact that the development and operation of our large-scale tourism projects have on local communities.

On the first anniversary of the opening of its resort Arcs Panorama in France, our member company Club Med invited a professional third party to carry out a comprehensive and independent community impact assessment of the resort. The assessment covered 10 years of construction and operation of the project, as well as operational forecasts for the next three years. The assessment focused on the economic and environmental dimensions. On the economic dimension, direct and indirect economic impacts and direct and indirect social impacts were assessed to measure the impact of Arcs Panorama on the community and analyze its change over time. The key stakeholders identified and focused on in the project include direct employees of the resort, indirect employees involved in the resort's business, local residents, tourists, suppliers, and local government agencies.

Key conclusions of the community impact assessment of Arcs Panorama: It is estimated that the resort will bring direct and indirect economic benefits of EUR 123 million and more than 5,600 full-time jobs to Savoie and Haute Savoie, two neighboring provinces, over the 10 years of construction and operation. It is expected that by 2027, the initial infrastructure investment by the local communities will be offset by the total taxes paid by Club Med cumulatively. In terms of the environment, Arcs Panorama's construction and operation meet the internationally recognized BREEAM and Green Globe environmental certification standards. It has passed both certifications. The energy consumption of the resort's buildings is 91.2 KWh per room per night, which is much lower than that of other tourist accommodation in mountainous areas around the world.

On the basis of the impact assessment, Club Med further identifies and assesses its potential negative impact on economy and the environment and the change over time, and develops appropriate management strategies. Arcs Panorama has been proactively managing the negative impacts of its operations by tracking low-carbon travel modes of tourists, purchasing green electricity, optimizing waste disposal methods, and serving local organic and seasonal food to tourists.



7.2 Concern for Humanity

7.2.1 Cultural Preservation and Inheritance

Culture is the soul of the cultural tourism industry. Fosun Tourism cannot achieve so much without the wonderful and diverse cultures. Always putting respect, understanding, protection and inheritance of local culture at the center of our projects, we respect local ecology, cultural history and lifestyle, and manage to engage in, integrate with and adapt to each other, in a bid to inherit local culture through protection.

Culture preservation

Aware of the mission of protecting and spreading local culture, we fully explore the internal aspects of local cultural development at the designing stage of projects while seeking innovation. To share local cultural memories and stories with people from all over the world, we constantly integrate traditional culture into our tourism and holiday products, and develop traditional culture-related activities to enhance the cultural value of our tourism projects, and at the same time protect and reasonably utilize the unique local ecosystem.

Our Club Med resorts are steeped in local culture, as can be seen from their architecture, decoration, vegetation, cuisine and so on. The activity programs offered also reflect local practices, frequently through lessons in dance, cooking and languages, lectures on the host country, as well as night or all-day-long activities for immersive experience of local culture.

Since 2008, the Discovery Centers at all Club Med resorts in Africa and Europe have displayed a charter on respecting local residents and their culture, environment and economy, and distributed it to all GM® going on excursions. As part of the ATR (Agir pour un Tourisme Responsable) certification, Club Med regularly revises the Handbook for Guides and trains its guides, sharing with them the best practices in respecting cultures and people and protecting the environment.

Lijiang Club Med Resort - Protecting traditional culture

Under the premise of respecting the local culture of Lijiang and protecting the religious beliefs of local ethnic groups, Lijiang Club Med Resort preserves and carries forward intangible cultural heritage by integrating the traditional culture with tourism. Taking the traditional Naxi culture into consideration, the design of the resort follows the characteristics of Naxi folk houses, and integrates Naxi aesthetics with contemporary life to create courtyard buildings. With the building of the Lizzie Collection Cultural and Creative Space, the resort aims to extract the quintessence of local intangible cultural heritage, ecological and folk culture in Lijiang for artistic re-creation, and has created various intangible cultural creation works, such as tie-dye, natural brooch, yakwool products, tile cat, gold and silver incrustation and Naxi Bantao.



Cultural inheritance

By integrating culture and tourism, we make full use of the heritage value of culture and "bring the local cultural heritage to life". For instance, the water tourism line in our Taicang Alps Resort plays a role in inheriting the city's history and culture, demonstrating its urban landscape, and promoting the tourism development of the whole city. Bordering the Yantie Tang-Xinliu River waters, Taicang Alps Resort enjoys advantages in geographical location, history and culture. To proactively cooperate with the Taicang government to promote urban cultural tourism, we have made a written proposal on building water projects, including the construction of a "meeting room above the water", in which both local residents and incoming tourists can explore the "water tour route" by boat. Through the water tour route project, we demonstrates the history, culture and scenery of the city and drives the development of whole-city tourism.

Taicang Alps Resort - Passing on the culture of the city

Tracing back the history of the city

- Displaying the city living on "water"
- Reflecting the features of "water"
- Promoting culture inheritance



Showcasing the image of the city

- Helping to connect all parts of the city
- Demonstrating the image of a riverside city
- Comprehensively improving Taicang's image as a tourist city



Driving effect

- Diversifying tourism projects and innovating tourism products
- Driving tourism development of the whole city with "engine" projects
- Creating more jobs



7.2.2 Care for Children and Education

We are committed to supporting and protecting children's rights and creating an environment in our operations that guarantees children's rights to health, education and leisure.

Protecting children's rights and interests

As we operate resorts around the world, we hope to take effective measures to protect the rights and interests of children in our operations and services. Our member company Club Med protects children's rights and interests and identifies relevant risks by working with local NGOs, developing uniform procedures for answering questions from underage guests, conducting regular staff training, and other means.

Club Med fights against the sexual exploitation of children

Club Med is committed to fighting against the sexual exploitation of children in the tourist industry. In 2005, Club Med signed a cooperation agreement with the NGO ECPAT¹⁴. Since then, they have jointly published leaflets on the initiative against the sexual exploitation of children, which are regularly sent to guests visiting resorts in high-risk destinations. The leaflets have been replaced with digitalized information in a more sustainable form since a few years ago.



¹⁴ECPAT is an international non-profit organization with a presence in over 70 countries worldwide. It works to minimize child prostitution, child pornography and the sale of children for sexual purposes. Many professional travel organizations have joined ECPAT's efforts to protect children from sexual exploitation in the tourism industry.

Care for children and education

Our member companies have initiated many childcare and education activities to ensure that children grow up healthy. For example, Club Med has set up a foundation to support local education programs and collects donated school supplies for children. It also organizes the "gift of stay" campaign to help sick children realize their dreams and provide vacation opportunities for disadvantaged youth.

Atlantis Sanya cares for children from impoverished families

In 2023, our member company Atlantis Sanya, together with the Sanya Civil Affairs Bureau and the Sanya Service Center for Needy Groups, organized a one-day trip under the theme of celebrating Children's Day and caring for children in need. With the help of volunteers, the resort served 23 underprivileged children, who visited the aquarium and the sea lion paradise and had an unusually happy time on their own day.



Taicang Alps Resort's adolescent aesthetic education program

During the Reporting Period, our member company Taicang Alps Resort joined forces with Fosun Foundation and Fosun Foundation Art Center to launch the Taicang Youth Art and Aesthetic Education Program. It pledged to donate RMB 500,000 to Fosun Foundation. The fund will be used to invite thousands of middle and primary school students in Taicang to light and shadow art exhibitions. It will also be used to hold an art and aesthetic education workshop in the theme commercial street "Alps Time Wonderland", inviting families to enjoy the glamor of art and contributing to local adolescent aesthetic education.



7.2.3 Social Health and Well-being

Fosun Tourism continues to support the rural doctor project of Fosun Foundation. Focusing on community doctors, we help rural doctors improve their professional skills and create favorable working conditions for them. During the Reporting Period, our member company Club Med pledged at the opening ceremony of its Club Med Urban Oasis Nanjing Xianlin Resort to donate RMB 2 from every accommodation order at its Chinese resorts to the "Healthy and Heart-warming Program for Rural Doctors". This is its concrete action for rural doctors and rural revitalization.

Caring for people with disabilities

On the 33rd National Day of Assisting People with Disabilities in May 2023, more than 30 disabled people were helped by volunteers from the Sanya Disabled Persons' Federation into the marine world of Atlantis Sanya. They appreciated the white whale, sharks, rays and other marine creatures from the polar regions, and felt the love and care of the community.



7.2.4 Volunteer Work of Employees

We encourage our employees to participate in various charity events to make a contribution to society. Gilbert Trigano, one of the founders of Club Med, created the Club Med Foundation in 1978 in an attempt to mobilize Club Med's teams and resources to contribute to the development of the communities where the resorts are located. In 2023, Club Med donated EUR 548,000 to the foundation, and more than 1,900 GO® and GE volunteers joined in nearly 300 charity projects of the foundation in 25 countries.

Visiting children with cerebral disabilities at Guangming Lianjie

Employees of our member company Atlantis Sanya often participate in volunteer work. During the Reporting Period, staff volunteers were organized to the Sanya Guangming Lianjie Center for Children with Cerebral Disabilities every month. They donated materials to the center and helped with repairing broken equipment, cleaning, and feeding and bathing the children. In 2023, 23 employees volunteered for 65 hours.



7.3 Focus on the Ocean

As the oceans are the cradle of life on the Earth, we actively respond to the UN's SDG14. Upholding the tenet of pursuing harmony between humankind and the oceans, we make every effort to contribute to the improvement of the marine ecological civilization and the building of the beautiful "Blue Planet".

7.3.1 Protecting Blue Oceans

The Group works to protect the marine environment and life where it operates by advocating the protection of marine ecosystems in its daily operations, cultural outreach campaigns, and business activities. We also require our member companies to identify and manage the impact of their operations on the marine environment and ecological resources, so as to protect the blue oceans.

The Group is concerned about the welfare of whales, turtles, dolphins and other marine life in the areas where it operates, as detailed in the *Animal Welfare* section of this report.

Club Med's ocean protection actions

- Reducing plastic consumption by further recycling plastics, to limit the physical pollution of the marine environment.
- Controlling the chemical pollution of the aquatic and marine environment by treating wastewater before discharge.
- Lessening GHG emissions and limiting ocean acidification.
- Limiting the intensity, frequency and extent of noise pollution and light interference in the aquatic and marine environment, in order to limit human interference with the marine ecosystem.
- Reducing disturbance and artificialization of natural coastal and marine habitats to protect the interests of local coastal communities.
- Raising the awareness of marine conservation among employees and customers (37% of its coastal resorts have partnerships with local non-profit marine conservation organizations).

7.3.2 Advocating Marine Education

To develop marine education, better popularize marine knowledge, and raise public awareness of marine conservation, our member company Atlantis Sanya held a series of marine education activities during the Reporting Period.

"World Oceans Day" marine education activity hosted by Atlantis Sanya in 2023

In 2023, the "World Oceans Day" of the Sanya Economic Circle was held at Atlantis Sanya. The Sanya Economic Circle Ocean Conservation Exchange Center was inaugurated at Atlantis Sanya in the presence of domestic and foreign guests. Focusing on the marine industry, the center will organize exchange activities to promote the protection of the marine environment, offline interactive activities, and investment attraction. Atlantis Sanya will further diversify its coastal and marine tourism products and launch more charity events for marine environment protection, to help Sanya become a benchmark of ecological civilization and fuel the integrated development of the marine culture and tourism.



Atlantis Sanya partners with the Haitang District Party and Mass Service Center, Sanya to launch the charity event: 2023 World Oceans Day: Keep the Light of Hope and Meet Future Blue Oceans. Twenty primary school students were invited to visit the Lost Chambers Aquarium, where they watched the mermaid show, interacted with the white whale, and played the fish name guessing game. This activity helped the children gain a better understanding of the ocean and marine life, as well as a greater awareness of marine conservation.



7.3.3 Ocean Protection Actions

Our member companies demonstrate their commitment to the protection of the oceans by rescuing marine life, participating in and initiating marine charity events, and developing marine conservation projects.

Atlantis Sanya protects marine biodiversity

The Lost Chambers Aquarium at Atlantis Sanya began rescuing, treating and caring for sea turtles from the seas around Hainan and nearby waters in 2018. When injured sea turtles are found, they are brought to the aquarium for physical and exercise rehabilitation. They are released back into the sea in front of the public after they have regained their viability. By 2023, a total of 23 sea turtles had been rescued, five turtle release events had been organized, and 9 rehabilitated turtles had been released into the sea.



Additionally, the aquarium actively contributes to the restoration of marine biodiversity by breeding rare and valuable marine species. In 2023, besides continuing to breed rare large marine creatures such as sharks and rays, the aquarium began to achieve success in breeding rare small creatures such as leopard sharks, white-spotted cat sharks, round ribbontail rays, cownose rays, Xisha yellow rays, dasyatis akajei and big-belly seahorses.

In January 2024, Atlantis Sanya worked with the BlueRibbon Ocean Conservation Association, the Haichang Marine Conservation Center, the Haitang District Agriculture and Rural Affairs Bureau, the coast guards, etc., to rescue a stranded short-limbed pilot whale. In this move, it provided veterinarians and nursing staff, stretchers, life floats, and b-ultrasonic instruments.

Atlantis Sanya participates in marine charity events

In June 2023, to celebrate the World Oceans Day, Fosun Foundation, the Education Department of Hainan Province, and Atlantis Sanya jointly hosted the "Emerging Visionaries Workshop". During this event, 36 representatives of the sponsored students took part in the exchange and sharing, craft making, marine garbage collection, and marine environmental protection workshop.



Atlantis Sanya also organizes employees to clean the beach every month to protect the marine environment.



Club Med develops an underwater exploration project

Since 2017, the Club Med Kani Resort has been working with MobiReef to develop an underwater exploration project. The project contributes to the protection of marine biodiversity by developing snorkeling routes, adapting artificial habitats for certain marine creatures, and improving the adaptability of marine life.

7.3.4 Spreading Marine Culture

Promoting the marine culture and injecting "green" power into the "blue" economy is an important part of our action to assume our corporate social responsibilities. Our Atlantis Sanya has planned and mounted campaigns that embody the marine culture to help tourists experience the splendor of the oceans in depth and to stimulate their concern of and interest in the sea.

Designing a virtual experience officer and incubating marine culture IP

In 2023, Xing Na, the first virtual mermaid experience officer in China that is introduced by Atlantis Sanya, made its debut in the Super Summer innovation project. As the first virtual experience officer in Hainan's cultural tourism, Xing Na will not only fuel the digitalization of marine cultural tourism and economy, but also create a new trend in the tourism market and convey the marine culture more effectively.



Atlantis Sanya hosts the 2023 China Mermaid Open Championship and promotes marine sports

During the Reporting Period, the 2023 China Mermaid Open Championship Atlantis Station sponsored by Fosun Tourism and hosted by Atlantis Sanya was a great success. More than 60 professional mermaid divers from many countries and regions, including China, the United States and Germany, participated in the event. The success of this competition contributes to popularizing mermaid diving and increasing the global influence of Chinese mermaid competitions. It supports Hainan's efforts to become an internationally famous destination of water sports and tourism.

Atlantis Sanya has introduced many water sports for tourists of all ages. The Atlantis Sanya Diving Club offers one-stop diving experience and training services, including more than 10 courses in scuba diving, free diving, mermaid diving and the like. The resort has many diving zones and swimming pools for training, including the Dolphin Islet, Shark Pool, and Ambassador Lagoon, providing divers at different skill levels with diving scenes of varying difficulty. In the future, Fosun Tourism will better utilize our advantage as a tourist destination to contribute to the development of marine sports.



Appendix

ESG Reporting Guide

KPI	Description	Section(s)	Pages
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.	Environmental Commitments and Management Policies	75
A1.1	The types of emissions and respective emissions data.	Climate Change and Energy Emission Management	81 93
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	Climate Change and Energy	81
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emission Management	93
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Emission Management	93
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Commitments and Management Policies Climate Change and Energy Emission Management	75 81 93
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Commitments and Management Policies Emission Management	75 93
A2	Use of Resource		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Climate Change and Energy Water Resource Utilization	81 82
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Climate Change and Energy	81
A2.2	Water consumption in total and intensity.	Water Resource Utilization	82
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Climate Change and Energy	81
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resource Utilization	82
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Responsible Procurement	136
A3	The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Commitments and Management Policies	75
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Protection	84

KPI	Description	Section(s)	Pages
A4	Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change and Energy	81
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change and Energy	81
B1	Employment		
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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Diversity and Equality	103
B1.1	Total workforce by gender, employment type, age group and geographical region.	Building a Diversified Working Environment	105
B1.2	Employee turnover rate by gender, age group and geographical region.	Building a Diversified Working Environment	105
B2	Health and Safety		
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 providing a safe working environment and protecting employees from occupational hazards.	Improving the Sense of Happiness	125
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Improving the Sense of Happiness	125
B2.2	Lost days due to work injury.	Improving the Sense of Happiness	125
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Improving the Sense of Happiness	125
B3	Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Promoting Employees' Personal Growth	118
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Promoting Employees' Personal Growth	118
B3.2	The average training hours completed per employee by gender and employee category.	Promoting Employees' Personal Growth	118

KPI	Description	Section(s)	Pages
B4	Labor Standards		
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 preventing child and forced labor.	Building a Diversified Working Environment	105
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Building a Diversified Working Environment	105
B4.2	Description of steps taken to eliminate such practices when discovered.	Building a Diversified Working Environment	105
B5	Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Procurement	136
B5.1	Number of suppliers by geographical region.	Supply Chain Management	133
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	133
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Procurement	136
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Procurement	136
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.	Responsible Operation	49
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not related	/
B6.2	Number of products and service related complaints received and how they are dealt with.	Consumer Services	61
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Code of Conduct and Compliance	27
B6.4	Description of quality assurance process and recall procedures.	Consumer Services	61
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection	68

KPI	Description	Section(s)	Pages
B7	Anti-corruption		
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.	Code of Conduct and Compliance	27
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.	Code of Conduct and Compliance	27
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Code of Conduct and Compliance	27
B7.3	Description of anti-corruption training provided to directors and staff.	Code of Conduct and Compliance	27
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.	Care for the Community	149
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Giving back to Society	147
B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving back to Society	147

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	2-4 Restatements of information	No Sgnificant Change	/
	2-5 External assurance	/	/
	2-6 Activities, value chain and other business relationships	Our Business	13
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	2-8 Workers who are not employees	Building A Diversified Working Environment	105
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	2-26 Mechanisms for seeking advice and raising concerns	Code of Conduct and Compliance Building a Diversified Working Environment Responsible Procurement	27 105 136
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	2-28 Membership associations	Our business	13
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	3- 2. Disclosures on material topics	Materiality Assessment	45
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	203-1 Infrastructure investments and services supported	Care for the Community	149
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GRI 207: Tax	207-1 Approach to tax	Code of Conduct and Compliance	27
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	207-3 Stakeholder engagement and management of concerns related to tax	Code of Conduct and Compliance	27
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GRI 301: Materials	301-1 Materials used by weight or volume	Not Applicable	/
	301-2 Recycled input materials used	Not Applicable	/
	301-3 Reclaimed products and their packaging materials	Not Applicable	/

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GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecological Protection	84
	304-2 Significant impacts of activities, products, and services on biodiversity	No significant impact	/
	304-3 Habitats protected or restored	Ecological Protection	84
	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	No impacted habitats	/
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Climate Change and Energy	81
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and Energy	81
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	305-4 GHG emissions intensity	Climate Change and Energy	81
	305-5 Reduction of GHG emissions	Climate Change and Energy	81
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable	/
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Not Applicable	/
GRI 306: Effluents and Waste	306-1 Waste generation and significant waste-related impacts	Emission Management	93
	306-2 Management of significant waste related impacts	Emission Management	93
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	401-3 Parental leave	Improving the Sense of Happiness	125
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	Strictly abide by relevant national / regional laws and regulations	/
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Safety Protection Improving the Sense of Happiness	51 125
	403-2 Hazard identification, risk assessment, and incident investigation	Improving the Sense of Happiness	125
	403-3 Occupational health services	Improving the Sense of Happiness	125
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	403-5 Worker training on occupational health and safety	Safety Protection Improving the Sense of Happiness	51 125
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	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Improving the Sense of Happiness	125
	403-8 Workers covered by an occupational health and safety management system	Safety Protection Improving the Sense of Happiness	51 125
	403-9 Work-related injuries	Improving the Sense of Happiness	125
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GRI 404: Training and Education	404-1 Average hours of training per year per employee	Promoting Employees' Personal Growth	118
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GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Building a Diversified Working Environment	105
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Building a Diversified Working Environment Responsible Procurement	105 136
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Glossary

GRI Standards	Disclosure Title	Section(s)	Page
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GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Building a Diversified Working Environment	105
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	No related events occurred	/
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Care for the Community	149
	413-2 Operations with significant actual and potential negative impacts on local communities	No significant impact	/
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Responsible Procurement	136
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Procurement	136
GRI 415: Public Policy	415-1 Political contributions	No political contribution	/
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Safety Protection	51
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No related events occurred	/
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Consumer Services Responsible Procurement	61 136
	417-2 Incidents of non-compliance concerning product and service information and labeling	No related events occurred	/
	417-3 Incidents of non-compliance concerning marketing communications	No related events occurred	/
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related events occurred	/

Abbreviations	Full Names
Aquarium	The Lost Chambers Aquarium in Atlantis Sanya
Atlantis Sanya	The tourism destination established by the Group on the Haitang Bay National Coast of Sanya, Hainan province, PRC
Taicang Alps Resort	Our one-stop destination in Taicang, China
Lijiang Club Med Resort	Our one-stop international travel destination in Lijiang, China
Audit Committee	Audit committee of the Board
Bed Capacity	Bed capacity for the number of beds available during the operational period of the hotel (without regard of the actual number of rooms occupied)
Board	Board of Director of the Company
BREEAM	Building Research Establishment Environmental Assessment Method
Corporate Governance Code	The Corporate Governance Code set out in Appendix 14 to the Listing Rules
China or PRC	The People's Republic of China, but for the purposes of the Report and for geographical reference only, unless the context otherwise requires, excluding Hong Kong, the Macau and Taiwan
Club Med	A global leisure and tourism resort of the Group featuring the idea of all-inclusive creative holidays
Company or Our Company	Fosun Tourism Group (formerly known as Fosun Tourism and Culture Group (Cayman) Company Limited), an exempted company with limited liability incorporated in the Cayman Islands on 30 September 2016
Director(s)	The director(s) of the Company
EBITDA	Earnings before interest, tax, depreciation and amortization
Fosun Group	Fosun International Limited and its subsidiaries
Strategy Committee	Strategy Committee of the Board
GE	A Gentil Employé is a Club Méditerranée employee, originating in the country where the village is located. Their job is in a fixed location and they have a status different from that of a GO®
GM®	Gentil Membre: Club Med customer
GO®	Gentil Organisateur: a Club Med employee in direct contact with customers. A Gentil Organisateur is above all a link creator within the village
HACCP	Hazard Analysis and Critical Control Points
LEED	Leadership in Energy and Environmental Design
Foryou Club	Our member management system in China, the management and operation of the system is aimed to provide the members and customers registered under the FTG ecosystem with services and activities

Readers Feedback Form

Thank you for reading the Group's "2021 ESG Report". In order to provide more valuable information to the Group's stakeholders and improve its ability and level of fulfilling social responsibilities, the Group would welcome any feedback or suggestions you might have about the Report.

You can send this form to any of the following:

E-mail address: fosunholiday.esg@fosunholiday.com

How would you rate the Group's 2023 ESG Report?

Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

How would you rate the economic, social and environmental responsibilities of the Group?

Economic responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Social Responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Environmental responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied

Please rate the effectiveness of the Report in reflecting the economic, social and environmental impact the Group has brought about through its social responsibility practices.

Excellent Good Fair Poor Terrible

How would you rate the clarity, accuracy and completeness of the information, data and indicators the Report has disclosed?

Clarity	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Accuracy	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Completeness	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied

Do you find the Report in easy-to-read contents and formatting?

Yes Neutral No

Feel free to share any comments or suggestions you may have on the Group's ESG work and the Report:

Abbreviations	Full Names
The Group, Fosun Tourism Group, We (or us), or Fosun Tourism	Our Company and our subsidiaries at the relevant time or, where the context so requires, or if the context requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
Listing	Listing of shares on the Main Board
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended or supplemented from time to time
Main Board	The stock market (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with GEM
Mini Club Med	The brand for learning and playing club for children
Reporting Period	1 January 2023 to 31 December 2023
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Waterpark	The Aquaventure Waterpark in Atlantis Sanya
Fosun Foundation	Established in November 2012, Fosun Foundation's business activities include: natural disaster relief; poverty alleviation and helping the physically challenged people; financial assistance offered for cultural and educational corporate social responsibility projects, to young entrepreneurs and for youth employment and other corporate social responsibility causes
Nomination Committee	Nomination Committee of the Board
Remuneration Committee	Remuneration Committee of the Board
ESG	Environmental, Social and Governance
ESG Report, our Report, the Report	Environmental, Social and Governance Report
ESG Reporting Guide	Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules of Hong Kong Stock Exchange
GRI Standards	GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB)
EHSQ	Environment, Health, Safety and Quality
EHS	Environment, Health and Safety