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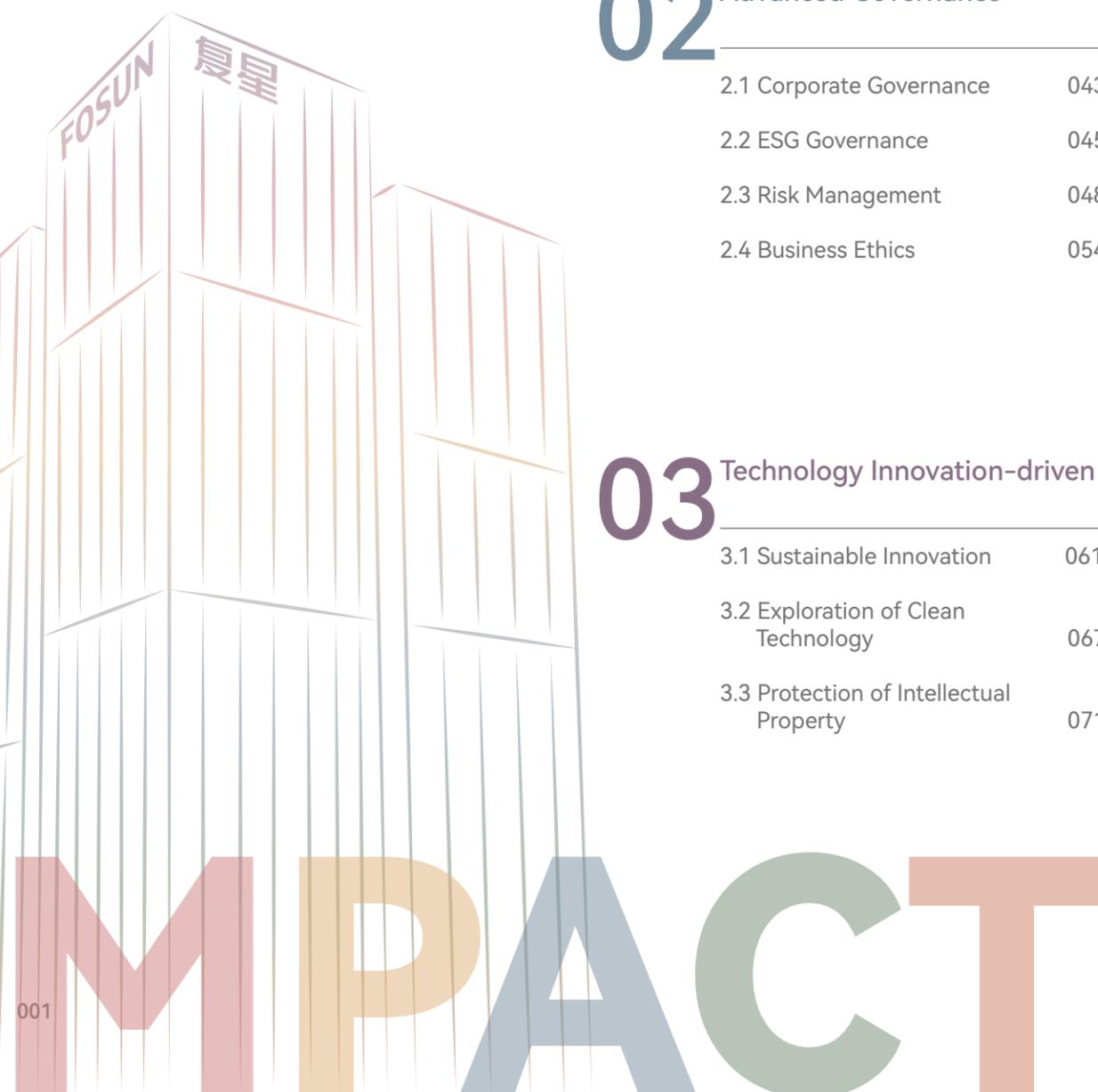
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## About This Report

The Company hereby issues the *Environmental, Social and Governance Report 2023* to elaborate the Group's strategies, policies, measures, and achievements on sustainable development to stakeholders during the Reporting Period in an objective manner.

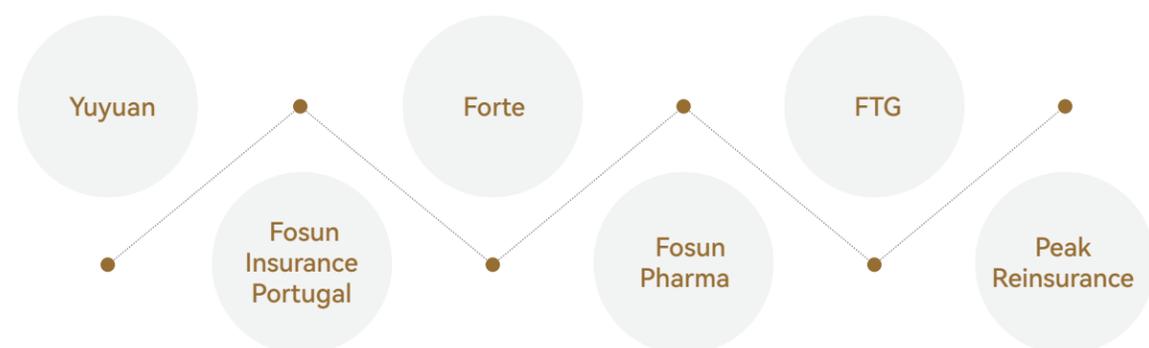
### Reporting Period

The Report is the eighth annual ESG Report released by the Company. The *Environmental, Social and Governance Report 2022* for the previous Reporting Period was released on 28 April 2023.

### Scope of the Report

The Report covers the ESG performance of four business segments operated by the Group: Health, Happiness, Wealth, and Intelligent Manufacturing during the period from 1 January 2023 to 31 December 2023. Description in some parts of the Report goes beyond the above period.

In accordance with the relevant definition regarding the significant member company in the Listing Rules and the principle of above 2/3 accumulated equity attributable to owners of the parent of the Group, we selected 6 member companies besides the Company to be included in the reporting scope as principle ESG KPIs in this Report in all ESG aspects; part of the description is beyond the above-stated reporting scope. The 2023 revenue of subsidiaries finally included in the disclosure scope of this Report accounted for more than 79% of the Company's revenue.



In addition, considering that Hainan Mining has relatively high risk exposure in EHS, the Group also included them into the scope of EHS related contents in this Report.

### Standards of the Report

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

### Principles of the Report

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

**“Materiality”**: Key stakeholders were identified and key ESG topics were determined through stakeholder engagement and materiality assessment in the course of the Report preparation.

**“Quantitative”**: This Report uses quantitative data to present KPIs at the environmental and social aspects, explaining its purpose and impacts. We also provide comparative data on KPIs in the Report.

**“Consistency”**: The statistical and KPIs 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.

### Notes to the Report's Data

The financial data of the Report all comes from the Group's consolidated financial statements for year ended 31 December 2023, which have been independently audited by Ernst & Young, while other data is sourced from internal statistical reports and official documents of the Group. If the financial data of the Report not consistent with that of the Group's consolidated financial statements, the latter shall prevail.

### Report Availability

The electronic form of the Report is available on the Company's ESG Page (<https://en.fosun.com/esg/report.html>), and the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>).

### Contact Information

Fosun encourages all stakeholders to provide feedback and make suggestions on the Group's ESG matters. For any related enquiries, please contact [esg@fosun.com](mailto:esg@fosun.com).

# Chairman's Statement



In 2023, a year full of opportunities and hopes, Fosun continued to uphold the original aspiration of "Contribution to Society", endeavoring to create happier lives for families worldwide. No matter how the world changes, Fosun always believes that people's pursuit of a brighter life remains unchanged, and we will keep pushing towards this direction.

Guo Guangchang

Chairman

After more than three decades of development, Fosun has now become a global innovation-driven consumer group with businesses in more than 35 countries and regions. While striving for business growth, Fosun remains committed to sustainable development. This year, we formulated the sustainable development strategy: "Create Impact" and identified six major long-term strategic directions. Leveraging our industrial advantages and harnessing the "multiplier growth" of our global industrial ecosystem, we strive to create a better world.

In the post-pandemic era, the macro environment remains challenging, and the international situation is still volatile, posing new challenges for global sustainable development and industry operations. However, we have made significant progress in fulfilling our unwavering commitment to sustainable development. In 2023, Fosun International received an MSCI ESG rating of AA for three consecutive years, and the HSI ESG rating was upgraded to AA-. In addition, Fosun ranked among the top 6% of global peers in the S&P Global Corporate Sustainability Assessment (CSA) and was included in S&P Global's *Sustainability Yearbook 2024* and recognized as an "Industry Mover" for our outstanding performance.

As a participant in the United Nations (UN) Global Compact for ten consecutive years, Fosun, with a more than three-decade legacy of operations, fully supports the ten principles of UN Global Compact in the areas including human rights, labor, environment, and anti-corruption, relentlessly integrating such principles into Fosun's ESG strategies and actively engaging its member companies in the implementation of ESG strategies.

Fosun adheres to the technology innovation-driven strategy to make greater contribution to society. We have built up profound technology innovation capabilities through the continuous accumulation of experience at our businesses and investment in research and development ("R&D"). We combine the needs of society, continue to implement the innovation-led strategy and build a global ecosystem that is empowered by technology innovation, thereby enabling the Group's businesses to achieve innovative results, and delivering Fosun's products and services to more people through our global operating network.

In 2023, we made new breakthroughs in the development of anticancer and antimalarial drugs, benefiting patients with cancer and severe malaria patients in Africa. Our Rural Doctors Program has covered 78 key rural revitalization counties in 16 provinces, municipalities, and autonomous regions across the country. A total of 371 staff have been sent to counties to provide assistance, supporting 25,000 rural doctors and benefiting 3 million grassroots families.

We remain steadfast in our commitment to environmental protection. This year, we actively pursued our carbon neutrality goal and prepared our second Climate Information Disclosures Report. In addition, we have formulated and issued the *Fosun Group Carbon Neutrality Management Manual* to promote the construction of the Group's "1+N" system at the policy level. We encourage member companies to carry out climate actions such as setting emission reduction and carbon neutrality targets, conducting value chain carbon inventory and product carbon footprint certifications, and promoting energy-saving and emission reduction initiatives. By doing so, we boost the realization of the Group's carbon peaking and carbon neutrality goals in an overall manner. We also support our suppliers in practicing the sustainable development concept and implementing the decentralized inventory strategy to build resilience against climate risks across the supply chain.

We always uphold the core value of "people-oriented" and place a strong emphasis on the health and well-being of our employees, striving to foster a diverse, inclusive and caring culture. In addition to employee care, we are committed to giving back to society and helping as many people as possible. Integrating and leveraging resources from Fosun's ecosystem and global operations, we join hands with member companies to launch public welfare activities at multiple dimensions, levels, and categories, contributing the power of Fosun in key areas such as emergency relief, health promotion and poverty alleviation, youth entrepreneurship, education, community building, and culture and art. At the beginning of 2023, Fosun officially incorporated the half-day public welfare leave policy into the Group's employee manual. Since its implementation one year ago, a total of more than 4,500 Fosun employees at home and abroad have participated in public welfare activities in various fields, amounting to 34,476 hours.

Fosun remains true to the original aspiration, striving to strengthen the enterprise's development, create more employment opportunities, create value for society, fulfil corporate social responsibilities, and take good care of stakeholders including employees, customers, and the community. The year 2023 brought us many surprises and gave us more to look forward to in 2024. We believe that our ESG efforts will lead to a better world. We also believe that people's pursuit of a brighter life will definitely drive the market to further release more vitality in the new year.

# Board Statement

The Board and all directors of the Company confirm that the information in this 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:

## Governance Framework

The Board bears ultimate responsibility for the ESG strategy and management of the Company, regularly discusses and reviews the ESG risks, opportunities, performance and progress of the Group. In order to further strengthen the management of ESG matters, at the governance level, the Company has set up an ESG Board Committee to assist the Board in guiding and overseeing the Group's ESG development and the implementation; at the management and decision level, the Company has set up an ESG Executive Committee to provide decision support for the implementation of ESG strategy.

The Company has also set up an ESG Management Committee and an ESG Working Group to implement ESG strategies and related actions and ensure the establishment of appropriate and effective ESG risk management and internal control system. For detailed information about the Company's governance framework, please refer to the section [2.2 ESG Governance](#) in the Report.

## Management Approach and Strategy

The Group regularly carries out materiality assessment, conducts extensive and in-depth communication with all stakeholders through various channels, and analyzes, identifies, evaluates, and ranks material ESG issues (including risks to the Group's business) of concern to all stakeholders. In 2023, the Group reviewed the materiality assessment results of the previous year and confirmed the impact of the 24 ESG key issues and continued to respond.

Our Board, ESG Board Committee, ESG Executive Committee and ESG Management Committee have conducted active management on a range of material issues, including customer privacy and data security, business integrity and supervision, product quality and safety, climate change mitigation and energy management, employee health and safety, employee interests and caring, customer service and satisfaction, etc. and management approaches to those material issues aforementioned are discussed in detail in the Report. For detailed information about the Company's management approach and strategy, please refer to the sections [Campaign: Unity of Knowledge and Action to Create A Sustainable Impact](#) and [1.2 Materiality Assessment](#) in the Report.

## Goals Review

ESG strategies and goals have been set and reviewed by the Company to manage the Group's ESG impact, and to integrate sustainability into relevant business operations. The Company's ESG Management Committee conducts periodic reviews on ESG strategies and goals, the progress made against ESG-related goals and achievements. For detailed information about the Company's performance review, please refer to the section [1.3 Goals and Performance](#).

Looking ahead, the Board will continue to optimize the ESG management of the Company, actively respond to concerns of our stakeholders, formulate corresponding action plans, regularly review the progress of the relevant objectives and facilitate the improvement of ESG management, working to fulfil our vision of "Self-improvement, Teamwork, Performance and Contribution to Society".



# An Introduction to Fosun

## Overview of the Group

The Company was listed on the Main Board of the Hong Kong Stock Exchange with stock code 00656 in 2007. Upholding the cultural values of “Self-improvement, Teamwork, Performance and Contribution to Society” and adhering to the mission of “Creating happier lives for families worldwide”, Fosun achieved rapid development by capitalizing on the economic development momentum of China and worldwide and investing in the fast-growing industries in different stages.

**Mission** Creating happier lives for families worldwide.

**Vission** Rooted in China, creating a global happiness ecosystem fulfilling the needs of one billion families in health, happiness and wealth.

## Business Segments

Throughout its more than three decades of development, the Group’s original aspiration of “Contribution to Society” remains unchanged. Riding the everchanging macroeconomic situation and emerging business opportunities, the Group has evolved together with China and global economies and has developed itself into a global innovation-driven consumer group that focuses on the sustainable development of business segments such as Health, Happiness and Wealth. The Group has accumulated profound experience and built up capabilities in the fields of global operations, technology & innovation, business ecosystem and FES<sup>1</sup> management system, building up its core businesses that can bring stable, synergistic and sustainable growth. The Group presses ahead with the “profound industry operations + industrial investment” strategy to continuously accelerate its strategic focus, consolidate its asset base, and provide high-quality products and services to families around the world while enhancing its global competitiveness.

Since 2020, the Group has reinforced its focus on household consumption as the priority sector based on its existing business presence, and has gradually divested non-strategy and non-core businesses. The Group has continuously improved operational capabilities of core subsidiaries and increased investment in scientific research and development (“R&D”) to seize global development opportunities. Despite the challenges posed by the global economy and capital markets in the past several years, the Group has maintained an upward trend in terms of overall business performance, attesting to the quality and resilience of the Group’s asset base.

<sup>1</sup>Fosun Entrepreneurship/Ecosystem System (“FES”) refers to a business management system with high management efficiency that continuously evolves in practice in order to build the core competitiveness of a time-honoured enterprise and cultivate talents with Fosun’s entrepreneurial spirit.

## Health Segment

The Health segment of the Group focuses on the ecosystem of pharmaceutical business (Fosun Pharma, Shanghai Henlius and Gland Pharma), devices and diagnosis (Sisram Medical Ltd) and healthcare services and consumption (Fosun Health). It adheres to the “4 IN” strategy (Innovation, Internationalization, Integration and Intelligitization) to continuously improve its product competitiveness and brand value.

## Happiness Segment

The Group directs its focus on addressing the happiness-oriented consumption needs of family customers. Through the twin-driver strategy of “profound industry operations + industrial investment”, the Group builds a globalized happiness ecosystem covering the whole value chain of the industry. Centering on brand consumption and tourism culture, the Group actively organizes teams of customers, products and marketplaces to meet customer needs directly. The platforms within the brand consumption business include Yuyuan, Lanvin Group and Fosun Sports, which engage in businesses such as fashion jewelry, liquor and spirits, C-end platforms, fashion brands, food, catering, beauty and health, sports, cultural business and pet care. Meanwhile, FTG is the platform for the tourism and leisure business, engaging in four businesses segments including “Club Med and Others”, “Atlantis Sanya”, “Vacation Asset Management Center”, and “Foryou Club and Other Services”.

## Wealth Segment

The Group’s Wealth segment mainly consists of financial services with insurance as the core business. On the basis of achieving synergy between insurance and asset allocation, it leverages the Group’s profound industrial operation capabilities and global investment capabilities to build an ecosystem of its global asset management businesses, thereby contributing to the industrial advancement of the Health, Happiness and Intelligent Manufacturing segments. The Wealth segment is divided into two major business segments, namely insurance (includes overseas and domestic insurance businesses, with major member companies including Fosun Insurance Portugal and Peak Reinsurance) and asset management (covers investment and property).

## Intelligent Manufacturing Segment

The Group’s Intelligent Manufacturing segment, which mainly focuses on strategic resources, functional new materials and intelligent manufacturing industries, will continue to consolidate and enhance its industrial position. The Group’s mineral oil and gas resources business, represented by Hainan Mining, continues to maintain steady growth; while its new materials business, represented by Wansheng, continues to maintain its position as a leading player in the sub-sector. At the same time, with the vigorous development of intelligent manufacturing services represented by Easun Technology, other companies under the Group’s Intelligent Manufacturing segment are expected to benefit from the rapid development of the industry.

Please refer to the [2023 Annual Report](#) for detailed business performance and prospects.



## Awards & Accolades

Rating Agency	Introduction	2023	2022	2021
  	<p>Launched in 1999, the S&amp;P Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies' sustainability practices. Fosun International's S&amp;P Global CSA ESG score continues to rise, outperforming global peers. Its CSA score ranked among the top 6% of its peers around the world.</p>	68 scores	56 scores	39 scores
	Member of the <i>Sustainability Yearbook</i>	Included in the <i>Sustainability Yearbook 2024</i> by S&P Global	Included in the <i>Sustainability Yearbook 2023 (China Edition)</i> by S&P Global	/
	"Industry Mover" Emblem	Awarded	Awarded	/
	<p>MSCI ESG Ratings aim to measure a company's resilience to long-term ESG risks. The "AA" rating highlights the capital market's recognition of Fosun International's ESG management performance and long-term investment value. Fosun International is the only conglomerate in Greater China with an MSCI ESG rating of AA as of today.</p>	AA	AA	AA
	MSCI China ESG Leaders 10/40 Index	Included	Included	Included
	FTG, one of our member companies, became the only MSCI AAA-rated company in hotel and travel industry in Greater China region.	AAA	AAA	AA
 	<p>FTSE4Good Index Series, launched in 2001, is the first series of indexes designed to measure the performance of companies that meet globally recognized corporate responsibility standards. Fosun International's FTSE ESG rating continued to rise, and was selected as one of the constituents of FTSE4Good Index Series for two consecutive years.</p>	Member	Member	/
	<p>Fosun International has been selected as a constituent of several Hang Seng indexes due to its excellent sustainability performance.</p>	AA-	A	A
 	Hang Seng Corporate Sustainability Index	Included	/	/
	Hang Seng (Mainland and HK) Corporate Sustainability Index	Included	/	/
	Hang Seng Corporate Sustainability Benchmark Index	Included	Included	Included
	Hang Seng ESG 50 Index	Included	Included	Included

## Relevant ESG Awards Received by Fosun International in 2023:

Name of Award	Awarding Party
Ranked third on the list of "2022 Hurun China Private Companies SDG Readiness 100"	Hurun Research Institute
"Asia's Best CSR", "Asia's Best CEO" and "Best Corporate Communications" at the 13th Asian Excellence Award	<i>Corporate Governance Asia</i>
Ranked fifth overall among "China's Top 100 ESG Listed Companies" and first in the composite industry	The Financial Program Center of China Media Group, together with the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce, the Institute of Economics of the Chinese Academy of Social Sciences, the China Enterprise Reform and Development Society, and other authoritative organizations and departments
Won the "Most Honored Company" at the "2023 All-Asia Executive Team" Rankings. Also received 10 accolades, including Best Board of Directors, Best CEO, Best CFO, Best ESG, Best IR Program, Best IR Team, and Best IR Professional in the Small & Midcap category	<i>Institutional Investor</i>
"Pioneering Organization in ESG Disclosure Contribution"	Hong Kong Quality Assurance Agency
Ranked third in the list of "2023 China Top 100 Sustainable Enterprises"	<i>2023 China Corporate Sustainability Index Report</i> released by China Business Council for Sustainable Development and China Enterprise Confederation/China Enterprise Directors Association
"Holding Group Brand of the Year Asia 2023", "Best Sustainable Development Company Asia 2023" and "Best CSR Company Asia 2023"	<i>Global Banking and Finance Review</i>
"Excellence in Environmental Positive Impact"	Hong Kong ESG Reporting Awards 2023, supported by the Environment Bureau and InvestHK under the Government of the Hong Kong Special Administrative Region and organized by Hong Kong ESG Reporting Awards
"Best Environmental, Social and Governance Reporting Award" at the "2023 Best Annual Reports Awards"	Hong Kong Management Association
"Best in ESG Practice" and "Best in ESG Report"	Television Broadcast Limited (TVB)
"Platinum Award" at "The Asset ESG Corporate Awards 2023", the "Best Sustainability Team Award", and the "Best Investor Relations Team Award"	<i>The Asset</i>
"Top Ten Responsible Privately-owned Enterprises"	Blue Book of Corporate Social Responsibility 2023
"ESG Leading Enterprise Awards" in the Category I - Market Capitalization over HKD20 Billion	<i>Bloomberg Businessweek/Chinese Edition</i>
"Forbes China ESG Innovation Enterprises"	<i>Forbes China</i>
"Top 10 Dual Carbon Goal Activists"	<i>Southern Weekend</i>

## 2023 Key Performance Highlights

Aspects	KPIs	2023	2022	2021	Unit
Financial	Total assets	808,387.6	806,376.2	806,277.6	RMB Million
	Revenue	198,200.3	182,425.8	161,291.2	RMB Million
	Profit before tax	7,871.7	10,691.4	24,643.8	RMB Million
	Tax	2,524.6	7,694.8	7,564.7	RMB Million
	Research and development costs	4,882.9	4,911.7	4,193.1	RMB Million
	Research and development costs/ sales ratio	2.5	2.8	2.6	%

Aspects	KPIs	2023	2022	2021	Unit
Environmental	Number of member companies obtained the environmental management system certification	26	21	19	Companies
	Number of member companies obtained the energy management system certification	11	10	5	Companies
	EHS inspection times	9,743	6,727	9,470	Times
	EHS training completion rate	100	100	100	%
	Energy consumption intensity	22.8	24.2	26.0	MWh/ RMB Million of Revenue
	GHG emission intensity (Scope 1 and Scope 2)	9.6	10.4	11.2	tCO <sub>2</sub> e/RMB Million of Revenue
	Water consumption intensity	160.5	166.4	184.6	Tonnes/ RMB Million of Revenue
	Green Building Certifications	48	43	35	Certificates

Aspects	KPIs	2023	2022	2021	Unit
Social	Response rate of customer complaints	100	100	100	%
	Resolution rate of customer complaints	100	98	95	%
	Total energy and environmental protection investment	>200	>200	>150	RMB 100 Million
	Percentage of suppliers received credit investigations through a third party	100	100	100	%
	Total number of employees	Approximately 108,000	Approximately 108,000	Approximately 96,000	Persons
	Proportion of female employees	49.2	49.2	48.2	%
	Percentage of employees received regular performance and career development reviews	100	100	100	%
	Global Partner <sup>2</sup>	Approximately 150	Approximately 150	>140	Persons
	Accumulative training time	3,230,218	3,273,275	1,505,959	Hours
	Employee training rate	85	83	71	%
	Female employee training rate	79	78	69	%
	Number of member companies obtained occupational health and safety management system certification	26	18	18	Companies
	Number of member companies obtained quality management system certification (ISO 9001/HACCP)	21	9	9	Companies
Total time of public welfare participation of all employees <sup>3</sup>	34,476	45,787	20,416	Hours	

<sup>2</sup> It is different from the legal concept of "partner" in partnership enterprises.

<sup>3</sup> total time counted for 2021 reflect only those employees working on-site for the Rural Doctors Program.

# Campaign: Unity of Knowledge and Action to Create a Sustainable Impact



## Our Commitment

Since its establishment, Fosun has defined its corporate values of “Self-improvement, Teamwork, Performance, and Contribution to Society”, which are also the original aspirations of Fosun.

The value of Fosun lies not only in the pursuit of business profits, but also in what Fosun creates for customers, for society, for the country, and for the happier lives of families worldwide. Today, Fosun not only strives to create jobs for employees, pay taxes to governments, and create wealth for society, but also stays true to its original aspirations of “Performance and Contribution to Society”. We have determined to increase our investment in uncharted areas, take a more responsible approach to our operations, and assume greater responsibility for creating a better world.

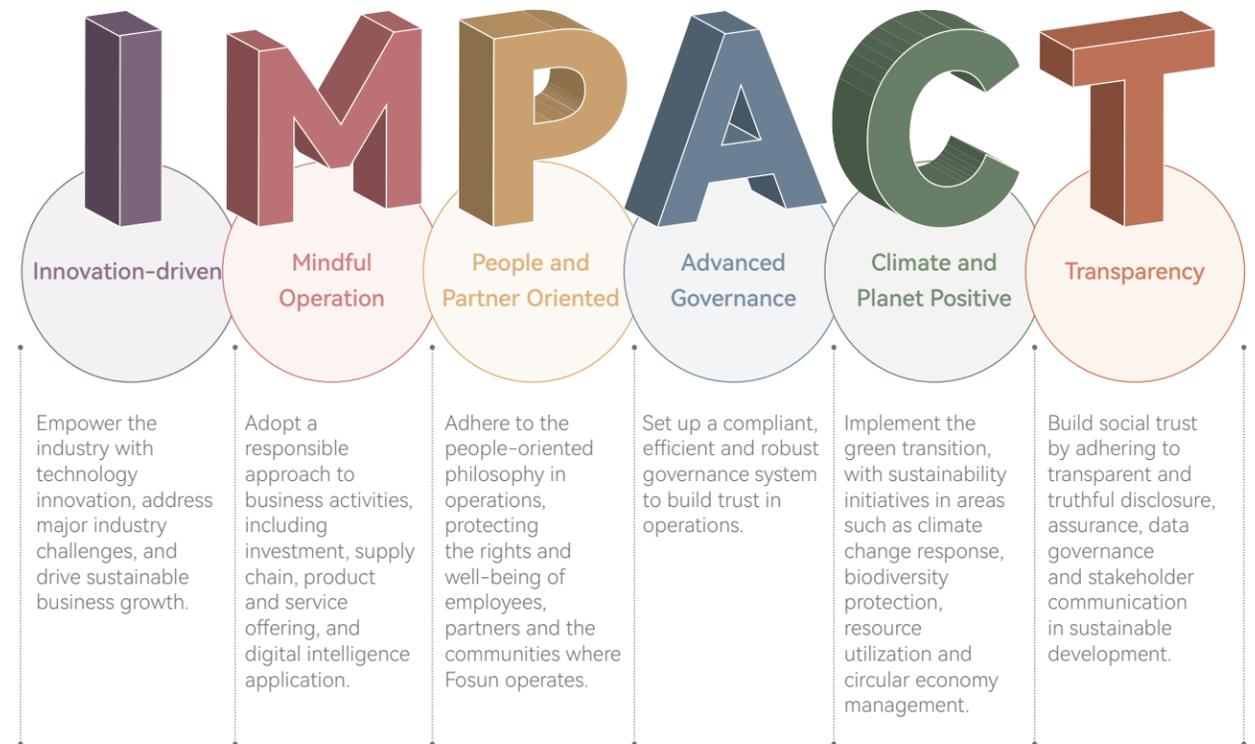
This year marks the 10th anniversary of Fosun International’s joining the UN Global Compact. From our humble beginnings in 2014 to where we are now, we are filled with pride and gratitude. Over the past decade, we have integrated the ten principles of the UN Global Compact on human rights, labor, environment and anti-corruption into our corporate strategy and operations to ensure responsible business practices. We are committed to collaboration and innovation, taking strategic action to address global issues such as education, equity and health, and contributing our efforts as a business. Today, more than 24,000 UN Global Compact participants from nearly 170 countries joined hands with Fosun to fulfil the global commitment to sustainable development and to achieve the UN SDGs.

## Rethinking, Innovation and Change

Fosun believes that all difficulties on the road to global operation can be overcome through cooperation based on common goals. Therefore, Fosun, which operates globally, actively listens and responds to the suggestions and requirements of stakeholders and partners. In 2023, we received much recognition of Fosun’s ESG practices from government, investors and media. Specifically, we proactively communicated and learned about the concerns and needs of our employees, communities, and partners. In addition, we took a more active role in industry collaborations and discussions, exchanging ideas with peers on the challenges, opportunities, and corporate responsibilities for sustainable development.

Today, it is no longer difficult for companies to strike a balance between “efficiency” and “fairness” in doing business. When a company plans sustainable development actions from a top-down strategic perspective and encourages all employees, regardless of their region, culture, expertise, or age, to work together to create a sustainable impact, it can maximize the alignment between the two goals and achieve healthier and more sustainable returns.

Over the past year, we have conducted all-round analysis and research on sustainable development trends, risks and opportunities in our business and listened to the voices of a wide range of internal and external stakeholders. The efforts and creative thinking of Fosun and various stakeholders have been embedded in our sustainable development strategy of “Create Impact” and code of conduct.



The “Create Impact” strategy, focusing on six directions, is derived from Fosun’s original aspiration and is a guarantee of the long-term ESG practices.

With the increasingly sophisticated global industrial ecosystem, we carry out responsible operation in more than 35 countries and regions, actively contributing to public well-being and sustainable value creation worldwide. We will continue to solidify Fosun’s leadership in sustainable development through innovation and action. Guided by our sustainable development strategy of “Create Impact”, we will step up efforts in creating a more responsible, inclusive and sustainable future.

## Our Energy

In Fosun's "global organization + local operations" business model, the cross-regional, cross-cultural and cross-organizational operational capability has been tightly combined with the "Create Impact" strategy. From each of six directions of the "Create Impact" strategy, we picked a representative member company that are ESG leaders in Fosun's industrial ecosystem to share their leading practices of implementing the strategy.

Member company	Located in	ESG highlights	SDGs addressed	I Innovation-driven
Guilin Pharma	China	R&D and Innovation	 	

Guilin Pharma was founded in 1958. Over the years, it has focused on the research and development, production, and sales of artemisinin-based drugs and antimalarial products, radiating in the fields of anti-infection, cardiovascular, and digestive systems.

As of the end of the Reporting Period, Guilin Pharma has 33 antimalarial pharmaceutical products prequalified for production by the WHO (WHO-PQ) and became an antimalarial product manufacturer which received the most such certification. Guilin Pharma has the Artesun® (artesunate for injection), a proprietary innovative drug with full intellectual property, which has been recommended by WHO for the treatment of severe malaria and has now become the international gold standard for the treatment of severe malaria and is known as the "malaria fighter". Guilin Pharma has introduced international advanced technology and equipment in accordance with the current GMP requirements of the US FDA, the EU, and the WHO, to build an artemisinin industry base that meets international standards. As of the end of 2023, the artesunate for injection produced by Guilin Pharma has treated more than 68 million malaria patients worldwide and up to 258 million children in African countries have used oral antimalarial drugs.

Member company	Located in	ESG highlights	SDGs addressed	M Mindful Operation
Club Med	France	Sustainable operation of resorts	 	

Founded in 1950 in France, Club Med is a world-renowned experiential and one-stop all-inclusive leisure and vacation services provider centered around family, with sales and marketing operations in more than 40 countries and territories on six continents, and operates 68 resorts.

Club Med launched "Happy to Care" sustainable development strategy in 2017, and integrated the concept of sustainable development into all aspects of resorts operation. We continue to fulfil our commitment to sustainable development through green operations, nature conservation and community building. As of the end of the Reporting Period, 86% of Club Med's eligible resorts have received Green Globe eco-certifications. Club Med has built greener and healthier resort environment by reducing plastic products and food waste. Besides, it has been improving the lives of local residents by accelerating local procurement and implementing the "Green Farmers Project", so as to build a harmonious community.

Member company	Located in	ESG highlights	SDGs addressed	P People and Partner Oriented
Paref	France	Employee Well-being	 	

Founded in 1991, Paref is a company listed on the Euronext N.V (Paris) with a focus on commercial and residential real estate investment and third-party fund management.

Paref cares about the work-life balance of its employees and has a clear flexible working policy that allows each employee to work remotely maximum of two days a week with a tracking/monitoring tool to enhance team work. As a global signatory to the United Nations Women's Empowerment Principles (WEPs) and a signatory of the Charter of Commitment to Gender Parity and Equality in the Real Estate Sector, Paref is also active in promoting gender equality in the workplace, including diversified employment strategies, gender-neutral pay and equal career development opportunities, and has been awarded a score of 94 (out of 100) in the [Professional Equality Index](#) assessment for two consecutive years. In 2023, Paref was awarded the "2023 Happy Work Index" logo by "ChooseMyCompany" in recognition of the company's efforts to bring happiness and fulfilling work experiences to its employees. Paref is also actively involved in collaborating with external charitable organizations and NGOs, such as launching a sanitation project in two schools in Phnom Penh, Cambodia in 2022, which will provide more than 1,500 children with access to clean water.

Member company	Located in	ESG highlights	SDGs addressed	A Advanced Governance
Peak Reinsurance	Hong Kong, China	Comprehensive Risk Management		

Peak Reinsurance is a global reinsurance company headquartered in Hong Kong, China, serving 395 clients across 56 markets.

The three lines of defense model underpins Peak Reinsurance's governance and risk management framework. At the same time, Peak Reinsurance is constantly striving to improve the protection of the personal and business data that it holds and bolster its data protection and information security framework and practices. It further increased its level of compliance monitoring and effectively delivers its group compliance e-training program to keep its staff abreast of sound and proper compliance practices. All employees at Peak Reinsurance are required to complete mandatory e-training on key compliance topics, including Anti-Money Laundering and Sanctions, Data Protection, Information Security & Cyber Risk Awareness, Anti-Bribery and Anti-Corruption, Diversity, Equality and Inclusion, and Code of Conduct.

Member company	Located in	ESG highlights	SDGs addressed	
Tom Tailor	German	Green Value Chain	 	<div style="background-color: #4F7942; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;"> <span style="font-size: 24px; margin-right: 5px;">C</span> <span style="color: white; font-size: 12px; text-align: left;">Climate and Planet Positive</span> </div>

Tom Tailor, a fashionable lifestyle brand based in Hamburg, Germany, with over 13,000 points of sale in 45 countries, has grown into a family of brands inspired by a vision of modernity, coziness and relaxation.

Tom Tailor adheres to a responsible and sustainable approach to raw material sourcing and production, such as adopting 3rd party certification standards for the more sustainable product range and implementing the EIM score for the environmental improvement of the denim jeans production. Jeanologia's Environmental Impact Measurement Standard (EIM Score) evaluates every Tom Tailor denim according to four categories: water & energy consumption, chemical use, and workers health. Tom Tailor has set a goal of "achieving 100% of low impact denims by 2025". Through active management of the environmental impact of its value chain activities and close collaboration with its suppliers and other partners, Tom Tailor has set an aggressive science-based carbon reduction target, committed to a 30% reduction in absolute greenhouse gas emissions from the Scope 3 by 2030 (with 2019 as the base year), which was approved by SBTi, to further enhance corporate climate change resilience.

Member company	Located in	ESG highlights	SDGs addressed	
Fosun Insurance Portugal	Portugal	Non-Financial Information Reporting	 	<div style="background-color: #C85A3D; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;"> <span style="font-size: 24px; margin-right: 5px;">T</span> <span style="color: white; font-size: 12px; text-align: left;">Transparency</span> </div>

As a significant global player in the Portuguese insurance market, Fosun Insurance Portugal has a well-established business and product lines. Thanks to the largest and most diversified insurance sales network in Portugal, Fosun Insurance Portugal has formed a strong distribution system with a presence in 11 countries in Europe, Asia, Africa and the Americas.

Fosun Insurance Portugal is establishing a non-financial information disclosure management system. With the increasingly stringent non-financial information and sustainability financial disclosure requirements in the pan-European Union and the countries in which it operates, Fosun Insurance Portugal timely adjusts its disclosure management model and non-financial information reporting practices according to the existing and emerging disclosure requirements in order to respond to the expectations of its stakeholders. Fosun Insurance Portugal continues to enhance the transparency and truthfulness of disclosure of sustainable financial practices and impacts by publishing annual consolidated management reports, referring to the GRI Standards and relevant regulatory requirements for detailed disclosure of non-financial information, and engaging professional audit organization to perform limited assurance on the information and data in the reports in accordance with the ISAE 3000 standard.

## Our Actions

Fosun has always practiced the sustainable development concept of "Unity of Knowledge and Action". We actively collaborate and communicate with universities and partners to spread the ESG culture throughout the value chain, thereby encouraging the wider adoption of ESG concepts and innovation with a pragmatic approach.

### Empowering Industry Innovation

Through communication, Fosun continues to explore more advanced ESG management concepts and methods, actively participates in industry exchanges, and explores transition paths to sustainable and healthy growth of the industry.



In November 2023, Chen Qiyu, Executive Director and Co-CEO of Fosun International, attended the 15th China Healthcare Summit of Entrepreneurs, Scientists and investors ("CHSESI") to discuss Fosun's strategy and progress in the health sector, such as innovation, accessibility, globalization and sustainability. He pointed out that in the future, the pharmaceutical industry should make the innovation ecosystem sustainable, further integrate with the international standard, and significantly enhance the global competitiveness of domestic enterprises. As a pioneer in globalization and sustainability, Fosun Pharma's artemisinin-based drugs entered the African market 15 years ago, making significant contribution to the global malaria prevention and treatment, and becoming a name card for China's innovative drugs to the world.



In September 2023, Xu Xiaoliang, Executive Director and Co-CEO of Fosun International, attended the 10th Global Tourism Economy Forum. Against the context of the United Nations' 2030 Agenda for Sustainable Development, Xu Xiaoliang discussed with ministers of culture and tourism, industry leaders and scholars from around the world on how to form a highly resilient, high-quality and people-oriented environment for the tourism industry in the new normal through innovative and sustainable international cooperation, and shared insights on "thinking beyond tourism".

## Other Industry Exchanges on ESG



In April and November 2023, Fosun participated in the China ESG Leaders Forum organized by Sina Finance.

In September 2023, Fosun participated in a forum at the China Top 500 Enterprises Summit held by China Business Council for Sustainable Development.



In September 2023, Fosun participated in the ESG investment seminar and the preparatory meeting for Shanghai Securities News ESG Research Center organized by Shanghai Securities Research Institute of Shanghai Securities News.

## ESG Roadshows for Investors

Fosun actively engages in transparent and efficient communication with investors through roadshows and other channels. During the Reporting Period, the Group has led its member companies in ESG roadshows at European financial institutions many times. Such roadshows provided insights on many key issues, such as society, corporate governance, ESG disclosure, ESG ratings and ESG bonds, which greatly enhanced the influence of Fosun as an ESG brand.

With remarkable ESG performance, Fosun has been recognized by and attracted investments from the world's leading financial institutions. In 2023, the total positions held by ESG funds in Fosun increased by nearly 30%.

## Encouraging Sustainable Innovation

We make the most of our expertise, resources, and global operation capability to empower industry innovation and help achieve sustainable development goals in more areas.

### Fudan MBA iLab Business Challenge

From June to August 2023, Fosun and Fudan University jointly held the third Fudan MBA iLab Business Challenge, which focused on ESG. In the Challenge, companies helped students use their management knowledge to solve real-world business problems based on actual needs, thereby enhancing their overall leadership, execution and innovation capability.

Fosun proposed three major ESG research topics, including "how to plan net-zero emission pathways and strategies for leisure-focused tourism companies with global operations", "how to drive the expansion of the market coverage of industries and products in the rural area through public welfare undertakings", and "how to realize the digital transformation of corporate governance through digitalization tools with full compliance of rules and regulations". Fosun also conducted a series of online and offline communications and discussions with the students in the research group and organized ESG-themed salons for industry peers, so as to empower the participants through the sharing of experience.



## Our Belief



**Wang Qunbin**

Executive Director and Co-Chairman of Fosun International

As a global innovation-driven consumer group, Fosun is committed to its mission of "Creating happier lives for families worldwide". We integrate the concept of sustainable development into our core values and actions, endeavoring to create sustainable products and services for more families worldwide. Over the years, we communicate transparently and efficiently with various stakeholders and rating agencies. Our relentless efforts in the ESG domain have garnered much external recognition. We should hold on well at the current situation and set our sights on a bright future. Fosun will remain resolute in advancing its sustainable development strategy "Create Impact", and prioritize future generations and long-term development, aiming to make a positive impact on society.



**Lee Kai-Fu**

Chairman of Fosun ESG Board Committee and Independent Non-Executive Director of Fosun International

Sustainable development has emerged as the prevailing theme in the modern era. ESG serves as both the "soft power" for shaping corporate brand image, and the "hard power" to help enterprises gain competitive advantage in the business landscape. As pioneers in green development, Fosun joins hands with its member companies at home and abroad to integrate the sustainable development principles into their corporate strategies and operations, while actively addressing the challenges posed by climate change. Many a little makes a mickle. We aspire to explore the better and more effective path to sustainable development with peers, catalyzing progress on a global scale.



**Chen Qiyu**

Executive Director and Co-CEO of Fosun International

While adhering to the two core growth drivers of technology innovation and global operations, Fosun continues to devote its efforts in ESG. Leveraging its global industry operations and its deep talent pool, Fosun utilizes the most appropriate resources to deeply cultivate key regions and foster mutual empowerment within the ecosystem, so as to create a safer and healthier life for the public. Fosun has established a top-down, long-term ESG improvement mechanism and integrated ESG management performance into the performance evaluation system for Executive Directors, ensuring the full implementation of ESG strategies and actions. In the future, Fosun will maintain its strategic focus, leverage its global business presence and its capabilities for globalized business operation, with a view to unlocking the value worldwide. Moreover, Fosun will continuously enhance its ESG management standards by embracing the best ESG practices both domestically and internationally.



**Li Haifeng**

Chairman of Shanghai Fosun Foundation

Fosun's remarkable achievements in public welfare would not be possible without its globalized business presence. Guided by our firm belief in running business for good, we have engaged in global emergency assistance, initiatives in helping Africa fight against malaria, rural revitalization, fostering entrepreneurship, supporting culture and arts, and international humanitarian aid over the years, thus manifesting the spirit of philanthropy through practical actions. As a responsible and ambitious global enterprise, we are committed to joining hands with our employees and partners of "ONE Fosun" to participate in charity work and work for the common good. We will steadfastly fulfil our roles as the practitioner of "Contribution to Society", the promoter of globalization and the creator of value.



**Xu Xiaoliang**

Executive Director and Co-CEO of Fosun International

Our objective is not only to create commercial value but also more social value, with a view to pursuing the common good through business. With a global perspective, Fosun consistently measures its development against global standards, among which ESG is a crucial criterion. Adhering to the ten principles of UN Global Compact, we conduct the business responsibly around the world to foster the sustainable development goals. Looking ahead, Fosun will remain steadfast in its commitment to "Self-improvement, Teamwork, Performance, and Contribution to Society," embrace greater social responsibility, and actively contribute to the improvement of China's business environment and natural environment, aiming to help more families enjoy a healthy, happy, and wealthy life.



# 1

## Approach to Sustainability Work

# 1.1 Stakeholder Engagement

## 1.1.1 Stakeholder Communication

Fosun recognizes the importance of listening to opinions of stakeholders when developing and advancing sustainable development projects. We have identified ten core stakeholder groups that have a close relationship with the Group. Through regular and diversified communication mechanisms, we fully respond to the expectations and demands of our core stakeholders and maintain a transparent dialogue with them on the risks and opportunities for sustainable development.

During the Reporting Period, we regularly documented, measured and reviewed our stakeholder communication in accordance with international standards and guidelines such as the GRI Standards and the AA1000 Stakeholder Engagement Standard. We improve our communication mechanism based on feedback from our stakeholders in a timely manner. This enables us to achieve more effective and timely communication with stakeholders, and to incorporate their focus areas into our operations and decision-making process.

Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Topics <sup>4</sup>
<b>Governments and regulators</b>	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Protection of intellectual property</li> <li>Business integrity and supervision</li> <li>Emission management</li> <li>Water resource management</li> <li>Climate change response and energy management</li> <li>Participation in social welfare</li> </ul>	<ul style="list-style-type: none"> <li>Policy seminars</li> <li>Reporting to governments at all levels and other authorities in charge</li> <li>Government affairs reception</li> <li>Regulator supervisions and inspections</li> </ul>	Multiple times per month	<ul style="list-style-type: none"> <li>Regulatory requirements and trends</li> <li>Business ethics and compliance requirements</li> <li>Data security and privacy protection</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Diversified products and services</li> <li>Product quality and safety</li> <li>Customer service and satisfaction</li> <li>Customer privacy and data security</li> <li>Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>Social media</li> <li>Fosun official website</li> <li>Email and telephone communications</li> <li>Consumer education lectures</li> </ul>	Multiple times per month	<ul style="list-style-type: none"> <li>Product and service information</li> <li>Data security and privacy protection</li> <li>Supplier due diligence information</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Responsible procurement</li> </ul>	<ul style="list-style-type: none"> <li>Onelinkplus.com</li> <li>Email and telephone communications</li> <li>Working meetings</li> <li>Responsible procurement seminar</li> <li>Supplier site audit</li> <li>Complaints hotline</li> </ul>	Multiple times per month	<ul style="list-style-type: none"> <li>Labor standards</li> <li>Business ethics and compliance requirements</li> <li>Supplier training</li> </ul>
<b>Non-governmental organizations</b>	<ul style="list-style-type: none"> <li>Participation in social welfare</li> <li>Business integrity and supervision</li> <li>Green products and clean technology</li> <li>Climate change response and energy management</li> </ul>	<ul style="list-style-type: none"> <li>Industry associations</li> <li>Fosun Foundation</li> <li>Cooperation and exchange meetings</li> <li>Seminars</li> <li>Email and telephone communications</li> <li>Working meetings</li> </ul>	Multiple times per quarter	<ul style="list-style-type: none"> <li>Climate change responses</li> <li>Supply chain due diligence</li> <li>Diversity and inclusion</li> <li>Public welfare</li> </ul>

Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Topics <sup>4</sup>
<b>Communities and the public</b>	<ul style="list-style-type: none"> <li>Participation in social welfare</li> <li>Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>Social media</li> <li>Fosun official website</li> <li>Email and telephone communications</li> </ul>	Multiple times per month	<ul style="list-style-type: none"> <li>Product and service information</li> <li>Public welfare</li> <li>Environmental impact of emissions</li> <li>Business ethics and compliance requirements</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Diversified products and services</li> <li>R&amp;D and Innovation</li> <li>Participation in social welfare</li> <li>Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>Brand/product presentations</li> <li>Annual and interim results conferences</li> <li>Media roadshows</li> <li>Social media</li> <li>Fosun official website</li> </ul>	Multiple times per quarter	<ul style="list-style-type: none"> <li>Policy recommendations and regulatory updates</li> <li>Product and service information</li> <li>Public welfare</li> <li>Annual and interim financial results</li> </ul>
<b>Peers and association</b>	<ul style="list-style-type: none"> <li>R &amp; D and innovation</li> <li>Protection of intellectual property</li> <li>Responsible investment</li> <li>Advanced corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>International forums</li> <li>Roundtable</li> <li>Industry summits/Association meetings</li> </ul>	From time to time	<ul style="list-style-type: none"> <li>Policy recommendations and regulatory updates</li> <li>Industry opportunities and challenges</li> <li>ESG management</li> <li>Enterprise green transition &amp; development and climate change responses</li> </ul>
<b>Limited Partner (LP)</b>	<ul style="list-style-type: none"> <li>Responsible investment</li> </ul>	<ul style="list-style-type: none"> <li>Working meetings</li> <li>Investment strategy meetings</li> <li>Email and telephone communications</li> </ul>	Multiple times per quarter	<ul style="list-style-type: none"> <li>Sustainable investment strategies</li> <li>Corporate governance</li> <li>Annual and interim financial results</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>Diversified products and services</li> <li>Business integrity and supervision</li> <li>Advanced corporate governance</li> <li>Risk and crisis management</li> <li>Green products and clean technology</li> <li>Climate change response and energy management</li> </ul>	<ul style="list-style-type: none"> <li>Brand/product presentations</li> <li>Annual and interim results conferences</li> <li>Investor meetings</li> <li>Shareholders' meetings</li> <li>Investor roadshows</li> <li>Email and telephone communications</li> <li>Industry seminars</li> </ul>	Multiple times per year	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>ESG Management and Performance</li> <li>Business Risks and Opportunities</li> <li>Business ethics and compliance requirements</li> <li>Annual and interim financial results</li> </ul>
<b>Employees and management</b>	<ul style="list-style-type: none"> <li>Employee health and safety</li> <li>Employment and labor standards</li> <li>Employee learning and development</li> <li>Employee benefits and welfare</li> </ul>	<ul style="list-style-type: none"> <li>Workers' Conference</li> <li>Online official account</li> <li>Fosun DingTalk App</li> <li>Themed training &amp; activities</li> <li>Chief Communication Officers (COO)</li> <li>The "Focuth" Community</li> <li>Online Learning Platform</li> <li>Fosun 30 Minutes</li> </ul>	Multiple times per year	<ul style="list-style-type: none"> <li>Diversity and inclusion</li> <li>Training and individual development</li> <li>Health and safety</li> <li>Employee benefits</li> </ul>

<sup>4</sup> The lists depict representative examples and are not exhaustive.

### 1.1.2 Industry Associations

Carrying on the spirit of openness and win-win cooperation, the Group and member companies actively join influential industry associations, and respond to international and domestic sustainable development initiatives. In this way, we are committed to promoting the sustainable development with industry peers.

#### Fosun International

- The UN Global Compact
- China Business Council for Sustainable Development
- China ESG Leaders Association
- Enterprise Anti-Fraud Alliance
- Shanghai Artificial Intelligence Technology Association, etc.

#### Health segment

- China Pharmaceutical Industry Association
- China Pharmaceutical Enterprises Association
- China Medical Pharmaceutical Material Association
- China Nonprescription Medicines Association
- Human Phenome Consortium of China, etc.

#### Happiness segment

- Shanghai International Fashion Federation
- Shanghai Trademark Brand Association
- Act4Nature International
- ICS (Initiative for Compliance and Sustainability)
- ECPAT
- Agrisud International, etc.

#### Wealth segment

- The UN Environment Programme Finance Initiative
- The Principles for Sustainable Insurance
- The UN Principles for Responsible Investment
- APS (Associação Portuguesa de Seguradores)
- Insurance Association of China
- International Mathematical Union, etc.

#### Intelligent Manufacturing segment

- World Association of Industrial and China Iron & Steel Association
- Metallurgical Mines' Association of China, etc.

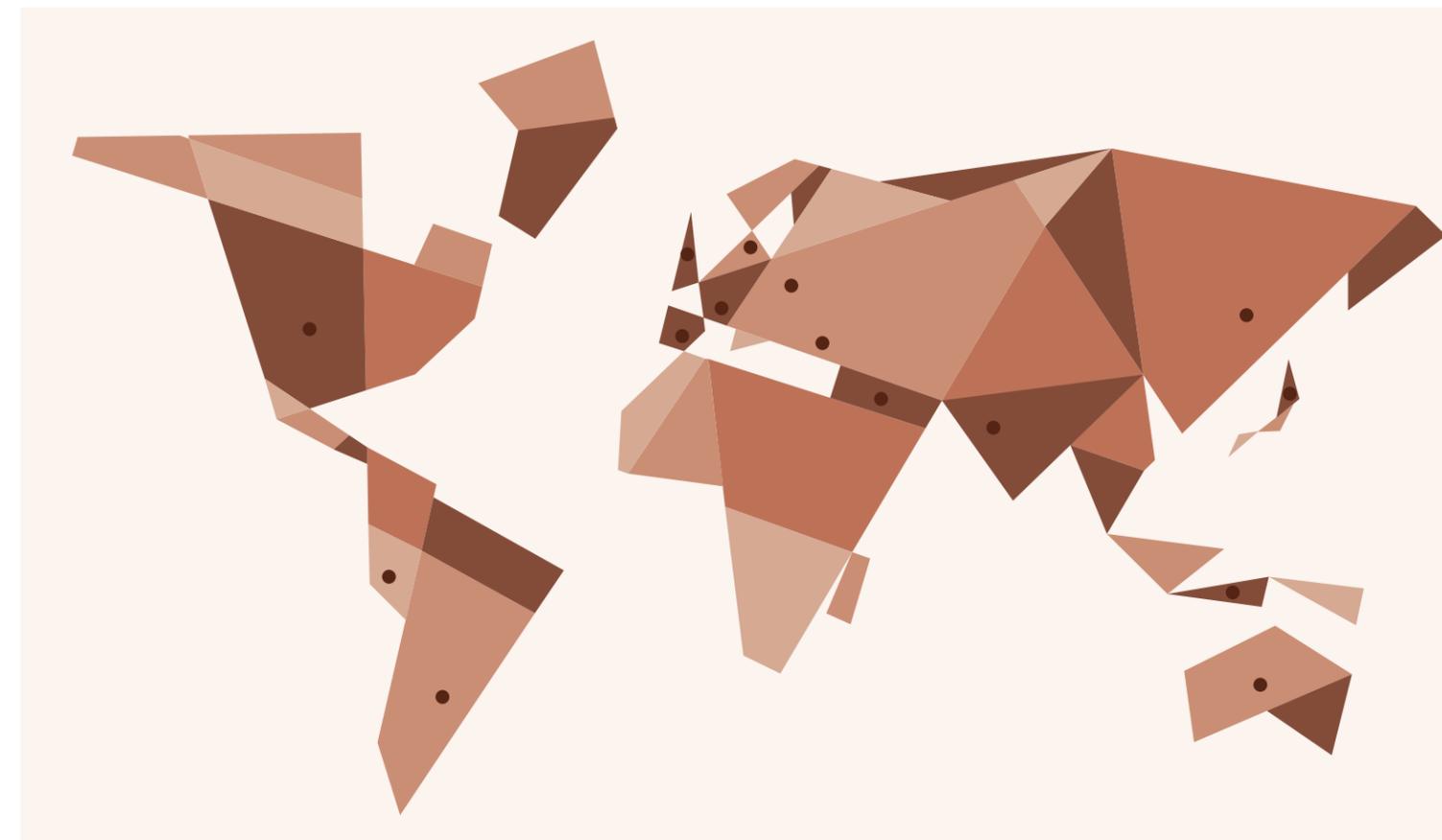


### 1.1.3 ESG Culture Development

Fosun has always practiced the sustainable development concept of "Unity of Knowledge and Action". We are creating an ESG culture that encourages all employees to share and participate in ESG activities. We continuously pay attention to the international and domestic ESG development trend and improve ESG capacity building.

#### Developing a Global Network of ESG Ambassadors

We have created a global network of ESG ambassadors to bring together passionate colleagues from different countries and industries, pooling their wisdom and efforts in ESG practice. The ambassadors share and exchange solutions to sustainable development issues, inspiring more people to take action. Fosun's ESG ambassadors consist of heads of ESG, CSR, sustainable development, and other related departments from domestic and overseas member companies. We effectively promote the communication of ESG culture among member companies of Fosun through various activities.



### ESG Ambassador Week

In July 2023, Fosun held the ESG Ambassador Week. ESG ambassadors from overseas companies were invited to participate in Fosun's internal ESG discussion and visit well-known companies for communication. These ambassadors also had extensive exchanges with the principals of Shanghai secondary schools around youth public welfare, providing overseas experience on how secondary school students could practice the SDGs globally. Besides, the ESG ambassadors popularized the connection between the SDGs and their respective industries through videos, lectures and other forms, and shared valuable experience of their own companies in driving the implementation of ESG strategies.



Gathering in Shanghai

### ESG Global Network Workshop



Workshop in London

We regularly hold internal exchange activities and workshops to share ESG best practices with member companies worldwide, so as to promote the ESG development in the Fosun ecosystem.

In May and September 2023, Fosun held ESG global network workshops in London and Hong Kong respectively to increase the transparency and interconnectivity of internal communication channels. The workshops also facilitated the sharing of sustainable development knowledge and experience among employees and member companies.



Workshop in Hong Kong

### Employee ESG Engagement

We provide ongoing training and guidance on sustainable development matters to help employees understand the changing ESG landscape. To make more employees understand and support our ESG concept, we have launched a series of ESG cultural activities for four consecutive years.

#### Fosun ESG Culture Season & Culture Week

In order to promote the spread of ESG culture among all employees, Fosun International has launched a series of activities called "Fosun ESG Culture Season" for a period of three months. We organized six ESG-themed activities, such as "Environmental TIPS Collection", "Plastic Free Month Challenge" and "Empty Plate Campaign", to influence employees to practice green and environmental protection and raise their awareness of ESG in a subtle way.

For example, in October, we launched the Plastic Free Month Challenge to reduce the use of plastic with all employees. During the campaign, we joined hands with brand partners in Fosun ecosystem to launch an empty bottle recycling program, in which empty cosmetic bottles (Type 1 plastic) were recycled and processed into Type 2 plastic products, successfully giving each empty bottle a new life. We also invited our staff to participate in plastic-free discussions on our online community and share their green tips to help the environment.



In November 2023, we organized the 4th "Fosun ESG Culture Week" series, inviting all employees of the Group and enterprises in Fosun ecosystem to participate. A number of themed activities such as "ESG Training", "ESG Quiz" were carried out in the ESG Culture Week. "Fosun ESG Academy" is also available on the Fosun DingTalk App. These activities helped employees gain a deeper understanding of Fosun's sustainable development practices and inspire their passion for ESG practice and innovation.

### Fosun ESG Employee Mini-Program

In 2023, we developed and launched the “Fosun ESG Employee Mini-Program”, which captures ESG behaviors in everyday life by turning them into incentive-based tasks in the mini-program. In this way, we encourage our employees to adopt green lifestyles, and promote the unity of ESG knowledge and action among all employees. With the ESG Employee mini-program, we identify and recognize ESG role models through game-based tasks to create a sustainable culture.



We support and encourage our employees to take responsibility, act proactively, and use their skills, knowledge and experience to translate ESG concepts into innovative ESG practices at work and in life.

### Fosun Invoice Folder – Intelligent and Paperless Finance Project

In response to the national call to promote electronic invoices, Fosun independently developed the “Fosun Invoice Folder” software to optimize the filling, compliance control and approval process of all-electronic invoice reimbursement. This is to realize the closed-loop management of invoice, reimbursement business, and financial accounting and payment. A total of 2,730 paperless claims have been completed since the project went live, saving about RMB1.50 million in material and labor costs and more than 15,000 pieces of paper.

### Freecycling Campaign

The Company partnered with social enterprises, such as Buy42 and Feimayi, to launch a freecycling campaign. With green recycling bins set in Fosun’s BFC office building, employees were encouraged to donate their unused items to social enterprises for transparent disposal, giving unused items the chance of being reused. The campaign attracted many employees to donate unused items, and to learn about and support sustainable development work.



## 1.2 Materiality Assessment

### 1.2.1 Materiality Assessment Approach

Fosun regularly reviews the relevance of ESG issues to the Group’s business and the importance of ESG issues to the Group’s ESG work and assesses their impact based on the principle of double materiality. In 2021, we re-identified material issues through the following materiality assessment process to ensure that the results truly reflect our business situation and stakeholder requirements.

We integrate the materiality assessment results into our comprehensive risk management process and identify future priorities to guide our long-term commitment to sustainable development in all aspects of our business and to create sustainable value for our stakeholders.

#### Step 1: Understand Major ESG Trends and Identify ESG Issues

We identified potential major issues for disclosure, taking into consideration the major ESG trends, the Group’s ESG strategic goals, the UN SDGs, GRI Standards, the ESG Reporting Guide issued by the Hong Kong Stock Exchange, as well as the issues focused by mainstream international ESG ratings.

#### Step 2: Identify Stakeholders

From the two perspectives, namely “Affected by Fosun” and “Effect on Fosun”, the Group has identified customers, suppliers, NGOs, the public, the media, industrial peers and industry associations, partners, shareholders and investors, employees, management and other stakeholders as the main survey objects of materiality assessment.

#### Step 3: Conduct Survey Activities

We invited representatives of the internal and external stakeholders identified to participate in the materiality assessment of the ESG issues, conducted surveys on ESG issues from the two perspectives of “importance to business development of Fosun” and “importance to stakeholders”, and understood the comments and suggestions of various stakeholders.

#### Step 4: Determine Priority and Formulate Materiality Assessment Matrix

We analyzed the results of the materiality assessment questionnaires for internal and external stakeholders, prioritized these issues for the purpose of reflecting the “importance to business development of Fosun” and “importance to stakeholders”, and generated a materiality assessment matrix.

## 1.2.2 Materiality Assessment Result

During the Reporting Period, we reviewed the results of the latest materiality assessment and found that the 24 ESG issues identified in 2021 remained equally material to the Group's business development and stakeholders in 2023. The materiality assessment matrix is shown below:



To effectively address the material issues identified, we assessed the impact of these issues on Fosun's finance and business, as well as the impact on the environment and society, and developed management objectives and strategies accordingly.

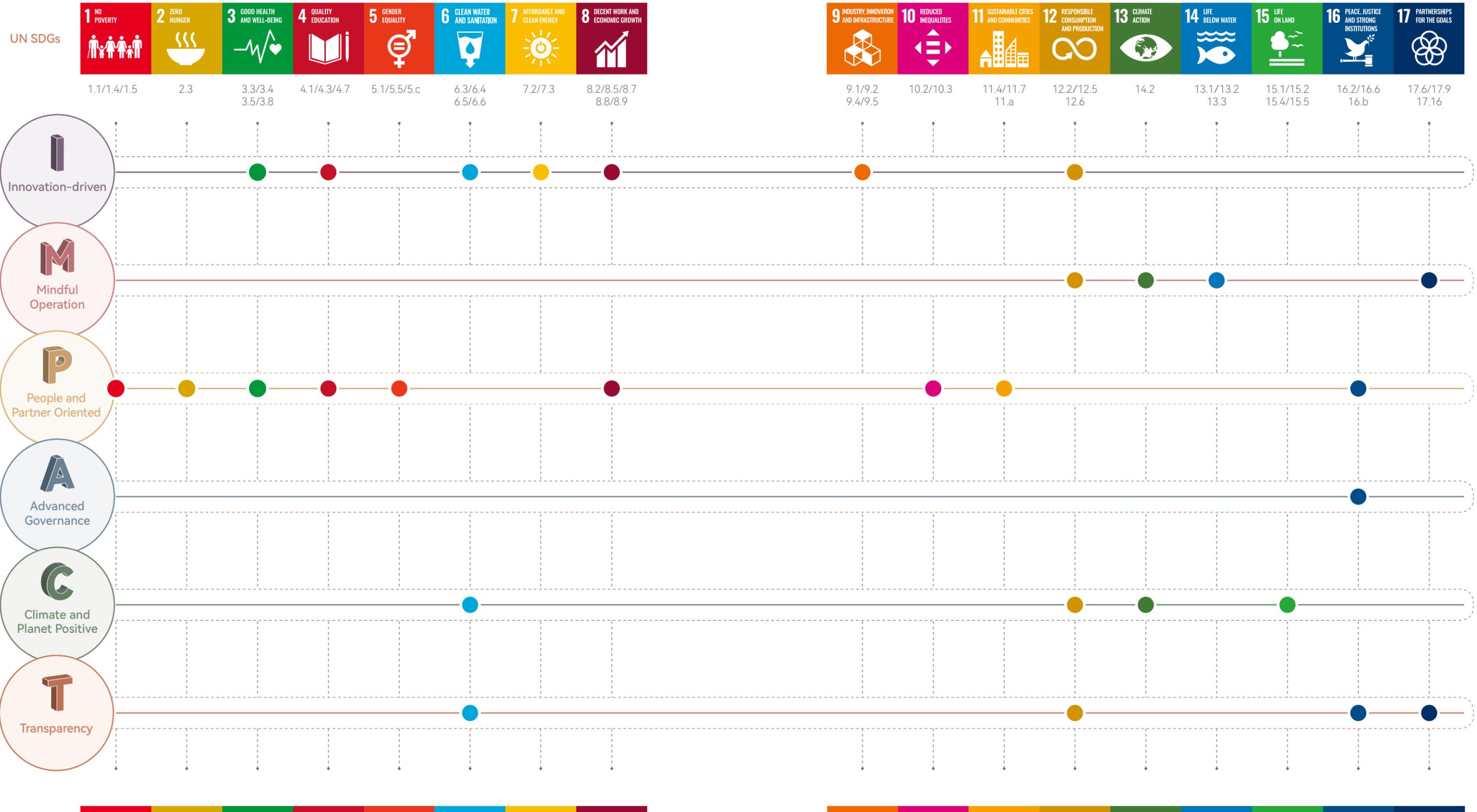
Material Issues	Description of Issues and Impacts	Responses and Management Objectives
Product quality and safety	Fosun International understands that striving for excellence in product quality and building a bottom line of product safety is the key to maintaining industry competitiveness. Excellent product quality is conducive to winning customer trust and enhancing brand competitiveness and business efficiency. And better quality extends product life and mitigate the environmental impact of the end-of-life products.	We have established a sound quality management system to proactively identify and prevent quality and safety risks and provide customers with high-quality products.  For detailed responses and management objectives, please refer to the section <a href="#">4.1.1 Quality Management</a> of this Report.
Climate change response and energy management	As the impacts of global climate change worsens and extreme weather events increase, companies are facing climate disasters and stricter climate-related policies at the same time. As a result, they are exposed to potential risks such as reduced revenues, increased operating costs, and asset impairments. Actively tackling climate change and realizing ecosystem transition will help us turn climate risks into development opportunities and enhance operational resilience.	We have identified and assessed the Group's key climate risks and opportunities and developed a comprehensive risk management system to effectively respond to climate change.  For detailed responses and management objectives, please refer to <a href="#">Fosun International 2023 Climate Information Disclosures Report</a> .
Customer service and satisfaction	Fosun offers first-class, high-quality, efficient, professional and integrated services to provide customers with a comprehensive user experience and win their trust. Fosun is well aware that customer trust is the most important core value, and customer satisfaction is the key to sound business development for companies. We continue to deliver good products and services and improve customer satisfaction and brand influence, thus enhancing market competitiveness.	We keep optimizing our services and customer experience to meet customer needs in a timely manner, and proactively manage customer satisfaction, so as to create happier lives for families worldwide.  For detailed responses and management objectives, please refer to the section <a href="#">4.2 Improving Customer Experience</a> of this Report.
Employee health and safety	Safeguarding the health and safety of employees is essential for us to fulfil corporate social responsibilities. It is also a key initiative in our corporate governance system to improve productivity and enhance our employer brand image. Adverse health and safety events will seriously affect our stable production, our reputation, and even result in legal liability.	We have built a robust management and supervision system to create a safe and healthy working environment to ensure the work safety and occupational health of our employees.  For detailed responses and management objectives, please refer to the section <a href="#">5.4 Safeguarding Safety and Health</a> of this Report.
Customer privacy and data security	Customer privacy and data security have a profound impact on a company's brand image and business stability. When customer privacy and data security are threatened, we are exposed to the crisis of confidence, damage to brand image, and financial liabilities. In addition, companies will face legal action and penalties for violating customer privacy and data protection regulations.	We have a comprehensive information security and privacy protection management system in place to ensure network security, data security and privacy protection in operations.  For detailed responses and management objectives, please refer to the section <a href="#">4.1.2 Ensuring Information Security</a> of this Report.

# 1.3 Goals and Performance

## 1.3.1 Goals and Performance Review

IMPACT	 Innovation-driven	 Mindful Operation	 People and Partner Oriented	 Advanced Governance	 Climate and Planet Positive	 Transparency
Definition	Empower the industry with technology innovation, address major industry challenges, and drive sustainable business growth.	Adopt a responsible approach to business activities, including investment, supply chain, product and service offering, and digital intelligence application.	Adhere to the people-oriented philosophy in operations, protecting the rights and well-being of employees, partners and the communities where Fosun operates.	Set up a compliant, efficient and robust governance system to build trust in operations.	Implement the green transition, with sustainability initiatives in areas such as climate change response, biodiversity protection, resource utilization and circular economy management.	Build social trust by adhering to transparent and truthful disclosure, assurance, data governance and stakeholder communication in sustainable development.
Focus Areas	<ul style="list-style-type: none"> <li>Research &amp; development and innovation</li> <li>Green products and clean technology</li> <li>Diversified products and services</li> <li>Protection of intellectual property</li> </ul>	<ul style="list-style-type: none"> <li>Customer privacy and data security</li> <li>Customer service and satisfaction</li> <li>Responsible investment</li> <li>Responsible marketing</li> <li>Product quality and safety</li> <li>Responsible procurement</li> </ul>	<ul style="list-style-type: none"> <li>Employee health and safety</li> <li>Employee benefits and welfare</li> <li>Employment and labor standards</li> <li>Employee learning and development</li> <li>Participation in community welfare</li> </ul>	<ul style="list-style-type: none"> <li>Business integrity and supervision</li> <li>Advanced corporate governance</li> <li>Risk and crisis management</li> <li>ESG governance</li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity protection</li> <li>Waste management</li> <li>Waste gas emission management</li> <li>Water resource management</li> <li>Material management</li> </ul>	<ul style="list-style-type: none"> <li>Assurance</li> <li>Disclosure</li> <li>Data governance</li> <li>Stakeholder engagement</li> </ul>
Goals	Focus on the development of business segments such as Health, Happiness and Wealth, create diversified innovation models, and explore cutting-edge fields such as clean technology, so as to consolidate our position as a global innovation-driven consumer group.	Provide high-quality products and services to global family customers to meet their needs; work together with various partners to build partnerships with complementary advantages and mutual benefits; conduct responsible investment and incorporate the concept of corporate social responsibility into investment and financing decisions.	Create a diverse, fair, safe and healthy working environment, and help employees grow through training and incentives; stay true to the original aspiration of "Contribution to Society", promote globalization and create value.	Conduct business with integrity, rigorously review corporate governance issues and potential risks, and continuously improve ESG governance capabilities.	Work with member companies to advance the implementation of ESG strategies, including carbon neutrality, carbon peaking and energy conservation, to actively promote the sustainable development of the Group.	Maintain close and open communication with all stakeholders and proactively disclose information in a transparent, truthful and accurate manner to further empower the Group's sustainable development through digital management.
Progress made in 2023	<ol style="list-style-type: none"> <li>The Group invested nearly RMB7.4 billion in total to improve technology and innovation capabilities (including scientific research investment expensed and capitalized, but excluding digitalization expenses). In particular, the R&amp;D expenses amounted to approximately RMB4,882.9 million, accounting for approximately 2.46% of revenue. A total of 1,241 authorized invention patents have been acquired.</li> <li>43 participating and holding companies in the energy and environmental protection sector, of which 2 were A-share Main Board listed companies. The total investment in energy and environmental protection exceeded RMB20 billion, accounting for over 50% of the total investment in primary market in the energy, environment and smart equipment investment segment.</li> </ol>	<ol style="list-style-type: none"> <li>The short-term, medium-term, and long-term goals of quality management for 2022-2031 continued to be pushed forward, with the short-term goals having already been achieved.</li> <li>All registered and new suppliers have signed the <a href="#">Fosun Group Supplier Code of Conduct</a>.</li> <li>ESG risk assessments have been conducted on suppliers managed through the digital supply chain platform.</li> <li>The average anti-corruption training hours per person for the Company's suppliers and contractors was approximately 0.5 hour.</li> </ol>	<ol style="list-style-type: none"> <li>The average training hours per person was 47 hours.</li> <li>Around 27,000 employees were newly hired.</li> <li>Fosun Foundation donated more than RMB1.026 billion.</li> </ol>	<ol style="list-style-type: none"> <li>The integrity inspection work has achieved a coverage rate of 100% for the key core member companies within the annual inspection plan of the Group.</li> <li>The integrity education has been provided to 100% of the Company's employees, with approximately one hour of integrity training per employee.</li> <li>No major ESG crisis or incident occurred.</li> </ol>	<ol style="list-style-type: none"> <li>Under the goal of "striving to peak carbon emissions by 2028 and achieve carbon neutrality by 2050", the carbon neutrality route has been officially established, a Carbon Neutrality Committee has been established, and the second Climate Information Disclosures Report was in preparation.</li> <li>The short-term, medium-term, and long-term goals of EHSQ management for 2022-2031 continued to be pushed forward, with the short-term goals having already been achieved.</li> </ol>	<ol style="list-style-type: none"> <li>Since 2021, every ESG report we published has been subject to assurance to ensure the transparency and validity of the information.</li> <li>We have identified ten core stakeholder groups that have a close relationship with the Group. Through regular and diversified communication mechanisms, we fully respond to the expectations and demands of our core stakeholders. We also maintain a transparent dialogue with them on the risks and opportunities for sustainable development.</li> </ol>

### 1.3.2 Response to SDGs





02

## Advanced Governance

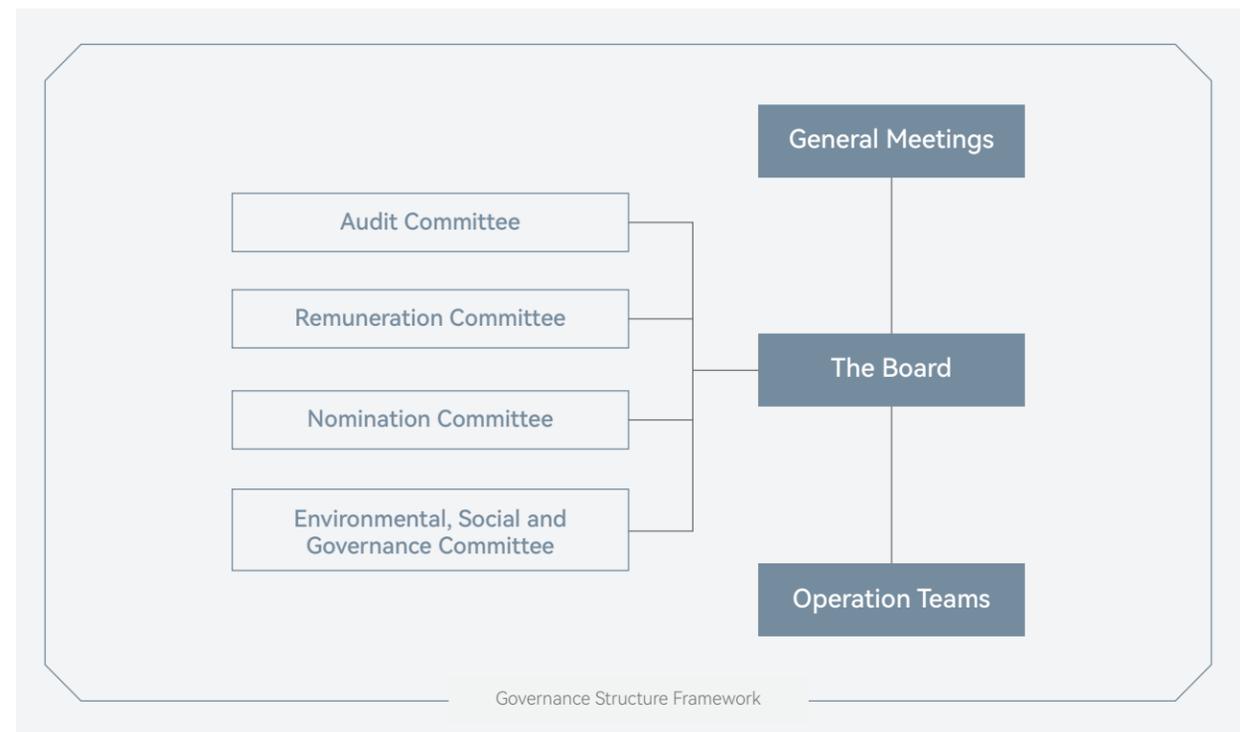
## 2.1 Corporate Governance

Fosun is committed to safeguarding shareholders' interests, enhancing corporate value, and practicing corporate responsibility through high-standard corporate governance and ethical business operations.

The Group has established a sound corporate governance structure, under which the Board is responsible for the leadership and supervision of the Company and oversees the businesses, strategic decisions, and performance of the Group. The Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee ("ESG Board Committee") to oversee particular aspects of the Company's affairs.

As of the issue date of the Report

there were <b>15</b> directors on the Board of the Company	of whom <b>7</b> are Executive Directors	<b>3</b> are Non-Executive Directors	<b>5</b> are Independent Non-Executive Directors.
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The Audit Committee, Remuneration Committee, Nomination Committee and ESG Board Committee of the Company are all composed of the Independent Non-Executive Directors. The committee members all have relevant industry experience and background and are regularly trained to maintain their competency. In addition, each committee member is entitled with sufficient resources when performing his/her duties and can seek independent professional advice when appropriate. Since listed, the Company's Independent Auditor's Report has been issued by external audit firm Ernst & Young for 17 years. The Company sets out the requirement of the rotation of the audit engagement partner for independence in the Policy for the Selection, Appointment and Rotation of External Auditors, requiring the audit engagement partner to rotate at least every seven years. Selection criteria and procedures are in place for candidates for the position of the Company's external auditor to ensure, to the extent possible, that external auditors with appropriate expertise, knowledge and experience are appointed.

### Diversified Governance



The Company recognizes and embraces the benefit of having a diverse governance, and sees increasing diversity in governance as an essential element in maintaining a competitive advantage and achieving long-term sustainable growth for the Group. Selection of board candidates will be based on a range of diversity perspectives, including but not limited to ethnicity, race, nationality, gender, age, cultural and educational background, experience, skills, knowledge, term of service, etc. The Company has set a target for the Board diversity, committing to having at least one female director. As of the end of the Reporting Period, the Board appointed 1 female director.

The Company formulated the *Fosun International Limited Board Diversity Policy* to ensure all appointments are made on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee reviews the appointment procedures annually.

During the Reporting Period, the Nomination Committee reviewed the implementation of the *Fosun International Limited Board Diversity Policy*, and believed that the existing Board composition provided the Company with balanced and diversified skills and experience catering for the Company's businesses.

### Performance and Remuneration



The Remuneration Committee of the Company is responsible for conducting annual Board self-assessments on its governance and performance. The Committee should establish appropriate remuneration policy and structure in line with the Group's business development to ensure the appropriateness of remuneration packages for directors and senior management of the Company.

The Company has established a scientific short-, medium-, and long-term incentive mechanism for the CEO and senior management. At the same time, the Company properly controls the remuneration risks of the Board and senior management with the aid of a series of mid-term and long-term payment deferral mechanisms and clawback mechanisms. The Group specifies punitive measures on violations in relevant policies. In case of embezzlement, bribery, corruption, dereliction of duty and other acts that cause losses to Fosun's interests or damage the reputation of Fosun, violators will no longer be entitled to any bonus, and shall pay compensation for the losses herein and be held liable as and when necessary. We also manage unknown risks through other remuneration policies, for instance, reserving 10% of the incentives to the risk pool, deferring excess incentive bonus (over three years) and offering restricted stock with long-term vesting. Please refer to section [5. People and Partner Oriented](#) in this Report for detailed information.

### Tax Transparency



The Board is the top governance organization for tax matters of the Company. As a responsible global tax citizen, Fosun complies with applicable tax law and regulations in respective jurisdiction where we set our foot in and actively fulfils the duty of tax disclosure. Based on our overall operational strategy, Fosun issued the *Fosun Group Tax Guiding Principles* and conducts fair, transparent, and ethical tax strategy.



## 2.2 ESG Governance

The Group has established formal ESG governance structure and management system to manage ESG policy and performance. By establishing a sound governance structure, the Group is committed to promoting the long-term and sustainable development of operations and delivering the value of sustainable development for all stakeholders in the long run.

Guidance and oversight	Governance Body: Board ESG Board Committee	Decision-Making Body: ESG Executive Committee
Coordination and monitoring	Executive Body: ESG Management Committee	
Diffusion	Executive Body: ESG Working Group: C2M Strategy Planning Department, EHSQ Department, Finance Management Department, Product & Technology Innovation Center, Party and Union Affairs Department, Office of Board Secretary, Legal Department, Risk Management Department, Public Affairs Department, Science and Technology & Innovation Committee, Anti-Corruption And Supervision Department, Brand and Corporate Communications Department, Corporate Social Responsibility Department, Global Supply Chain Center, Human Resources Line, Audit Department, Marketing Center, Digital Intelligence Committee, Tax Management Department, Investment Management Department, Investor Relations Department, User Operation Center, Intellectual Property Management Department, Treasury Management Department	
Implementation	All employees of the Company and member companies	

### 2.2.1 Governance Body

The Board is the top governance body for the ESG management of the Company. The Company set up the ESG Board Committee under the Board to reinforce the Board's ESG management. The ESG Board Committee aims at assisting the Board in providing direction on and overseeing the development and implementation of the ESG initiatives of the Group, including but not limited to the management of health and safety risks, climate change risks, tax risks, human rights and diversity, etc.

The Group's ESG Board Committee regularly reports the results of ESG risk assessment and relevant performance to the Board for continuous monitoring. As of the issue date of the Report, the Committee comprised 5 members of the Board, all of whom were Independent Non-Executive Directors.

During the Reporting Period, the ESG Board Committee of the Company held 2 meetings. In March 2023, the ESG Board Committee reviewed ESG Report 2022 and considered the debrief of ESG Management Committee on the progress of ESG initiatives and annual work plan, and also discussed the Group's latest ESG developments. In December 2023, the ESG Management Committee reported on innovative initiatives for ESG work in 2023 and plans for the next phase of work.

Learn more about the [functions of the ESG Board Committee](#)



During the Reporting Period, the ESG Board Committee of the Company held **2** meetings.

### 2.2.2 Decision-Making Body

In order to promote the implementation of the ESG strategy of the Board, the Company has established an ESG Executive Committee at the management and decision-making level with involvement of Executive Directors of the Company. The ESG Executive Committee is responsible for making decisions on the ESG matters of the Group, and has an ESG Management Committee under it. The ESG Executive Committee aims at assisting the ESG Board Committee in making comprehensive decisions on Fosun's ESG matters, guiding and monitoring the implementation of ESG work of the ESG Management Committee and ESG Working Group, and comprehensively promoting the effective implementation of Fosun's ESG strategies and actions. The ESG Decision Committee listened to the report of the ESG Management Committee on cutting-edge ESG issues and work plans regularly, and made decisions on specific work arrangements such as ESG rating responses.

The Group identifies and assesses the importance of ESG issues through annual risk assessment and regular stakeholder activities. Corresponding measures are implemented to manage key ESG issues.

### 2.2.3 Executive Body

In order to further assist the ESG Board Committee in guiding and monitoring the ESG work of the Group and implementing the ESG strategies and goals, the Company established ESG Management Committee under the ESG Board Committee and ESG Executive Committee, consisting of senior management from various functional departments involved in the ESG matters of the Company. The ESG Management Committee regularly reports the priorities and plans of ESG work to the ESG Board Committee and ESG Executive Committee and comprehensively implements the Company's ESG strategy and relevant actions.

#### ESG Management Committee's main responsibilities

- ✓ Participate in the formulation of Fosun's ESG strategic vision, objectives and strategies, and make recommendations to the ESG Board Committee and ESG Executive Committee on relevant initiatives.
- ✓ Review emerging ESG trends and risk and opportunity issues regularly, and make recommendations to the ESG Board Committee and ESG Executive Committee.
- ✓ Review Fosun's ESG policies and practices periodically to ensure that they remain up-to-date and relevant, and in compliance with the applicable laws and regulatory requirements and international standards.
- ✓ Review the materials provided by member companies, affiliates and other portfolio companies on ESG initiatives, and assist setting targets to appraise their working performance.
- ✓ Monitor internal and external feedback on Fosun's ESG initiatives, and provide suggestions on improving relevant work.
- ✓ Provide guidance on the environmental and social impacts of Fosun's businesses.
- ✓ Coordinate and manage the ESG expenditure of member companies, associates and other portfolio companies.
- ✓ Assist the ESG Executive Committee in providing suggestions to the ESG Board Committee on the expenditure of Fosun's ESG work.
- ✓ Review the shareholders' communication policy to ensure its effectiveness and recommend any improvement to the ESG Board Committee and ESG Executive Committee.
- ✓ Oversee communication channels and means between Fosun and its related stakeholders and ensure that the appropriate communication policies are in place and work effectively to promote Fosun's relationship with its related stakeholders and protect its reputation.
- ✓ Prepare the annual Environmental, Social and Governance Report of the Company.
- ✓ Coordinate all the work of ESG Working Group and other matters authorized by ESG Board Committee and ESG Executive Committee.

In order to assist ESG Management Committee in carrying out and implementing ESG work and ensure the establishment of appropriate and effective systems of ESG risk management and internal control, the Company has established ESG Working Group under ESG Management Committee, consisting of the supervisors of various functional departments involved in ESG matters of the Company. The ESG Working Group is responsible for the implementation of various ESG matters of the Group (including the identification of ESG risks and opportunities in daily operations, the establishment of countermeasures based on specific businesses, etc.). Besides, it regularly reports to the ESG Management Committee, and shares best practices with member companies.

In 2023, the Company's ESG Management Committee and ESG Working Group held several meetings to discuss the priorities, objectives and plans of ESG in 2023, and to determine the ESG Report framework for 2023. In addition, the ESG Working Group actively communicated with external ESG rating agencies and kept abreast of market concerns.

## 2.2.4 Performance Appraisal

In order to establish a top-down long-term mechanism for ESG improvement and continuously promote Fosun's sustainable development, the Group has set up relevant mechanism to link the Group's ESG performance with the performance appraisal of the Board. We have specified the "ESG assessment indicators" for Executive Directors in the Executive Director Performance Assessment of Fosun, which include ESG rating, ESG system building, responsible investment management, carbon neutralization management and ESG risk management, accounting for 10% of the overall performance appraisal. The "ESG assessment indicators" will evolve over time to reflect the characteristics of the industry.

To further implement the ESG management system within the Group, we have extended the ESG management performance appraisal mechanism and "ESG assessment indicators" to the CEOs of the Group and the personnel in charge of each business group, with an aim to enhance the management of important ESG issues and promote close integration with business operation.

We have also established relevant punishment mechanism for ESG negative incidents. For example, the Group classifies safety accidents and formulates punishment measures for accidents at different levels, including ordinary accidents, serious accidents, major accidents and extremely serious accidents. All the punishment measures cover management of the Group at all levels. In this way, the management's ESG responsibilities are further strengthened and specified.



## 2.3 Risk Management

The Group has established risk management and internal monitoring systems targeted for risk control. With reference to relevant international risk management frameworks, we have established a sound and comprehensive risk management system. In this regard, we have formulated and issued the *Fosun Group Guidance on Enterprise Risk Management*. To further strengthen Fosun Group's comprehensive risk management system and guide member companies to establish and improve their internal control systems and operational risk management mechanisms, we have formulated and issued the *Fosun Group Guidelines for Internal Control and Operational Risk Management*, through which we can effectively identify, assess and monitor operational risks, and control the risks at a reasonable level. Besides, we added a number of management guidelines based on the original polices to improve the risk management system of the Group's member companies.

### 2.3.1 Risk Framework

The Board is responsible for evaluating and determining the nature and extent of the risks that it is willing to take in achieving the Company's strategic objectives. The Board should establish and maintain appropriate and effective risk management and internal control systems and should oversee the management's design, implementation and monitoring of these systems. The Management reports back to the Board for confirmation that these systems are working effectively.

The Audit Department of the Company is responsible for monitoring the stable and proper operation and real-time improvement of the risk management and internal control systems. Based on the audit strategy and annual audit plan of the Company, the Audit Department conducts independent review, and assesses the adequacy and effectiveness of the current risk management and internal control systems on an annual basis. Moreover, the Audit Department reports the results of the review and assessment to the Audit Committee.

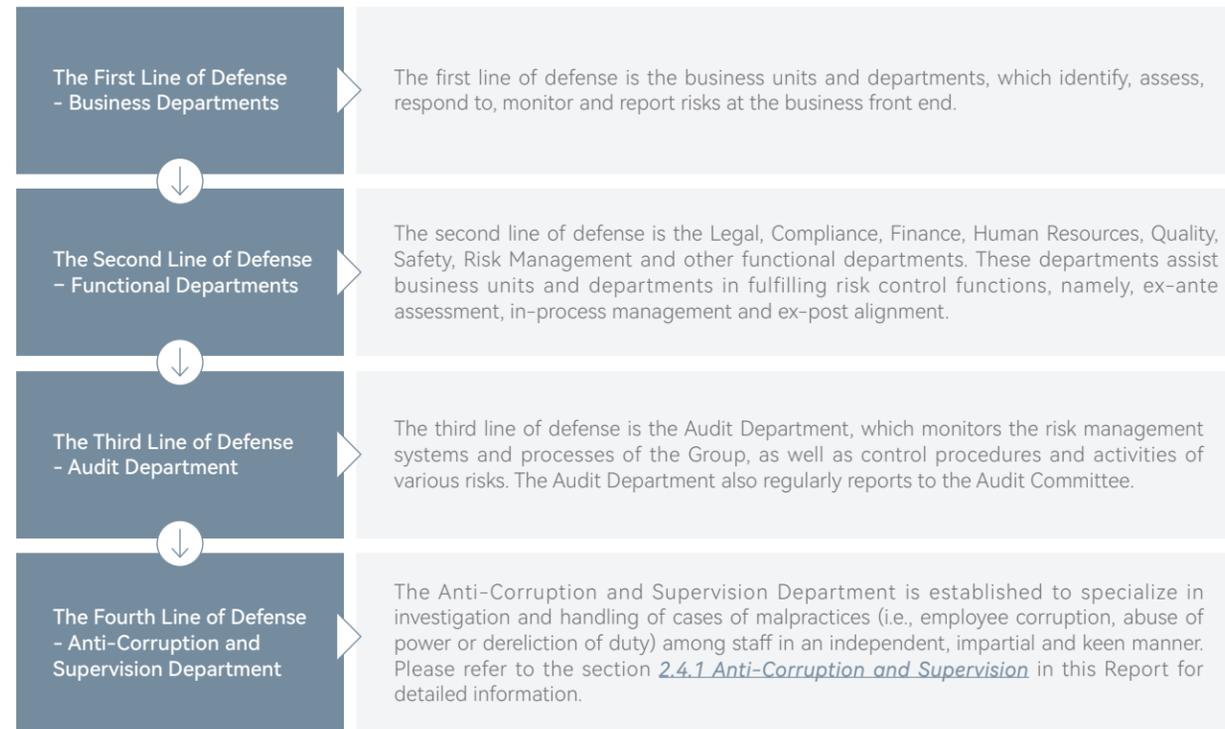
The Company has built a Fosun Risk Control Line, including the Legal Department, EHSQ Department, Anti-Corruption and Supervision Department, Risk Management Department, Office of Board Secretary, Intellectual Property Management Department, Audit Department and Risk Control Global Shared Services Center. Each department conducts risk self-assessments under unified coordination for the overall management of various risks exposed to the Group.



## 2.3.2 Risk Management Framework

### ◆ Four Lines of Defense for Comprehensive Risk Management

The Company has established the risk management framework with “four lines of defense” to strengthen the systematic risk management.



### ◆ Risk Management

Our risk management comprises 7 key steps: risk identification, risk assessment, risk measurement, risk response and control, risk monitoring, risk early warning, and risk reporting. The Group’s risk management mechanism focuses on continuous feedback and improvement of risk control capabilities, which is in line with our risk management culture.



PDCA cycle	Mechanism	Progress made in 2023
<b>Plan</b> Risk identification and assessment	<ul style="list-style-type: none"> <li>Identify comprehensive risks from multiple aspects by interviewing the Board and the management.</li> <li>Formulate audit plans every year, and conduct audits on key projects and businesses at least once every three years.</li> </ul>	<ul style="list-style-type: none"> <li>In 2023, we identified and included ESG risks (such as climate risks) and emerging risks in the Group’s risk assessment.</li> </ul>
<b>Do</b> Risk audit	<ul style="list-style-type: none"> <li>Conduct various audits on all aspects of business, including internal control, management, compliance, anti-fraud and IT audits, etc., covering all business segments.</li> <li>Conduct independent assessment and control testing for the internal control environment and critical control points of the Group and major member companies</li> </ul>	<ul style="list-style-type: none"> <li>During the Reporting Period, the Group’s Audit Line completed 471 audit projects and identified 484 major risks, mainly including deficiencies in procurement management, project management and inventory management.</li> </ul>
<b>Check</b> Risk communication and rectification	<ul style="list-style-type: none"> <li>Make audit recommendations based on audit findings and communicate with the management to jointly formulate rectification plans and timely mitigate risks.</li> <li>Complete the assessment report associated with the adequacy and effectiveness of the Group’s internal control systems.</li> </ul>	<ul style="list-style-type: none"> <li>In response to major common problems identified in the audit, the Audit Line works with the management to review and formulate management improvement plans and measures, and advances and supervises the implementation of rectification plans.</li> </ul>
<b>Act</b> Risk management optimization	<ul style="list-style-type: none"> <li>Regularly report to the Board, and implement risk control measures and improvement plans based on the requirements of the Board.</li> <li>Keep optimizing the Group’s risk management framework and risk matrix.</li> <li>Improve the comprehensive risk management system.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously review and optimize the risk framework and risk matrix.</li> <li>Formulate and revise other risk management guidelines.</li> </ul>

### Compliance Risk Management

Fosun regularly reviews the effectiveness of relevant policies and revises the policies in accordance with the latest laws and regulations to continuously enhance the compliance management capabilities. We receive the latest developments and updates on compliance governance, ESG management, etc. in a timely manner by subscribing to external specialized database of laws and regulations 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 Affairs 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.

### ESG Risk Management

We incorporate ESG risks (including the climate risk) into the Group’s comprehensive risk management mechanism and integrate sustainability factors into our business operations, in order to adapt to increasingly stringent requirements in these areas. The Company distributes the Self-Checklist for ESG Risks to the member companies on a regular basis to identify ESG risks in such organizations and develops appropriate management measures and responses. The Company’s ESG Management Committee regularly reports ESG trends and ESG risks and opportunities and provides related suggestions to the Board and ESG Executive Committee for continuous monitoring.

We use risk management tools like sensitivity analysis, scenario analysis and stress testing to effectively identify, assess and manage specific ESG risks. For more information about the Group’s practices for addressing climate change risks, please refer to the [Fosun International 2023 Climate Information Disclosures Report](#).

### 2.3.3 Emerging Risk Identification and Response

The Company has incorporated emerging risks into the risk management mechanism, and regularly identifies and evaluates emerging risks in response to the volatile external environment. Emerging risks refer to new or changing risks arising from changes in the external environment, which may cause serious negative impacts on the Company 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 emerging risks and identified two risks, namely the geopolitical risk and the network information security risk.

#### Geopolitical risk

**Risk profile** > In recent years, geopolitical risk has gradually increased with the escalation of local tensions and the rise of local conflicts around the world, that had far-reaching global consequences, including supply chain disruptions, higher commodity prices, and compliance issues.

**Risk impact** > The major impacts of geopolitical risks include higher commodity prices, supply chain disruptions and potential compliance issues.

1. 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.

2. Logistics disruptions and rising logistics costs caused by geopolitical conflicts will impede the transportation along our value chain, resulting in difficulties in timely delivery of raw materials and products that will finally challenge our normal transportation and production. Moreover, the reduction or shutdown of raw material production caused by local conflicts is another risk that threatens our supply chain continuity and ultimately our revenues.

3. 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.

**Risk mitigation** > The Group actively responds to geopolitical risks and enhances operational resilience with the following key mitigation measures:

1. The Group continuously monitors the global geopolitical situation, paying particular 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.

2. The Group has established a digital supply chain platform to refine supply chain management and continuously improves the organizations and mechanisms for managing supplier operational risks. The Group identifies and assesses various supplier risks such as the political risk, geographic 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 raw materials to strengthen its ability to manage supply chain disruptions.

3. 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.

#### Network information security risk

**Risk profile** > 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.

**Risk impact** > The network information security risk includes three main types: information security, privacy data leakage, and digital system disruption.

1. 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 compromised, we can be blackmailed by hackers. Our financial system can also be attacked, resulting in huge financial losses.

2. 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.

3. 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 production and operations.

**Risk mitigation** > 1. The Group is committed to protecting information security and private data. We strictly abide by the privacy protection and information security standards and regulations of the countries and regions where we operate, with network security and information security systems established and constantly improved. Moreover, we have established the Digital Intelligence Committee as the responsibility owner and appointed a dedicated Chief Information Security Officer (CISO) to perform network information security related duties and regularly reports to the Company's Co-CEO in charge of information security.

2. The Group has formulated a string of policies, such as *the Fosun Group Information Security Management Policy*, *the Fosun Group Information Security Construction Technical White Paper*, *the Fosun Group User Privacy Policy* and *the Fosun Information Security Emergency Response Guidelines*, to regulate conducts of all employees in all aspects. We also incorporate information security protection into employee performance appraisal, provide operational guidelines for exception handling, such as computer virus, data deletion and damage, and carry out level-based management and control of sensitive information. We actively carry out the construction and certification of the information security system, such as ISO 27001, and the national classified protection of cybersecurity, and regularly conduct data recovery drills, information security inspections, and penetration testing. We also focus on building cyber security capabilities and culture. To this end, we conduct regular data security and cyber security training, and release risk reminders to all employees to enhance their information security awareness and capability, so as to fully protect information security and customer privacy.

### 2.3.4 Risk Culture Building

The Group organizes appropriate risk management training for staff at all levels to enhance their risk management awareness and skills, improve risk analysis and assessment capabilities at all levels, and cultivate risk control experts.

<p><b>Risk assessment and responsibility mechanism</b></p>	<ul style="list-style-type: none"> <li>• Link risk management to the performance appraisal for senior management</li> <li>• Require all employees to implement risk management based on the <i>Management Regulations for Reward and Punishment of Fosun Group</i></li> <li>• Cultivate risk culture with financial incentives based on the <i>Reward and Punishment Mechanism for Motivating the Risk Control Line to Recover Losses of Fosun Group</i></li> </ul>
<p><b>Risk awareness enhancement</b></p>	<ul style="list-style-type: none"> <li>• Conduct regular risk management training for all employees and Independent Directors, and include risk management-related courses in the training of new employees</li> <li>• Organize diversified risk and compliance education activities, such as compliance culture weeks and risk quizzes</li> <li>• Set up the "Loss Recovery Award for the Best Risk Control Line" in the annual selection of excellent performers to recognize the team that excels in risk control and loss recovery</li> </ul>
<p><b>Open dialogue on risk management</b></p>	<ul style="list-style-type: none"> <li>• In addition to our <i>Global Whistleblowing Platform</i>, we have launched a <i>Risks &amp; Compliance Hotline</i></li> <li>• This hotline is anonymous and available to all employees, as well as clients, contractors, suppliers and others in a business relationship with Fosun. By doing so, we proactively identify potential risk control deficiencies or misconduct</li> <li>• In 2023, the Company received a total of 48 valid complaints, all of which have been handled and closed.</li> </ul>
<p><b>Risk management capabilities improvement</b></p>	<ul style="list-style-type: none"> <li>• Take technical measures to carry out comprehensive risk analysis and assessment, establish database for business risk control and response, and enhance the capabilities and methods of special risk audits (e.g. IT audits and fraud audits)</li> <li>• Establish a regular on-site meeting mechanism that involves the risk management backbones from core financial member companies and the Group's Risk Management Department</li> </ul>

### 2.3.5 Crisis Management

To forestall various potential crises and address various emergencies, the Group has established a crisis and public opinion management system to comprehensively enhance Fosun's crisis management capability. We have formulated the *Fosun Guidelines on Crisis Management*, clarifying the types of crisis, assessment and classification, management principles and procedures, management evolution direction and working mechanism of the Crisis Management Committee etc., and standardizing the crisis management of the Group and member companies. The Group has formulated a crisis classification mechanism to clarify the crisis handling requirements and responsibilities of each functional department for crisis events at different levels. At the same time, we have established a crisis review mechanism, which incorporates stakeholder engagement and regular review meetings to continuously optimize crisis management.

The Company has established a Crisis Management Committee. The Committee is responsible for coordinating Fosun's overall crisis management. The Secretariat is set up under the Crisis Management Committee, being responsible for the daily operation of the Committee. Specifically, the Secretariat guides member companies to establish corresponding crisis management working groups as well as setting up special

management teams for different sectors to promote the investigation, resolution and external disclosure of the crisis. Meanwhile, the Secretariat reviews its past initiatives and proposes enhancement procedures and formulates effective measures to prevent the crisis.

During the Reporting Period, we revised the *Fosun Guidelines on Crisis Management* to provide a standard guide for Fosun and its member companies to grapple with risks in daily operations and management, such as natural disasters, ESG risks, public affairs and capital markets, comprehensively improving Fosun's crisis management capability.

We actively urge our industrial groups and core member companies to establish crisis management systems. Meanwhile, we have sharpened up the ability to prevent crisis events by means of risk-based self-inspection, potential crisis monitoring, crisis reporting/forecasting, regular rehearsals and trainings within Fosun's member companies. We have also arranged relevant trainings to raise the awareness and ability of crisis management.

During the Reporting Period, the Group was not involved in any material ESG crisis incidents.

## 2.4 Business Ethics

The Group strictly abides by Chinese laws and regulations including the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Banning Commercial Bribery*, the *Anti-Money Laundering Law of the People's Republic of China* and the *Counter-terrorism Law of the People's Republic of China*. It also complies with laws and regulations of countries or regions where the Group operates or invests in, regarding the prevention of bribery, extortion, fraud, money laundering, unfair competition, etc.

In accordance with the requirements of such laws and regulations, the Group has established an anti-corruption and supervision mechanism to prevent all forms of the aforementioned corruption risks.

### 2.4.1 Anti-Corruption and Supervision

The Board is the top governance body for business ethics management of the Company. As a specialized anti-fraud investigation department, the Anti-Corruption and Supervision Department specializes in preventing the cases of malpractices among staff such as corruption, abuse of power, or dereliction of duty, as well as investigating and handling such cases in an independent, impartial, and sensitive manner.

#### Anti-Corruption and Supervision System

The Anti-Corruption and Supervision Department has established a professional investigation team with extensive work experience in public security economic investigations and procuratorate anti-corruption investigations. Equipped with sufficient resources and capabilities, the department is able to discover, investigate and handle major corruption cases of the Company and its core member companies, and transfer the cases to judicial authorities.

The Company has established an internal integrity management system with reference to ISO 37001 Anti-Bribery Management System and the management standards issued by the China Enterprise Anti-fraud Alliance. We formulated anti-corruption policies and published them on our official website. We formulated business ethics management policies such as the *Fosun Group Incorruptible Working Regulations for Employees*, *Management Measures for Cash and Gifts Received during Business Activities*, *Management Measures for Anti-corruption and Supervision Lines*, *Anti-corruption Assessment and Traffic Light Management Measures*, etc. to regulate staff behaviors in terms of anti-corruption and antifraud, confidentiality of business information, declaration of conflicts of interest, prevention of unfair transactions, etc.

The Group regularly conducts risk assessments and reviews by way of traffic lights. Main businesses of industrial groups and enterprises are classified by the industry operation committees to identify fraud risk points in each type of enterprises, with the frequency of occurrence and possible losses classified based on the classification principle of 3 different colors, that is, red light for high-frequency and high-loss risk points, green light for low-frequency and low-loss risk points, and amber light for other scenarios. For the high-risk points (red light), the Anti-Corruption and Supervision Department carries out a random inspection every year, and assigns special personnel for on-going monitoring. For the medium-risk points (amber light),

We have zero tolerance for actions that would damage the Company's reputation and interests.

-Guo Guangchang, Chairman

the Anti-Corruption and Supervision Department ensures that random inspections are carried out every three years to cover the full range. For the low-risk points (green light), the Anti-Corruption and Supervision Department carries out irregular random inspections according to the business operations and the fraud clues received. During the Reporting Period, the fraud risk assessment achieved 100% coverage for operations of the Group.

The Anti-Corruption and Supervision Department issued the Regulations on Anti-Corruption Inspection to strengthen the standardized management and supervision of the integrity management among member companies. An inspection team organized by Anti-Corruption and Supervision Department at the Group level oversees the Group's units and core member companies annually, conducts inspection on their corruption vulnerable points (i.e., operating indicators, the integrity management of key project's bidding processes and the integrity of key posts) and follows up on post-inspection rectifications of enterprises.

In 2023, the Anti-Corruption and Supervision Department conducted targeted and comprehensive inspections for enterprises engaged in insurance business with high fraud risk and identified 2 fraud cases. For personnel involved in the cases, the Group has handed over all of them to judicial authorities; and for those who have committed serious disciplinary violations, the Group has terminated their labor contracts or imposed other penalties. During the Reporting Period, the anti-corruption inspection covered all key member companies of the Group within the planned annual inspection scope, and we will continue to push forward the inspection.

## Code of Conduct and Policies

The Group formulates the *Fosun Group Employee Code of Conduct* and the *Fosun Group Incorruptible Working Regulations for Employees* to supervise all staff's daily behavior. All staff shall sign the *Letter of Commitment on Integrity Practices* and confirm to be fully aware of and abide by the Group's code of conduct. The terms of the *Fosun Group Employee Code of Conduct* are reviewed periodically and, if necessary, adjusted to ensure the binding effect. Meanwhile, staff are required to participate in training for the *Fosun Group Employee Code of Conduct* every year in accordance with the regulations. Staff are required to consciously comply with laws, be incorruptible and accountable, and not to seek illegitimate benefits or undermine the interests of the Group by taking advantage of their authorities or work duties. In cooperation with management and service partners, we prohibit staff from offering, giving, soliciting, accepting property or financial benefits and prohibit any form of fraud by taking advantage of the position.

To further regulate the ethical behaviors of employees, the Group has formulated the *Fosun Group Code of Business Ethics* applicable to all staff of the Group. The Group's Disciplinary Committee and the Business Ethics Working Group, composed of the Company's divisional leaders and other senior executives, bear full responsibility for ethical management and conduct yearly reviews of the effectiveness of the *Fosun Group Code of Business Ethics*. We have established a performance appraisal mechanism for ethical management that encourages employees to report fraud or unethical conduct, and takes into account the effectiveness of ethical management when evaluating employee performance. Based on these mechanisms, we impose various punishments for violations, such as criticism, admonition, return of illegal benefits, economic compensation, bonus deduction, demotion, dismissal, administrative penalties or termination of labor contract. During the Reporting Period, we revised the *Management Regulations for Reward and Punishment of Fosun Group and the Employee Manual*, clearly defining the violations subject to punishments, such as fraudulent concealment, perjury, failure to cooperate in integrity investigations, and violations of the Group's administration measures for conflicts of interest. We strictly prohibit the act of seeking illegitimate benefits in the form of offering business

entertainment expenses, office expenses and facilitation payments in operating activities, nor do we permit the making of any political donations. During the Reporting Period, the Group made no political lobbying or political donations, and 100% of employees signed the integrity pledges.

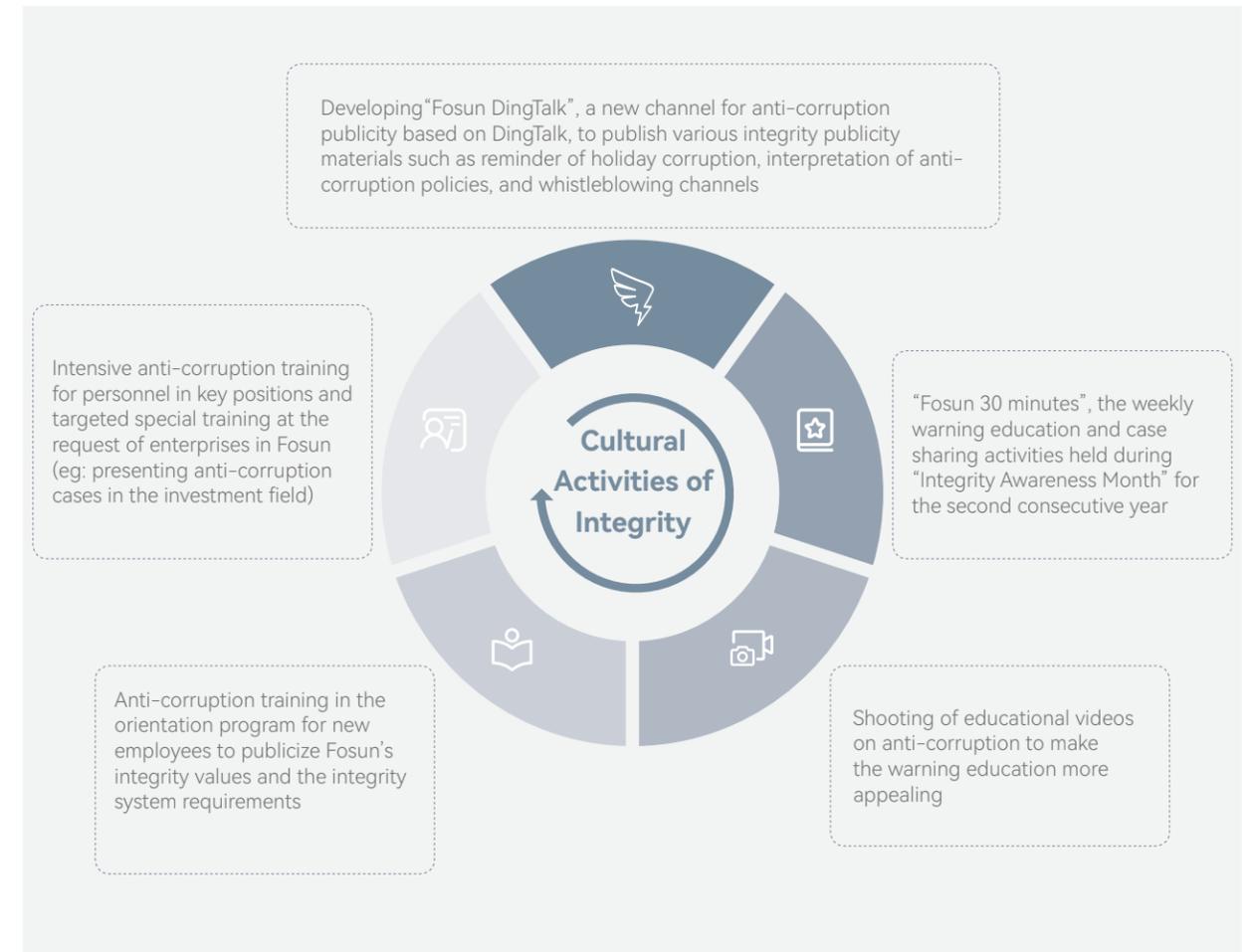
The Group has developed the *Regulations on the Administration of Reporting on Conflicts of Interest for Leaders in Major Posts of Fosun Group* and the *Regulations on the Administration of Conflicts of Interest for Employees of Fosun Group* to strengthen management and supervision over the integrity and performance of leaders in key positions. Moreover, we provide employees with channels to consult on ethical issues such as potential conflicts of interest, to further avoid potential conflicts of interest, inappropriate related party transactions, insider information transactions or other activities that may damage the interest of the enterprise. During the Reporting Period, the Group had no case related to conflicts of interest.

The Anti-Corruption and Supervision Department and HR Department collaborated on a credit inquiry system for Fosun employees to further improve the rewards and punishment mechanism. The system allows for the centralized digital management of employee accountability and punishment, and records relevant information of those fired. Employees who are handed over to judicial organs or have their labor contracts terminated for serious violations of laws and disciplines will be included in an internal blacklist for access. The Anti-Corruption and Supervision Departments and Recruiting Managers of enterprises in Fosun ecosystem can access and use the blacklist as reference to ensure those employees will not be rehired.

During the Reporting Period, the Company and its member companies handled a total of 12 cases (none of which were concluded) involving corruption, bribery and fraud, and a total of 42 cases in which employees of the Company and its member companies were dismissed or disciplined for violating the Company's anti-corruption policy, with 117 employees being punished and dismissed. During the Reporting Period, the Group was not subject to any external anti-corruption investigations or penalties.

## Culture of Integrity

The Group is rigorously committed to fostering a culture of anti-corruption. During the Reporting Period, the Company carried out anti-fraud and anti-corruption awareness training to the Board and all staff. We promoted anti-corruption via our WeChat official account "Fosun Anti-Corruption", staff intranet online platform and other platforms, and organized case sharing and training courses to enhance the staff's awareness of anti-corruption and encourage them to stick to integrity. If fraud cases arise, the Group would organize education and introspection activities of "Rethink" for key departments and staff, keeping the warning bell ringing in their minds and maximizing the impact and influence of case investigation. Other important anti-corruption activities undertaken by the Group include:



As of the end of the Reporting Period, the integrity education has been provided to 100% of the Company's employees, with approximately one hour of integrity training per employee. We have also made every effort to conduct anti-corruption training for our suppliers and contractors.

During the Reporting Period, the Company and the 6 member companies within the scope of the Report achieved 100% coverage of anti-corruption training for suppliers and contractors, with approximately 0.5 hour of anti-corruption training for each representative from both suppliers and contractors. In addition, the signing rate of supplier and contractor integrity pledges also reached 100%.

The integrity education has been provided to **100%** of the Company's employees

The Company and the 6 member companies within the scope of the Report achieved **100%** coverage of anti-corruption training for suppliers and contractors



## Whistleblowing Management

We have set up a comprehensive whistleblowing mechanism. The Group has released the *Fosun Group Global Whistleblowing Policy*, and anonymous reporting can be made via multiple whistleblowing channels. The Group encourages all staff, suppliers and partners to implement the anti-corruption and supervision system to oversee the integrity and diligence of staff, and to promptly and effectively report potential violations of the Group's code of ethics, policies and laws. We have made our complaint channels available to the public, hoping that more stakeholders can participate in the supervision and join us to defend business ethics and good faith.

<b>Fosun Global Whistleblowing Platform</b>	<ul style="list-style-type: none"> <li>Whistleblowing e-mail: <a href="mailto:ethics@fosun.com">ethics@fosun.com</a></li> <li>Whistleblowing portal: <a href="https://contact.fosun.com/ethics">https://contact.fosun.com/ethics</a></li> </ul>
<b>Complaints to Fosun Anti-Corruption and Supervision Department</b>	<ul style="list-style-type: none"> <li>E-mail: <a href="mailto:lianzhengdc@fosun.com">lianzhengdc@fosun.com</a></li> <li>WeChat Official Account: Fosun Anti-Corruption (「复星廉政」)</li> </ul>
<b>Complaints to Fosun Cost and Procurement</b>	<ul style="list-style-type: none"> <li>E-mail: <a href="mailto:fosuncgts@fosun.com">fosuncgts@fosun.com</a></li> </ul>
<b>Whistleblowing Letter</b>	<ul style="list-style-type: none"> <li>Anti-Corruption and Supervision Department of Fosun, 16/F, Building S1, No.600 Zhongshan No.2 Road (E), Shanghai 200010, China</li> </ul>

After receiving internal and external reports, the Anti-Corruption and Supervision Department assesses and investigates each complaint. The reported cases received by the [Global Whistleblowing Platform](#) will be automatically copied to the director who is responsible for the Group's Risk Control Line, as well as to the heads of Audit Department and Anti-Corruption and Supervision Department. We conduct special inspections on the Company and member companies with regard to various fraud risk through handing over, anticorruption inspection, and sampling inspection from time to time. Where fraud cases are verified, the staff who has committed fraud will be severely punished, and criminal suspects will be transferred to a judicial organ. We identify, rectify and prevent relevant operation risks in the process of investigating and handling fraud cases, endeavor to recover economic losses as much as possible while punishing the responsible persons and block the relevant anti-corruption and management loopholes.

In strict compliance with the *Fosun Group Measures for the Protection and Reward of the Informants and Witnesses*, we protect the informants and witnesses, and adhere to the principle of confidentiality in reporting and investigation. We keep strictly confidential of informants' and witnesses' personal information as well as all reporting documentations and evidence they provided in the process of acceptance, registration, storage, investigation, etc., so as to prevent any leakage and loss. We provide protection to whistleblowers and witnesses in accordance with relevant laws and regulations. The Group has set up the "Special Protection List of Informants and Witnesses" for real-name informants who provide real and valid evidence and witnesses who make honest testimony, and the list is reserved by the Anti-Corruption and Supervision Department. The Group strictly prohibited any form of frameup or retaliation against informants and witnesses. Otherwise, serious punishment will be imposed, and alleged criminal cases will be transferred to a judicial organ.

During the Reporting Period, the Group and member companies received **67**

non-compliance complaints (concerning corruption, etc.) from all whistleblowing channels. All complaints had been handled completely.

## Joint Efforts in the Industry

The Group is one of the China Enterprise Anti-fraud Alliance's initiators. Fosun and China Enterprise Anti-fraud Alliance jointly adhere to the vision of "Integrity in China – Impact on the World" and are committed to promoting certification of professional qualification, industry standard study and industry-wide blacklisting, so as to establish facilities, foundations, and theories for anti-fraud activities, and to provide solutions with Chinese wisdom for anti-fraud commitment worldwide. The Group actively participates in the activities organized by the China Enterprise Anti-fraud Alliance and reports dishonest staff into the Alliance's blacklist, increasing the social costs of acting in bad faith.

## 2.4.2 Anti-Money Laundering

Fosun recognizes the importance of anti-money laundering (AML) and counter-terrorist financing work. We make efforts to preventing the transactions, products or services of the Company and member companies from being utilized as a tool or medium for money laundering or terrorism financing. The Company and some member companies have issued the *Fosun Group Guidance on Anti-Money Laundering (Trial Version)* to provide comprehensive and operational guidance on anti-money laundering, endeavoring to establish a robust internal control system for anti-money laundering, prevent money laundering activities and maintain the financial order. During the Reporting Period, no material breach of anti-money laundering laws and regulations occurred.

In 2023, the Company's Risk Management Department, along with the risk control and compliance departments of core financial member companies, jointly launched a session of sharing and interpreting domestic and international regulations on AML. Besides, they gave an introduction to the Group's risk management line on the AML regulatory situation as well as case studies.

### Fosun Insurance Portugal

Fosun Insurance Portugal has formulated its *Anti-Money Laundering Policy* and continues to enhance related management mechanisms and measures to prevent anti-money laundering. Besides, Fosun Insurance Portugal has developed *2 Handbooks for Anti-Money Laundering Procedures*, detailing the business domains of Fosun Insurance Portugal and relevant procedures for controlling and reporting activities. Fosun Insurance Portugal makes use of the information system, including anti-money laundering software, to perform automatic online and batch detection for Politically Exposed Persons (PEPs) and "Sanctioned" persons and entities prior to the establishment of the contractual relationship. This measure has been applied to any transaction related to new premiums, underwriting of new products, claims and redemptions in all business channels. Meanwhile, Fosun Insurance Portugal, has the means to, in an automated and systematic way, monitor transaction activities and analyze customer behavior, and monitor acts with potential money laundering risks, i.e., high-value transactions, an unusual number of transactions from the same customer, redemptions made during the first two years of the policy, payments of premiums made in cash, so as to prevent money laundering risks.

Fosun Insurance Portugal regularly provides training for all employees on AML, CTF, and other compliance-related matters. In 2023, Fosun Insurance Portugal developed an AML e-learning program for its employees. This program covers definitions, common money laundering procedures, and best practices for detecting and managing money laundering risks.

### Peak Reinsurance

Peak Reinsurance has in place a robust anti-money laundering/counter-terrorist financing (AML/CTF) program to ensure effective identification and management of money laundering and terrorism financing risks, and to safeguard employees, shareholders, business partners and other stakeholders with established policies, principles and standards. Risk-based counter-party due diligence (CDD) is conducted prior to the transaction in accordance with policies and procedures, and risks are monitored and recorded on an ongoing basis. Peak Reinsurance also dynamically updates its risk assessment based on regulatory information and reviews the scope of CDD to achieve ongoing risk monitoring. In 2023, Peak Reinsurance published the Sanctions Policy Statement to disclose the relevant sanctions regimes, business practices and compliance standards adhered to by the company.

Peak Reinsurance regularly organizes training for all employees on AML, CTF and other compliance-related matters, and provides specialized training for different positions and duties. In 2023, Peak Reinsurance conducted AML training for its employees, covering common money laundering procedures, major types of money laundering in the insurance industry, and best practices for detecting and managing money laundering risks. Peak Re employees participated in the training and passed the exam, with an average training duration of about 40 minutes.

## 2.4.3 Anti-Unfair Competition

The Group strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and other related laws and regulations of China and other countries or regions where the Group manages or invests in. We proactively safeguard the healthy economic development, advocate, and protect fair competition and combat unfair competition. During the Reporting Period, the Group did not have any material breach of anti-unfair competition laws and regulations.

### Anti-unfair Competition Training

In 2023, Peak Reinsurance rolled out the refresher online training on Code of Conduct which includes topics related to anti-unfair competitive conduct, for all employees and directors, and all participants are required to pass the "Score Test". Fosun Insurance Portugal also provided training to its employees on the anti-unfair competitive law.



# 03

## Technology Innovation-driven

Over three decades of development, Fosun has grown together with the Chinese and global economies into a global innovation driven consumer group that focuses on the development of business segments such as Health, Happiness and Wealth. Fosun has accumulated profound experience and capabilities in the fields of global operations, technology and innovation, business ecosystem and FES management system, and has also built up its core asset base that could bring stable, synergistic and sustainable growth. Fosun adheres to the technology innovation driven strategy which views strong technology innovation capability as a core driver to drive its multiplier growth, striving to provide high-quality products and services to families around the world while enhancing its global competitiveness.

### 3.1 Sustainable Innovation

Fosun has established a Science and Technology & Innovation Committee to coordinate the resources of the Group to enhance the sustainability of the innovation ecosystem from 4 dimensions, namely “enhancing technological innovation for a greater international influence, establishing a closer partnership with governments to support technological innovation and projects, improving capabilities, organizations and policies of technological innovation, and building technology-enabled platforms as well as a sound global ecosystem”. In 2023, Fosun Pharma established a Scientific Advisory Committee at the group level to further refine the top-level structure for innovation, and continued to gather more senior scientists and high-level talents at home and abroad to provide a strong driving force as a leading enterprise.

#### Diversified Innovation Models

Through independent research and development, investment incubation, VC investment, institutional cooperation, patent licensing, innovative product cooperation and introduction, etc., we intend to create a multi-dimensional global innovation system, focusing on family scenario units and taking the global innovation leadership, and we are committed to developing excellent Fosun products with attraction and competitiveness. During the Reporting Period, Fosun’s R&D investment<sup>5</sup> reached RMB 7.4 billion, representing a year-on-year increase of 14%, accounting for approximately 3.7% of revenue. In particular, the R&D expenses amounted to about RMB4,882.9 million, accounting for approximately 2.46% of revenue. The Group has set up approximately 4,000 R&D positions and has a total of 1,241 patents for invention, which will continue to be transformed into productivity with the support of Fosun’s global operations and continuous innovation capability.

#### Highlights



Investment of RMB 7.4 billion in 2023, deepening technology innovation capabilities



1,241 Patents for invention



10+ Global technology innovation centers

<sup>5</sup> It includes scientific research investment (expensed and capitalized), but excludes digitalization expenses.

### Innovation Research and Development

Proprietary research and development, develop new products



#### Technology Innovation Centers in Various Fields

We deeply integrate industrial layout and market demand to push forward the implementation of numerous technology innovation center projects in various fields, giving full play to innovation as the first driving force for development. In 2023, initiated by Fosun’s Science and Technology & Innovation Committee and the Global Industry Research Institute, Fosun signed a strategic cooperation agreement with the National Innovation Center par Excellence, establishing an in-depth partnership at the Group level. In addition, Fosun Cosmetics Innovation Center, a member company of Yuyuan, officially obtained the laboratory certificate issued by the China National Accreditation Service for Conformity Assessment. Currently, there are only a few dozen accredited testing laboratories for cosmetics companies in China.

During the Reporting Period, **two** innovation centers have been established by Fosun’s member companies, namely, Wansheng Advanced Materials and Engineering Research Institute and Fosun Pharma Transformation Research Center, continuously strengthening its technology innovation capabilities.



### 3.1.1 Sustainable Innovation

Taking into full consideration of consumers' demand for sustainable products and services, Fosun is committed to embedding environmental and social impact factors into all aspects of products and services throughout their life cycles. Please refer to the following practice of each segment.

#### Health Segment

Under the guidance of the "4 IN" strategy ("Innovation, Internationalization, Intelligentization and Integration"), Fosun Pharma continuously acts the role of a health guardian, providing family customers with premium products and services. As a result, Fosun Pharma ranks second in the list of "Top 100 Chinese Pharmaceutical Enterprises" issued by China National Pharmaceutical Industry Information Center of Ministry of Industry and Information Technology of the People's Republic of China. Fosun Pharma also ranks first in the industry star list of Fortune 2023 "Most Appreciated Chinese Companies". During the Reporting Period, R&D investment of Fosun Pharma amounted to RMB5.937 billion, with a year-on-year growth of 0.88%; in which R&D expenses amounted to RMB4.346 billion, with a year-on-year growth of 1.02%.

#### Product Development

Adhering to the "patient-centered, clinical demand-oriented and high-tech-driven" policy for R&D, Fosun Pharma pursues independent innovation while embracing global cooperation in a bid to promote the commercialization of innovative drugs and devices, and improve the accessibility and affordability of innovative drugs.

Fosun Pharma's innovation achievements accumulated over a long period of time are being continuously commercialized. During the Reporting Period, the world's first anti-PD-1 antibody HANSIZHUANG® (Serplumab Injection) for the first-line treatment of small cell lung cancer independently developed by Shanghai Henlius (a member company of Fosun Pharma) was approved for four indications, filling a "gap in treatment" and making further efforts in the fields of lung cancer and digestive tract tumors. The first CAR-T cell therapy product Yi Kai Da® (axicabtagene ciloleucel injection) introduced to China by Fosun Kite, a joint venture company of Fosun Pharma, was approved for the second-line indications, bringing hope of "cure" to more lymphoma patients.

During the Reporting Period, Fosun Pharma had **8** indications from **6** innovative drugs and **29** generic drugs approved for launch; **7** indications from **5** innovative drugs/ biological analogues and **64** generic drugs applied for launch; **20** innovative drugs/ biological analogues (indications) projects approved for clinical trials.



#### Happiness Segment

Fosun's Happiness Segment aims to build a "world-class FC2M ecosystem for family happiness consumption" that integrates various products and brands through innovation and digitization, to provide consumers with healthy and sustainable products and services.

#### Healthy Diet

With rich experience in food research and development, Yuyuan Cultural Catering Group has led the compilation of *the Group Standard for pre-prepared noodle* published by China Industry-University-Research Institute Collaboration Association and *The Group Standard for Antler Mushroom* published by China Edible Fungi Association. Yuyuan Cultural Catering Group has also participated in the formulation of group standards for pre-prepared dishes in Shanghai. In addition, Yuyuan Cultural Catering Group further deepens industry-university-research cooperation. It collaborates with Jiangnan University to jointly establish the "Joint Laboratory for Key Technology Development of High-quality Rice and Wheat Products", to accelerate the innovative R&D of Yuyuan Group's catering brands.

#### Curbing the Negative Effect of Alcohol

The Fosun Global Liquor Technology Innovation Research Institute under Yuyuan focuses on product innovation and expects to develop liquor products with less negative impact on consumers, striving to reduce or minimize the negative effect of alcohol. The Fosun Global Liquor Technology Innovation Research Institute understands different consumers' drinking experience precisely by leveraging cutting-edge multi-modal equipment and builds a scientific comfort system for distilled spirits drinking experience. In addition, Shede Spirits, a member company of Yuyuan, advances research on the time value system of aged liquor, and actively develops healthy liquor products such as low-alcohol liquor so as to broaden consumers' choices of diversified alcohol products.



#### Intelligent Manufacturing Segment

Supported by China's manufacturing applications market, Fosun's Intelligent Manufacturing segment is deploying digital intelligence technologies globally to empower the green development of industrial manufacturing.

#### Green Material

Dedicated to the production of green phosphorus materials, Zhejiang Wansheng Co., Ltd has independently developed the world's first continuous chemical process through production process innovation. By precisely controlling the amount of feed and reaction conditions, the chemical process effectively reduces or removes toxic and hazardous substances such as heavy metals, polybrominated diphenyl ethers, decabromodiphenylethane, perfluoroalkyls and polyfluoroalkyls (PFASs), etc., and satisfies the European Union's *Restriction of Hazardous Substances in Electrical and Electronic Equipment* (EU 2011/65 RoHS), the *Stockholm Convention*, and other international standards.

#### Green Travel

Fusionride Technology (Shanghai) Co., Ltd. applies its sensing technology in the field of intelligent transportation and green travel, aiming to make positive contributions to the construction of a safe, efficient and green transportation environment. The road-side traffic sensing radar developed by Fusionride Technology (Shanghai) Co., Ltd. can optimize traffic flow by accurately capturing and analyzing traffic flow data to reduce congestion and improve mobility efficiency, which reduces energy consumption and emissions and contributes to low-carbon travel.

### 3.1.2 Open Innovation

While improving its core competence in independent R&D, the Group has been refining its global layout and actively absorbing external innovation forces with innovation strategies, such as co-development, license introduction, in-depth incubation, in an attempt to steadily lay out globalization and make every family enjoy good health.

#### R&D Collaborations

Shanghai Henlius collaborates with East China University of Science and Technology and Bio-Link Pharmaceutical Application System Co., Ltd. to overcome difficulties in the development and commercialization of key technologies for domestic production of biologic antibody drugs. The project has been successfully approved as "2023 Key Tasks of Joint Technology Innovation Community of the Yangtze River Delta".

#### Venture Capital

In 2020, Fosun Pharma established its first VC fund in the field of new drugs, "New Drug Innovation Fund", to mainly invest in innovative biopharmaceutical-based health projects with rapid growth potential at the initial and expansion phases, and source worldclass and high-quality technologies and products for Chinese markets.

#### Incubation

Fosun Health Capital is committed to incubating innovative biopharmaceutical companies from 0 to 1. During the Reporting Period, it incubated 10 portfolio companies and 33 R&D pipelines. To better boost the development of the invested companies, the project team actively helped them to raise funds, which reached RMB 576 million in 2023.

#### Joint Ventures

Fosun Pharma's medical device member company has officially signed a cooperation agreement with Insightec to jointly establish Fosun Insightec Medical Technology Co., Ltd. in China, which is committed to the commercialization, clinical application and research of the transcranial magnetic resonance imaging-guided focused ultrasound (tcMRgFUS) in the Chinese market, helping patients with Parkinson's disease and essential tremor to regain a high quality of life.



### 3.1.3 Innovation Culture

To enhance the exchange of technology innovation, we staged a series of sci-tech innovation activities themed "Expert Talk", "Showground" and "Methodologies", and actively organized and took part in exchange projects, aiming to strengthen industry-university-research collaboration, advance the construction of innovation community with universities, and create a better innovation ecosystem.



Fosun's Innovation Exchanges in 2023

#### Common Progress

Fosun, together with overseas member companies and partners engaged in pharmaceutical and health, participated in the CIIE for the sixth consecutive year, ranking 28th among the "Top 100 Exhibitors with Comprehensive Influence" in the six exhibition areas, and 8th among the "Top 10 Influential Exhibitors" in the exhibition area of medical devices and healthcare. Among them, Fosun Pharma participated in CIIE with an initiative of "Open Innovation and Joint Efforts for Health in China", exchanging the latest achievements of open innovation with global partners through the high-quality open platform of CIIE.



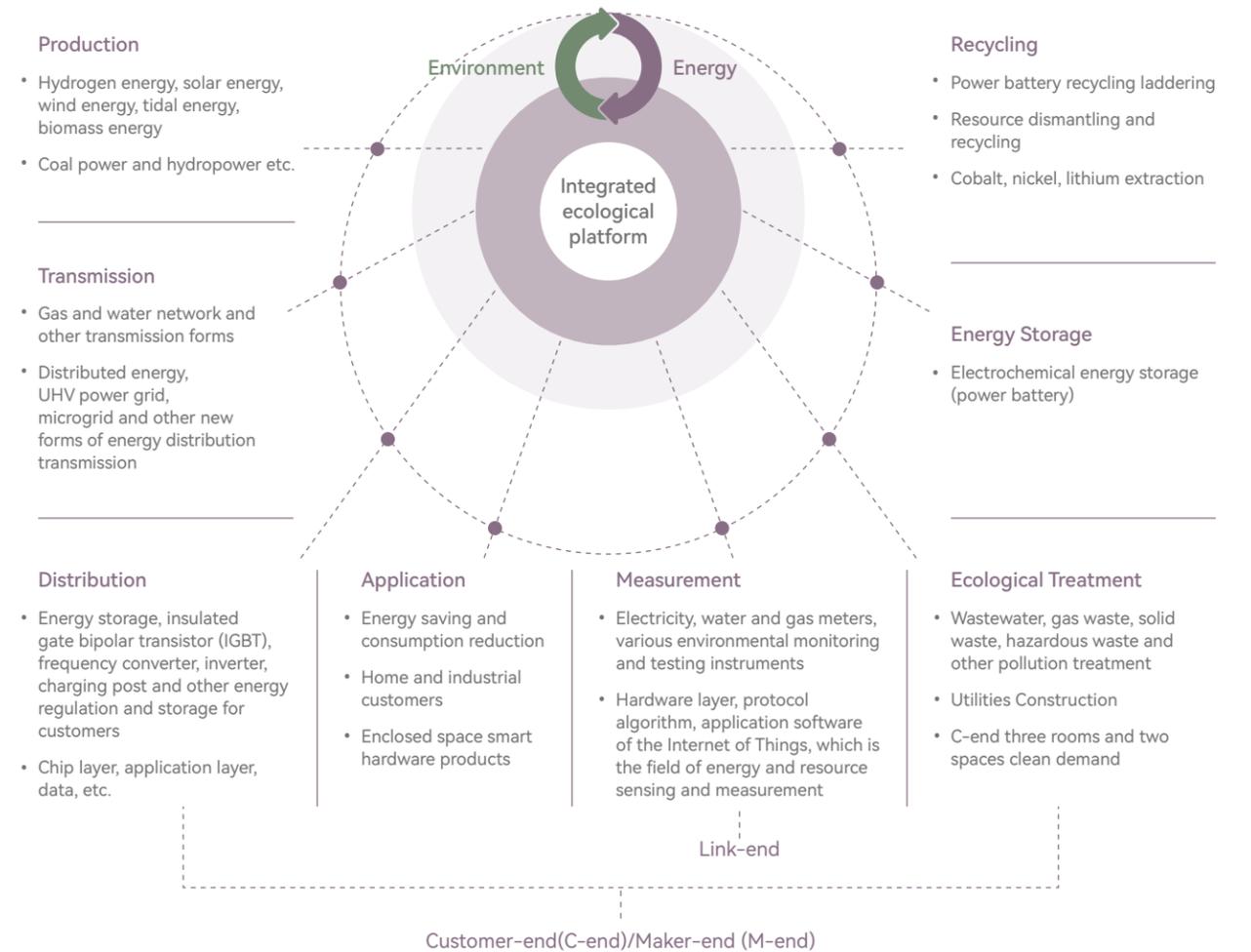
### 3.2 Exploration of Clean Technology

In addition to maintaining sound operations and management, Fosun is actively engaged in ecological environment improvement, with green development as the top priority. Fosun has increased investment in environmental industries and clean technology, and has set the vision, strategy and targets for its clean technology investment.

Vision	Strategy
<p>Rooted in China and serving global customers, we strive to develop into a capital and technology-driven comprehensive energy and environment group that holds balanced light and heavy assets and has expertise in operations from harmlessness to recycling, with business covering the new energy, energy storage, environmental protection and other key subsectors. We are committed to investment in the new energy and energy storage industries, comprehensive environmental management, resource utilization and ecological protection, for the continuous improvement of the ecological environment.</p>	<p>Under the Carbon Peaking and Carbon Neutrality Strategy, China will accelerate its transformation on high-efficiency and green. By focusing on the carbon neutrality industry, we aim to optimize the industrial layout in new energy, green and new materials, green electricity, smart grid and new energy storage industries through industrial integration and investments. All these aim to improve the overall environmental governance ability on wastewater, solid waste and exhaust gas and help the industry to save energy, reduce emissions and improve product quality, thus contributing to the industry's strategic commission of green transformation.</p>

Objective		
Timeline	Industry Positioning	Milestones
2021-2025	<p>In addition to terminal pollution treatment services, by taking advantage of the existing ESG-related core member companies, we will expand to resource recycling, further extending to upstream and downstream, moving from "abandonment" to "regeneration" and from "consumption" to "recycling", and further broadening the layout to new tracks such as solid and hazardous waste resource utilization, core technology products and new energy.</p> <p>We will further reduce emissions in the production process of the Group's member companies and use recycled materials for production.</p>	<p>Expanding businesses in environmental restoration and conservation and resource recycling, to achieve source reduction, energy conservation and consumption reduction, resource recycling and long-term sustainable development.</p> <p>We will expand capital expenditure in infrastructure to optimize the energy mix, to achieve a high-efficiency and energy-saving model of manufacture and consumption.</p>
2025-2030	<p>Pollution treatment + resource recycling + energy utilization, expanding from tangible resources to intangible energy. Ecological group will provide not only waste disposal and recycling solutions for global family customers, but also a clean, sustainable, measurable, and alternative energy system, to promote the ultimate upgrade and evolution of the environmental group into ecological group.</p>	<p>Through ten-year hard work, striving to achieve sustainable and rapid growth in the mid-term and long-term.</p> <p>Taking renewable energy as a breakthrough, gradually open up the industry chain from environment to energy, and construct an integrated energy platform containing energy supply, transmission, storage, calculation, as well as sales, and gathering a large number of business and individual customers; meanwhile, thoroughly implement the strategy of "driving development with science and innovation", with developing technology-led and innovation-driven light asset business to account for 30% or more of all businesses.</p>

Targeting on the vision and strategy of clean technology investment, we strive to build a comprehensive ecosystem platform integrating environment and energy.



As of the end of the Reporting Period, the Group's investments have been made in a number of clean technology companies and the following business areas were involved:

Clean Energy	Energy Efficiency	Pollutant Prevention and Control	Sustainable Water Sources	Green Building
<ul style="list-style-type: none"> <li>• Wind</li> <li>• Solar</li> <li>• Tidal</li> <li>• Biomass</li> </ul>	<ul style="list-style-type: none"> <li>• Other Energy Storage Technologies</li> <li>• Advanced Materials</li> <li>• Battery</li> <li>• Smart Grid</li> <li>• Natural Gas Combined Circulation (NGCC)</li> <li>• Industrial Automation</li> <li>• Nanotechnology</li> <li>• Heat &amp; Power</li> <li>• Energy Optimization Tech &amp; System</li> </ul>	<ul style="list-style-type: none"> <li>• Reuse &amp; Recycling</li> <li>• Waste Treatment</li> <li>• Carbon Capture &amp; Storage</li> </ul>	<ul style="list-style-type: none"> <li>• Water Infrastructure &amp; Distribution</li> <li>• Smart Metering Devices</li> <li>• Wastewater Treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Green Certified Property</li> <li>• Building Insulation</li> </ul>

As of the end of the Reporting Period, we had 43 participating and holding companies in the energy and environmental protection sector, of which 2 were A-share Main Board listed companies. The total investment in energy and environmental protection exceeded RMB20 billion, accounting for more than 50% of the total PEVC investment in the energy, environment and smart equipment investment segment.

## Some Projects of Investment in Clean Technology

### New energy

#### Jinsheng New Energy

Jinsheng New Energy is a largescale advanced manufacturing enterprise engaged in the comprehensive recycling of lithium batteries. It has built a complete integrated ecosystem covering lithium battery recycling, cascade utilization and recycling, and created a full-path supply chain of lithium battery recycling to provide complete recycling solutions for various types of lithium battery users. Its products have been widely used by Huayou Cobalt, CNGR Advanced Materials Co., Ltd., Ganfeng Lithium and other new energy leading enterprises. It has obtained the approval for recycling 204 thousand tonnes of lithium batteries, and has built a battery recycling capacity of 100 thousand tonnes, with recycling capacity ranking the second among domestic companies, and the first among non-listed enterprises.



#### Kuntian New Energy

Kuntian New Energy is a company in China that has mastered and is able to apply the technology of chamber furnace graphitization to the production of high-end artificial graphite products. The products are mainly used for the production of lithiumion batteries in the emerging green and new energy industry. Kuntian New Energy is a leading developer and supplier of the anode material for lithium-ion battery. With great importance attached to environmental protection and energy conservation, it has upgraded the production line for multiple times, taking various measures to reduce emissions, such as waste heat recovery, flue gas desulfurization, noise reduction, dust removal, etc. At present, compared to the conventional crucible furnace graphitization, the chamber furnace graphitization technology adopted by Kuntian New Energy can furtherly reduce the energy consumption per unit of production, achieving that the production capacity is increased by more than 1.6 times without any increase in equipment.



### Energy saving and efficiency improvement

#### Easun Technology

Easun Technology is a globally-leading provider of fully integrated solutions to digital and automated industrialization, covering six major business sectors, namely smart automotive factories, discrete automation engineering, digital factory development platforms, manufacturing execution system (MES), aviation industry and component production, and 4.0 education college. It is specialized in automotive body-in-white automation integration, flexible assembly system and self-developed automotive bionics software system and carries out body-in-white production line turnkey projects, customized engineering design and flexible intelligent technical support for world-renowned automotive manufacturers and tier 1 auto parts suppliers.



### Energy saving and efficiency improvement

#### Elco

Elco, founded in 2003 in Tianjin, is a leading enterprise in industrial automation in China. As a local provider of industrial automation products and intelligent manufacturing solutions in China, Elco leads in many fields such as new energy, automobiles, auto parts, engineering machinery, logistics equipment, food and pharmaceuticals, printing and packaging, textile machinery, and electronics manufacturing. It also excels in energy conservation and efficiency improvement.



### Environmental protection and pollution treatment

#### Hong Sheng

Hong Sheng is an enterprise of China engaged in the R&D and production of high-performance environmental protection dust removal filter materials, the sales of related accessories, the third-party operation and management and services on ultra-low emission transformation, industrial dust collection system design, industrial smoke and dust control, and possesses the core competitiveness of the whole process chain integration. Committed to controlling the industrial smoke, Hong Sheng New Material is specialized in serving customers from major industries, including thermal electricity, thermal power, iron and steel, cement, chemical industry, renewable energy (biomass power generation, waste incineration). It has a production facility of new materials in Quzhou, Zhejiang and another one of inorganic fiber materials in Liaoning. More than 80 ultra-low emission retrofitting projects have been completed, and its patented product of high silica (modified) coated filter bag can achieve ultra-low emission of industrial flue gas of 5mg/Nm<sup>3</sup>, leading around the world.



#### Lianyun Environment

As an advanced enterprise in the waste classification industry, Lianyun Environment has played a leading or assisting role in the establishment of 26 industry standards, such as the operation process of domestic waste classification and discharge. At present, it is mainly engaged in the research and development, production and sales of intelligent products related to the discharge, collection, transportation and recycling of urban domestic solid waste. Its business started with environmental equipment operation projects and entered the garbage classification market in 2015. To date, it has developed into a high-tech enterprise in possession of the core technology of "intelligent hardware equipment manufacturing + software platform development + standardized project operation", and is committed to urban and rural garbage classification, renewable resource recovery, smart sanitation and other environmental business. Due to poor awareness of garbage classification, people usually discharge garbage arbitrarily without sorting out and recycling it properly, resulting in the low efficiency of handling and sorting systems, or even secondary pollution. To address the problem, Lianyun Environment leverages the Internet, big data systems, intelligent garbage sorting equipment and garbage classification education, contributing to the reduction, recycling, and harmless treatment of garbage.



### 3.3 Protection of Intellectual Property



Intellectual property is a precious asset of Fosun. We continue to enhance the protection of intellectual property rights across the whole chain, while respecting the intellectual property rights of other enterprises and individuals. The Company has established Intellectual Property Management Department, which is responsible for the management and risk prevention of IP rights (such as trademarks, patents, copyrights, trade (technical) secrets, domain names and data rights) at the group level.

The Group respects property rights, including IP and tangible property rights. Infringement acts such as industrial monopoly, counterfeiting and piracy are strictly prohibited by the Group. We pay a fair consideration for the property rights that we acquire or use. For the acquisition, sales and use of property rights, the Group will also consider social, human rights and environmental factors. We do our best efforts to protect IP, pursuing legal liabilities for any infringements that have been identified and signing relevant legal agreements for IP authorized for use by third parties.

We strictly abide by the rules and regulations regarding IP of the countries/regions where we operate. We formulate and issue the *Management Measures for the Intellectual Property of Fosun Group* to provide standardized guidelines and recommendations for the comprehensive protection of the Group's intangible assets. A variety of measures, such as the establishment of systems, staff training, technical safeguards and file management, etc. are adopted to protect internal trademarks and intellectual innovation achievements from infringement and also avoid the Group's infringement on others' intellectual property; at the same time, attention is attached to due diligence with respect to the quantity and quality of enterprises' IP and the risks in infringement in investment activities in order to avoid potential IP risks. We also release reminders on the compliant use of original works such as pictures, special fonts and creative concepts in our daily work to enhance staff's awareness of IP and respect IP and originality.

We closely manage the Group's core trademark assets and provide operational guidance on the application and compliant use of core trademarks. At the same time, we have taken a series of actions to safeguard the Group's trademark rights and enhance its brand value. For example, we filed three applications for trademark opposition and one application for similar trademark revocation with the China National Intellectual Property Administration, and we filed a lawsuit against an investment company that used "Fosun" as a trade name without authorization for trademark infringement and unfair competition, and the court ordered the company to immediately stop the infringement, change the name containing "Fosun", and compensate the Group for the economic losses caused thereby. This case was selected by the Shanghai Intellectual Property Administration as the 2023 Shanghai's Outstanding Case of Intellectual Property Rights Protection.

Member companies are responsible for managing their respective IP effectively. The Company is responsible for the assessment and evaluation of the IP management of various Business Groups and core member companies. By issuing the *Reporting of Material Intellectual Property Matters*, the headquarters collects and grasps the IP risks and benefits of each member company.

We keep abreast of the revision of domestic and foreign intellectual property laws and regulations and industry policy trends, and actively communicate with external parties on key issues, such as the revision of the copyright law, the implementation of the personal information protection law, and copyright issues in the film, television and entertainment industries, so as to promote the healthy development of China's intellectual property undertaking.

During the Reporting Period, the directors of the Group confirm that, having made all reasonable inquiries, to the best of the directors' knowledge and belief, there has been no major IP infringement litigation (including abuse of dominance, counterfeiting and piracy) in the Group.

As of the end of the Reporting Period, the headquarters of the Group had directly managed **210** domain names, possessed **625** domestically-registered valid trademarks, **12** trademarks under application, **199** trademarks registered overseas<sup>6</sup>, **9** trademarks in progress of international trademark application under Madrid System<sup>7</sup>, and **3** artwork copyrights.

<sup>6</sup>Trademarks registered overseas refer to trademarks registered in countries/regions other than Mainland China.

<sup>7</sup>It refers to the registration of a trademark with the members of the Madrid Union in accordance with the Madrid Agreement Concerning the International Registration of Marks.

#### Fosun Pharma

Fosun Pharma has established, improved and continued to implement the "High Priority IP strategy", implemented the national standard of *Specifications for the Administration of Intellectual Property Rights of Enterprises*, improved patent quality with high standards, and comprehensively applied IP systems such as patents, technical secrets and trademarks to build an IP moat for innovative achievements in pharmaceutical research and development.

Fosun Pharma combines IP operation with the whole process of new product project approval, R&D and marketing, dynamically analyzes and identifies IP related technologies and laws and warns IP risks related to the project in the project approval and the whole R&D process. Fosun Pharma establishes an IP portfolio, including a patent portfolio for key products to prolong the life cycle, and ensures the realization of the economic and social value of R&D investment.

During the Reporting Period, the pharmaceutical sector of Fosun Pharma had **206** patent applications,

including **5** U.S. patent applications

and **11** PCT applications, and

**74** invention patents were authorized.



#### Yuyuan

Yuyuan continues to optimize its intellectual property management system. Yuyuan has established an intellectual property management department, and updated the *Intellectual Property Management Policy* and relevant implementation measures to further clarify the management authority over the intellectual property work of various industries. Yuyuan also regularly conducts intellectual property training, education and publicity among intellectual property personnel. During the Reporting Period, the total training duration was up to 14 hours.

During the Reporting Period, Yuyuan possessed

**516**

intellectual property rights.

In 2023, Yuyuan joined the Anti-Infringement and Anti-Counterfeiting Alliance, becoming the first batch of members of the Huangpu District Intellectual Property Protection and Development Alliance of Time-Honored Brand Enterprises. Moreover, Yuyuan actively participated in the trademark and brand value promotion campaign of "Thousands of Enterprises in a Hundred Cities", and was awarded the Model Enterprise of Trade Secret Protection in Huangpu District.



04

# Responsible Operation

## 4.1 Lean Industrial Space

### 4.1.1 Quality Management

The Group strictly abides by laws, rules as well as regulations related to the health and safety of products supplied in the countries/ regions where our businesses operate, including the *Product Quality Law of the People's Republic of China, the Food Safety Law of the People's Republic of China, the General European Union Food Law Regulation*, etc. In accordance with such laws and regulations, the Group is required to establish a management and supervision system to ensure the quality, health and safety of our product and service. The Group has set up a quality culture centered around customers with all employees' involvement. We provide high-quality products and services, improve continuously, and pursue excellence. We encourage member companies to establish quality management systems and pass the certification. As of the end of the Reporting Period, 21 member companies of the Group had obtained the quality or food safety management system (ISO 9001 or HACCP) certification.

Setting up the EHSQ Department as the responsible department for Fosun's quality management, we promote the improvement of the product powered by standardization and establishment of supervision and management on the product quality systems of the member companies in accordance with the *Guidance for Fosun's member companies to Establish the Mechanism of Product Recall, the Measures of Fosun on Handling Relevant Leaders of Units With Safety, Quality, Environmental Protection, Other Production and Operation Accidents* and the *Reporting Procedures of Major Safety, Quality and Environmental Accidents*.

According to ISO 9000:2015 quality management system standard, we formulated the *Quality Manual of Fosun Group*, continuously reviewing and optimizing the quality management

work of the Group through PDCA approach, and we also defined the responsibilities and authorities of relevant personnel for quality-related issues to ensure that they are held accountable for such responsibilities. At the same time, we have defined the quality system audit requirements for each major segment in the *Quality Manual of Fosun Group* and developed the *Fosun Group Quality Audit Form* for member companies to conduct audits and self-audits with uniform standards on the same quality platform.

During the Reporting Period, the Group formulated the *Procedures for Product Standards and Release Control*, which clarifies the requirements for the formulation of product standards and control throughout the product life cycle. We have also improved our product recall mechanism and conducted regular mock recalls and emergency procedure tests, to ensure the safety of our products and services.

During the Reporting Period, we conducted 5 quality system audits on a number of key member companies, including Fosun Pharma, Yuxuan and FTG, and all of them passed the audits. Quality investigations and unannounced inspections were conducted to drive member companies to improve their quality management system. Measures taken include but are not limited to incoming stock examination of raw and auxiliary materials, production process control, finished product check, storage and logistics monitoring. Key quality indicators of each company were established after taking into account the characteristics of that company and were tracked on a monthly basis. We also provided special quality training for 35 key member companies, to encourage them to strengthen their quality systems and constantly improve management levels.

In order to strengthen the quality management of the Group and our member companies, we have established the short, medium and long-term goals as follows:

	Short term: 2022	Medium-term: 2023-2024	Long-term: 2025-2031
Current Progress >	Achieved	In progress	Planning
Core strategic work/Key emphasis >	<ul style="list-style-type: none"> <li>Implement pilot projects for quality audit in member companies, namely Fosun Pharma, and Hainan Mining;</li> <li>Draft and issue the quality manual, system policies and procedures, and organize training accordingly;</li> <li>Implement pilot projects for EHSQ quality improvement in member companies of each segment, namely Fosun Pharma, Hainan Mining, Yuyuan and Fosun Care Group.</li> </ul>	<ul style="list-style-type: none"> <li>Promote EHSQ quality improvement projects to cover all member companies in each segment;</li> <li>Continuously promote quality management and audit of all segments and the entire product cycle;</li> <li>Establish and perfect product quality standards for each segment;</li> <li>Push core member companies to establish exemplary lines and exemplary factories of quality management within their respective groups;</li> <li>Improve the quality indicators of member companies in each segment to continuously promote international quality management and enhance overseas organizations.</li> </ul>	<ul style="list-style-type: none"> <li>Help member companies to continuously improve their quality management and push member companies to achieve the goal of "zero defect, zero passive recall".</li> </ul>
Quantitative Target >	Conduct at least 5 quality system audits.	<ul style="list-style-type: none"> <li>Establish and perfect product quality standards for each segment;</li> <li>Exemplary companies in different business lines achieve "zero defect, zero passive recall".</li> </ul>	80% of the target companies achieve "zero defect, zero passive recall".



Fosun Pharma

As a medical and healthcare group with pharmaceutical manufacturing and R&D as its core, Fosun Pharma regards quality as the lifeline of the company and ensures that the quality policy of “respecting life, prioritizing quality, surpassing perfection and pursuing excellence” is carried out throughout the entire life cycle of its products.

▷ Quality Management System

In order to better promote daily quality management, Fosun Pharma has split quality management responsibilities into various levels and adopted a four-level quality architectural system (quality policy, group SOPs/guidelines/work instructions, corporate SOPs/work instructions, and SOP-based documents/records) to further ensure the effectiveness of the quality management system. As of the end of the Reporting Period, Fosun Pharma has issued a total of 19 GMP technical guidelines, with the process of key quality elements increasingly standardized.

In order to ensure the effectiveness of quality management measures, all manufacturing member companies of Fosun Pharma have established comprehensive quality management systems in strict accordance with the requirements of GMP or ISO 9001, with a coverage rate of 100%, and have been certified by various parties. As at the end of the Reporting Period, the quality management systems of all manufacturing member companies in Pharmaceuticals Sector have met the requirements of the 2010 version of GMP, while the quality management systems of all manufacturing member companies in the Medical Devices Sector have complied with the new version of the *Medical Device Production Quality Management Practice*.

▷ Quality Inspection Capability

Fosun Pharma has established a sound quality inspection and monitoring system to ensure the excellence and stability of product quality through laboratory monitoring and precise measurement throughout the entire production process. Fosun Pharma regularly conducts preventive monitoring of all products and services, including raw material testing, intermediate process testing, process control and validation, product release testing and stability testing of biological products.

▷ Quality Audit

Fosun Pharma organizes annual quality audits for its member companies in accordance with the quality requirements of international standards, covering quality system, production, documentation, materials, laboratory control and equipment and facilities, etc. During the reporting period, Fosun Pharma conducted a total of 9 GMP audits and quality system evaluations for its member companies in the pharmaceutical sector.

▷ Product Recall

Fosun Pharma has formulated the *Rules of Management on Product Recalls* in compliance with the *Administrative Measures for Drug Recalls* and other relevant laws and regulations, specifying the standard operation procedures and division of responsibilities for drug recalls. In addition, Fosun Pharma has implemented a comprehensive drug traceability system to ensure that each batch of drugs can be traced. Once any defective product is found, the recall procedure will be promptly activated and investigation and evaluation will be conducted.

To ensure the effectiveness and timely response of the recall system, Fosun Pharma conducts simulation recall drills. During the Reporting Period, Fosun Pharma conducted 7 simulation recall drills, and no actual recall occurred.

Yuyuan

Shede Spirits, a member company of Yuyuan, adheres to the principle of “prevention first, risk management, whole-process prevention and control, and integration of management and control”, and has passed the ISO 9001 quality management system certification for the 29th consecutive year. Shede Spirits has formulated and implemented the *Product Quality Management*, the *Product Inspection Management*, the *Food Quality and Safety Supervision and Inspection Management* and other management policies and measures, to regulate the company’s food production and business activities, prevent food safety accidents, and protect food safety and consumers’ health.

▷ Strict control of inspection processes

Shede Spirits continuously strengthens the product inspection management standards, and regularly conducts self-inspection, random inspection and targeted inspection throughout all processes, covering product design, procurement, quality inspection, warehousing, production and sales. Shede Spirits conducts statistical analysis of quality data on a monthly basis to review the effect of quality inspection and map out suggestions for product quality and safety improvement.

▷ Upgrade of product traceability

Shede Spirits regulates product identification and food safety information in line with the *Management Measures for Food Safety Traceability*. By building a robust food safety traceability system, the company is able to digitally trace key business processes, including granary collection, raw material processing, yeast production, brewing, material distribution and financial settlement. In addition, Shede Spirits connects key business nodes with the blockchain to achieve traceability and risk control in production.

▷ Quality culture building

Shede Spirits regularly conducts food safety training for food safety committee members, procurement personnel and quality inspection personnel, to improve their knowledge and skills. In addition to regular training, Shede Spirits takes every September as the “Food Safety and Quality” month, during which a series of activities related to safety are conducted for all employees.



## 4.1.2 Ensuring Information Security

The Group strictly abides by the rules and regulations regarding privacy protection and information security of the countries/regions where we operate, such as the *Administrative Measures for Internet Information Services of China*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *European Union's General Data Protection Regulation*. In accordance with these laws and regulations, the Group is required to establish a management system to ensure the cybersecurity, data security and privacy protection of our operations. The Board is the highest responsible organization for privacy protection and information security of the Group, and the Digital Intelligence Committee is the responsible department and regularly reports to Chief Information Security Officer (CISO) of the Company.

During the Reporting Period, the Company and 6 member companies within the scope of the Report have not received any complaints due to violation of consumer privacy regulations and loss of consumer data, nor has any major data breach accident occurred.

### Information Security



In order to continuously promote the construction of the network security and information security system for the Group and effectively implement China's national information security classified protection standards, relevant systems and specifications have been established in the information security scheme, information security system, information security risk assessment, network and information security incident emergency plan, and information security training, making best efforts to ensure information security.

We have formulated the *Fosun Group Information Security Management Policy* to strictly regulate employees' behaviors from the aspect of work environment security, user account security, information equipment usage, software usage, computer network usage, E-mail usage and anti-virus requirements, etc. In accordance with this policy, we incorporate information security protection in the assessment of employee performance. In addition, it has stipulated that the headquarters of the Group and our member companies should conduct publicity and training on information security awareness for employees every year and conduct cybersecurity tests or cybersecurity scenario drills at least every six months. We have also formulated operation guidelines to guide employees in dealing with abnormal situations such as computer virus infection, and data deletion and damage, so as to prevent intentional or unintentional damage to information safety.

To improve the Group's overall capability of information security and risk response, the Group issued the *Fosun Group Management Measure for Information Security Emergency Response* and established an information security expert committee during the Reporting Period. Moreover, the Groups has also established a data security level management mechanism, which divides information assets into four categories based on data sensitivity and the independence of the application system, namely top secret, secret, confidential and unclassified, for hierarchical management and control. Based on the incident categories, we grade information security incidents into different levels in terms of availability, confidentiality and integrity, and have established corresponding management mechanisms that include risk investigation and monitoring, handling and reporting, and post-event summary

and rectification. These mechanisms have also defined the responsibilities of relevant departments and personnel such as the Emergency Command Center and the Information Security Department.

Aiming to enhance the information security construction capabilities of member companies, meet the national and industrial requirements for corporate information security construction, and ensure the normal and stable operation of the Group's information system, we have formulated and issued the *Fosun Group Information Security Construction Technical White Paper* to clarify security construction responsibilities and standardize technical requirements for security construction based on normative requirements such as guidelines for hierarchical construction protection and national standards for information security. It is required to conduct the data recovery drill at least once a year.

We have made corresponding standards and requirements for permission management, system security, network security, application security, data security (including data recovery drills at least once a year), and personnel management of member companies. According to the enterprise scale, the business side to arrange security requirements, such as industry classification dimension, members companies can be divided into three categories to meet different security requirements.

Facing increasingly aggravated cybersecurity risks, we keep strengthening our risk management to identify cybersecurity risks more accurately. We strengthen the construction of website security capabilities, fill high-risk vulnerabilities, and improve operational capabilities by conducting information security inspections and penetration testing on member companies regularly. In April 2024, the security team of the Group's Digital Intelligence Committee conducted internally a cyber-attack and defense drill and an emergency response drill, demonstrating the emergency response process with a simulated massive attack on the website system. The drill helped detect and update information security weaknesses and enhanced our overall capabilities to respond to and handle information security issues.

### ◆ Information Security Certification

The Group actively carries out the construction and certification of the information security system, make statistical summary of the classified cybersecurity protection of member companies on an annual basis, and assists them in developing and implementing classified protection certification projects. As of the end of the Reporting Period, the "Fosun Cloud" system and "Fosun Mailbox" of the Group has obtained the national classified protection of cybersecurity level 3 and level 2, respectively; The Group's member companies, Fosun Pharma and Shanghai Yunji Information Technology have obtained ISO 27001 certification; The Group's core member companies have started the construction and certification of classified protection.

### ◆ Security Culture Construction

The Group continuously promotes the building of information security culture at the Group and business levels, to enhance all employees' awareness and skills of information security. We regularly release security warning education materials to all employees, conduct data security and cybersecurity training for the Group and member companies, and inspect, supervise and guide member companies on their information security at regular intervals. During the 2023 Fosun Information Security Season Campaign, we held the Fosun Information Security & Anti-Fraud Knowledge Training and Seminar, inviting experts to share information security knowledge and conduct anti-fraud skill training in form of case study, so as to protect employees' personal information security and privacy. In addition, we distributed training materials like *Personal Privacy Protection and Office Security* to all employees and organize sharing activities at the morning assembly of "Fosun 30 Minutes". Beyond that, we also regularly released risk vulnerability reminders to the Group and our member companies and provided them with ongoing guidance and supervision via the group-wide mobile office platform "Fosun DingTalk".

### Privacy Protection

One of the Group's key missions is to strictly protect user data and all other sensitive information and prevent them from leakage. We rigorously follow the requirements of laws and regulations for privacy protection in the areas where we operate, and have formulated the *Fosun Group User Privacy Policy*, which is applicable to the whole Group and its direct or indirect member companies and branches and has been released on the Group's website.

We have formulated the *Guidelines for the Self-Assessment of Personal Information Privacy Protection of Fosun Group* for our product lines and service systems to conduct self-assessment and improve relevant measures for user privacy protection. Moreover, we have formulated the *Fosun Group Management Measure for Information Security Emergency Response*. Pursuant to this policy, we will report incidents according to the level of the data leakage and cyber-attack events, and the Information Security Department will release emergency plans and carry out emergency response until successful handling of the emergency.

### Fosun's Principles of Privacy Protection

#### Principle of Compliance

In the process of collecting, storing, processing, transferring and utilizing personal data, we shall comply with laws, regulations and codes of conduct and consciously safeguard the legitimate rights and interests of the data subjects. In particular, regarding the data security and personal information protection of minors, we can only provide our services or collect relevant information upon the consent of the parents or guardians of the minors.

#### Principle of Authorization

We give explicit notification to users and obtain their consent in our personal data processing and privacy protection of each business segment of Fosun. Users are entitled to determine whether to provide their personal information to Fosun. At the same time, users also are entitled to delete, correct, fill in or modify their personal information.

#### Principle of Confidentiality

Without permission, we will not share, transfer or disclose users' personal information to any other company, organization or individual. We will take leading privacy protection and security measures and regularly evaluate the privacy breach risk and user information protection measures to protect users' privacy information from unauthorized access, disclosure, use, modification, damage or loss.

The Group also conducts data privacy management training for all employees once a year via "Fosun 30 Minutes", to ensure that our relevant privacy management and protection policies are thoroughly and effectively implemented.

As of the end of the Reporting Period, member companies, including FTG, Yuyuan, Forte, Fosun Pharma, Fosun Insurance Portugal, and Peak Reinsurance, had formulated user privacy protection policies and related guidelines applicable to their respective businesses in accordance with the *Fosun Group User Privacy Policy*.

### 4.1.3 Responsible Operation

Fosun presses ahead with the “profound industry operations + industrial investment” strategy to enhance its global competitiveness, and provide high-quality products and services to families around the world through responsible operation.

#### Health Accessibility

Focusing on global patients’ major unmet clinical needs, Fosun health ecosystem adheres to the value proposition of “high quality and affordable”, and constantly promotes its capabilities of research, development and innovation in a bid to provide patients with more accessible and more affordable products and services of better quality and realize the vision of “Better Health for Families Worldwide”.

We focus on the fields of severe malaria, tuberculosis, chronic diseases and rare diseases, and take advantage of our product research and development to serve global patients and families. We are committed to improving the availability of medicines and medical care in grass-roots and underdeveloped areas, and actively work with relevant stakeholders, including but not limited to governments, medical institutions and non-governmental organizations, to run public welfare campaigns with a theme of caring patients to help address health problems in developing countries. For the details of the above projects, please refer to the section [7.Business for Good](#).

#### Fosun Pharma

##### ▷ Focus on R&D for Rare Diseases

Due to the extremely low market demand for rare disease drugs, limited R&D profits and lack of clinical experience, there are problems such as low R&D motivation and heavy treatment burden. Fosun Pharma is actively committed to accelerating the research and development of drugs for rare diseases and drugs that are urgently needed in clinical practice to fill the gaps in the treatment of related diseases, so as to improve the accessibility of innovative therapeutic drugs to patients with rare diseases.

As of the end of the Reporting Period, Fosun Pharma has marketed **10** drugs for rare diseases.

##### ▷ Enhance product accessibility

Several innovative drugs and new indications of Fosun Pharma have been included in the catalog of medicines covered by national medical insurance system, continuing to improve the accessibility and affordability of innovative drugs. During the Reporting Period, three new home-grown drugs were included in the updated catalog of medicines covered by national medical insurance system for the first time.

As of the end of Reporting Period, Fosun Pharma has established **5** regional distribution centers in emerging markets such as Africa,

with an overseas commercialization team of approximately **1,000** people.

In November 2022, Fosun Pharma officially started a park project in Côte d’Ivoire, and obtained loans totaling EUR50 million from the International Finance Corporation (IFC) in June 2023. The project is expected to create nearly 1,000 jobs in the Grand Bassam, and significantly strengthen production capacity for essential medicines in West Africa while making high-quality and affordable medicines more accessible to local patients.

### Responsible Insurance

We are committed to integrating the ESG concept into our insurance business, completing all activities in the value chain of our insurance in a responsible and forward-looking manner, and fully considering ESG-related factors in the development, design and underwriting of insurance products, to minimize risks.

#### Peak Reinsurance

As a signatory to the Principles for Sustainable Insurance (PSI) of the UN Environment Programme Finance Initiative (UNEP FI), Peak Reinsurance has made a commitment to act on the PSI Principles. Thereby, Peak Reinsurance further integrates ESG practices, corporate resilience and sustainability into its operations, management and strategy, and works closely with stakeholders to promote ESG and sustainable insurance.

#### ▷ ESG Risk Management

Based on the International Finance Corporation’s (IFC) Sustainability Framework, Peak Reinsurance’s ESG strategy is seamlessly integrated with its risk management framework, which involves considering potential ESG risk factors and their negative financial impacts on business. Peak Reinsurance is also moving forward with data measurement and review of processes to further embed ESG strategy into the governance of underwriting, investment allocation, and operations. During the Reporting Period, Peak Reinsurance considered and evaluated sources of risk like cybersecurity, geo-political conflicts, climate change and natural disasters, and effectively improved its resilience and actively responded to challenges by improving asset quality and strengthening risk governance. In 2023, Peak Reinsurance enhanced its business guidelines to better adjust for risk in the underwriting process. Exclusions are now enacted for new facultative reinsurance businesses (one-off single-risk reinsurance solutions) to cover the construction of coal-based power plants and coal mines, and restrictions on new businesses directly involved in the exploration, drilling or production of oil and gas from the Arctic basin and fuel extraction from oil or tar sands. Exceptions are to be approved by the Chief Underwriting Officer.



▷ Active Actions

Hong Kong Insurance Climate Charter	Peak Reinsurance is one of the signatories to the first-ever industry Climate Charter for the Hong Kong insurance market. The Charter shows a united commitment of the insurance industry in Hong Kong to respond to the climate crisis and align with the Hong Kong government's carbon neutrality targets.
Building a cleaner environment	Peak Reinsurance supports different markets with reinsurance coverage in the fields of solar, wind, bioenergy and other renewable energies.
Disaster relief	Peak Reinsurance offers protection against natural catastrophes through its participation in the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), which protects people's livelihoods, reinforces economic development, and contributes to poverty reduction.
Closing protection gaps	Peak Reinsurance participates in several catastrophe risk pools globally, which provide affordable insurance for homeowners in high-risk areas, where protections may otherwise become unaffordable.
Safeguarding farmers	Peak Reinsurance participates in agriculture insurance schemes to provide protection to farmers against crop failure arising from climate perils.
Protecting vulnerable groups	Together with its business partners, Peak Reinsurance has developed a solution to provide critical illness insurance for autistic children.
Supporting construction workers	Peak Reinsurance supported a worker's salary bond to protect construction workers from non-payment or delayed salary payments by contracting companies. The bond helps workers receive their salaries on time, supporting their families and the wider community.
Nurturing communities for sustainable development	Peak Reinsurance continues to support tea farmers from the Yongping community in China's Yunnan Province, where the teas from the region are procured, packaged and promoted as corporate gifts. In the spirit of sustainable development and conservation of cultural heritage, Peak Reinsurance also supported local porcelain craftsmen in Jingdezhen to produce corporate gifts.
Sustainability in Operations	Peak Reinsurance has achieved the Leadership in Energy and Environmental Design (LEED) Gold standard as well as the WELL Certification – Gold, for its energy-efficient and open, collaborative office. These recognitions underscore its commitment to sustainability and investment in employee wellbeing.

▷ External Cooperation

Peak Reinsurance actively supports communication and cooperation with governments, regulators, academia, research institutions and other stakeholders on issues related to sustainable insurance. It also plays an active part in ESG-related research to help all sectors of society better understand what ESG and sustainable development mean.

• Partnership with Shanghai Typhoon Institute

Since 2015, Peak Reinsurance has cooperated with the Shanghai Typhoon Institute (STI) and the Shanghai Central Meteorological Observatory (SCMO) to carry out research projects on tropical cyclones in the Northwest Pacific Basin and the South China Sea. The aim is to inform insurance companies and the wider community about typhoon activities and reduce risks. STI and Peak Reinsurance release their pre-season cyclone forecast in May and seasonal reviews and forecast adjustments in August on an annual basis.

• Industry support and knowledge sharing

During the Reporting Period, Peak Reinsurance continued to hold webinars and other learning and knowledge-sharing activities so as to promote the development of the insurance industry while strengthening social resilience.

• Building Climate Change awareness

Peak Reinsurance has also established a strategic partnership with CarbonCare InnoLab (CCIL), an NGO dedicated to support youngsters and students in Hong Kong to develop sustainable low-carbon lifestyles through innovation, education and action. Through the engagement, Peak Reinsurance and CCIL jointly organised awareness-building activities, with an emphasis on climate solutions and making a positive impact. As part of the partnership, Peak Reinsurance staff engaged in learning about low-carbon lifestyles like organic eco-farming and low-carbon cooking.



## Fosun Insurance Portugal

Fosun Insurance Portugal, a signatory to the UN Global Compact, joined the United Nations Principles for Responsible Investment (UNPRI) in 2023. Fosun Insurance Portugal closely aligns its business development with ESG factors. Fosun Insurance Portugal also thoroughly implements its sustainability strategy with an ESG vision of “preparing for the future, contributing to society resilience, and positively impacting all stakeholders”. It is committed to enhancing sustainability performance in three areas, namely inclusive society, urgent ecological transition, and business with positive impact, as well as being Net-Zero in our operations in 2040.

### ▷ Responsible Product

Being a positive force for responsible insurance, Fosun Insurance Portugal is intent on positively impacting stakeholders through its products and services to enhance social resilience.

#### Health products

Fosun Insurance Portugal’s “Multicare” provides patients with services such as 24x7 online medical consultation, free medicine delivery and psychological consultation. Besides, a “multi-caring space” has been set up in Angola by Fosun Insurance Portugal to provide local residents with primary healthcare consultations, micro-credit, low-cost insurance, etc.

#### Financial products

Fosun Insurance Portugal encourages savings by providing simple savings and investment solutions for clients through the “MySavings” app. It has invested heavily in ESG-related assets, and raised clients’ awareness of responsible investment.

#### Inclusive products

With the concept of equality and inclusion, Fosun Insurance Portugal provides dedicated insurances for the aged, the smart housing service, etc. It also keeps improving service efficiency through intelligent and digital transformation.

### ▷ Knowledge Sharing

Fosun Insurance Portugal has established the Center for Climate Change to facilitate cooperation with universities, research institutions, experts, and other stakeholders. By promoting high-quality research papers and books, and holding forums and conferences, Fosun Insurance Portugal can share knowledge related to climate change with the insurance industry and society at large. The Center for Climate Change has formulated a work plan to address issues related to climate hazards, risk exposure, vulnerability, resilience, and disaster recovery. This plan aims to comprehensively enhance the risk monitoring, pricing, and underwriting capabilities of property insurance.

In 2023, based on historical data from Fosun Insurance Portugal, the Center for Climate Change developed an assessment model for the impact of hurricanes on asset portfolios, which was published as a paper to support the insurance industry in responding to climate-related disasters.



## 4.2 Improving Customer Experience

### 4.2.1 Responsible Marketing

The Group strictly abides by the rules and regulations governing our products and services, and related advertising and labelling of the countries/regions where we operate, such as the *Law of the People’s Republic of China on the Protection of Consumer Rights and Interests*, the *Advertising Law of the People’s Republic of China*, and the *French Consumer Code*. In accordance with these laws and regulations, the Group is required to establish a marketing management system to ensure that our sales and marketing practices comply with laws, regulations, social norms and ethical standards. The Group actively carries out the assessment of the rational consumption correlation of internal products and services, and conducts responsible consumption guidance activities from multiple dimensions such as product packaging, promotion, and after-sales services. We have made commitments with respect to compliance marketing and sustainable consumption, and encouraging member companies and partners to jointly implement responsible marketing based on the [Fosun Group Responsible Marketing Policy](#).

### Compliance Marketing

We promise to communicate with consumers in a legal, truthful, accurate and science-based manner, and our advertisements are neither false nor misleading; and we pledge that all our advertising and marketing campaigns are thoroughly reviewed internally for accuracy and compliance.

## Fosun Pharma

In order to ensure the legality and compliance of its marketing activities, Fosun Pharma has issued the *Responsible Marketing Policy*, which further regulates the principles of business ethics and responsible marketing, and clearly stipulates that exaggeration, deception and false content in marketing, advertising and sales activities are strictly prohibited.

In conjunction with international standards and industry regulations, Fosun Pharma has established a compliance management system for its domestic marketing platform, providing clear guidelines on compliance marketing for all employees. On the basis of this management system, Fosun Pharma has further formulated the *Code of Conduct on Corporate Compliance Policy*, which requires employees of domestic marketing platforms to comply with relevant laws, regulations and content policies to ensure that their marketing behaviors are in compliance with the law. Fosun Pharma’s overseas member companies also comply with the laws and regulations of the countries in which they operate to conduct marketing activities.

Fosun Pharma has also compiled a compliance risk list covering the risk points in its marketing activities and formulated corresponding compliance policies and procedures to avoid the risks of illegal distribution of prescription drug advertisements, commercial bribery and other legal compliance risks, so as to ensure the compliance of its marketing activities.

Fosun Pharma conducts annual responsible marketing training for all employees, covering advertising, marketing and promotion. On the basis of all-employee training, Fosun Pharma has also proactively launched further responsible marketing training for marketing personnel, management, and personnel in areas with higher risks of responsible marketing.

During the Reporting Period, in terms of market promotion and publicity, none of the member companies of Fosun Pharma were reported and investigated by the regulatory authorities for illegal advertising or promotion; no member companies had related violations in terms of product and service labelling.



## Sustainable Consumption

While doing our best to provide consumers with products and services that are beneficial to both the environment and society, we actively engage in education initiatives to help consumers make informed purchasing decisions and consume responsibly, jointly contributing to sustainable development.

### FTG

Both Atlantis Sanya and Club Med, member companies of FTG, are committed to promoting the sustainable tourism philosophy to consumers and encourage them to choose green products and services. Atlantis Sanya promotes the sustainable tourism philosophy of rejecting disposable supplies to customers through the web page of every booking platform. Reminders and environmental protection publicity cards are visible in the electronic displays in the hotel lobby and rooms, encouraging customers to reuse towels and other toiletries, save water and minimize waste generation.

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. 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.



## Distributor Management

Managing our distributors is a priority for us. We continuously empower our distributors by conducting regular reviews of marketing and sales business to ensure legal compliance of sales and marketing practices related to products and services. We also collaborate with partners to constantly create high value for consumers and society.

### Fosun Pharma

Fosun Pharma continues to strengthen distributor management and motivates distributors with incentive policies such as appropriate discounts based on actual sales targets. In addition, Fosun Pharma has also established the systems of the internal control self-assessment and internal control audit of pharmaceutical sales, and a dedicated department is responsible for the relevant audit of distributors/agents. The audit mainly focuses on distributors' channel control, distributors' terminal prices, etc. During the Reporting Period, Fosun Pharma's member companies, such as Guilin Pharma and Hongqi Pharma, positively responded to the request and supervised the quality compliance of distributors by using a series of quality tools, including qualification management, quality audits and quality assurance agreements.

### Yuyuan

Based on policies such as the *Administrative Measures for the Signing and Approval of New Dealership Contract*, Shede Spirits under Yuyuan keeps on building a scientific distributor management system, and arranges for responsible persons in charge of distributor selection, renewal, adjustment and termination. Shede Spirits has established a three-tier distributor advisory committee consisting of the corporate level, business unit level, and regional level to ensure that distributors are well managed.

Shede Spirits evaluates, rates and guides its distributors on a quarterly basis with regard to their daily operations. These distributors are assessed from sales volume, target progress, year-on-year progress, inventory days and market order in a standardized and comprehensive manner. Using the *Field Visit Evaluation Questionnaire of Distributor*, the responsible department pays visits to the distributors to make timely corrections to the comprehensive evaluation results. The final ratings will serve as an important reference for the annual excellence distributor selection and contract renewal. During the Reporting Period, Shede Spirits conducted a total of 4 distributor evaluations, covering 100% distributors.

Shede Spirits has clarified the distributor incentive mechanism and specific methods according to the *Distributor and Team Campaign Incentive Program (Trial)*. After sufficient communication with distributors, Shede Spirits sets distributor performance evaluation objectives, regularly reviews the indicator setting, summarizes successful cases in a timely manner, and mentors distributors in underperforming areas. Shede Spirits regularly conducts distributor satisfaction surveys and formulates targeted improvement plans based on the feedbacks to increase distributor satisfaction. During the Reporting Period, Shede Spirits conducted 3 surveys targeting 2,166 distributors, and the distributor satisfaction was on a rise.



## 4.2.2 Customer Care

Fosun always regards customers (the "C-end") as a top priority of FC2M and are committed to creating a FC2M happy family ecosystem. We are dedicated to creating value for users and ecosystem value through the continuous acquisition and operation of users through methods such as the internet platform and digitalization, as well as a combination of online and offline scenarios. During the Reporting Period, a total of 4.23 million new consumer members have been added.

From December 15, 2023 to February 24, 2024, we joined hands with over 60 brands from home and abroad to host thousands of activities during the 4th Fosun Family Season. With the theme of "Celebrating As One", this event covered more than ten countries including China, France, the United States, Portugal, the United Kingdom, and Japan. Centering on seven scenarios including "Watching Lantern Shows", "Drinking Spring Spirits", "Wearing Gold Jewelry", "Eating New Year's Eve Dinner", "Buying New Clothes", "Refreshing One's Appearance", and "Giving Good Gifts", it aims to create a new year's scenario and immersive experience with oriental lifestyle aesthetics for families worldwide. During the event, the core consumer industries sold nearly RMB10.5 billion and the audience reach exceeded 2 billion.



### Customer Satisfaction Management

The Group has gradually established a multi-dimensional and multi-mode customer satisfaction system, consisting of customer feedback monitoring, internal self-inspection of mystery customers, customer feedback from customer service center, etc., to enhance the product and service capability of the industries and improve customer satisfaction.

01 Online customer feedback monitoring – We use multiple channels to monitor online customer feedback, including accurate capture through machine learning, calculates the net sentiment rate (NSR) of each industry, and issues feedback monitoring reports incorporating with the characteristics of each industry.

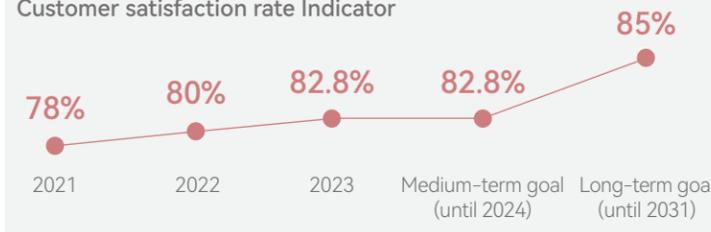
02 Internal self-inspection of mystery customers – We obtain detailed and objective customer feedback through both customer satisfaction questionnaires and by arranging mystery customers who act as a true customer to evaluate the customer experiences.

03 We incorporate the customer service data from customers' active communication with the industries into the online feedback monitoring results as well as the data of mystery customers to conduct comprehensive analysis, generating weekly, quarterly and yearly customer satisfaction insight reports and communicating with member companies.

04 We set up a satisfaction assessment and incentive mechanism. The industries with excellent performance in customer satisfaction are awarded on a quarterly basis.

The headquarters of the Group established the "Customer Satisfaction Team" to monitor the status of customer satisfaction of segments and member companies, and to provide feedback and guidance for the establishment and operation of the customer satisfaction management system for industries. Each member company designates responsible persons for direct connections to the Group, continuously improving the product and service capabilities of the industry. We have established customer satisfaction BI (business intelligence) system, achieving fully-automated online viewing and downloading of 48 industries' satisfaction monitoring data. This can help member companies gain a deeper understanding of the dynamic differences between their products and those of their competitors, strengthen the management efficiency of dedicated employees and enhance the self-monitoring ability of the industries.

Customer satisfaction rate Indicator



During the Reporting Period, the customer satisfaction rate increased by 2.8% compared with that of the previous year. Fosun will optimize its products and services across various fields through more personalized, intelligent, and integrated approaches and digital tools, enhancing the business capabilities of the Fosun Group. On the supply side, we will provide more products for consumers' pursuit of quality of life in the future, continuously meeting consumers' needs and improving customer satisfaction.

## FTG

The customer-oriented FTG is dedicated to delivering a new experience of leisure vacation 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, FTG has established the Customer Experience Department, which is responsible for listening to customers' voice, integrating industry characteristics to identify the pain points in the customers' journey, taking quick actions, and performing other related tasks.

During the Reporting Period, FTG continued its efforts in improving services and launched customer service audits through customer satisfaction survey and real-time monitoring of customer viewpoint, further enhancing customer service quality.

### Customer Service Quality Improvement

- Customer Experience Department conducts multiple audits on customer experience management every year, mainly including cultivating cultural value, sorting out 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, Customer Experience Department conducted 14 customer service audits and completed 2 Forbes service audit inspections for FTG to identify and correct the deficiencies in business, with relevant reports issued. In terms of the projects requiring long-term correction, timely follow-up on monthly progress was in place until the correction was completed.

### Customer Satisfaction Survey

- FTG conducted customer satisfaction questionnaire research and collected 9,346 pieces of customer feedback in China through satisfaction data center. Compared to 2022, the overall satisfaction rate increased by 1.2% to 92.6%, and the net promoter score (NPS) increased for the third consecutive year to 67.2%, increased by 4.9% compared to 2022.
- In addition, the customers' ratings through online travel agency (OTA) significantly increased, with a score of above 4.8 on multiple mainstream rating sites, ranking FTG among the top in the Chinese market.

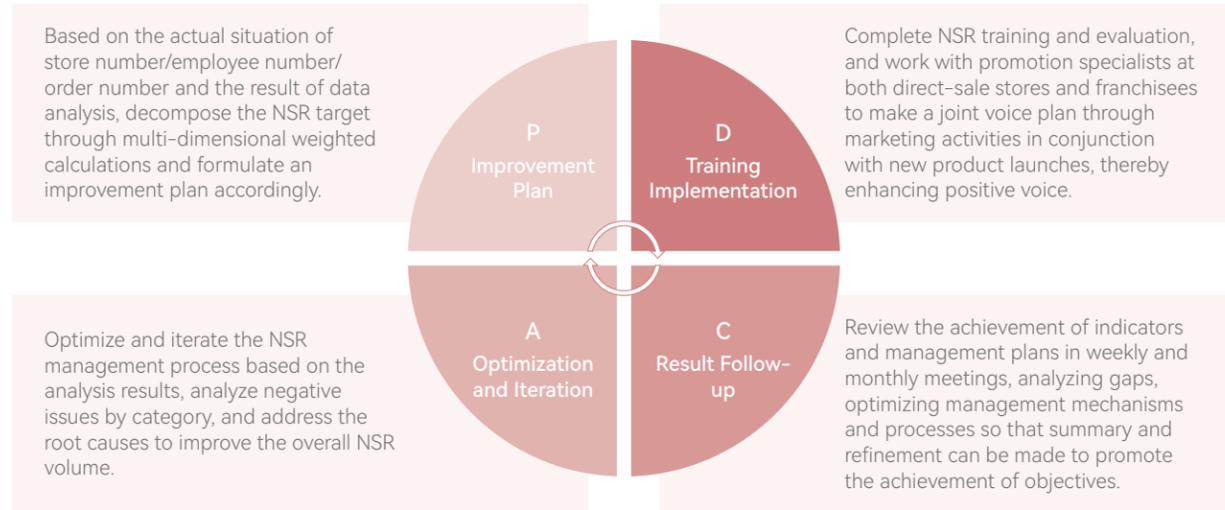
### Real-time Monitoring of Customer Reviews

- FTG collaborates with a third party company to instantly monitor its brands and products mentioned on social media, news and OTA (such as Weibo, Xiaohongshu, TikTok, Sina, and Ctrip). FTG evaluates the positive and negative reviews and reputational feedback of customers, identifying deficiencies and implementing targeted special rectification in a promptly manner to increase satisfaction rate. FTG's member companies, including Atlantis Sanya, Club Med, etc., are included in this monitoring project. In 2023, FTG's cumulative number of volume from various platforms is more than 330,000, a year-on-year growth of 300%; and the overall NSR reached 92.5%, a year on year increase of 7.4%.

Atlantis Sanya, a member company of FTG, improves service quality in all aspects of the consumers' journey, including analyzing customer feedback, enhancing resort repairs and maintenance, and enhancing the quality of daily service. In 2023, Atlantis Sanya was awarded a Four-Star rating from Forbes, with more than 205,828 reviews from various platforms, a year-on-year growth of 350.7%; and the overall NSR reached 93.8%, a year-on-year increase of 7.1%.

## Yuyuan

Consumer satisfaction is the cornerstone of guaranteeing brand influence. Yuyuan continuously improves its overall NSR through the process of plan, do, check and act (PDCA).



Yuyuan Jewelry & Fashion Group, a member company of Yuyuan, sets up the mystery customers self-inspection mechanism and the customer satisfaction survey mechanism. Satisfaction surveys are distributed through both direct sales and e-commerce channels. After making a purchase, customers will receive service evaluation reminders and can submit their feedbacks through various forms such as SMS, WeChat official account notifications, order pages, etc. Once a negative survey result enters the customer complaint process, the responsible personnel will complete the resolution and follow-up of the customer's claims.

During the Reporting Period, Yuyuan Jewelry & Fashion Group collected more than 10,000 questionnaires. Based on customer pain points, Yuyuan Jewelry & Fashion Group has set a standard on bracelet try-on service. By providing customized disposable packaged try-on gloves and hand creams, a 6% increase in the try-on conversion rate and a 40% improvement in the satisfactory performance of its category services had been realized.

In March 2023, Yuyuan Jewelry & Fashion Group held the 2023 Satisfaction Co-Creation Camp. Through communication with the satisfaction teams of Fosun and Yuyuan, Yuyuan Jewelry & Fashion Group sorted out its satisfaction assessment system and integrated satisfaction work into regular management.



Yuyuan Jewelry & Fashion Group 2023 Satisfaction Co-Creation Camp

## 4.2.3 Complaint Management

We have set up the User Operation Center as the responsible department for complaint management of the Group. Meanwhile, in accordance with the requirements of the *Complaint Management System* (ISO 10002:2018), we have established a sound customer complaint management system. We have compiled the *Complaint Management Manual* as the basis for the Group to organize complaint management business training, internal review and service quality assessment. During the Reporting Period, we completed the annual review of ISO 10002:2018.

The Group and its member companies humbly collect customer feedbacks on product and service quality through customer complaint platforms and customer service mailboxes. To respond more quickly and effectively to customer feedbacks, we implement a "closed-loop management" approach, which involves capturing consumer feedback through online channels, generating daily satisfaction reports, and proactively contacting consumers. As of the end of the Reporting Period, the Group's customer complaint platform of the headquarters had received approximately 183 customer complaints, and all customer complaints were guaranteed to be responded within 24 hours, with a response rate of 100% and a resolution rate of 100%.

Multiple measures are used to improve the quality of products and services, including daily monitoring, inspection, internal reviews, management reviews, and customer complaint satisfaction surveys. We also set goals on the transit rate, response rate and satisfaction of dealing with customer complaints to track the achievement of complaint resolution rate and other goals.

Guidelines on handling customer complaints of Fosun	Objective of handling customer complaints	Annual progress
<ul style="list-style-type: none"> <li>Active listening</li> <li>Quick response</li> <li>Compliance operation</li> <li>Continuous improvement</li> </ul>	The transit rate and response rate shall be above 95%; a customer complaint should be transmitted within 48 hours after it was received, and the member company complained shall respond to the customer within 24 hours.	Achieved

## FTG

FTG focuses on the communication with customers, and is committed to providing customers with diversified communication channels. FTG has opened multiple customer complaint feedback portals such as mailbox (folidayts@fosunholiday.com), the official website and Foryou Club member platform customer service center to ensure that each customer's complaint is properly handled. During the Reporting Period, FTG's customer service feedback channels (complaints from mailbox and feedbacks on official website) received a total of 115 pieces of feedbacks; the number of complaints decreased by 15.4% compared with 2022; the processing completion rate was 100%; and the average closing time was less than 48 hours.



## 4.3 Responsible Investment

Fosun adheres to the philosophy of “value investing”, and has established a responsible investment management system with reference to advanced domestic and foreign practices. As part of its efforts to promote the implementation of the responsible investment system, Fosun incorporates the concept of social responsibility into investment and financing lifecycle management. In doing so, Fosun aims to create positive environmental and social impacts, pursue long-term and stable investment returns, and firmly adhere to the implementation and execution of its strategy of “profound industry operations + industrial investment”.

### 4.3.1 Responsible Investment System

Fosun has established a top-down organization structure for responsible investment to coordinate, promote, and implement the application of responsible investment approach in all types of investment within the entire group.



The Group has established the *Fosun Group Measures of Responsible Investment Management (for Trial Implementation)* and the *Fosun Investment Work Manual* to incorporate environmental, social and corporate governance topics into investment decisions, which clearly defines the requirements for responsible investment, as well as the strategies and applications of responsible investment.

### 4.3.2 Responsible Investment Strategies

The Group has formed a bottom-up investment methodology and strategy and developed 4 internal management tools embedded in the whole process of responsible investment. Those enable us to consider ESG factors in all aspects and better practice responsible investment.

ESG considerations for responsible investment		Internal management tools
Corporate governance	Structure of the Board, remuneration of senior management, business ethics etc.	The ESG module of the online investment management system
Shareholder authority	Election of directors, amendment of Articles of Association, etc.	<i>Positive and Negative Screening Lists of ESG</i>
Regulation amendments	GHG emission limits, environmental protection requirements, etc.	<i>ESG Responsible Investment Due Diligence Checklist</i>
Brand and reputation issues	Poor health and safety records, cybersecurity problems, etc.	<i>Annual ESG Self-check Form</i>
Supply chain management	Work-related injury rate, labor relation, etc.	
Working environment	Compliance with health, safety and human rights regulations, etc.	
Green investments	GHG emission target, sustainable and recyclable utilization of resources, etc.	
Other matters requiring attention		

### Strategy 1: Lifecycle ESG Management

The Group has embedded the ESG module in the investment management system to incorporate ESG factors into the lifecycle management of various types of investments (including private equity (PE)/venture capital (VC), industrial merger and acquisition, incubation investment, stock investment, fixed income, property investment., etc.):

#### During the project screening stage

Fosun analyzes the potential impact of responsible investment factors. In addition to business considerations such as company fundamentals, financial performance, strategic significance and synergy value, a qualitative analysis regarding ESG of potential investment targets is also conducted. We have formulated the *Positive and Negative Screening Lists for ESG*, which defines the types of industries to be invested and is used for explanation at project proposal meeting. Moreover, the list is filed in the investment management system for digital maintenance and management of responsible investment.

#### During the pre-investment stage

The investment team shall complete due diligence based on the *ESG Responsible Investment Due Diligence Checklist*, in coordination with business, technology, finance, law, tax, IT, EHSQ and other departments who provide due diligence information. In addition, the investment team shall file the due diligence accordingly in the ESG due diligence module of the investment management system, and deliver a report at the final investment decision meeting.

#### ESG Due Diligence

In 2023, the Group's Investment Management Department conducted ESG due diligence on a target project related to semiconductor based on the *ESG Responsible Investment Due Diligence Checklist*. The evaluation was centered on ESG topics, such as corporate governance, human rights, labor standards, EHSQ, fair operation practices, product responsibility and community investment. Based on results of the ESG due diligence, the evaluation team prepared an evaluation report for the reference of the Investment Committee on investment decision-making. Meanwhile, the relevant due diligence results and ESG improvement recommendations were also provided to the target companies to help them improve their ESG performance.

#### During the post-investment management and industry operation stage

Fosun encourages and supervises the invested enterprises to carry out high standard risk management in the areas of corporate governance, environmental and social dimensions. We require invested enterprises to carry out regular ESG self-check and file the *Annual ESG Self-check Form* in the investment management system, so that we can dynamically follow up the ESG performance of them.

#### Annual ESG Self-Check

In 2023, the Group required an environment-related enterprise which was invested by the Group to conduct an annual ESG self-check according to the *Annual ESG Self-Check Form* with respect to ESG management, climate change and carbon neutrality roadmap, ESG practices and responsible investment/clean technology. The Investment Management Department regularly conducts post-investment ESG interviews with the enterprise, and based on the results of the assessment and interviews, it makes ESG-related improvement recommendations to the enterprise and tracks the relevant progress on an ongoing basis.

### Strategy 2: Proxy Voting

The Group clarifies our proxy voting system in the [Fosun Group Measures of Responsible Investment Management \(for Trial Implementation\)](#) and establishes a “responsible director” mechanism. We encourage the designated responsible directors to fully communicate with the board of the invested enterprises and we concern about whether the corporate governance, business management, operation environment, financial situation and working environment of the invested enterprise have undergone major adverse changes.

If the perspectives of Fosun are different from that of the invested enterprise management, the designated directors should seek to contact the board of the invested enterprise at an early stage and try to resolve the divergences. If necessary, further exchange of views shall be conducted with the consultants and/or independent directors of the invested enterprise. If such communication is still invalid, the designated directors shall consider abstaining or voting against at the general meeting, or even require an extraordinary general meeting of shareholders to enable all investors to vote on the disputed matters.

For companies with a large equity interest held by Fosun, their management shall understand Fosun’s voting principles as well as reasons for opposing the proposals. When Fosun is in lack of information or has limited information to form opinions, it is recommended to abstain. The sale of shares may also be a way for Fosun to respond.

#### Fulfilling ESG Responsibility through Proxy Voting

In 2023, a member of the Group proposed to invest in a potential target company in the field of fine chemical materials through the fund platform. However, during the discussion process of the project proposal, the member company found that the target company had risks and irregularities in terms of safety production and pollution emission. In this regard, Fosun’s designated responsible director voted to express their reservations about the project in accordance with the Group’s measures of responsible investment management and put forward specific suggestions for improvement, thereby urging the target company to emphasize ESG and adopt a more responsible operation approach.

### Strategy 3: Enhancing Responsible Investment Training

After launching an investment management system with a built-in ESG module, the Group conducts training and extensive communication by one-on-one tutoring with investment personnel, focusing on the digital maintenance and management of ESG elements, in order to enhance the investment team’s expertise in responsible investing.

#### ESG Management and Responsible Investment Training

In 2023, we organized several online training sessions on the theme of responsible investment application for all members of the investment and financing team through the online Q&A platform, which introduced the Group’s policy on responsible investment and practice in application on investment system, with the aim of deepening team’s understanding of responsible investment and their practical ability, and promoting the implementation of ESG in the investment and financing management process.

### Strategy 4: Addressing Climate Change

To address the challenge of climate change and enhance climate resilience, the Group is actively investing in the sector of green consumption as well as carbon peaking and carbon neutrality. Through industrial integration and investment, we aim to realize the industrial layout of new energy, green materials, energy storage and recycling, environmental management, etc., and promote the achievement of the goals of energy saving and emission reduction, as well as high-quality products. In addition, when considering an investment, the Group will incorporate the carbon price into the existing valuation model and conduct carbon tax sensitivity analysis when applicable, taking full consideration of climate related risks and opportunities. Please refer to the section [3.2 Exploration of Clean Technology](#) of this report for the detail of carbon peaking and carbon neutrality sector, and please refer to the [Fosun International 2023 Climate Information Disclosures Report](#) for the cases of responsible investment related to green consumption and climate change.

### Strategy 5: Joining International Initiatives

The Group works with international organizations to promote the development of the responsible investment market. Having joined the UN Global Compact in August 2014, the Company is devoted to the global commitment to sustainable development, and actively joins forces with member companies to respond to the United Nations Sustainable Development Goals.

Fosun Insurance Portugal, a signatory to the UN Global Compact, joined the UNPRI in 2023 and is committed to making positive social and environmental impacts through business activities. To better integrate the concept of responsible investment into business decision-making, Fosun Insurance Portugal conducts thorough assessments and regular supervision of the ESG performance of target enterprises and investment portfolios. Continued efforts are also being made to introduce more financial products that meet ESG standards.

Peak Reinsurance is a signatory to the Principles for Sustainable Insurance (PSI) of the United Nations Environment Programme Finance Initiative (UNEP FI), and fulfils its responsibility for sustainable insurance by protecting against climate-related risks and managing related risk exposures. Peak Reinsurance is investing resources to employ a data-driven approach to enhance the understanding of carbon and climate exposures of its investment portfolio, and working with asset managers to raise the sustainability credentials of its investment portfolio. Peak Reinsurance also enforces the ESG screening system, excluding companies and industries that do not meet sustainability requirements from its investment and business portfolios. Each underwriting and investment opportunity is reviewed to exclude exposures to munitions, gambling, tobacco products, and to meet high ethical and moral standards.

In addition, H&A Switzerland, a member company of the Group, joined the UNPRI in 2006. It is also a member of the Europe-based national Sustainable Investment Fora (EUROSIF) and the Corporate Responsibility Interface Center (CRIC).

## 4.3.3 Development with the Industry

The Group actively promotes exchanges and cooperation within the industry by bringing together Fosun ecosystem partners, pooling perspectives from various parties, sharing industry insights, and discussing investment strategies. In 2023, we held several ESG themed Ecosystem VC (EVC) forums, acceleration camps, and seminars, covering various topics such as new materials, carbon neutrality, and new energy. At each event, we invite senior industry experts to deliver presentations on special topics, which enables us to observe the development trends of various industries from different perspectives. This can also enable Fosun to discover high-quality projects at the pre-investment stage through the industry-investment-research system. Additionally, we empower the growth of invested companies through Fosun’s industrial ecosystem in the post-investment stage.

### ※ Seminar on the Development of New Material Industry

In July 2023, the “China Association of Productivity Promotion Centers New Materials Committee Visiting Wansheng and Fosun EVC Forum – Seminar on the Development of New Material Industry”, hosted by Fosun Global Industry Research Institute, was successfully held. We invited senior experts such as Ren Tianbin, director of the Organic Functional Materials Institute at National Innovation Center par Excellence, Professor at Tongji University, and Founder of WEIPU, to deliver thematic presentations and jointly discuss the development opportunities and challenges of new materials enterprises.



### ※ FOSTAR New Materials Acceleration Camp

In December 2023, Fosun successfully held the FOSTAR New Materials Acceleration Camp. Focused on four major thematic directions of green and low-carbon, electronic information, beauty and health, and intelligent manufacturing, this event brought together industry players, investors, and entrepreneurs to explore innovative paths in the new materials sector and promote high-quality development of the new materials industry in collaboration with industry partners.



## 4.4 Ecosystem Synergy

Under the development strategy of "Concerted efforts and cooperation lead to win-win situation", Fosun persists in jointly building a harmonious partnership and an enduring business ecosystem through complementary advantages and sharing mutual benefit to achieve win-win situation. Strictly abiding by relevant national and local laws and regulations where we operate, and aiming to "build a supply chain ecosystem of low costs and high efficiency, ecosystem synergy, and responsible multiplying growth", we work with our partners to build a responsible supply chain.

### 4.4.1 Supply Chain Ecosystem

#### Supply Chain Management Mechanism

The Board is the highest responsible body for supply chain management. The Global Supply Chain Center is responsible for the day-to-day management of the supply chain and reports regularly to the Executive Director in charge of the supply chain. The Group has formulated relevant policies and guidelines, expressing its requirements on suppliers. Member companies of the Group are responsible for their own procurement. For supplier management, our suppliers are managed at group level, sector level and enterprise level based on the hierarchy of duties and responsibilities, to ensure orderly and efficient supply chain management.

#### ◆ Policy Making

Pursuant to the requirements of relevant national and local laws and regulations, the Group has formulated and continuously improved supplier related systems. During the Reporting Period, the Group updated and issued the *Fosun Group Supplier Management Policy 2.0*, clarifying the requirements and rules over supplier classification and grading, development and selection, contract management, supplier roster and database management, indicator system of supplier performance management, supplier operational risk management and supplier sustainable development management. In addition, the Group has announced the *Management Measures for Procurement and Bidding 4.0*, the *Detailed Rules of Fosun Group Procurement and Bidding Management*, the *Fosun Group Complaints Management Measures for Procurement and Bidding*, the *Implementation Rules for Supplier Integrity Management of Fosun Group*, the *Detailed Rules of Strategic Procurement Management* and other policies, to further strengthen the organization and capacity building of our supply chain lines. Besides, these measures and policies set out how to manage suppliers in the procurement business and standardize the Company and its core member companies in supplier management, so as to improve their capabilities and business standard in supplier management.

The Group attaches great importance to promoting the procurement policies and guidelines among member companies, and assists member companies to coordinate and standardize their respective procurement systems.



#### ◆ Whole-Process Management

The Company and its key member companies have established whole-process supplier management mechanisms, creating a robust system for the development, admission, evaluation, elimination and punishment of suppliers.



### ◆ Internal Training

To ensure that purchasing managers are aware of ESG best practices, we have established the Fosun Supply Chain Expert Committee to assist the purchasing team in accumulating knowledge and skills related to responsible procurement. We regularly organize ESG exchange and training activities for domestic and international industrial supply chain teams within the Fosun ecosystem. During the Reporting Period, two sessions of ESG thematic seminar of Supply Chain Expert Committee were held to bring together the Group's domestic and overseas industrial supply chain heads and industry experts. During these sessions, they exchanged and shared the latest trends of regulations on supply chain due diligence, as well as best practices of sustainable supply chain management of member companies. For example, Tom Tailor, a Fosun member company, shared its practical experience in supply chain decarbonization and the setting of science-based targets, which empowered the risk response resilience and ESG management of supply chains in various segments.

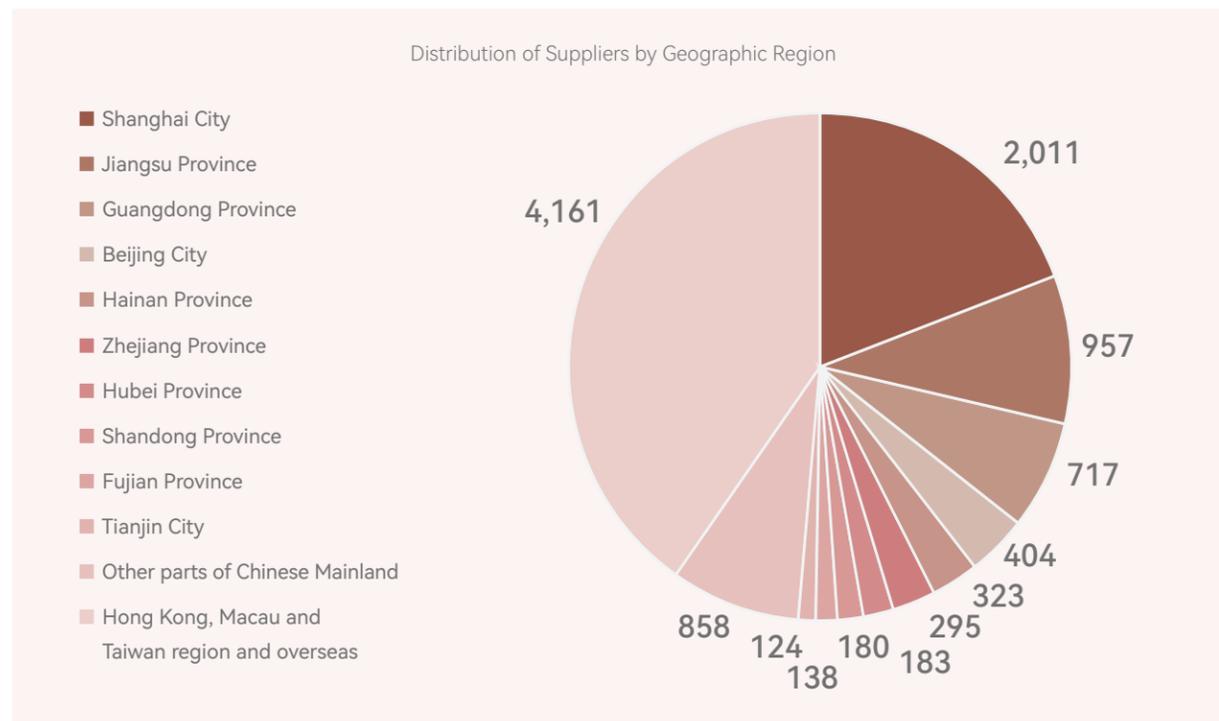
### ◆ Digital Management

Supply Chain Digital Platform (Onelinkplus), established in 2017, serves as the supplier management and service platform of Fosun and the procurement and bidding management platform of Fosun's member companies. It supports more than 10 business forms such as pharmaceuticals, medical devices, financial investment, tourism, and consumption under the Group's four business segments: Health, Happiness, Wealth, and Intelligent Manufacturing. Rooted within Fosun, the Supply Chain Digital Platform follows the principles of "openness, fairness, impartiality, honesty and trustworthiness" and serves as a standardized digital platform for procurement and bidding for Fosun's member companies, so as to improve their efficiency of sourcing and procurement and realizing digital empowerment. In addition, it helps to improve the supplier management system, and shares high-quality supplier resources with external parties to achieve precise matching of supply and demand and form a new closed business loop.

By the end of 2023, Supply Chain Digital Platform has offered more than **32,000** online bidding projects, with more than **400** registered purchasers, and more than **73,000** online potential supplier users.

### ◆ Distribution of Suppliers

As of the end of the Reporting Period, the number of cooperative suppliers managed by the Supply Chain Digital Platform is **10,351**



### Supplier Management Strategy

#### ◆ Management Based on Grading and Classification

Aligned with the policies and management requirements of the Group, the headquarters and member companies of the Group have classified the suppliers according to their product characteristics, partnership characteristics and strategic characteristics. Through multidimensional management strategy integration, we have established professional supplier management strategies that meet the management targets of the industries in which they are engaged.

Category	Supplier category
<b>Product classification</b> <ul style="list-style-type: none"> <li>• Brand marketing</li> <li>• Infrastructure engineering</li> </ul>	<ul style="list-style-type: none"> <li>• Hotel catering</li> <li>• Administrative office</li> <li>• Pharmaceutical raw materials</li> <li>• Others</li> </ul>
<b>Partnership classification</b> <ul style="list-style-type: none"> <li>• Directly used in production</li> <li>• Not directly used in production</li> </ul>	
<b>Strategy classification</b> <ul style="list-style-type: none"> <li>• Strategic supplier</li> <li>• Leverage type supplier</li> </ul>	<ul style="list-style-type: none"> <li>• Regular supplier</li> <li>• Critical supplier</li> </ul>

Based on the general classification of suppliers, the member companies of the Group subdivide the suppliers according to the management needs and the characteristics of the industry. And they also refine the supplier management policies, process specifications and operating instructions and oversee the implementation of such policies.

According to the annual strategic procurement plan, based on inspection, assessment, and comprehensive evaluation, we grade suppliers and classify them into five levels accordingly, namely strategic suppliers, preferred suppliers, qualified suppliers, unqualified suppliers and blacklisted suppliers.

#### ◆ Strategic Supplier Management

We look forward to initiating long-term, close and stable cooperation for mutual benefits and growth under a strategic framework for sustainable development. Our strategic suppliers specifically refer to those suppliers who have signed strategic procurement agreements with the Company and its member companies. The strategic supplier resources of the Company and its member companies are managed through the "Strategic Supplier List" in a unified manner.

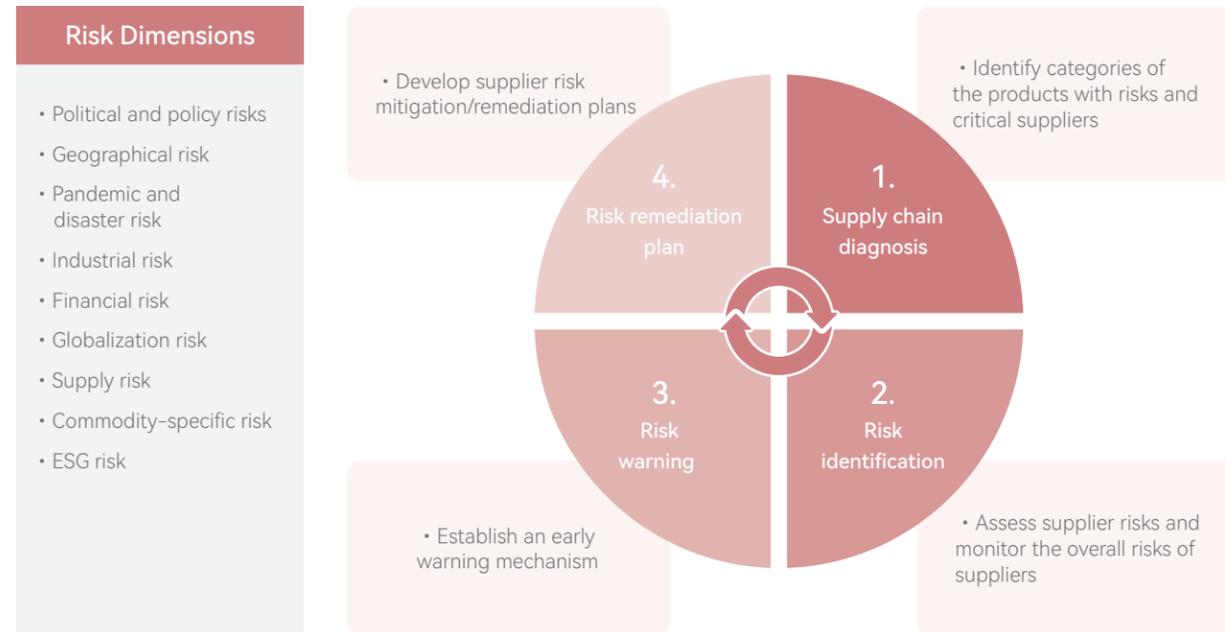
By the end of the Reporting Period, the Group had approximately **2,500** strategic suppliers (including group level, sector level and enterprise-level),

The strategic supplier list at the group level is made publicly available throughout the Group; in addition, differentiated management is implemented in supplier evaluation, supplier qualification termination and withdrawal, supplier relationship management, etc. During the Reporting Period, we established a mechanism for upgrading the Group's strategic suppliers, clarifying the process by which suppliers are nominated as candidates, undergone professional reviews, and selected as strategic suppliers. During the review process, apart from evaluating the supplier's industry scale, performance results, and level of activity, we also incorporate ESG performance into the assessment.

accounting for **24%** of cooperative suppliers managed by the Supply Chain Digital Platform.

### ◆ Supplier Operational Risk Management

The Group continuously improves the organization and policies for supplier operational risk management, and has specified relevant requirements in the *Fosun Group Supplier Management Policy 2.0*. Suppliers of the Company and its member companies are required to identify and manage risks based on the actual situation of their respective industries.



### 4.4.2 Sustainable Supply Chain

We are committed to creating sustainable supply chains that are transparent, fair and resilient, in line with the laws, regulations and international initiatives and standards of the countries and regions where they operate, to further achieve long-term stable development.

### ESG Risk Management

#### ◆ Code of Conduct for Suppliers

We have formulated the *Fosun Group Supplier Code of Conduct* applicable to all member companies, and require all suppliers of the Group shall follow in their business activities, including human rights, fair labor conditions, business ethics, environment, health, safety and quality management, security and sustainability of business operations, fair competition, the Anti-Monopoly Law and intellectual property rights, personal information and privacy, procurement of suppliers, inspection and corrective actions, and reporting channels. We also regularly review and update the *Fosun Group Supplier Code of Conduct*. During the Reporting Period, we updated the Code with intensified management requirements on topics such as human rights in the supply chain, labor management, biodiversity, climate change, and the anti-unfair competition.

Meanwhile, we communicate relevant requirements of sustainable supply chain to suppliers by e-mail and training activities from time to time, to continuously enhance the ESG awareness of the suppliers. New suppliers are required to sign the *Fosun Group Supplier Code of Conduct* before they are shortlisted, so as to make them aware of our ESG requirements for suppliers.

During the Reporting Period, **100%** of domestic suppliers managed by the Group through Supply Chain Digital Platform participated in the publicity and training sessions of the *Fosun Group Supplier Code of Conduct*, representing a total of approximately **9,000** participants.

### ◆ Supplier ESG Risk Assessment

In the effective *Fosun Group Supplier Management Policy 2.0*, we have explicitly incorporated the ESG-related requirements into supplier admission evaluation and performance review.

At the supplier admission evaluation stage, we evaluate the performance of potential suppliers based on a comprehensive consideration in 8 aspects: quality (Q), cost (C), delivery (D), service (S), technology (T), assets (A), process (P), environmental, social and corporate governance (ESG). In terms of ESG, we evaluate potential suppliers from multiple perspectives, such as energy conservation and environmental protection measures, safety management mechanisms, and sustainable development management. Potential suppliers need to meet the Group's requirements in ESG to obtain admission qualification.

We also communicate the results of the assessment with suppliers upon completion, and where possible, provide suppliers with improvement plans to help them improve their ESG performance. These plans include identifying gaps, setting improvement targets, formulating rectification plans, providing industry standards, organizing competency training, and following up on rectification results.

In accordance with the *Fosun Group Supplier Code of Conduct* and the Supplier Conduct Risk Rating List, we comprehensively assess ESG risk and management level of suppliers on an annual basis. Suppliers are classified as ESG no risk and ESG high risk (assessment score below 60) based on the assessment results. The assessment results will be considered for the supplier's annual performance evaluation as part of the supplier performance evaluation system. During the annual assessment, the suppliers will be reviewed by Fosun itself or a third party entrusted with reasonable notice to the suppliers. If the results indicate that a supplier fails to comply with the *Fosun Group Supplier Code of Conduct*, the supplier shall take corrective measures in a timely manner; if the supplier fails to take corrective actions or fails to comply after taking corrective actions, Fosun will conduct corresponding actions, including but not limited to suspending or cancelling cooperation relationship with such suppliers.

During the Reporting Period, we conducted ESG risk assessment with member companies on suppliers managed through the Supply Chain Digital Platform. Among them, 1 supplier was terminated due to its ESG high risk.

The Group plans to continuously increase the proportion of ESG risk audits and evaluations and gradually achieve 100% coverage of ESG risk assessments for Tier 1 suppliers.



#### FTG

FTG has continued to improve the *Fosun Tourism Group Supplier ESG Rating Scale*, and comprehensively evaluated the ESG risk and management level of suppliers from 5 levels and 62 points, including labor, business ethics and code of conduct, safety and health, environment impact, and management system. ESG self-assessment and on-site evaluation must be conducted on suppliers within every three years. Existing suppliers on the *List of Key Suppliers* and the *List of Suppliers with Ongoing High Risks* are subject to self-assessment at least once every year, as well as on-site audit and evaluation at least once every three years.

During the Reporting Period, FTG conducted ESG assessments on suppliers in China. The evaluation and audit results are shown in the table below. In the future, FTG plans 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.

Total number of suppliers in China	Suppliers subject to self-assessment	Suppliers subject to ESG on-site audit	Coverage ratio of assessment for all suppliers (%)	Coverage ratio of assessment for key suppliers (%)
600	600	155	100	100

Fosun Pharma

Fosun Pharma has established the green supplier assessment system that all existing and potential suppliers involved in the production and operation of major procurement categories are included in the annual green supplier assessment. Under the green supplier assessment system, the suppliers are reviewed, scored, differentiated and managed through 25 indicators in environmentally sustainable development, safety & accident prevention and system management. The suppliers are classified based on the scoring from one star to five stars (five stars representing the most excellent). The assessment includes document audit and on-site EHS audit and subsequent improvement suggestions are provided. In addition, Fosun Pharma conducts training on green supplier assessment system for member companies, to enable them to better achieve green supply chain management.

In 2023, Fosun Pharma's member companies conducted 23 green supply chain audits to key suppliers, including 2 raw materials and 6 packing materials suppliers. Fosun Pharma's member companies also communicated with suppliers about the rectification plan according to the document audits and on-site audits.

◆ Suppliers' Human Rights Management

Our commitment to human rights protection is embodied in the *Fosun Human Rights Statement*. We make every possible effort to identify, reduce and prevent human rights risks in our businesses and value chains. And we also strive to establish management mechanisms for various human rights issues and actively understand the concerns and expectations of stakeholders in this regard.

Human rights commitments applicable to the supply chain are extended to suppliers through the *Fosun Group Supplier Code of Conduct*. We require suppliers to provide fair labor conditions, and not to use child labor at any stage of business activities, prohibit the use of forced labor in any form, and eliminate the use of conflict minerals, etc. We have incorporated human rights risk identification and correction mechanisms into our suppliers' ESG risk assessment system and continuously follow up the human rights performance of them. We have established a publicly available whistleblowing mechanism to encourage the public and partners to report and monitor the suppliers' violations with respect to human rights.

◆ Management of Conflict Minerals

We expect the supply chain to source raw materials responsibly and conduct due diligence on the source and chain of custody of the minerals used by their products. We have always followed the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* or other equivalent and widely-recognized due diligence frameworks to ensure that the minerals used to manufacture our products do not contribute to human rights violations and environmental degradation.

Yuyuan

In order to strengthen the management of conflict minerals and risk aversion, Yuyuan connected the upstream and downstream and strengthened the control of conflict minerals. Yuyuan optimizes and implements the *Special Provisions on the Procurement of Conflict Mineral Raw Materials*, to manage the corresponding raw materials of jewelry fashion industry, deepening the management of responsible procurement. On the basis of the system, Yuyuan promised to eliminate the procurement of jewelry and gold involving "conflict areas", and avoid conflict minerals in raw materials from three aspects: zero tolerance policy, promoting supplier due diligence and incorporating supplier admission standards.

Zero tolerance policy for conflict minerals

Actively promote suppliers to perform "conflict minerals" due diligence

Include conflict minerals as one of the criteria for supplier admission review

Sustainable Influence

While ensuring a responsible production process, we also hope to leverage Fosun's sourcing capabilities to promote sustainable influence, which is reflected in the introduction of sustainable product choices and lifestyles, local purchasing plans, avoiding conflict minerals, etc.

◆ Selecting Sustainable Products

FTG

Club Med under FTG formulates a sustainable procurement policy in the operation stage, and sets and tracks key performance indicators for local and sustainable products; it cooperates with a number of supply chain international initiative organizations to implement the goal and commitment of purchasing products certified by the principle of sustainability and local products, the targets including:

Committed to providing environmentally friendly products:

- 100% coffee certified by the Fairtrade system;
- 100% of paper products purchased from the Forest Stewardship Council (FSC) or Forest Certification Scheme (PEFC) certified products;
- Launching the "Bye-Bye Plastic" project to eliminate the use of disposable plastic products and preferably choose reusable and plastic-free alternatives in 100% of resorts.

Committed to biodiversity and animal welfare in the supply chain:

- By the end of 2025, 100% non-caged chicken egg products will be available in resorts in Europe, Brazil and the United States, with the rest of the world achieving this goal by 2027;
- By the end of 2022, all Club Med stores will have products containing animal fur off their shelves.



◆ Prioritizing Local Procurement

Fosun Pharma

Shanghai Henlius, a member company of Fosun Pharma, has launched a strategy of local and diverse sourcing of materials to ensure production and market supply by enhancing supply chain stability and resilience. As of the end of 2023, in terms of procurement amount, 35% of the materials were from local suppliers on average, 25 localization projects were in progress, and 78% of the materials had 2 or more alternative suppliers.

During the Reporting Period, Wanbang Biopharma, a member company of Fosun Pharma, promoted a total of 15 localization projects, achieving cost reductions of approximately RMB12 million, further shortening lead times and enhancing supply chain diversification.

FTG

FTG adheres to the policy of giving priority to local procurement, and aims to continuously enhance local employment and procurement, while promoting collaborative development with local communities, as stated in its 2030 sustainable development goals. During the Reporting Period, the proportion of local procurement in Atlantis Sanya and Taicang Alps Resort, FTG's member companies, reached 67%.

Club Med, a member company of FTG, has committed to sourcing 65% of its fresh agricultural products (vegetables, fruit, butter, egg, cheese, meat) from local sources by 2030. In 2023, Club Med employs 73% of its staff locally. At the same time, Club Med promotes technological progress in the local community by improving the work skills of local workers.



4.4.3 Cooperation with Integrity

In order to further regulate supplier management, improve the quality of supplier services, prevent supplier risks, promote fair competition among suppliers, and deepen the value of supplier resource sharing, we have formulated the *Implementation Rules for Supplier Integrity Management of Fosun Group*, requiring all suppliers and contractors participating in the Company's procurement to fill in and sign the *Letter of Commitment of Supplier Integrity and Self-discipline*. All suppliers to be included in the Fosun supplier database have received credit investigations through a third party.

As required by the Group, in the procurement process, suppliers shall not disrupt the normal procurement order or seek benefits through improper means such as falsification, malicious fraud, etc., and breach of contracts performance without proper reasons and other violations of laws, regulations and rules are prohibited. We also publicize and implement the anti-corruption related requirements to suppliers.



We classify suppliers' violations of the integrity principle into three types by nature and severity: generally bad behavior, materially bad behavior, and significantly bad behavior. We form a "blacklist" of suppliers and formulate different punishment measures including warning and prohibition from admission accordingly. In the event of serious circumstances, the cooperation with the suppliers will be permanently terminated. As of the end of the Reporting Period, 192 suppliers of the Group were blacklisted for their misbehaviors.

We also encourage stakeholders to supervise the suppliers' behavior with us, and have announced the complaint channels. Please refer to the section [2.4 Business Ethics](#) in the Report for the reporting channels and protection measures.

4.4.4 Friendly Exchange

We frequently interact with our major suppliers through a variety of channels, including regular business reviews, special meetings, phone calls and e-mails. We also hold supplier conferences or other forums to communicate key information with suppliers on a regular basis.

We engage in dialogue with major suppliers on material issues and specific topics such as enhancing operational efficiency, providing products and services that meet the needs of our clients, risk management and control, and the promotion of our diversity, equity and inclusion. We are committed to promoting the highest standards of ethical business conduct among our suppliers and working together to make a positive impact in the communities where we operate.

In 2022, we held the "Responsible Procurement Seminar". Through the seminar, the member companies of the Group (Fosun Pharma, Yuyuan, FTG, Shede Spirits) joined hands with more than 30 partners to promote the coordinated development of the ecosystem, including Ecolab, PricewaterhouseCoopers, Coca-Cola, SAP, DFIN and Haier. This seminar enhanced the understanding of ESG rating, promoted supplier communication, shared industry best practices, and demonstrated Fosun's unique lifestyle to suppliers.



05

## People and Partner Oriented

Fosun regards its employees as its most valuable asset. Upholding the philosophy of “attracting people through development, assessing people through performance, cultivating people through work, and uniting people through career”, we actively build a learning-oriented organization and create a diversified and equal working environment. All these efforts are aimed at continuously enhancing the sense of happiness in the workplace, and building a future-oriented global talent team.

## 5.1 Strategic Planning for Talent Development

We strictly comply with all rules and relevant regulations in connection with recruitment and dismissal, remuneration and promotion, employee schedule, equal opportunities, anti-discrimination, diversity, working hours, vacations and other benefits in countries/regions where we operate, for example, the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, *Provisions on Prohibition of Child Labor*, etc. In accordance with such laws and regulations, we are required to establish the labor management system to ensure the compliance with such regulatory requirements.

During the Reporting Period, the Company's talent management was widely recognized by all walks of life, winning a number of awards.

Award	Issued by
“Employee Onboarding Experience Award” and “Employee benefits Experience Award”	HRTech
“Excellent Human Resources Case Award”	The Zhejiang Chamber of Commerce
“Excellent Provident Fund Employer”	Mandatory Provident Fund Schemes Authority of Hong Kong
“Extraordinary Employer”	Liepin
“Best Employer Brand Award”, “Corporate Culture Award”, “Top 50 HR Digitization Cases” and “HR Digital Intelligence Best Practices Pioneer List”	KNX
“Most Engaging Employer Brand”	LinkedIn
“HeRo Award”	Beisen

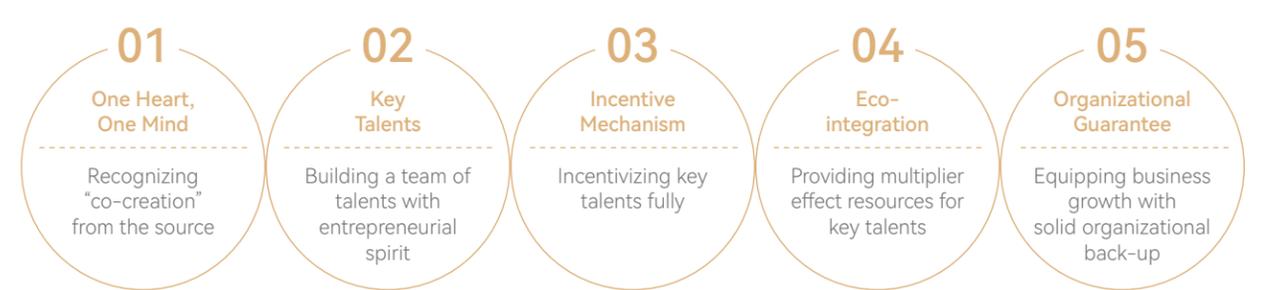
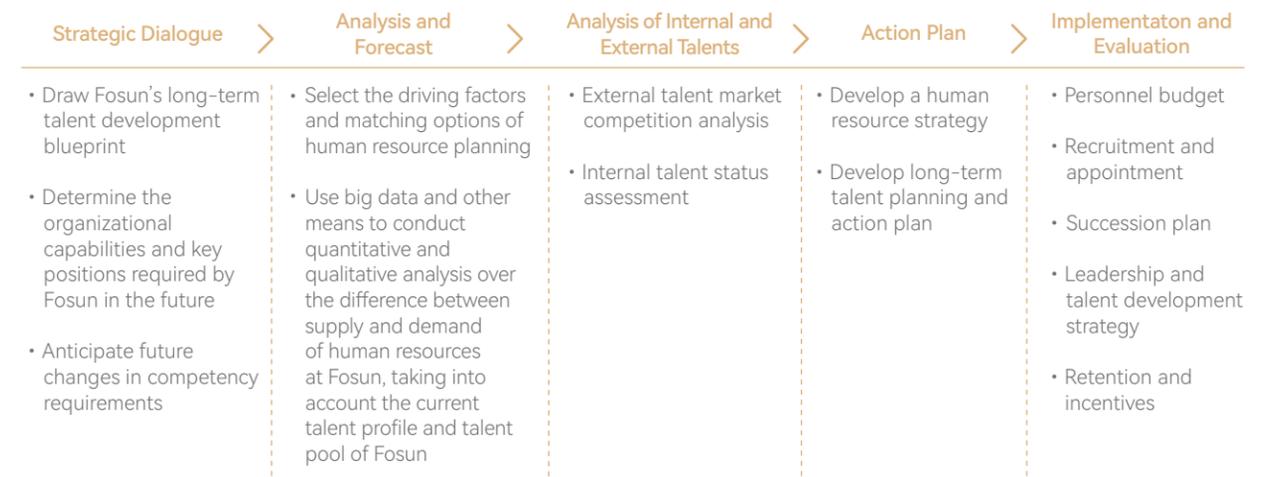


## Strategic Planning for Talent Development

In view of the challenges brought by macro-environmental changes such as climate change, technological disruption, and demographic shifts, strategic planning for talent is crucial for Fosun to adapt to changes and maintain sustainable business growth. The Group formulates short-, medium- and long-term human resources development plans and corresponding implementation paths, utilizing strategic talent planning tools to provide comprehensive talent solutions and build a talent team that is adaptable to future development.



In order to better realize the development of a key talent team, the Group applies digital tools such as big data to carry out strategic dialogues, analysis and forecast, internal and external talent situation analysis, and action plan formulation based on real-time data, promoting the effective implementation and evaluation of every stage of the strategic planning for human resources.



## Talent Distribution

By the end of 2023, the number of employees of the Group was approximately 108,000. And the number of employees of the Company and 6 member companies<sup>8</sup> within the scope of the Report was around 80,000.

Employee Indicator	2023	2022	2021
The total number of employees within the scope of the Report	Approximately 80,000	Approximately 74,000	Approximately 69,000
<b>Percentage of employees by gender</b>			
Female (%)	49.2	49.2	48.2
Male (%)	50.8	50.8	51.8
<b>Percentage of employees by position</b>			
Senior executive (%)	1.5	1.7	2.1
Middle management (%)	13.7	14.1	11.8
General staff (%)	84.8	84.2	86.1
<b>Percentage of employees by age</b>			
< 30 (%)	27.7	29.5	29.3
30-39 (%)	36.5	37.7	38.1
40-49 (%)	22.2	20.4	21.1
≥50 (%)	13.6	12.4	11.5
<b>Percentage of employees by region</b>			
Asia (%)	71.65	81.39	86.31
Europe (%)	14.03	12.75	8.43
Africa (%)	8.30	1.92	1.56
North America (%)	4.17	3.35	2.48
South America (%)	1.82	0.56	1.20
Oceania (%)	0.03	0.03	0.02
<b>Percentage of employees by employment type</b>			
Full-time (%)	97.7	98.3	99.0
Part-time (%)	2.3	1.7	1.0

<sup>8</sup>The scope of data disclosure in this Chapter includes the Company, Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, Fosun Tourism Group, and Fosun Insurance Portugal.

During the Reporting Period, the total number of new employee hires of the Company and 6 member companies within the scope of the Report was around 27,000, and the percentage of internal hires of the Company was 19.1%.

New Employee Indicator	2023	2022	2021
The total number of new employees within the scope of the Report	Approximately 27,000	Approximately 27,000	Approximately 37,000
<b>Percentage of new employees by gender</b>			
Female (%)	47.0	54.3	45.0
Male (%)	53.0	45.7	55.0
<b>Percentage of new employees by age</b>			
<30 (%)	46.9	57.2	52.9
30-39 (%)	29.5	29.2	29.5
40-49 (%)	14.1	9.4	10.8
≥50 (%)	9.5	4.2	6.8
<b>Percentage of new employees by region</b>			
Asia (%)	62.54	62.13	52.32
Europe (%)	20.59	27.62	27.81
Africa (%)	6.63	2.62	9.44
North America (%)	7.42	5.52	8.87
South America (%)	2.78	2.06	1.55
Oceania (%)	0.03	0.05	0.01

## Termination

We strictly follow the labor contracts and the relevant laws and regulations of each workplace of the country/region where we operate to establish termination (including resignation and dismissal) procedures to protect the interests of employees and the Group from infringement. When employees leave, we will have interview with them to understand the reason for leaving and his/her suggestions for the Group, so that we can improve the human resource management and adjust the relevant policies.

During the Reporting Period, the turnover indicators of the Company and 6 member companies within the scope of the Report are as follows.

Employee Turnover Indicator	2023	2022	2021
Employee turnover rate (%)	23.8	21.6	15.7
Voluntary turnover rate (%)	16.5	15.7	/
Turnover rate by gender			
Female (%)	23.1	19.7	20.3
Male (%)	24.5	23.4	19.0
Turnover rate by age			
<30 (%)	29.2	30.1	24.9
30-39 (%)	23.4	20.2	20.0
40-49 (%)	18.5	14.4	13.5
≥50 (%)	21.4	13.0	14.2
Turnover rate by region			
Asia (%)	24.5	20.2	20.1
Europe (%)	19.1	24.2	8.5
Africa (%)	19.7	13.2	26.6
North America (%)	32.1	36.9	24.1
South America (%)	28.5	54.6	31.0
Oceania (%)	21.4	30.0	26.1

Note:  
Turnover rate by category = number of employees who left the category during the Reporting Period / (number of employees who left the category during the Reporting Period+total number of employees in the category at the end of the Reporting Period) \* 100%.

## 5.1.1 Attracting People through Development

With a global perspective, the Group has elaborately laid out its talent strategy. In addition to diversifying our recruitment channels, we continue to identify and attract top-tier talent to ensure a robust talent pool. We hold global campus recruitment to build an outstanding employer brand image.

### Diversified Forms of Recruitment

Adhering to the talent recruitment principles of “fairness and impartiality”, “laws and regulations compliance”, and “person-post matching”, as well as the strategy of global talent localization and diversification, we refine recruitment applications and requirements, interview principles and processes, as well as employment principles and processes. Furthermore, in line with the Group’s global business development, we strengthen the internationalization and standardization in the process of introducing talents in different countries and regions, and continue to evolve the recruitment process and channel management while improving efficiency, ensuring the scientific and reasonable talent recruitment mechanism.

We have launched a series of recruitment programs with Fosun characteristics for different groups of people and clarified Fosun’s value of talents.

“PoleStar” Internship Program	FOSTAR Program
<p>The “PoleStar” Internship Program is an important way for the Group to discover and cultivate young talent. As the starting point of the annual campus recruitment plans, the “PoleStar” Internship Program offers outstanding interns the opportunity to become full-time employees and join Fosun based on their internship performance evaluation results. The program aims to select and retain excellent talents as early as possible.</p>	<p>The FOSTAR Program targets new graduates from top universities and colleges, selecting versatile talent with outstanding learning abilities and leadership potential through innovative offline and online recruitment forms. The program aims to cultivate future leaders for the Group.</p>
FOSTAR + Program	MoveStar Program
<p>The FOSTAR+ Prpgram is Fosun’s social recruitment program for talent with a certain number of years of work experience. Our recruitment team maintains friendly cooperation with top EMBA/MBA universities and colleges, entrepreneur communities, and other organizations. We adopt customized recruitment strategies for talent with different work backgrounds and continuously upgrade our recruitment management system, aiming to establish a top-class global talent team.</p>	<p>The MoveStar Program provides employees with opportunities to explore different career development paths. By encouraging cross-function and cross-industry development, it accelerates the flow of talent among posts within the Fosun ecosystem, continuously optimizes the match between our people and job requirements, and maintains the vitality of the Group.</p>

### Local Employment

We actively promote local employment to enhance the Group’s ability of local operation in the global business, and drive local employment and actively boost local economic development. The Company has posted a description of prioritizing local employment in the recruitment website, and all member companies of the Group actively practice local employment in the course of their operations.

We believe that the implementation of local employment policy will deepen our understanding of local needs, thus enhancing our ability to conduct business locally. Club Med, a member company of FTG, maintains close ties with local communities in the course of its operations and always practices local employment strategies, with the number of employees from local communities accounting for 73% of the total number of employees during the Reporting Period.

### Talent Flow

We assist employees in enhancing their work performance and personal capabilities through opportunities such as rotations across different enterprises, sectors, and functions, promoting their growth alongside Fosun.

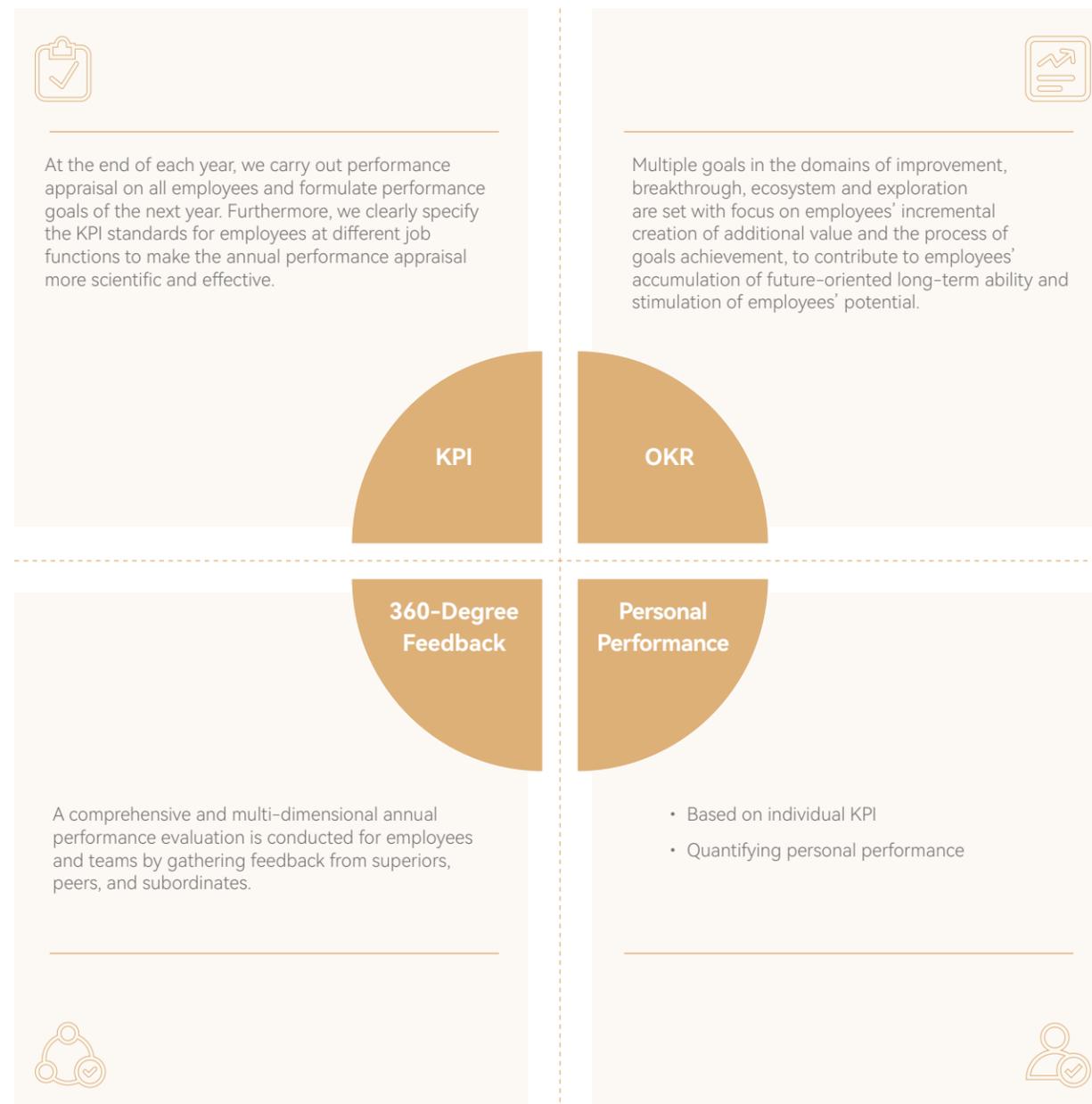
At the same time, we fully utilize Fosun’s global operating network to cultivate employees’ global mindset and provide development opportunities at home and abroad. During the Reporting Period, we released the *Global Talent Flow Management System* to regulate different types of talent flow programs, improve flexible management policies and processes such as personnel recruitment, salary and welfare, and return management. This system aims to facilitate the talent flow and enable various types of talent within the Group to work compliantly and efficiently in member companies both domestically and overseas.

## 5.1.2 Assessing People through Performance

Fosun has formulated and released the *Performance Management System* to standardize Fosun's performance management system and processes. We continuously optimize the performance appraisal mechanism to promote the achievement of strategic objectives and drive high growth in our business. We adopt both qualitative and quantitative appraisal and make use of a diversified performance appraisal mechanism combining KPI and OKR ("Objectives & Key Results") to evaluate team and individual performance comprehensively and objectively.

Based on the results of performance evaluation, we implement the incentive policies in accordance with relevant regulations, including salary incentives, promotions, benefits and training. And for those with poor performance, we will carry out an analysis with follow-up actions taken, such as performance improvement procedures, on-the-job training, job transfer and even dismissal.

During the Reporting Period, 100% of the employees from the Company and the 6 member companies within the scope of the Report received multi-dimensional performance and career development appraisals.



## 5.1.3 Rewarding People through Incentives

Always following the incentive principle of "value sharing based on value creation" and the incentive concepts of "diversified incentive in all aspects" under twin-driver and "market competitiveness", we guide all employees to actively realize the implementation of the Group's strategy and the development of themselves through a multi-level remuneration and incentive system of full coverage.

The remuneration of employees includes basic salary, performance-related bonus, instant project incentive, enterprise value sharing plan, stock incentive plan, etc. We encourage employees to exert their entrepreneurial spirit, turn the challenges and pressures at work into their own driving force, and strive to create excellent work performance.

### Incentives Mechanism and Scheme

Based on relevant remuneration policies in countries/regions where we operate, we provide competitive compensation incentives to our employees on the premise that it exceeds the minimum pay requirements of these localities. We have scientifically set short-, medium- and long-term incentive mechanisms, and achieved full coverage of employees and business lines. Meanwhile, taking the business characteristics, strategic requirements and development stages of different industrial groups into consideration, we have the following different combinations of incentives for employees at different grades to empower our businesses and stimulate our employees.

#### Short-term incentive mechanism



All employees are applicable to the annual performance-related bonus, and the actual performance-related bonus is increased or decreased based on the diverse performance appraisal results.

#### Medium-and long-term incentive mechanism



Key personnel of partners at all levels meeting the performance requirements, or other outstanding high-potential personnel approved by the Board can participate in the Group's stock incentive plan. Meanwhile, in order to allow the Group to attract talents for the continual operation and development of the Group, newly-joined high-level talents have been specially included in stock incentive plan. The grant date, scope of recipients, number of shares granted, and vesting conditions, etc. are determined by the Group in accordance with resolutions of the Board and the rules of stock incentive plans each year. Specific scheme will be implemented in accordance with prescribed procedures. Please refer to relevant content in the [2023 Annual Report](#) for details.



In order to ensure that all employees contributing to business performance during the process of achieving goals (including the achievement of industrial operation targets and investment returns), have the right to share the excess earnings, we have established corresponding value sharing plan incentive mechanisms for both industrial operation personnel and investment personnel, including but not limited to the operation of value sharing plan mechanism and Carry incentive mechanism. Among them, the value sharing plan covers all employees, and sets annual incentive limits for highly paid employees. Any amount exceeding the limit is deferred to future years, without taking up the limit of subsequent year.



To encourage enterprises in Fosun ecosystem to keep building the FC2M happiness ecosystem, we have formulated the *Guidelines on Ecosystem Value Creation Project Incentive Mechanism of Fosun Group (Trial)*. Based on this, we encourage employees to give full play to ecosystem value in industry, regions, capital, hive, and inter-connection to deliver ecosystem multiplier effect.

## Risk Protection Mechanism

In addition to employee incentives, we have also adopted a series of risk adjusting measures to safeguard the collective interests of the Group and the safety of funds and properties.

### Clawback Mechanism

In the *Management Regulations for Reward and Punishment of Fosun Group*, *Fosun Group Investment Value Sharing Plan (Carry Incentive) Management Regulations* and operation of value sharing plan mechanism, we have clearly stipulated that in case of embezzlement, bribery, corruption, dereliction of duty or other illegal acts that cause losses to/damage the interests/reputation of Fosun, violators will no longer be entitled to any bonus, and shall pay compensation for the losses herein, face one of the disciplinary actions (verbal, written, serious warning and termination of labor contract), and be held liable as necessary.

### Risk Pool Setting

For operation of value sharing plan and Carry incentive of the Group, 10% of the total incentives calculated are reserved to the risk pool to offset the loss risk of the business department or business team.

### Deferred Mechanism

The total amount of annual incentive payable to an individual employee is limited according to the employee's level, based on new incentive for the year and deferred incentive for previous years, with any amount exceeding the limit being deferred to future years.

### Co-Investment Standards

According to the *Management Regulations for Co-Investment in Investment Projects of Fosun Group*, we standardize and refine co-investment processes for personnel in the Group's investment line of business, to meet the market actual operation and compliance requirements, emphasize the consistency of personal interests and corporate interests, strengthen tax risk control in the process of co-investment, and clarify individual tax liability when co-investment benefits.

## 5.1.4 Uniting People through Career

With the continuous growth of our global businesses, we continue to improve the industrial depth of the organization and talent, build the talent ecosystem of Fosun's various industries, and regard "creating happier lives for families worldwide" as the common cause of Fosuners, thereby creating an entrepreneurial platform for customers with outstanding value.

We continue to promote the multi-dimensional partnership model led by Global Partners, especially focusing on entrepreneurship, to create an organizational cohesion of co-creation, co-ownership and sharing. As of the end of the Reporting Period, Fosun has about 150 Global Partners worldwide. At the same time, we focus on high-performing talents, provide them with more development opportunities and promotion opportunities, actively tap the potential of employees, and open global job rotation opportunities, to help employees establish a strong sense of entrepreneurship and initiative.

### Access to Career Development

Fosun provides employees with diversified accesses to career development. Through the implementation of inter-company/department rotations and job transfers, employees can obtain more development opportunities and fully understand the status of the Group and member companies, and responsibility requirements of different positions as well. Furthermore, employees can understand themselves and tap their potentials to find more suitable positions for themselves, and thereby give full play to their personal value.

### Promotion Mechanism

We divide promotion into regular one and special one with a scientific and comprehensive promotion mechanism and process. The KPI and OKR appraisal on employees are included into the promotion assessment factors. Employees at different ranks/levels and of different job types/work contents are subject to different promotion criteria.

The promotion assessment process can be initiated by employee's self-recommendation or department recommendation. The department to which the employee belongs and human resources department jointly conduct an objective promotion assessment.

### Global Partners

We recognize and gather excellent talents with entrepreneurship through Global Partners pattern, in order to set good examples for Fosuners. Fosun's Global Partners have covered China, Japan, India, Germany, France, the United Kingdom, Portugal, the United States, Israel, Canada and other countries.

Based on global diversified business needs, the Group has developed different partner selection mechanisms, discussion mechanisms, incentive mechanisms, withdrawal mechanisms, including option incentive plans for partners, to ensure that the partner team is consistent with Fosun's pursuit of "creating high value for customers" in the long term.

## 5.1.5 Building a Learning-Oriented Organization

Talent is Fosun's most valuable asset. Fosun is committed to continuously cultivating global top talents with outstanding performance and high potential and strives to build a comprehensive learning and development system. We have built the *Fosun Group Staff Training Management Regulations*, *Fosun Group External Training Application Management Regulations*, and other comprehensive training management systems.

### Fosun Global Leadership Academy

Fosun Global Leadership Academy is a dedicated department responsible for the training of employees within the Group. Fosun Global Leadership Academy draws up talent development plans according to Fosun's development strategy, integrates internal and external training resources in a timely manner and organizes cross-functional sharing, program-learning and case study, aims to find, train and reserve savvy business professionals and high-potentials for the Group. It is a "never-graduating university" for Fosun people.

During the Reporting Period, the Company and 6 member companies within the scope of the Report invested around

**RMB89,500,000**

in training expenses.

During the Reporting Period, the percentage of employees trained by the Company and 6 member companies within the scope of the Report was **85.3%**, the accumulated training time was around **3,230,218 hours**, and the training hours per person was around **47 hours**.

Employee Training Indicator	2023	2022	2021
Percentage of employees trained (%)	85.3	82.6	70.7
Training hours per capita (hour)	47.3	53.6	30.5
Percentage of employees trained by gender			
Female (%)	79.0	77.9	69.1
Male (%)	91.3	87.1	72.1
Percentage of employees trained by position			
Senior executive (%)	85.4	87.4	52.3
Middle management (%)	81.8	68.6	75.5
General staff (%)	85.8	84.8	70.1
Average training hours completed per employee by gender			
Female (hour)	45.9	51.1	31.5
Male (hour)	48.4	56.5	29.6
Average training hours completed per employee by position			
Senior executive (hour)	35.5	30.3	34.5
Middle management (hour)	42.4	51.5	24.7
General staff (hour)	48.2	54.4	31.4

Notes:

- (1) Percentage of employees trained by category = number of employees in the specified category who took part in training during the Reporting Period / total 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 / total number of employees in the specified category who took part in training during the Reporting Period \* 100%.

## Training Structure and Highlight Activities

According to the grade and actual work needs of our employees, we have a variety of training programs with Fosun characteristics to communicate our strategic highlights and convey our values. We encourage employees to participate in various training activities, make continuous efforts to offer them more and better opportunities to upgrade their vocational skills, and further promote solidarity and cooperation. We also conduct post-training satisfaction and engagement surveys to quickly understand and respond to employees' opinions and suggestions and adjust or innovate training schemes according to their needs in a timely manner.

### > Orientation Training

We have established a comprehensive training system and developed online course packages for new employees. This aims to help them integrate into the work environment and adapt to new roles in an efficient and enjoyable way.

On-boarding Day	Monthly Training	Quarterly Training	E-learning
Common office tools Workplace visiting Welfare introduction	Team integration Corporate culture Resource support	Cultural chapter Strategy chapter Management chapter Ecosystem chapter Partner dialogue	Log in the online platform to take self-learning courses including "company introduction, rules and regulations, system operation, sharing by Globe Partners" and other contents

### > Leadership Training

Cultivating and enhancing the leadership capabilities of our people is a top strategic priority for us. To achieve this, we have introduced a series of leadership training programs covering employees at all levels.

#### ※ FOSTAR Training Program

As of the end of the Reporting Period, FOSTAR had cultivated more than **285** excellent high-potential talents.

We leverage the executive coaching mechanism and implement a series of endurance training, quality development cross functional/customized rotation, and professional competence training programs. This aims to help new FOSTARs learn the ropes in the workplace from student, develop the future backbone of Fosun and young partners.



21-Day Training Camp

#### ※ Fosun Youth Training Camp

As of the end of the Reporting Period, we had trained a total of **321** excellent high-potential youth from the Group.

Fosun Youth Training Camp is an important platform for Fosun to identify and cultivate future entrepreneurs, as well as an incubator for the rapid growth of outstanding Fosun Youth. The Fosun Youth Training Camp is committed to developing the essential entrepreneurial skills of our young employees through a series of diverse training initiatives and activities, thereby building a solid foundation for Fosun's future core workforce.



Team Building - Skiing

#### ※ CHO Training Camp

As of the end of the Reporting Period, we had a total of **127** CHO reserve talents who were selected from the Company and our member companies.

During the Reporting Period, we established the CHO Special Training Camp and the CHO LEAD Training Camp and organized learning sessions for functional CHO and business CHO to enhance the overall organizational management capabilities.

- The CHO Special Training Camp is designed to develop HR executives in primary positions and high-potential reserves through the leadership-related courses and debate activities that comprehensively enhance the core HR capabilities of senior management.
- The CHO LEAD Training Camp is tailored for HR partners, high-level HR leaders, and business CHOs. It focuses on conducting business simulation exercises to cultivate and enhance strategic thinking abilities in a commercial context.

#### ※ CXO Training Camp

As of the end of the Reporting Period, we have a total of **310** executive reserve employees who were selected from the Company and our member companies.

Combining the Group's strategy, theoretical knowledge and actual campaigns, internal and external expert lecturers are invited to launch problem-solving training activities through group classes and workshops on and off-line, aiming to cultivate executive talents with entrepreneurial spirit who recognize Fosun's strategic vision and cultural values.

#### ※ Chairman and CEO Class

As of the end of the Reporting Period, we had carried out the project for a total of **183** senior executives from the Group's headquarters and core member companies.

Relying on Fosun's major "campaigns" and centering on "Leadership, Fosun FC2M Strategy, Vision with Global Perspective", we carried out multiple practical training sessions and adopted various methods, such as teaching and mentoring, brainstorming and collective efforts, and industry benchmarking, enabling employees to learn through practice and align their actions with the strategies, so as to identify and train future enterprise leaders for Fosun.

### > Learning Culture for All Staff

#### Cases of diverse learning forms

#### ※ Mobile Learning Platform

We have developed a customizable and collaborative online learning platform with a high level of engagement. The courses cover a wide range of subjects including financial investments and soft skills. During the Reporting Period, 55 core member companies participated in the course content design, resulting in the creation of 2,400 high-quality courses. The online platform was utilized by over 37,000 employees, with more than 200,000 hours of online courses learning.



※ Boss/Essence Talk

To build a learning-oriented organization, we launched Boss Talk and Essence Talk in 2019 to empower various industries via novel thinking and cutting-edge technologies around the world. Boss Talk shares business insights while Essence Talk discusses on practical experience. We host 2-3 events each month, incorporating a variety of formats including offline courses, live streaming, and recorded broadcast. Through interactive exchanges between students and lecturers, we aim to facilitate the sharing and collision of knowledge.



※ Fosun Sharing

We have organized Fosun Sharing for two consecutive years, inviting both internal and external HR experts to share the latest HR policies and best practices. This initiative helps HR professionals and related personnel enhance their expertise and industry experience and address work-related challenges more efficiently. We have held over 10 thematic sharing sessions, with nearly 100 participants attending each event.



We periodically organize book sharing activities and have held the Starlight Reading activities for two consecutive years during the month of International Book Day. We also periodically conduct book note sharing discussions on "Focuth" and establish offline reading corners as well as online discussion groups. Those activities promote an atmosphere of learning for all, motivate the staff to cultivate good habits of reading good books, reading industriously, and reading eagerly.



## 5.2 Building A Diverse and Equal Working Environment

With respect for human rights, we protect the basic rights and interests of all employees and strive to build a diverse and inclusive workplace. At the same time, we focus on enhancing the employee experience by investing resources to facilitate the work-life balance for our employees and their families and improve their sense of well-being at work.

### 5.2.1 Protecting Equal Rights of Employees

As a member of the UN Global Compact, Fosun aspires to collaborate with stakeholders including employees, partners, suppliers, customers, and governments, to collectively advance human rights protection and address human rights issues worldwide. The Group's ESG Management Committee oversees the formulation and implementation of the Group's policies and guidelines on respect for human rights and diversity, and regularly reports relevant significant issues to the Board.

#### Protecting Labor Rights

The Group has formulated the *Fosun Human Rights Statement*, which was published in the official website in both Chinese and English languages, for employees at various business operations worldwide to access and review. Fosun conducts business operations in accordance with the international human rights principles outlined in the United Nations *Universal Declaration of Human Rights* and *ILO Declaration on Fundamental Principles and Rights at Work*. The Group consistently supports the protection of internationally recognized human rights.

#### ◆ Respect for Political Rights and Association Freedom

Fosun respects employees' freedom of association and other political rights, including election and voting rights, to promote democratic management. The Company and member companies established the labor union. As of the end of the Reporting Period, the joining rate of the Company's labor union was 100% and the Company signed the collective agreements with all employees.

#### ◆ Working Hours and Vacations

Based on the operation of the Group, Fosun launches the attendance management and leave system in accordance with the laws and regulations of various job markets of the countries and regions where we operate. We regulate the working hours and minimize the extra working hours as far as possible to ensure that employees enjoy reasonable and adequate rest. In special cases of work overtime, employees are required to communicate in advance and obtain permission from the person in charge of the department, then they can be entitled to compensatory leave. Employees enjoy a variety of holidays such as national holidays, statutory annual leave, personal leave, sick leave, industrial injury leave, marriage leave, maternity leave, breastfeeding leave, bereavement leave, etc. We also set up additional paid leave according to the actual operating conditions of different countries and regions, such as family leave, childcare leave, public welfare leave, etc. for all employees of the Company.

#### ◆ Preventing Child and Forced Labor

We strictly abide by the laws and regulations of various countries and regions, such as the *Provisions on the Prohibition of Using Child Labor*, to prevent the occurrence of child labor and forced labor. All employees of the Group meet the minimum age requirements stipulated by relevant laws and regulations of the countries/regions where we operate, we also explicitly prohibit the employment of child labor in our *Employee Manual* and *Fosun Human Rights Statement*. In accordance with such laws and regulations, we are required to establish a rigorous identity verification process, and employees must provide relevant identification documents so as to confirm that we meet the minimum age requirements of countries/regions where we operate. At the same time, we prohibit forced labor and ensure that employees enjoy their rights and freedom to work on a voluntary basis. The Group shall hold direct personnel accountable for violating any employment rules on child labor and forced labor. During the Reporting Period, to the best knowledge of the directors, there was no material violation of labor standards in any form in the Group.

#### ◆ Ensuring Full Benefits Coverage

We ensure non-discriminatory employee treatment in the workplace, and within the Company's operations, all employees can benefit from social security plans such as social insurance, annuities or pensions in compliance with social security programs of local countries/regions. While in some regions, based on local conditions, the Group provides other additional benefits for employees, such as commercial medical insurance, housing provident fund, etc. During the Reporting Period, the Company and the 6 member companies covered by the report have provided 100% coverage of commercial health insurance and supplementary provident fund to their employees.

## Human Rights Management System

### ◆ Human Rights Reporting and Accountability Mechanism

We have established a human rights reporting and complaint mechanism, and an investigation process. Any human rights violations will be reported to management and the Board, and management should take prompt corrective measures. For more details, please refer to the [Fosun Human Rights Statement](#).

Employees and internal and external stakeholders of the Group can make complaints or report any violations of human rights through [Global Whistleblowing Platform](#) and [Risks & Compliance Hotline](#). As of the end of the Reporting Period, to the best knowledge of the directors, there was no complaint on human rights within the Group in any material respects.

### ◆ Risk Management System for Human Rights

Striving to improve human rights management, we have established a comprehensive human rights risk management mechanism to ensure that the Group's global business operations are in compliance with the law and protect human rights through four processes: human rights risk due diligence, human rights risk mitigation, human rights risk assessment and on-going management optimization.



To further protect human rights with partners along the value chain, the Group incorporated human rights risk due diligence and assessment into its investment and procurement processes. For details, please refer to [4.3 Responsible Investment](#) and [4.4 Ecosystem Synergy](#) sections of the Report.

Management Process	Management Mechanism	Progress Made in 2023				
Human rights risk due diligence	<ul style="list-style-type: none"> <li>Identify potential human rights related risks in our operations through peer research, analysis of historical information, external expert opinions, media data, etc.;</li> <li>Communicate with stakeholders to identify the Group's major human rights risks and the vulnerable groups.</li> </ul>	<ul style="list-style-type: none"> <li>The Group has industrial operations in over 35 countries and regions globally. The main human rights risks we face as assessed and summarized include:</li> </ul> <table border="1"> <thead> <tr> <th>Developed countries</th> <th>Developing countries</th> </tr> </thead> <tbody> <tr> <td> <ol style="list-style-type: none"> <li>Illegal employment of local immigrants</li> <li>Collecting intermediary fees in the guise of employee employment</li> </ol> </td> <td> <ol style="list-style-type: none"> <li>Forced labor</li> <li>Gender discrimination</li> </ol> </td> </tr> </tbody> </table>	Developed countries	Developing countries	<ol style="list-style-type: none"> <li>Illegal employment of local immigrants</li> <li>Collecting intermediary fees in the guise of employee employment</li> </ol>	<ol style="list-style-type: none"> <li>Forced labor</li> <li>Gender discrimination</li> </ol>
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Human rights risk mitigation	<ul style="list-style-type: none"> <li>Formulate human rights management policies;</li> <li>Develop appropriate responses for significant human rights risks identified;</li> <li>Regularly conduct training on human rights.</li> </ul>	<ul style="list-style-type: none"> <li>The Group included human rights policies in the <i>Fosun Group Employee Code of Conduct</i> and released the <i>Fosun Human Rights Statement</i>.</li> <li>The Company and its member companies regularly conducted training on human rights.</li> <li>The Group developed appropriate responses for significant human rights risks identified, including:</li> </ul> <table border="1"> <thead> <tr> <th>Developed countries</th> <th>Developing countries</th> </tr> </thead> <tbody> <tr> <td> <ol style="list-style-type: none"> <li>Carry out local employment in strict accordance with local labor bureau regulations to ensure the labor qualifications of workers and to guarantee the wage and benefit standards of hired employees;</li> <li>Actively recruit local employees and refuse to cooperate with the agency that illegally employs migrants to protect migrants and local employees from disguised exploitation.</li> </ol> </td> <td> <ol style="list-style-type: none"> <li>Set up a flexible work system to guarantee the work-life balance of employees, and grant subsidies to employees who work overtime in accordance with laws and regulations ;</li> <li>Encourage business departments to recruit more female employees and take gender quality into account in internal promotion.</li> </ol> </td> </tr> </tbody> </table>	Developed countries	Developing countries	<ol style="list-style-type: none"> <li>Carry out local employment in strict accordance with local labor bureau regulations to ensure the labor qualifications of workers and to guarantee the wage and benefit standards of hired employees;</li> <li>Actively recruit local employees and refuse to cooperate with the agency that illegally employs migrants to protect migrants and local employees from disguised exploitation.</li> </ol>	<ol style="list-style-type: none"> <li>Set up a flexible work system to guarantee the work-life balance of employees, and grant subsidies to employees who work overtime in accordance with laws and regulations ;</li> <li>Encourage business departments to recruit more female employees and take gender quality into account in internal promotion.</li> </ol>
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Human rights risk assessment	<ul style="list-style-type: none"> <li>Conduct targeted human rights risk assessment through interviews, surveys and other ways based on type of significant risks, vulnerable groups and areas;</li> <li>Analyze the impact of significant human rights risks, and assess the effectiveness of the human rights policies and risk mitigation measures.</li> </ul>	<ul style="list-style-type: none"> <li>After considering types of human rights risk, scope and extent of potential impact, and other factors, the Group selected France out of developed countries and India out of developing countries for pilot assessment. The human rights risk assessment included remote interviews, on-site visits, analysis of external expert opinions, and collection of data from internal and external sources:</li> </ul> <table border="1"> <thead> <tr> <th>France (Developed countries)</th> <th>India (Developing countries)</th> </tr> </thead> <tbody> <tr> <td>                     Assessment results of member companies in France show that:                     <ul style="list-style-type: none"> <li>Given the significant human rights risk identified, i.e., gender discrimination, PAREF made policies on diversity and equal pay for equal work, and scored 94/100 in the 2023 <i>Professional Equality Index</i> assessment;</li> <li>Committed to improving human rights performance, Club Med set a target of 100% of eligible resorts passing Green Globe certification, which includes human rights management assessment. During the Reporting Period, 86% of Club Med resorts obtained Green Globe certification.</li> </ul> </td> <td>                     Assessment results of member companies in India show that:                     <ul style="list-style-type: none"> <li>The six fundamental rights in India (right to equality, right to freedom, right against exploitation, freedom of religion, cultural and educational rights, and right to constitutional remedies) were well protected and secured in all member companies;</li> <li>The Group's member companies highly value and adhere to the regulatory requirements under the Labor Law of India (minimum wage, housing fund, occupation tax, employees' state insurance, labor welfare fund, statutory holidays, prevention of sexual harassment (POSH) mechanism at workplace, etc.).</li> </ul> </td> </tr> </tbody> </table>	France (Developed countries)	India (Developing countries)	Assessment results of member companies in France show that: <ul style="list-style-type: none"> <li>Given the significant human rights risk identified, i.e., gender discrimination, PAREF made policies on diversity and equal pay for equal work, and scored 94/100 in the 2023 <i>Professional Equality Index</i> assessment;</li> <li>Committed to improving human rights performance, Club Med set a target of 100% of eligible resorts passing Green Globe certification, which includes human rights management assessment. During the Reporting Period, 86% of Club Med resorts obtained Green Globe certification.</li> </ul>	Assessment results of member companies in India show that: <ul style="list-style-type: none"> <li>The six fundamental rights in India (right to equality, right to freedom, right against exploitation, freedom of religion, cultural and educational rights, and right to constitutional remedies) were well protected and secured in all member companies;</li> <li>The Group's member companies highly value and adhere to the regulatory requirements under the Labor Law of India (minimum wage, housing fund, occupation tax, employees' state insurance, labor welfare fund, statutory holidays, prevention of sexual harassment (POSH) mechanism at workplace, etc.).</li> </ul>
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On-going management optimization	<ul style="list-style-type: none"> <li>Develop appropriate improvement measures based on the results of human rights risk assessment;</li> <li>Communicate with stakeholders on the effectiveness of the Group's human rights risk management;</li> <li>Disclose the Group's human rights risk management policies, processes, assessment results, responses and improvement measures, and further optimize human rights risk management.</li> </ul>	<ul style="list-style-type: none"> <li>The Group opened multiple channels for communication over human rights issues. During the Reporting Period, the Group had sufficient communication with stakeholders, such as employees, partners and the public, over the effectiveness of its human rights risk management policies and measures;</li> <li>The Group monitors significant human rights risks on an ongoing basis through regular surveys and interviews, and planned to include more business locations in the human rights risk assessment in the future.</li> </ul>				

### ◆ Human Rights Policy Education and Training

We communicate the requirements of the *Fosun Human Rights Statement* to employees through various channels, such as the *Employee Manual*, official website promotion and encourage them to take action to uphold human rights. During the Reporting Period, the Company collaborated with several member companies to organize online quizzes for employees. These quizzes included questions related to human rights protection and international standards, and aimed to promote human rights knowledge in an enjoyable manner. Several overseas member companies of the Group also carried out the education and training of human rights policies.

### ◆ Equal Communication

We are committed to providing an open and transparent communication environment, and have established equal, efficient, and smooth multi-channel communication channels for employees. Employees can provide feedback, suggestions, and complaints through the communication channels. During the Reporting Period, the Group did not receive any complaint from employees.

Employee Communication Channels			
Direct communication	Real-time communication on DingTalk	Employee engagement and satisfaction surveys	Employee activities
Annual Workers' Conference	"Focuth" platform	New employee luncheon	Administrative appeals

### | Voice on Focuth, We are ONE Fosun

We made great efforts in managing "Focuth" interactive platform, an internal employee online community that is connected to all member companies, allowing employees to make complaints and enquiries, and share thoughts. Dedicated staff will act upon reasonable suggestions raised by employees to make improvements at workplace, and follow up each case to optimize employee experience. Moreover, "Focuth" is also a channel enabling employees to anonymously report human rights violations, harassment and discrimination. We keep everyone on Focuth anonymous, protect the privacy of whistleblowers and assign staff to investigate and handle the reporting.

During the Reporting Period, "Focuth" received suggestions from employees of different member companies, and all issues were properly addressed, such as improving the office air conditioning ventilation and enhancing the cleanliness of employee work bays and office areas.



### 5.2.2 Diversity and Inclusion

Fosun is committed to providing a work environment free from discrimination and harassment. All employees are not confined by factors such as gender, age, race and ethnicity, color, religious belief, nationality, sexual orientation, gender identity, marital status, pregnancy, or physical condition. In accordance with Fosun's policies and the *Employee Manual*, managers are prohibited from making hiring decisions based on these characteristics or interfering with employees' career development.

We manage the following five key areas of diversity:

Type	Management Goals	Measures and Progress												
Age	We are committed to creating a work environment that encompasses multiple generations.	We provide career mentoring, learning partnerships, and other support mechanisms to support the personal development of young employees/new graduates. We also conduct activities such as cultural integration and skills training to help them adapt to the workplace.  We also care about our retired employees. Every September, we organize networking events and present each retired employee with a token of appreciation to enhance their sense of honor and belonging.												
Gender	We are committed to bridging the gender gap at all levels, working to protect women's equal rights in the workplace, including equal opportunities and equal pay for equal work, enhancing women's happiness in the workplace, and empowering women to realize their potential in the workplace.	We offer leadership training and thoughtful care for female employees to help them balance work and family and realize their full potential in the workplace.  The ratio of male to female employees of the Company and all 6 member companies included in this Report has remained at 1:1 for three consecutive years.												
Disability	We aim to eliminate disability discrimination and increase accessibility in the workplace, creating a comfortable work environment.	We have established gender-neutral restrooms in public venues, including shopping malls, to meet the specific needs of individuals with disabilities. This initiative is designed to enhance the convenience and comfort of public facilities, while fostering the development of an inclusive and welcoming society.  As of the end of the Reporting Period, the proportion of employees with disability in the Company and 6 member companies within the scope of the Report was about 0.8%.												
Nationality	We are committed to balancing national cultural differences within the organization, and are concerned about the workplace adaptation and cultural integration of employees of different nationalities.	Considering the language integration barrier of foreign employees, our company provides full English induction training for new foreign employees every six months to help foreign employees better integrate into the local work environment.  As at the end of the Reporting Period, the proportion of foreign (non-PRC) employees of the Company and the five member companies <sup>9</sup> within the reporting area was approximately 38.5%, and the major international distribution of employees was as follows:												
		<table border="1"> <thead> <tr> <th></th> <th>Chinese</th> <th>Portuguese</th> <th>French</th> </tr> </thead> <tbody> <tr> <td>Percentage of total staff (%)</td> <td>61.5</td> <td>8.3</td> <td>3.8</td> </tr> <tr> <td>Percentage of management staff (%)</td> <td>72.7</td> <td>9.7</td> <td>1.5</td> </tr> </tbody> </table>		Chinese	Portuguese	French	Percentage of total staff (%)	61.5	8.3	3.8	Percentage of management staff (%)	72.7	9.7	1.5
	Chinese	Portuguese	French											
Percentage of total staff (%)	61.5	8.3	3.8											
Percentage of management staff (%)	72.7	9.7	1.5											
Sexual Orientation	We work on creating an inclusive environment without fear of discrimination or condemnation for sexual orientation.	We respect and embrace individual differences, and we are committed to refraining from any form of differential treatment based on an employee's sexual orientation.												

<sup>9</sup>Excluding Fosun Pharma.

### ◆ Fostering an Inclusive Culture

We are dedicated to fostering an equitable and inclusive culture where everyone is free to showcase their talents. In 2023, we held our first employee variety show open to all member companies. This show aimed to break down barriers across different countries, regions, industries, and backgrounds, offering all employees a platform to showcase themselves. This enhances global employee interactions within the Fosun ecosystem, and reflects our commitment to building a diverse and inclusive workplace.



### ◆ Equal Development and Promotion Opportunities for Female Employees

We support the cultivation of leadership and career development for female employees. Through transparent and equal recruitment, promotion, and performance assessment processes, we ensure that female and male employees have equal opportunities for development and promotion in the workplace. We also provide leadership training for female employees to enhance their leadership skills, build their confidence, and expand their professional influence. The Group's member companies, BCP and Peref, are signatories of the United Nations Women's Empowerment Principles (WEPs). BCP, in 2023, was included again in the Bloomberg Gender Equality Index (GEI), as since 2020. Besides, BCP has set a target of having no less than one-third female directors on its board. As of the end of the Reporting Period, 35% of BCP's 17 board members were female.

#### Fosun Women's Leadership Seminar

In September 2023, the "Sisters Who Make Waves: Fosun Women's Leadership Seminar 2023" was officially hosted by the Fosun Global Leadership Academy, Fosun Women's Federation, and Fosun Ecology Committee. Nearly 50 female executives from Fosun and external partner companies gathered to discuss topics related to self-improvement, teamwork, and performance. They shared personal stories and experiences about the challenges and successes of women in leadership roles, inspiring and learning from each other.



As of the end of the Reporting Period, the proportion of female employees in the Company and 6 member companies within the scope of the Report was as follows:

Proportion of Female Employees (%)	2023
Female partner	16.2
Percentage of female employees by position	
Senior executive	32.8
Middle management	42.9
General staff	50.5

Proportion of Female Employees (%)	2023
Percentage of female employees by other categories	
New hires	47.0
Training	79.0
STEM <sup>10</sup> departments of the Company	30.9
Management of revenue generating department of the Company	32.0

<sup>10</sup>STEM refers to Science, Technology, Engineering, Mathematics four subjects.

### Care for Female Employees

Fosun cares about both the physical and mental health of female employees, setting up nursery rooms in the workplace, provide special care to female employees. Every year during Women's Day, Fosun Labor Union and Fosun Women's Federation launch activities focusing on women's physical and mental care to make the "goddess" happy and beautiful. For example, we offer Fosun female executives' sharing on work and family time balance, jewelry appreciation courses, Yoga experience courses, skincare-theme science activities, flower arrangement theme activities, etc., and provide special gifts for female employees. The Group expresses its appreciation to female employees on Women's Day every year. We also organize lectures regularly on women's health and prevention of occupational hazard, etc.

### ◆ Anti-Discrimination and Anti-Harassment

The Group's industry covers a vast land of geographical areas. Hence, we encourage Business Groups and member companies to formulate corresponding anti-discrimination and anti-harassment policies according to the specific conditions of the country/ region where they operate, to promote a diverse and inclusive corporate culture, and ensure that all employees are working in a respected environment to show their strengths.

According to the Fosun Group Employee Code of Conduct and Fosun Human Rights Statement, all employees of the Group shall not discriminate or harass others, and there is zero tolerance towards discrimination and harassment in the workplace. In addition, employees can make complaints through communication with superiors and directors or emails. According to the latest Management Regulations for Reward and Punishment of Fosun Group issued in 2023, employees engaging in harassment will be subject to contract termination if the complaint is substantiated. Upon receiving complaints, the Group will carry out investigation timely and protect employees' identities.

The workplace anti-discrimination trainings are actively carried out in the Company and all member companies. We aim to guide employees to take a respectful, equal and fair attitude toward others and take effective protective measures in the event of related violations. In order to further enhance employees' resilience, we have established a global Employee Assistance Program (EAP) platform. We invite experts to provide targeted guidance to all employees through live streaming and other communication channels to help employees properly address potential infringement. Additionally, we offer professional psychological counseling to ensure that employees receive the necessary psychological support during challenging times.

As of the end of the Reporting Period, to the best knowledge of the directors, the Group had received no complaint related to discrimination and harassment in any material respects.

#### FTG

The Fosun Tourism Group Human Rights Statement clearly states that we have a "zero tolerance" attitude toward all forms of discrimination, harassment, abuse, coercion and violence. For misconduct involving discrimination and harassment, FTG will make corrections and punishments. FTG will also evaluate existing management measures and make adjustments and improvements accordingly. FTG has also set up a hotline for anti-sexual harassment reporting, through which all employees can anonymously contact the Commissioner to initiate complaints of inequality, discrimination, and harassment. During the Reporting Period, FTG did not receive any complaints relating to anti-discrimination and harassment.

In September and December 2023, FTG conducted a training session on "Legal Issues Regarding Sexual Harassment in the Workplace", "Anti-discrimination in employment" to enable employees to take effective protection measures. All employees participated in these trainings and passed the online assessments. All training materials were uploaded to the online learning platform for all employees to access and review, and the average training duration was 2 hours.

## 5.3 Enhancing Satisfaction at Work

To deepen the globalization process of the Group and meet the diverse needs of employees, we have thoroughly upgraded systems related to employee well-being and development. This enhancement considers the laws, regulations, and market practices of different countries and regions, as well as Fosun's eco-strategy and corporate culture.

We have established a dedicated employee experience department, with full-time managers responsible for designing and providing service support for employee engagement and satisfaction, benefits and care. We embrace the concept of "creating a happier life and growing together with our people" and have introduced a unique employee experience initiative known as the "Six-Star Plan". Focused on the needs of employees throughout their career lifecycle, we offer benefits such as medical care, insurance coverage, and employee discounts for both employees and their families. By shaping the brand image of an outstanding employer, we aim to create happiness together with our employees.

### 5.3.1 Employee Experience Management

Fosun continuously enhances the employee experience management system by effectively utilizing ecological resources. This optimization includes aspects such as employee benefits, work environment, office efficiency, personal growth, comprehensive care, and cultural values, covering the entire career lifecycle of employees from onboarding to departure.

The Group and its member companies consistently adhere to the principle of putting people and lives first. To this end, we have also established a mechanism for managing significant employee events. Through standardized reporting processes and management systems for significant employee events, we ensure efficient and proper handling and resolution of individual incidents.

### Employee Engagement and Satisfaction Surveys

In order to fully understand the demands of our employees and to efficiently improve our management level, the Company has cooperated with a professional third-party organization for consecutive years to conduct surveys on employees' engagement and satisfaction every two years by means of online questionnaire surveys and focus group interviews. We actively listen to employee feedback, track the trend of change in the employee engagement index, evaluate the effectiveness of the existing management mechanism through various means, and make targeted improvements.

In the 2022/2023 Employee Engagement Survey, we distributed online questionnaires to all employees, achieving an effective response rate of 86.4%. According to the survey results, the Employee Engagement Index scored 73.8, an increase of 8.4 points compared to 2020/2021. There were significant improvements in both employee satisfaction and stability dimensions. The proportion of employees who rated themselves as "Very Engaged"<sup>11</sup> reached 70.5%.

Employee Engagement Index by gender (score)	2022/2023
Female	71.9
Male	75.9
Employee Engagement Index by age (score)	2022/2023
<30	75.8
30-39	72.8
40-49	76.8
>50	79.2

<sup>11</sup>The maximum score for the Company's Employee Engagement Rating is 6, with an overall rating of 5 to 6 being "Very Engaged".

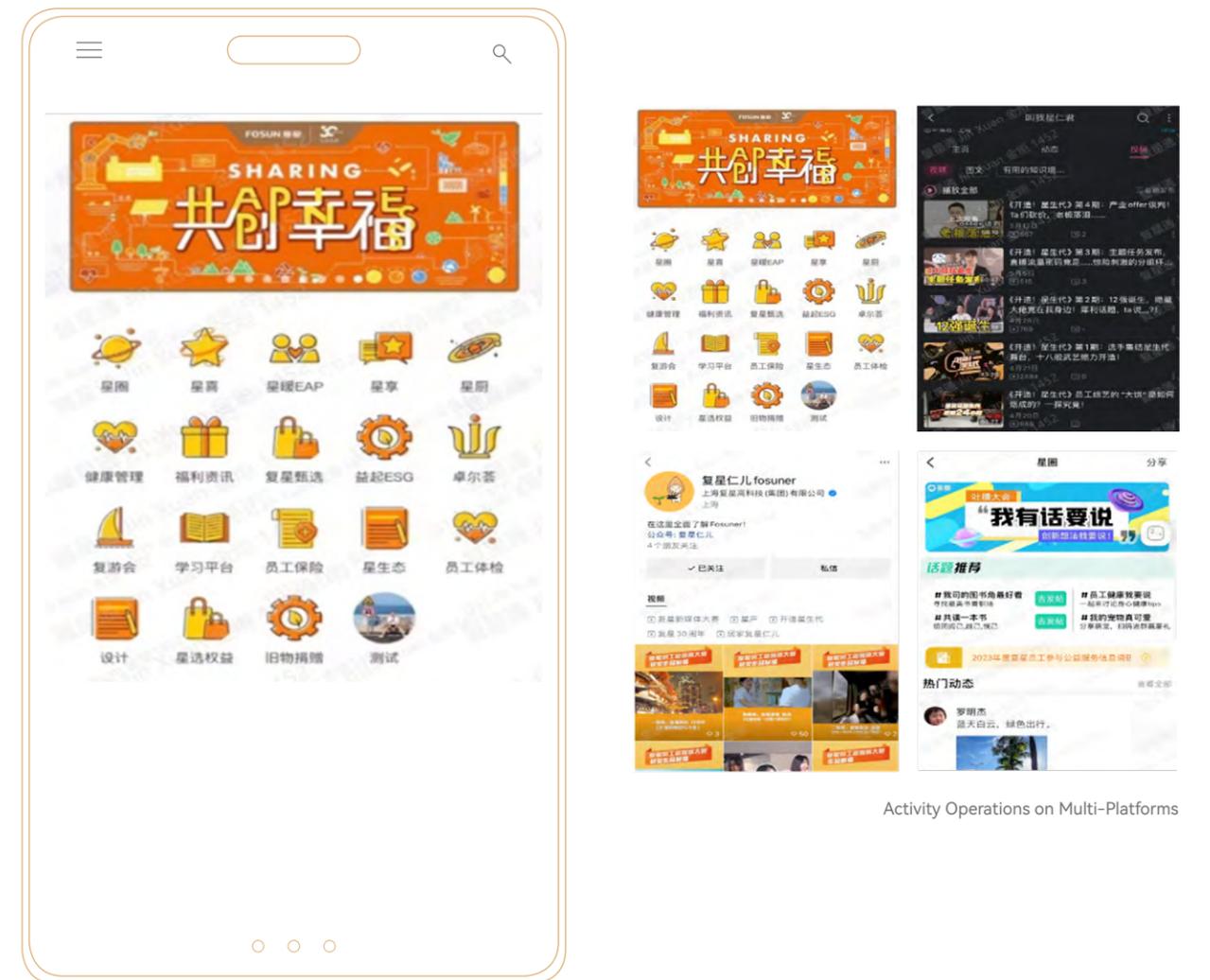
The five dimensions of our evaluation system have shown significant improvements compared to 2020/2021, with a substantial increase in employee satisfaction levels in areas such as personnel matching, talent development, compensation and benefits, and stress management. This demonstrates that Fosun's continued investment in employee experience management in recent years has been recognized by its employees.

Based on a comprehensive analysis of the results on Employee Engagement Survey and Employee Satisfaction Survey, we have developed optimization plans of gap areas. These plans include enhancing employees' perception of strategic alignment, improving the matching of personnel to job positions, and strengthening our focus on employee needs and experiences during critical stages such as recruitment, transfer, and departure. These efforts aim to comprehensively improve the employee experience.

### New Media Operation

We firmly believe that by enhancing communication between the Group's ecosystem and employees and raising employees' awareness of well-being policies, we can significantly reduce information asymmetry. Consequently, this will enhance employee engagement, satisfaction and loyalty. During the Reporting Period, we fully utilized new media tools such as WeChat public accounts, mini-programs, and DingTalk groups to share information on employee benefits and activities. This effectively improves the convenience, timeliness, and interactivity of communication between the Group and employees.

Additionally, we focused on various needs in employees' career lifecycles and established an activity evaluation mechanism using quantifiable and trackable management tools. This mechanism includes quantifying communication reach, evaluating communication quality, and tracking employee engagement. This approach allows us to objectively understand the effectiveness of activities and continuously optimize the employee experience.



Activity Operations on Multi-Platforms

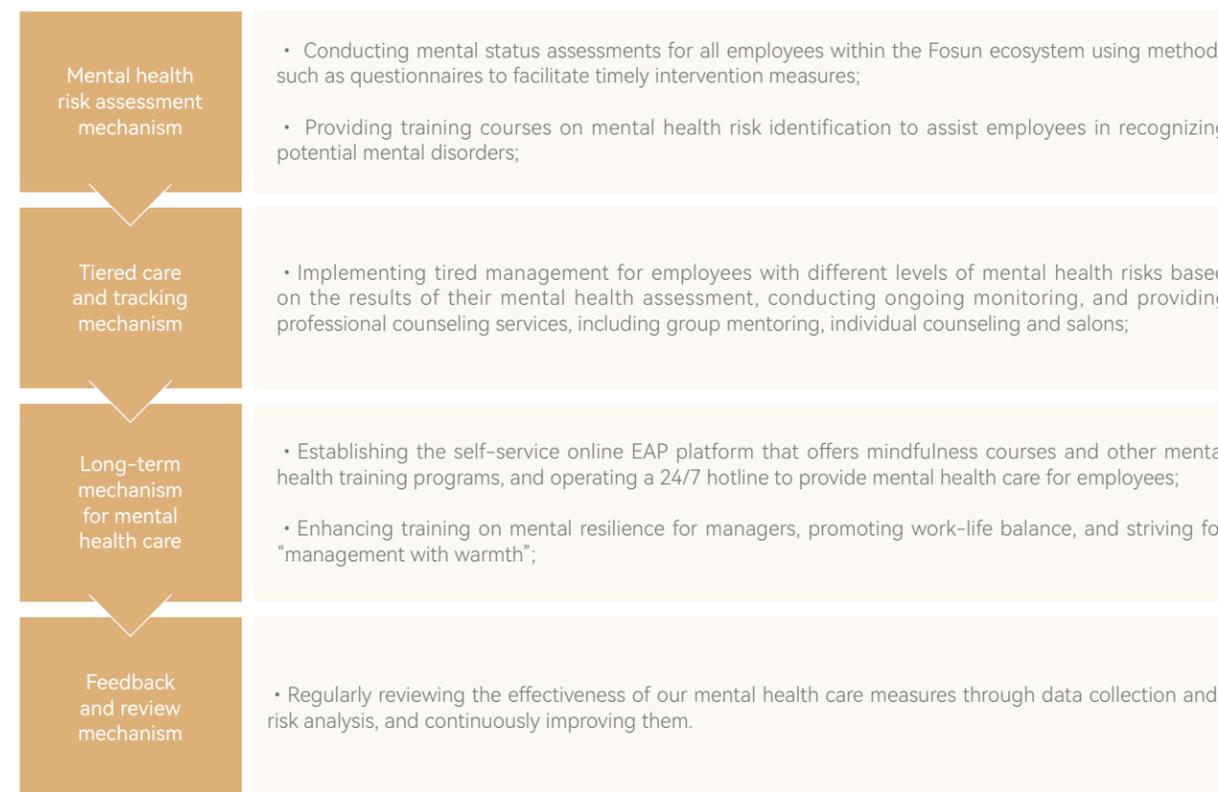
### 5.3.2 Caring for Employees

The well-being of our employees is essential to their long-term effectiveness in the workplace. We strive to create a safe and healthy working environment for our employees, while offering good benefits.

Issues	Employee Well-Being and Care Program	
Health management	Mental health	<ul style="list-style-type: none"> <li>• Construction of EAP (Employee Assistance Program) system, including a 24/7 mental health hotline, specialized mental health workshops, and mental health awareness training</li> <li>• Stress-relief facilities such as dedicated spaces for employees to share and relax in the workplace</li> </ul>
	Physical health	<ul style="list-style-type: none"> <li>• Supplementary commercial insurance for employees and their family members/critical illness insurance for their parents</li> <li>• Annual physical examination for employees</li> <li>• Healthcare services for employees and their families, including online medical consultations, green channels for outpatient and hospital services, and medical escort services</li> </ul>
	Workplace	<ul style="list-style-type: none"> <li>• “Fosuner Club” and organizing nearly 20 sports programmes, covering basketball, badminton and running</li> <li>• Health-oriented areas within the office building, such as meeting rooms with standing tables and public fitness zones</li> <li>• Gyms offering a variety of group exercise classes such as Tai Chi</li> <li>• Pain management services such as shoulder and neck therapy</li> </ul>
Work-life balance	Paid leave	<ul style="list-style-type: none"> <li>• Additional sick leave</li> <li>• Additional paid leave during the Spring Festival</li> <li>• Half-day public welfare leave per year</li> </ul>
	Remote and flexible working	<ul style="list-style-type: none"> <li>• Flexible work policies in the Group and our member companies, such as remote working based on actual conditions</li> </ul>
Family responsibilities	Marriage and maternity support	<ul style="list-style-type: none"> <li>• Marriage and maternity benefits for employees, such as wedding banquet discounts and baby product vouchers</li> </ul>
	Childcare facilities	<ul style="list-style-type: none"> <li>• Setting up nursery rooms in the workplace</li> </ul>
	Parent-child interactions	<ul style="list-style-type: none"> <li>• Events such as “Fosun Family Day” and “BFC Happy Family Carnival” that invite employees and their families to participate together and foster their happiness and development</li> </ul>

### ◆ Mental Health Management System

Employees with a healthy and harmonious mindset are able to unleash positivity, initiative, and creativity. Fosun prioritizes the mental health of employees and has established a comprehensive EAP ecosystem to provide mental care for global employees. Through a combination of external professional support and internal team resources, this program helps employees manage work-related stress, interpersonal relationships and family issues, empowering performance management, organizational change and strategic adjustments.



### Practice of Employee Care in Member Companies

Remote Working Agreement	Support for Children’s Education
<p>Club Med, a member company of FTG, has signed remote working agreements with all employees. Club Med provides additional remote working days for disabled employees and offers a more flexible and autonomous work experience for all employees.</p>	<p>Fosun Insurance Portugal provides financial support for employees with children, rewards employees whose children excel at school, and supports employees to accompany their children on the first day of school.</p>

## 5.4 Safeguarding Safety and Health

Fosun strictly follows the relevant laws and regulations in countries/regions where we operate or invest in such as *Work Safety Law of the People's Republic of China*, *Fire Protection Law of the People's Republic of China*, *Labor Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, etc. In accordance with such laws and regulations, we have established a management and supervision system to ensure the work safety and occupational health of our employees. Safety, occupational health and fire protection have been included in our EHS audit scope to strictly control the production safety and occupational health of the Group and its member companies, so as to provide a safe working environment and protect employees from occupational hazards. We always regard employees' health and workplace safety management as our top priority. We continuously carry out a series of measures, including optimizing management methods, improving work safety responsibility system, carrying out in-depth supervision and inspection, performing cultural education of safety, and regularly communicate on matters related to occupational health and safety with employees and partners. We aim to make production risks under control, building a safe working environment with stakeholders and protecting the health and safety of employees and partners. For specific details on the occupational health & safety management system, specified responsibilities, audit & supervision, communication mechanism and cultural development, please refer to section [6.1 Enhancing Management Systems](#) of the Report.

In 2023, based on the industry standards of core business and Fosun's actual situations, we set the core annual target of "no significant EHSQ accidents" and the key indicators of "the Lost time injury frequency rate per million working hours below 1" in China and "the Lost time injury frequency rate per million working hours below 10" all over the Group with respect to work safety and occupational health management and successfully complete these goals.

Indicator	Member companies in China	The Group
The number of work-related injuries	71	654
Lost days	7,821	15,820
Lost day rate <sup>12</sup>	66.69	98.68
Number of lost time injuries (LTI)	71	681
Lost time injury frequency rate (LTIFR) <sup>13</sup>	0.61	4.25
Incidence rate of occupational disease	0	0
Number of dead due to work	1	1

Note:

(1) Occupational safety and health data for the Group's member companies in China only include statistics from Fosun Pharma, Yuyuan, Hainan Mining, Forte and Atlantis Sanya; the Group's occupational safety and health data include the statistics from Fosun Pharma, Yuyuan, Hainan Mining, FTG, Forte, Fosun Insurance Portugal, Peak Reinsurance.

There were no work-related fatalities among the Group's employees in 2021 and 2022. In 2023, there was one work-related fatality incident of the Group.

<sup>12</sup>Lost Day Rate = Lost workdays \* 1,000,000 / Total work hours.

<sup>13</sup>Lost Time Injury Frequency Rate (LTIFR) = (Number of lost time injuries + \*Number of work-related fatalities) \*1,000,000 / Total work hours.

### 5.4.1 Work Safety

The Group implements the policy of "safety first, prevention dominated, comprehensive governance" and insists on the principle of "the top manager takes the primary responsibility of safety" and "regional responsible system". In the EHS audit system, according to each industrial characteristic of the Group, 12 major safety indicators and safety precautions are stipulated, including special equipment, special equipment operators, mechanical protection, electrical safety, hoisting operation, fire operation, high-place operation, etc. The Group collects the safety performance data of member companies on a monthly basis and conducts regular supervision on the safety production performance of member companies.

We regularly carry out identification and assessment of hazard sources and risks and has established a complete process of accident investigation and cause identification. When a safety accident occurs, in addition to properly arranging injured employees, we will appoint relevant accident investigation team to carry out in-depth investigation root cause analysis of the accidents, clarify exposed risks, trace its root causes, formulate and supervise the implementation of corresponding rectification plans to avoid recurrence of such accident. At the same time, we study and analyze the production accidents of enterprise within the same industry, carrying out self-examinations and drawing lessons from them.

In addition, we clarify the responsibilities of the management in the *Safety Management Policy for Major Hazard Sources*, elaborate on management and control objectives, risks, and measures, and urge member companies to carry out emergency drills on a regular basis.

#### Hainan Mining

##### Management system

Hainan Mining has always adhered to the development philosophy of "safety first, people-oriented, and life supreme". Based on the ISO management system, it has established and improved a safety production management framework and institutional norms, strictly implemented the dual mechanism of safety risk classification control and accident hazard investigation and treatment system and ensured that all types of hazard sources are under controlled conditions. By the end of the Reporting Period, Hainan Mining has obtained ISO 45001 Occupational Health and Safety Management System Certification.

##### Responsibility enhancement

###### Objectives - "Zero in five aspects"

- Zero work-related fatality
- Zero serious injury
- Zero major equipment accident
- Zero major fire accident
- Zero new occupational disease

###### Requirements - "100% in six aspects"

- 100% of the accidents reporting rate
- 100% of qualified testing rate of special equipment
- 100% of special equipment operators with certificates
- 100% of three-level safety training
- 100% of the rectification rate of hazards
- 100% of the employees' occupational physical examination rate

Hainan Mining has set a goal of "zero in five aspects" and identified the requirements of "100% in six aspects" to further control work safety risks. Meanwhile, it implemented the "applies to everybody at any time in anywhere without exception" work safety responsibility system and signed the *Work Safety Responsibility Letter*. Safety assessment indicators are decomposed, and persons responsible for work safety are specified; rewards and punishments for safety are linked with the assessment results of responsible persons; those who fail to follow the rules would be vetoed for any selective competitions. During the Reporting Period, the completion of the safety production targets of all member companies were reviewed on a quarterly basis. By doing so, employees are guided to become an "active practitioner" of safety concept instead of just a "passive follower".

##### Hazards investigation

During the Reporting Period, Hainan Mining has revised its dual prevention mechanism for risk classification control and hidden hazard investigation and treatment, with a focus on risk classification control and hidden hazard investigation and treatment for frontline positions at the grassroots level. This effort aims to further enhance the risk identification capabilities, prevention awareness, and skills of grassroots employees.

To ensure the effective implementation of the dual prevention mechanism, Hainan Mining has conducted hazard identification and risk assessment work, and accordingly developed a risk classification control list. At the same time, Hainan Mining carries out safety hazard investigations through self-inspections and inspections by third-party professional institutions, and actively rectifies and manages the identified hazards.

**Fosun Tourism Group**

During the Report Period, Fosun Tourism Group has continuously improved the existing safety management system and newly compiled the *Fosun Tourism Security Management Manual* in accordance with the business requirements and updated seven other systems.

FTG's EHSQ management is based on the PDCA (Plan, Do, Check and Act) principle to regularly identify EHS risks of member companies, and investigate and audit their potential dangers. The risk audit covers fire safety, operation safety, food safety, public health, occupational health and safety, customer service and environment protection., etc. Based on the results of risk identification and assessment, we issue an audit report and communicate on-site about various improvement matters. FTG requires enterprises to make improvements within specific time limits and report monthly on the progress of these rectifications. Through the implementation of the PDCA principle, FTG's average EHS audit score was increased to 82.03 in 2023 (74.5 in 2022).

To improve employees' emergency response and handling abilities and to safeguard business continuity, Fosun Tourism Group has formulated and 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 firefighting, 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, FTG's member company, also formulates contingency plans for flood prevention, elevator accidents, equipment logistics and major power supply disruptions in response to extreme weather.



**5.4.2 Occupational Health**

In the light of relevant laws and regulations and the occupational health management regulations of the Group, the member companies must ensure that the occupational disease prevention facilities are in place across the whole project lifecycle from design, construction to commissioning. In accordance with relevant laws and regulations, we provide physical examinations for employees exposed to occupational hazards before, during and after their employment, and set up occupational health files to monitor their health conditions. All member companies are aware of the types of occupational disease hazards in its own workplace, and regularly identify occupational hazard factors there with corresponding preventive measures taken. In addition, the member companies put greater efforts to improve the working environment in the workplace, to minimize the occurrence of occupational diseases.

**Fosun Pharma**

Fosun Pharma attaches importance to occupational health and safety management, integrating occupational health and safety management into the whole life process of product development, design, production & manufacturing and service.

Fosun Pharma actively assuming its primary responsibility of occupational health as an enterprise, establishes and improves the responsibility management system for all employees of occupational disease prevention and control. Meanwhile, Fosun Pharma strictly implements occupational health risk notification, employees' personal protection, onsite supervision and sampling, employees' health examination and other requirements put forward by national regulators in routine supervision, to realize a closed-loop management of occupational health. In 2023, Fosun Pharma invested RMB98.3 million in occupational health and safety and fire safety mainly for upgrading, operating, and maintaining safety and fire protection in member companies, as well as the provision of labor protection equipment for employees.

In strict compliance with the measures for the supervision and administration of "Three Simultaneities" for the safety devices of construction projects, Fosun Pharma carries out risk assessments of positions susceptible to toxic and hazardous substances, regularly arrange occupational health examinations for employees engaged in daily work and those exposed to occupational hazards and ensure the confidentiality of the results. Meanwhile, occupational health protection facilities and occupational disease warnings have been installed and optimized. During the Reporting Period, Fosun Pharma had no new confirmed or suspected occupational disease cases.



### 5.4.3 Contractor Safety Management

The Group also attaches great importance to the safety risk control of contractors. We implement effective monitoring measures on construction sites, establish appraisal and accountability mechanisms for some key enterprises, improve the working environment of contractors, and provide personal protective equipment to protect contractors from safety or health hazards. In the future, we will continue to strengthen the safety management of contractors, optimize the management process and enhance the safety awareness of construction contractors' employees, so as to improve safety standards.

#### Hainan Mining

Hainan Mining strengthens the safety management of external contractors by various means, and has set safety targets and indicators for them, including zero work-related fatality, zero serious injury, zero severe fire accidents, zero severe equipment accidents, zero incremental occupational disease case, zero environmental pollution case, zero traffic accidents on the road within the plant area, and zero minor injury; moreover, the contract issuing units and dedicated department of external contractors are required to correct 100% of the potential hazards risk identified by the Hainan Mining.



As the regulatory authorities of the external contractors engaged in various projects are clearly defined, Hainan Mining will work with them to carry out integrated safety management. Moreover, the responsibilities for supervising various safety inspections of the external contractors remain with Hainan Mining, which will organize safety management personnel and technical teams at all levels for daily, weekly, monthly, and annual safety inspections and special safety inspections on holidays on the project construction site of external contractors. In the event of any violation identified, the personnel in charge will be fined, and correction is required to be completed under supervision. The external contractors with repeated violation records in the daily inspections are subject to a regulatory talk. During the Reporting Period, Hainan Mining carried out 48 inspections of external contractors, with 146 potential hazards identified and corrected, and 7 regulatory talks were summoned.



Safety inspections of external contractors' construction sites



Summoning the external contractor for a regulatory talk

### 5.4.4 Fire Safety

The Group stipulates its member companies to comply with related laws and regulations in countries/regions where we operate on fire safety, and to establish effective fire safety management system, including but not limited to fire safety committees, safety procedures, implementation methods, inspection plans, annual fire-fighting equipment maintenance plans, etc. To strengthen management and control of fire safety from the source, it also emphasizes the training and education for employees on fire-fighting awareness, self-rescue awareness and instructions for the use of fire-fighting equipment.

We strictly comply with the *Fire Management Manual of Fosun Group*, which sets the requirements for member companies with respect to fire-fighting facilities and fire safety management. Moreover, with a particular emphasis placed on prevention, the manual aims to ensure the RAM management of the fire-fighting systems, namely the Reliability, Availability and Maintainability.

We require key fire safety member companies to formulate annual fire safety training plans and fire emergency responses. Fire evacuation drills shall be conducted at least once every six months, while every employee is required to participate in fire-fighting training at least once a year.

During the Reporting Period, we carried out targeted supervision and developed a fire inspection plan at group level and conducted unannounced inspections at the identified key fire safety units of the Group. Meanwhile, we provided targeted technical support services for electrical fire prevention and introduced an electrical fire monitoring and alarm system. By the end of the Reporting Period, key commercial projects under Fosun had been equipped with the electrical fire monitoring and alarm system.

#### Yuyuan

Yuyuan has established an intelligent fire protection, security, and emergency management system that integrates AI, big data, and other technologies with commercial district scenarios to assist in the intelligent management and control of fire protection and security. It also connects with regulatory authorities to provide important safeguards for the safe operation of the commercial district. Yuyuan continues to strengthen its exploration and innovation in digitization, constantly optimizing functions such as fire risk identification, fire hazard monitoring, and intelligent alerting. It is committed to building an intelligent fire protection system that features dynamic monitoring, precise prevention and control, and early warning.





# 06

## Climate and Planet Positive<sup>14、15</sup>

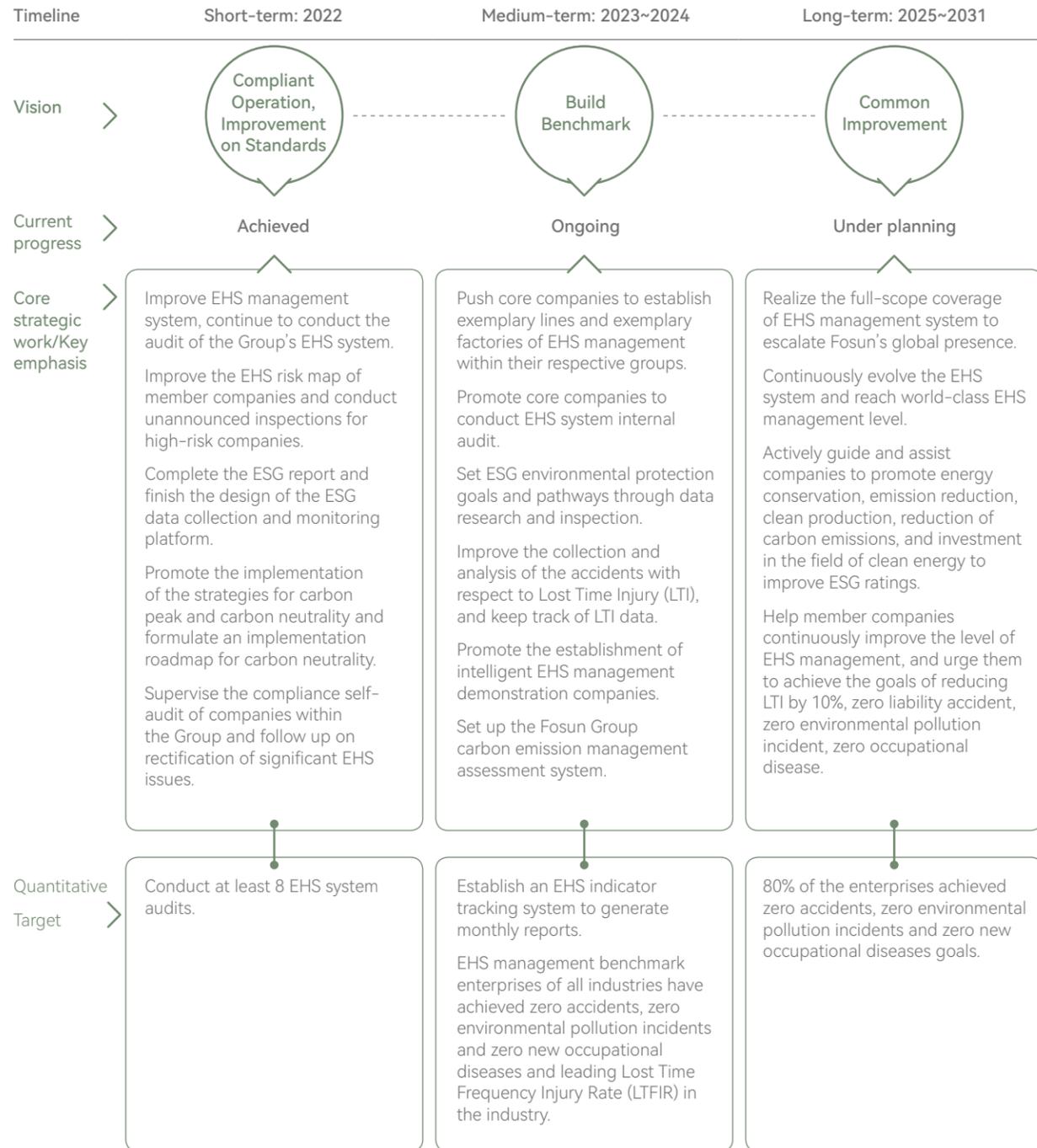
As a responsible company, Fosun actively promotes green transformation and minimizes the environmental impact of the operation and value chain. The Group strictly abides by the rules and related regulations on environmental protection in the countries/regions where the Group operates. We have established the EHSQ Department to specifically manage and supervise the environmental protection, health and safety issues of the Group and its member companies. The EHSQ Department reports to the Board on a regular basis.

<sup>14</sup>Unless otherwise stated, the data disclosure scope of this section includes Fosun Pharma, Yuyuan, FTG, Fosun Insurance Portugal, Peak Reinsurance, Forte, and Hainan Mining.

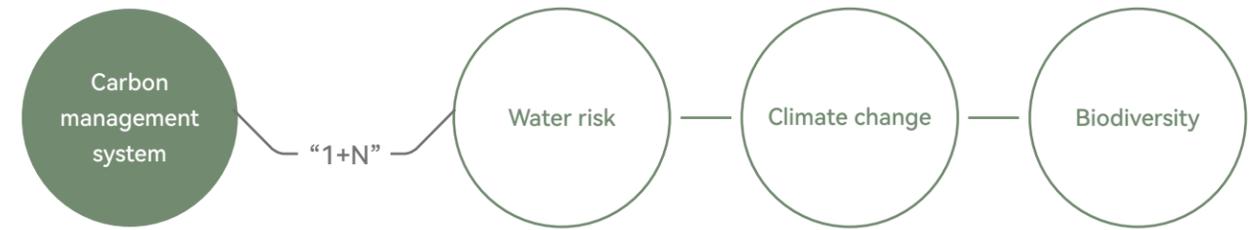
<sup>15</sup>During the Reporting Period, the disposal of the Group's former member company, Nanjing Iron & Steel, was completed, the reported data of prior reporting periods have been restated due to a change in the organizational boundary for environmental data scope.

## 6.1 Enhancing Management Systems

Based on the international environmental management system, occupational health & safety management system, quality management system and national work safety standards, the Group launched the Fosun EHSQ management framework standards and established the management framework of environmental protection, occupational health, work safety and quality management. We also made systematic and standardized arrangement on EHSQ work of member companies. During the Reporting Period, we kept optimizing Fosun's EHSQ management strategy and further refined the core work. We have also set the following short, medium, and long-term goals with an emphasis on overall EHS management (for quality management, please refer to the section [4.1.1 Quality Management](#) of this Report for details):



To help achieve the above targets, we continued to implement the "1+N" strategic deployment, i.e. setting up 1 carbon management system and producing N reports.



The Group formulated relevant policies including the *Fosun Group Environment, Health, Safety & Quality Policy* and the *Fosun Group EHS Management System Manual* and defined the EHS management responsibility and performance appraisal reward and punishment mechanism for member companies and their management personnel. We regularly review our policies and management systems for safety, quality, and environment to ensure compliance with laws and industrial standards. We are also committed to transparently and honestly disclosing our progress in environmental issues and significant environmental issues in our annual ESG report or special reports. During the Reporting Period, the Group had no significant accidents with respect to environment.

We also encourage member companies to establish the occupational health and safety management system, the environmental management system as well as the national work safety standardization systems and obtain corresponding certificates. As of the end of the Reporting Period, our member companies' certification figures were as follows:

Certifications	Number of Member Companies
Occupational health and safety management system certification (ISO 45001)	26
Environmental management system certification (ISO 14001)	26
Energy management system certification (ISO 50001)	11

### 6.1.1 Specified Responsibilities

The Co-CEOs of the Group serve as the highest responsible persons for EHS-related matters. The Group has established EHS Management Committee, which is the highest decision-making body for the Group's EHS issues. It is composed of members from the Board, senior management personnel, heads of various business segments and heads of EHSQ department. EHS Management Committee is responsible for reviewing the Group's EHS policies, long-term planning, EHS goals, performance indicators and action plans, as well as major risk control plans, and constantly promoting the implementation of EHS policies. EHS Management Committee regularly holds meetings for the purpose of assigning key EHS tasks, coordinating and resolving major EHS issues, studying and reviewing major EHS issues, summarizing and analyzing EHS issues, and urging the elimination of major potential EHS hazards.

The Group has formulated clear quantitative criteria on safety, environmental protection, energy conservation, carbon emission management and the implementation of carbon neutral pathways, etc. The CEO and line managers of each core holding company are evaluated on an annual basis by scoring their performance against those criteria, and the evaluation results are linked to their remuneration, incentives and penalties.

We have an EHS accident follow-up investigation and punishment mechanism in place, under which the principles of "the top manager takes the primary responsibility" and "regional responsibility system" are introduced. The objects of punishment include the top management of the Group, the business segments and the core member companies, the persons in charge of the production plants and direct responsible person(s) for the accident, and such punishments shall be strictly supervised by the EHSQ Department. We have defined the management mechanisms and response processes for environmental health and safety-related emergencies or major incidents in the *Fosun Guidelines on Crisis Management*. Through employee training, scenario testing, simulation exercises, and other methods, we enhance our response capabilities to ensure that emergencies and major incidents are handle properly.

### 6.1.2 Audit and Supervision

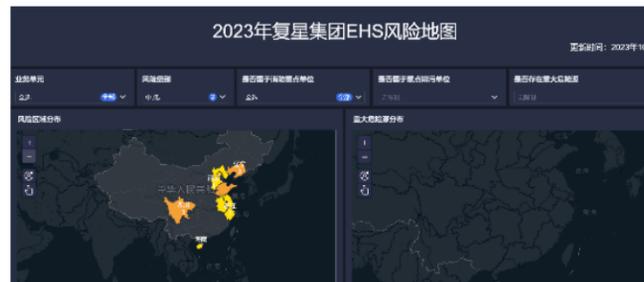
To enhance the EHS management awareness of member companies and ensure the effective implementation of the standard EHS management system, the Group implements a strict quantitative supervision mechanism (including annual EHS management system audit, special inspection, and unannounced inspection) for all member companies based on the EHS management system framework. We carry out and improve our EHS audit program on an ongoing basis and urge our member companies to implement a high standard EHS management system and to continuously improve their EHS management level. We also identify opportunities and measures of water saving, energy saving and waste generation reduction through EHS audit, further promoting the green operation.

The Group's EHS management system audits involve on-site audits organized by the Group (for selected core member companies every year), internal cross-audits within the business group and self-audits by member companies. This approach ensures achievements of 100% coverage of system audits and conducting on-site audits for 100% of domestic core member companies every three years.

We have established comprehensive EHS performance indicators for the two major business lines of Fosun (namely manufacturing industry and service industry) with respect to the six factors of system, environment, safety, occupational health, fire protection and EHS leadership, according to which member companies are scored; the actual management status of the EHS management level, equipment, technology and personnel operations of the member companies under the Group are classified into 5 score levels (0-5) based on which a quantified assessment will be conducted. Member companies with relatively low scores (less than 1.5) will be classified as "red light" enterprises and brought under close supervision. Meanwhile, we added some requirements for dangerous operation such as fire operation to the checklist of contractors, striving to avoid EHS risks to the greatest extent.

The average score of the Group's EHS management system audit reached 3.4 points in 2023, representing an increase of 0.2 points as compared to 2022. With the in-depth implementation of the EHS management system in our member companies, the Group's EHS management level has continued to improve with EHS risks being effectively managed and controlled.

During the Reporting Period, we continued to improve the EHS risk maps of member companies. We identified and sorted out EHS risks from our member companies based on the dimensions of fire protection priority enterprises, major hazardous sources and major pollution discharging enterprises, etc., and visually presented the geographic distribution and severity of the Group's EHS risks in a risk map. We classify, rank, and manage EHS risks throughout development and operation stages of the project leveraging EHS risk map, and carry out unannounced audits according to the risk level, followed by appropriate supervision and guidance.



We have formulated the *Fosun Group Environment, Health, Safety & Quality Policy* to mandate the implementation of EHS due diligence investigations in the initial phases of new project planning. Additionally, we have outlined the principles and procedures for EHS due diligence investigations in the *Guidelines on EHSQ Due Diligence for Investment Projects*.

### 6.1.3 Communication Mechanism

The Group requires that each member company should establish an internal and external communication mechanism and distribute EHS Manuals and other publications in order to facilitate the circulation of the EHS management system at each level within the enterprise and visitors to the site.

By organizing EHSQ Line Annual Meetings and regular EHS meetings, we share advanced management practices of member companies, discuss matters such as the development of EHS management system and the reduction on workplace hazards to promote the communication of EHS issues and solve existing problems in time.

Being fully aware of the significance of employee involvement in developing EHS management system, we offer employees with email, office software and other communication channels so that they can send opinions to management on EHS-related issues at any time; member companies also allow employee representatives to sit on their EHS committees to enable employees at all levels to participate in the improvement of corporate EHS management.

### Hainan Mining

Hainan Mining has planned and launched the "2023 EHS Training Programme", which aims to enhance the safety awareness and skills of all employees by providing various safety trainings for managers and staff at different levels.

In June 2023, Hainan Mining held activities on the occasion of the National Safety Production Month and launched the "Ankang Cup" employee safety emergency skills competition, in order to strengthen employees' knowledge of work safety and further enhance their safety precaution capacities by promoting learning through competition.



Employee Safety Emergency Response Skills Competition

### 6.1.4 Cultural Development

During the Reporting Period, the Company and 5 member companies<sup>16</sup> within the scope of the Report conducted a total of 735,242 hours of EHS training, with an average of 10.3 hours of training per person, and a 100% completion rate of EHS program training. Through case studies, we emphasize the importance of work safety, prevention of occupational hazards, fire safety and environmental protection, so as to deepen employees' understanding and improve their awareness of EHS. The EHS departments of the Group and its member companies regularly organize employees and contractors at all levels to carry out EHS culture promotion activities in various forms, such as drills, trainings, theme weeks and others. These activities help infiltrate the safety concept into the whole operation process of member companies and enhance the effect of EHS cultural building from top to bottom. At the same time, the Group conducts advanced EHS group and individual awards and recognition activities to encourage member companies to work on EHS.

### FTG

FTG has conducted three levels of safety training, namely group-level, hotel & resort-level and department & position-level and formulated a training matrix divided into general trainings for all staff and specialized trainings. FTG set different training contents and frequency requirements for employees of different departments according to the position risk requirements, so as to ensure that the safety policies and management systems can be implemented.

Group-level training includes "EHS Culture", "Fire Safety", "Public Health" and "Food Safety" that every new employee must attend, and employee EHS training for existing employees at least once a year. In 2023, FTG Headquarters organized 7 EHS professional training sessions, with a total of 808.5 hours in length.



<sup>16</sup>Exclude Fosun Insurance Portugal and Peak Reinsurance.

## 6.2 Environmental Compliance and Clean Production

The Group understands that our operation may have impacts on the environment. To effectively monitor the various pollutants generated in the operation of the Group, minimize or reduce their impacts on the environment and regulate the corporate environmental protection management, Fosun strictly complies with relevant laws and regulations in countries/regions where it has business operations, such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, etc. In accordance with such laws and regulations, we are required to establish an environmental protection policy and management system to ensure the wastewater, waste gas and solid wastes are properly treated and discharged. We also actively construct and improve various environmental protection facilities and treatment facilities to meet regulatory requirements.

We make a commitment and include it into our *Environmental Pollutants Management Policy*, and actively encourage all relevant parties to work with us to fulfil emissions management commitments.

### 6.2.1 Wastewater and Waste Gas

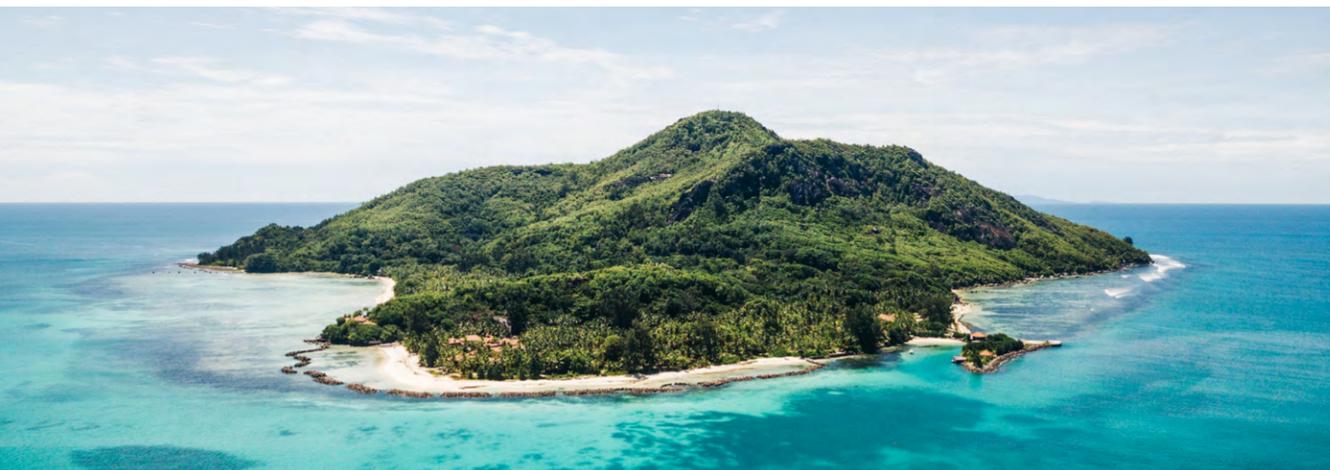
Apart from complying with the relevant laws and regulations of wastewater discharge, we perform a strict control over the wastewater discharge to minimize its impact on the environment by requiring that the wastewater should only be discharged after up-to-standard treatment has been done and discharging standards have been met. Some of our member companies invite qualified third parties to inspect their discharge periodically. Monitoring facilities are installed at the discharge outlet of the wastewater treatment equipment to constantly supervise and record the change of water quality and volume, so that we can take appropriate measures to deal with abnormalities instantly.

Wastewater	2023	2022	2021
Total Amount of Wastewater (ten thousand tonnes)	1,118.4	1,625.1	1,482.9
Chemical Oxygen Demand (COD) (tonnes)	1,201.5	1,267.0	1,389.4
Ammonia Nitrogen (NH3-N) (tonnes)	224.8	210.1	196.7

Notes:

(1) As the wastewater of Peak Reinsurance, Fosun Insurance Portugal, FTG and Forte is domestic wastewater with no material impact on the ESG aspect of their business operations, the disclosure scope of wastewater only contains the statistical data of Hainan Mining, Yuyuan and Fosun Pharma.

(2) The wastewater pollutant emissions from the member companies of the continuous water quality monitoring facility are set as online continuous data, and the wastewater pollutant emissions from the remaining member companies are calculated based on the wastewater volume multiplied by the concentration of pollutants detected regularly.



The Group is committed to improving air quality and reducing air pollution. Member companies have taken emission reduction measures and treated different categories of waste gases in an effective manner through the most feasible technologies according to characteristics of business forms. For some member companies, we optimized their production process and raw materials to achieve the reduction in waste gas generation from the source. For those member companies with weak waste gas treatment capability, we upgraded the manpower and provided the resources support, such as adding new effective treatment facilities or upgrading the existing ones, optimizing internal management as well as urging and supporting them to make progress, so as to reduce the waste gas generated in operations.

The Group also urges member companies to effectively manage wastewater and dust generated from projects under construction. The Group's member companies have adopted effective measures to minimize dust from construction sites. Construction materials and site wastes are properly covered. We have provided washing facilities for the wheels and body of vehicles at the entrances and exits of construction sites to prevent the scattering of dust in their vicinity.

Waste Gas	2023	2022	2021
NOx (tonnes)	218.8	207.5	283.9
SOx (tonnes)	151.6	121.1	145.5

Notes:

(1) As Peak Reinsurance, Fosun Insurance Portugal, FTG and Forte do not generate waste gas or only generate minor gas emission, with no material impact on the ESG aspect of their business operations, the disclosure scope of waste gas only contains the statistical data of Hainan Mining, Yuyuan and Fosun Pharma.

(2) The waste gas pollutant emissions from the member companies of the continuous emission monitoring facilities are set as online continuous data, and the waste gas pollutant emissions from the remaining member companies are calculated based on the waste gas volume multiplied by the concentration of pollutants detected regularly.

### Fosun Pharma

Fosun Pharma strictly complies with national and local laws and regulations on environmental protection and controls the emission of pollutants such as waste gas and wastewater. While complying with compliance requirements on the intensity of emissions, Fosun Pharma actively adopts management measures to achieve progressive reductions in the intensity of pollutant emissions, thereby continuing to reduce the potential impacts on the environment.

### Environmental Targets

Fosun Pharma has formulated environmental management targets for waste gas and wastewater, and regularly tracks the progress of their completion to strictly control emissions.

Item	Unit/Indicator	2025 Target	2023 Target	2023 Achievement
Waste gas emission				
NOx	g/RMB10,000 of revenue	20% reduction from 2020	12% reduction from 2020	Achieved
SO <sub>2</sub>	g/RMB10,000 of revenue	20% reduction from 2020	12% reduction from 2020	Achieved
Suspended Solids	g/RMB10,000 of revenue	20% reduction from 2020	12% reduction from 2020	Achieved
VOCs	compliance rate	100%	100%	Achieved
Wastewater emission				
Wastewater	tonnes/RMB10,000 of revenue	15% reduction from 2020	9% reduction from 2020	Achieved
Chemical Oxygen Demand (COD)	kg/RMB10,000 of revenue	15% reduction from 2020	9% reduction from 2020	Achieved
Ammonia Nitrogen (NH3-N)	kg/RMB10,000 of revenue	15% reduction from 2020	9% reduction from 2020	Not achieved

▷ Waste Gas Management

In active response to the requirements of local and national environmental protection authorities, Fosun Pharma, on the one hand, strengthened the source management, and encouraged the substitutions for technology adopting volatile substance such as organic solvent and cleaning agent, in order to prevent the production of waste gas pollution from source; on the other hand, it gives full consideration to organized collection of waste gas, so as to reduce unorganized emissions of VOCs.

▷ Wastewater Management

The wastewater discharges generated by Fosun Pharma mainly comprise production wastewater and domestic wastewater. Following the principle of “rainwater and sewage separation and classified treatment”, all wastewater, including initial rainwater from API enterprises, undergoes initial treatment at the internal wastewater treatment station. Once it meets the discharge concentration limits, it is then integrated into the designated municipal pipeline network and discharged into the environment after further treatment by the local sewage treatment unit. Local wastewater treatment units then undertake further in-depth treatment. There is no direct discharge of effluent to surface water, groundwater or seawater at this enterprise.

Fosun Pharma has continued to invest in the hardware of its wastewater treatment facilities to increase the treatment capacity of its wastewater stations by means of adding new facilities or upgrading existing facilities. Guilin Pharma, a member company of Fosun Pharma, has carried out a systematic renovation of its wastewater treatment system by adopting the “acid digestion + ferrocarron” technology for the targeted treatment of high-concentration wastewater, which not only improves the capacity of wastewater treatment, but also comprehensively upgrades the degree of automation of the wastewater treatment system.

Yuyuan

Shede Spirits, a member company of Yuyuan, is committed to reducing pollutant emissions while realizing the recycling of resources. Since 2021, Shede Spirits has carried out a comprehensive technological renovation of its wastewater treatment plant. Through the introduction of the advanced “internal circulation (ICX) anaerobic + two-stage anaerobic aerobic (AO)” process, the key indicators such as chemical oxygen demand (COD), five-day biochemical oxygen demand (BOD-5) and total nitrogen (TN) in the wastewater have been significantly reduced, when realized the efficient generation of biogas. In 2022, Shede Spirits invested more than RMB6 million on the Purification of Biogas to Generate Bio-natural Gas project. Through the “wet desulfurization + pressure swing adsorption PSA” process, the biogas is successfully purified of its impurity components and brought up to the standard of natural gas, which can be directly used in the brewery workshop. The project can effectively purify and utilize approximately 3 million cubic meters of natural gas per year, reducing carbon emissions by more than 6,000 tons and saving production costs by more than RMB6 million, realizing a “win-win” situation of resource recycling and carbon reduction and synergy. In 2023, Purification of Biogas to Generate Bio-natural Gas project of Shede Spirits was the only project in the spirit industry to be selected into the “2023 Typical Case of Pollution and Carbon Reduction and Synergy in China” by the Ministry of Ecology and Environment.



6.2.2 Waste Management

The Group strictly complies with the Law of the *People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other laws and regulations related to solid waste in the countries/regions where it has business operations. In accordance with such laws and regulations, the wastes generated in the operations of the Group are required to be disposed in a proactive, safe and efficient way. We entrust the eligible professional agent to dispose hazardous waste, and non-hazardous waste is recycled or collected and disposed by the local Municipal Sanitation Department.

We carry out special investigations and compliance inspection on solid waste, as well as perform standardized and detailed management on storage places and record ledgers.

We’re committed to minimizing the environmental impact of solid waste generated from our operations. Through source control, we strengthen daily management of solid waste treatment equipment, and reasonably extend the replacement cycle to reduce the general solid waste and hazardous waste; through terminal reuse, we properly treat the solid waste generated and reclaim the resource solid waste to lower the volume of the solid waste to be disposed.

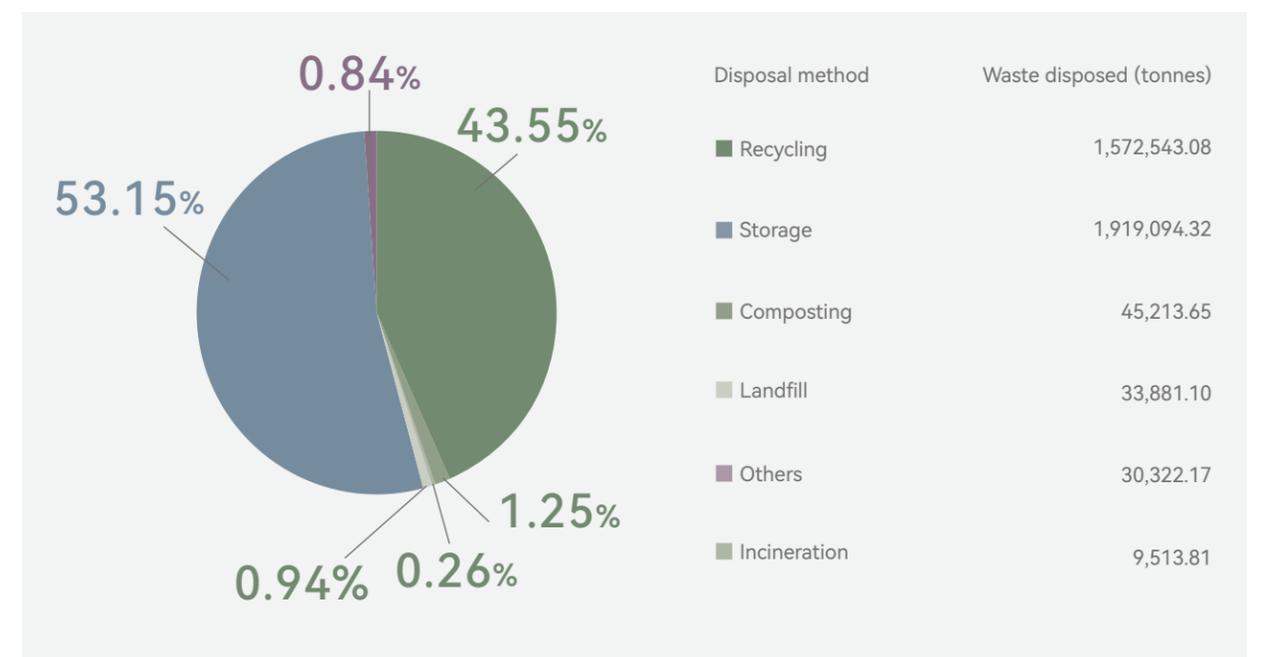
Waste	2023	2022	2021
Non-hazardous waste (tonnes)	3,610,568.1	3,394,612.9	3,828,862.0
Non-hazardous waste intensity (tonnes/ RMB million of revenue)	22.4	22.1	28.2
Hazardous waste (tonnes)	20,341.9	8,055.7	7,432.2
Hazardous waste intensity (tonnes/ RMB million of revenue)	0.13	0.05	0.05

Notes:

(1)The solid waste arising from operation of Peak Reinsurance, Fosun Insurance Portugal and Forte is limited, mainly includes small amount of domestic waste, and has no material impact on the ESG aspect of their business operations. Therefore, the disclosure scope of non-hazardous and hazardous waste data only contains the statistical data of Hainan Mining, Yuyuan, FTG and Fosun Pharma. Among which, the data of 2021-2023 FTG’s kitchen waste oil were not included.

(2)The significant increase in hazardous waste data in 2023 compared to 2022 is due to the addition of Hainan Mining’s subsidiary, Rock Oil, to the 2023 waste statistics.

2023 non-hazardous waste volume by disposal methods (tonnes):



FTG

FTG fosters the concept of circular economy throughout its business operation process, and has set a target for reducing waste output by **30%** (2019 baseline). FTG also insists on sustainable waste management including waste sorting, waste reducing and recycling, quantitative waste monitoring, and limiting food waste.

FTG attempts to reduce non-hazardous waste generation and actively cooperates with all parties to boost circular economy. During the Reporting Period, compared to 2019, FTG's 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).

Sustainable waste management measures

Waste sorting	Reduce and recycle waste	Quantitative waste monitoring
<p>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 tonnes.</p> <p>Atlantis Sanya launches online courses of "Waste Sorting" for employees every year, and the completion rate of courses was 100% in 2023.</p>	<p>Set targets for reducing waste that is not recycled with the aim of moving toward zero waste.</p> <p>Reduce waste at the source via purchasing (minimizing packaging) and changes in services (eliminating some individual packaging).</p> <p>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.).</p>	<p>Continuous quantitative waste monitoring, with a standard waste monitoring procedure charged by inventory and supply management for all sites.</p>

Club Med Food Waste Audit

In order to reduce food waste, Club Med, a member company of FTG, conducted a food waste survey to measure and analyze the amount of food per person for a 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.

## 6.3 Climate Change and Energy

To address climate change, the Company joined UN Global Compact in August 2014 and made a global commitment to support global sustainable development and promote the achievement of the UN SDGs through participating in related activities globally and locally. We made commitments to energy conservation and climate actions, which have been incorporated into our [Climate Change and Energy Policy](#). By doing so, we actively encourage all stakeholders to work with us in this endeavor.

We realize that reducing GHG emissions from our operations is a top priority. We have involved climate change mitigation into our asset management and operation strategies. We have made a formal commitment to the society that "strive to peak carbon emissions by 2028 and achieve carbon neutrality by 2050". 2023 was the third year seeing the efforts toward carbon neutrality goal of Fosun. We promoted the establishment of "ESG-Carbon Neutral Life Cycle System Platform", released the *Carbon Neutrality Management Manual of Fosun Group*. We are committed to working with member companies to gradually start carbon inventory work and to carry out GHG emission reduction actions, including energy conservation & transformation, clean energy use, green and low-carbon products, innovative technology research and development, etc.

The Group's progress on key climate change indicators as of December 31, 2023 is outlined below:



In 2023, the Group prepared the second Climate Information Disclosures Report. During the Reporting Period, in line with the *Guidance on Climate Disclosure*, the *Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework of the Hong Kong Stock Exchange*, and the framework of the TCFD recommendations as well as the *IFRS S2 Climate-related Disclosures Requirements*, we further analyzed the climate-related risks and opportunities of the Group based on our strategic planning and the latest industry developments and global climate trends, and consistently strengthened our climate risk management. For details, please refer to the [Fosun International 2023 Climate Information Disclosures Report](#).



## 6.4 Water Resource and Material Management

Recognizing the importance of environmental protection, the Group strives to mitigate the impact of production and operations on the environment and people. To lighten environmental burden and deliver on commitment to sustainability, we urge and guide member companies to use water resources and materials more efficiently, and develop green circular economy.

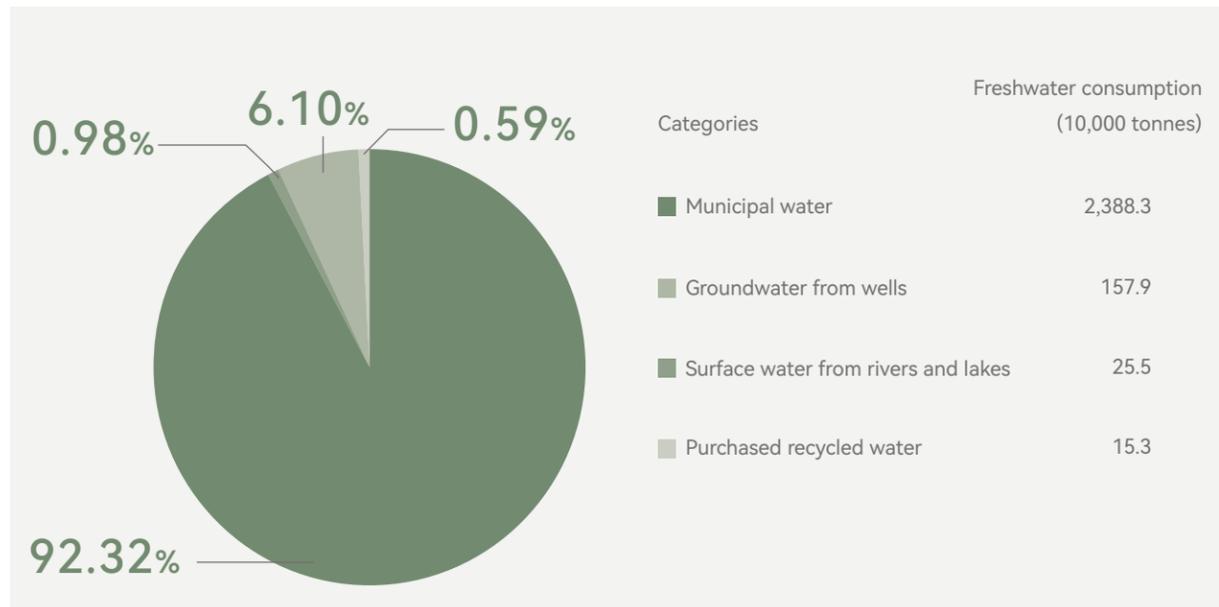
### 6.4.1 Water Resource Management

Fosun attaches great importance to the impact of water resource consumption on the environment and remains committed to the protection of water resource. We carry on efforts in innovating, applying and popularizing water-saving techniques, take various water-saving measures to explore a new water recycling pattern, and reuse reclaimed water, so as to reduce water resource consumption in production. During the Reporting Period, the Group identified risks related to water resources, formulated corresponding management measures and plans.

We made a commitment to reducing water consumption intensity and wrote it into the [Water Policy](#), and actively encourage all relevant parties to work with us to fulfil the water resources commitments.

Water consumption	2023	2022	2021
Total Fresh Water Consumption (ten thousand tonnes)	2,587.0	2,553.1	2,504.4
Fresh Water Consumption Intensity (tonnes / RMB million of revenue)	160.5	166.4	184.6

2023 freshwater consumption by sources (10,000 tonnes):



Notes:

(1) Each member company's water resources mainly come from municipal water supply. Apart from that source, FTG also sources water from ground water, surface water, seawater, drinking water, purchased recycled water, etc., and the seawater consumption was 453 ten thousand tonnes; During the Reporting Period, there was no significant issue in sourcing water within the Group.

(2) The total water consumption is based on the statistical data of each related member company. Because Peak Reinsurance dose not bear the cost for the water consumption of the office, it is not included in the data above.

### FTG

FTG has actively responded to the severe challenge of water scarcity and set a target of "Reduce water use intensity by 10% by 2030 (2019 baseline)". FTG adopts various water-saving measures, regularly reviews its daily practices, and constantly seeks ways to increase opportunities for water recycling. During the Reporting Period, the freshwater intake intensity of FTG decreased by 22% (by bed capacity), 19% (by hotel night sold) and 21% (by revenue) compared to 2019.

FTG uses the tool of Water Risk Atlas Aqueduct™ developed by the World Resources Institute (WRI) to identify and evaluate water stress zones on a regular basis every year. In 2023, 9 resorts were identified as being located in water stress zones defined by extremely high benchmark water stress values. FTG has installed rainwater and water recycling systems at all resorts and hotels to promote water recycling and reduce water consumption. FTG also equipped every resort and hotel with the best water-saving technologies, regularly reviews the effectiveness of water-saving measures, continually looks for ways to recycle water and acts proactively to minimize the negative impact on water resources.

FTG guides and monitors the adoption of targeted water management approaches by its member companies to improve the efficiency of water consumption at each operating site. Atlantis Sanya, a member company of FTG, has adopted water recycling measures such as rainwater collection, overflow water reuse and condensed water recovery, water-saving equipment and technology upgrading of Waterpark and aquariums, and regular monitoring and maintenance, more than 191,594 cubic meters of water can be saved annually.

### Hainan Mining

Hainan Mining is committed to continuously reducing water consumption by recycling the wastewater from mine processing, comprehensively utilizing water inrush in the mining pit and domestic wastewater recycling.

Recycling wastewater from mine processing	Comprehensively utilizing water inrush in the mining pit	Domestic wastewater recycling
The discharge of production wastewater in the plant area is avoided by recycling the wastewater from mine processing and the overflow from the tailings pond.	All water inrush in the mining pit in the course of mining is comprehensively utilized, with a portion pumped to underground mine for production, and the rest into the high-level pool on the ground for mine processing, artificial sand production and road dust control.	The domestic wastewater in the production area is treated by three-stage septic tanks and then converted into the integrated domestic wastewater treatment facility, and is used for greening in the plant after meeting the standard through treatment.

### 6.4.2 Green Materials

The Group consumes a certain amount of raw materials and packaging materials in product manufacturing, transportation and sales. We carry our philosophy of reducing resource consumption and pollutant discharge at the source into action by designing green products, optimizing material use, making green materials the first choice and minimizing excessive and unnecessary packaging. We also collect and sort out recyclable materials for reuse to further reduce the consumption of raw materials or packaging materials.

The Group strictly implements the *Opinions on Further Strengthening the Control of Plastic Pollution* issued by the National Development and Reform Commission and the Ministry of Ecology and Environment and practices the sustainable development strategy. Specifically, we have formulated the *Notice on Gradually Reducing the Use of Disposable Plastic Product* and require all member companies to rigorously abide by the requirements of laws and regulations, strengthen the control of plastic products and conduct self-examination on the use of plastic products in shopping malls, hotels, resorts, restaurants and other member companies.

Packaging Material Usage (tonnes)	2023	2022	2021
Glass	5,278.2	5,317.8	6,809.6
Wood	31.5	39.9	31.3
Metal	1,222.4	401.2	460.9
Plastics	2,427.6	3,961.2	3,583.3
Paper	13,657.5	15,552.5	13,192.5
Rubber	1,076.3	532.0	578.1
Others	0.6	25.5	2.2
<b>Total</b>	<b>23,694.2</b>	<b>25,830.0</b>	<b>24,657.9</b>

Notes:

(1) As Forte, Peak Reinsurance, FTG and Fosun Insurance Portugal do not involve any production activities, Hainan Mining does not produce products which require packaging materials, the disclosure scope of packaging materials only contains the statistical data of each of Fosun Pharma and Yuyuan.

(2) As the member companies of the Group provide diversified products and services, we consider that the disclosure of packaging material used per unit produced is not applicable to us.

## FTG

Club Med, a member company of FTG, launched the “Bye-Bye Plastic” program in 2018, aiming to eliminate disposable plastic products in all Club Med resorts. Meantime, Club Med signed the GTPI (Global Tourism Plastic Initiative) 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.

Plan	Achievement status
Phase out single-use plastic such as straws, cups, mugs, plates, cutlery and trays	100% of Club Med resorts have achieved target by the end of 2019 (excluding the tableware used in the resorts in Brazil)
Use of reusable large bottles for shower gels, shampoos and creams in bathrooms	100% of Club Med resorts have achieved the target by the end of 2022 (excluding Brazil, exclusive series and suites)
Phase out plastic packaging of accessories in guest room by the end of 2021	100% of Club Med resorts had achieved the 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 achieved the target. 3 resorts ran their own bottling plant using reusable glass bottles. Disposable plastic water bottles are no longer available to guests. While reusable water bottles are available in resort shops
Gradually replace disposable plastic supplies in rooms with those made from alternative materials since 2023	Since 2023, single-use plastic accessories in rooms have been replaced by accessories made primarily of alternative material

## Fosun Pharma

Fosun Pharma focuses on the environmental footprint of materials involved in the manufacturing, transportation and sales of products, actively exploring the reduction and recycling of pharmaceutical packaging materials to the fullest extent possible under the premise of meeting regulations on drug safety. On the one hand, Fosun Pharma cooperates with upstream and down stream customers to reduce and streamline the external packaging of products at source, and optimize the product production process to reduce the waste of packaging materials. On the other hand, Fosun Pharma proactively promotes the recycling of packaging materials. The packaging materials arising from unpacking for incoming materials are subject to classified management, while certain packaging materials can be recycled for internal use. For those that cannot be reused internally, they are sold to the resource recycling and reuse department for using social resources to complete the reuse of recyclable packaging materials. In 2023, 853 tonnes of packaging materials were reused externally and the recycling amount accounted for 4.5% of the total packaging materials.

During the Reporting Period, Fosun Pharma’s healthcare services segment continuously promotes “no plastic” measures to promote the construction of “waste-free hospitals”. 3 medical institutions under Fosun Pharma, StarKids Children’s Hospital Shanghai, Joyful Way and Healstar Health Beijing, have replaced disposable plastic bags with fully biodegradable eco-friendly bags or paper bags to reduce plastic pollution at the source and at the same time, to broaden the patients’ awareness of the “no plastic” principle. In 2023, Fosun Pharma’s healthcare services segment has reduced the use of plastic bags of different sizes by more than 42,000 units, which corresponds to a reduction in plastic weight of more than 300 kilograms.

## 6.5 Biodiversity and Animal Welfare

### 6.5.1 Biodiversity Protection

Ecosystem and biodiversity, as the prerequisite of mankind existence, is the foundation of the sustainable development of the economy and society. We highly value the protection of biodiversity and try our best to minimize the negative impacts of our operation on biodiversity and ecosystem. We made a commitment and included it into the *Biodiversity Policy*, and actively encourage all relevant parties to work with us to fulfil the commitments.

During the Reporting Period, we identified, assessed and analyzed the Group’s biodiversity-related risks, reviewed biodiversity management measures and their effectiveness and formulated future action plans.

## Hainan Mining

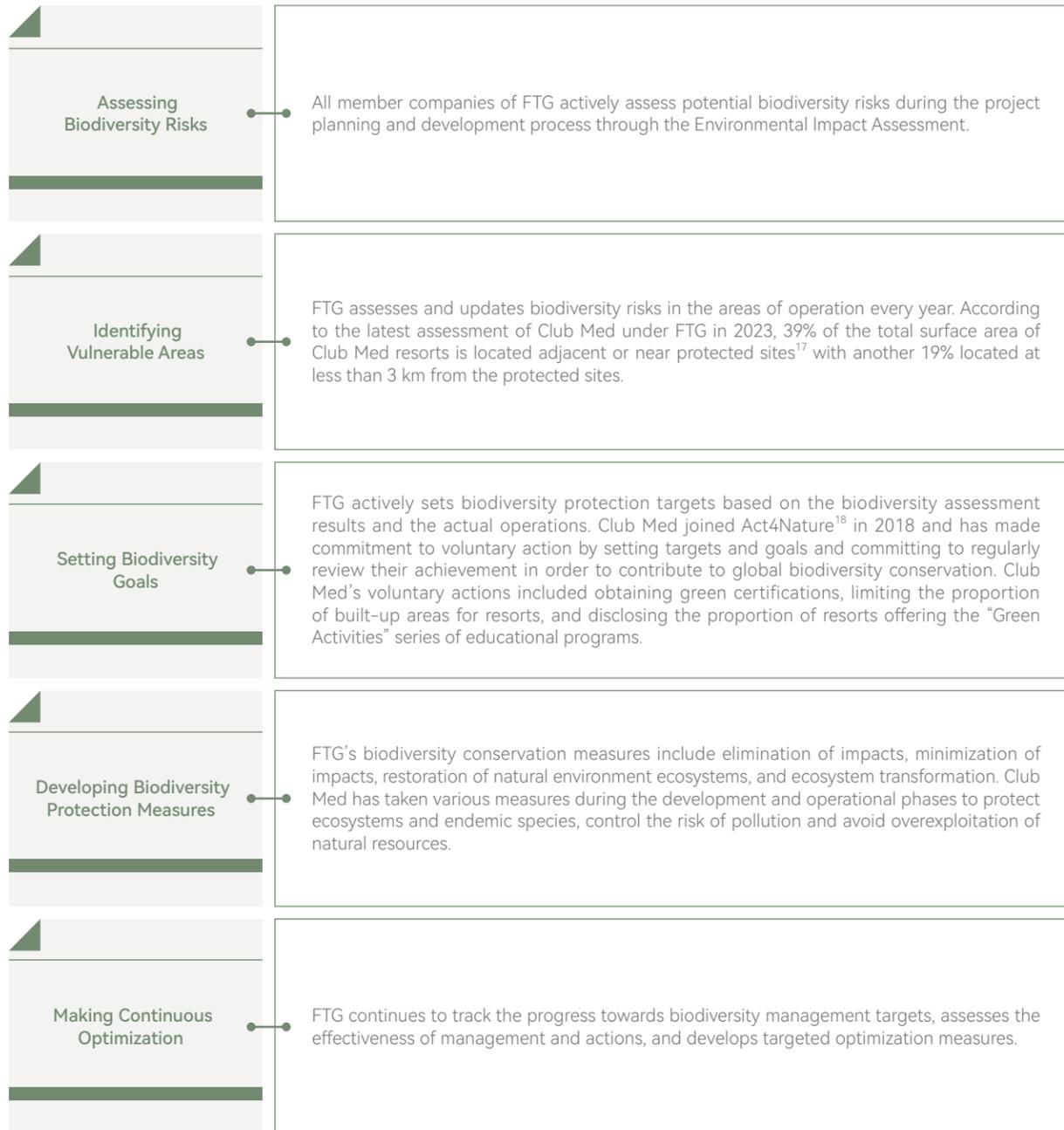
Hainan Mining adheres to the policy of “conservation first, protection first, and natural restoration first” and insists on carrying out ecological environment restoration projects. Hainan Mining aims to realize a positive green mining area development mode through mining area reclamation, afforestation and other diversified forms, and continuously improve the coverage rate of the vegetation in the mining area and the greening rate of the plant area, so as to enhance the capacity of carbon sequestration of the ecological system in the mining area. During the Reporting Period, Hainan Mining Shilu Iron Mining was awarded the title of “Green Mining Area”.

In 2023, Hainan Mining invested approximately RMB4.89 million based on the mining area ecological management reclamation and afforestation plan and achieved reclamation and afforestation of approximately 184 mu of the mining area. As of the end of the Reporting Period, Hainan Mining has cumulatively planted approximately 3.35 million plants, ecological restored and reclaimed approximately 5,376 mu of land and invested RMB164.9 million.



FTG

FTG adopts a Science Based Target Network (SBTN) approach to biodiversity conservation, as described below:



<sup>17</sup>The 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.

<sup>18</sup>Act4nature 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.

## 6.5.2 Animal Welfare

Fosun's member companies highly respect animal welfare throughout the construction and operation process, including, but not limited to, treating research animals in a humane manner, participating in public welfare projects relating to animal protection, and caring for and protecting animal health. In addition, we also require our suppliers to actively promote animal welfare in our *Fosun Group Supplier Code of Conduct*, and to provide an environment free from pain, cruelty, abuse and neglect for the animals.

### Fosun Pharma

Fosun Pharma focuses on ethical issues during the R&D process, requiring the conduct of ethical animal experiments to protect experimental animals.

The laboratory animal management by Fosun Pharma includes the management of laboratory animals, animal experiments and operation of facilities. During the reproduction and experiments of laboratory animals, Fosun Pharma raises and uses laboratory animals scientifically and humanely, proactively improves animal raising environment, protects rights of laboratory animals, continuously explores and carries out refined animal experiment technology, and reduces and replaces the use of laboratory animals, in active response to the animal ethics and animal welfare protection requirements.

### FTG

Club Med under FTG has released the *Animal Welfare Policy* and made commitments to elephants, cetaceans, wild animals, working animals, sea turtles, etc, in the policy, committing to improving animal welfare together with all stakeholders. In 2022, Club Med further enhanced its Animal Welfare Policy, adding a commitment that all hotel egg products in Europe, Brazil and the United States will come from cage-free suppliers starting in 2025 and rolling out to all sites from 2027. In addition, Club Med has also required suppliers to implement the *Animal Welfare Policy* since 2023 and conducted relevant supplier audits.



Atlantis Sanya, a member company of FTG, attaches great importance to animal welfare protection within the scope of its operation, and strives to improve the comfort and safety of the living environment of the aquarium and Dolphin Cay by improving water quality, caring for the physical and mental health of animals, and educating customers on the theme, so as to fully protect the welfare of marine animals.





07

## Business for Good

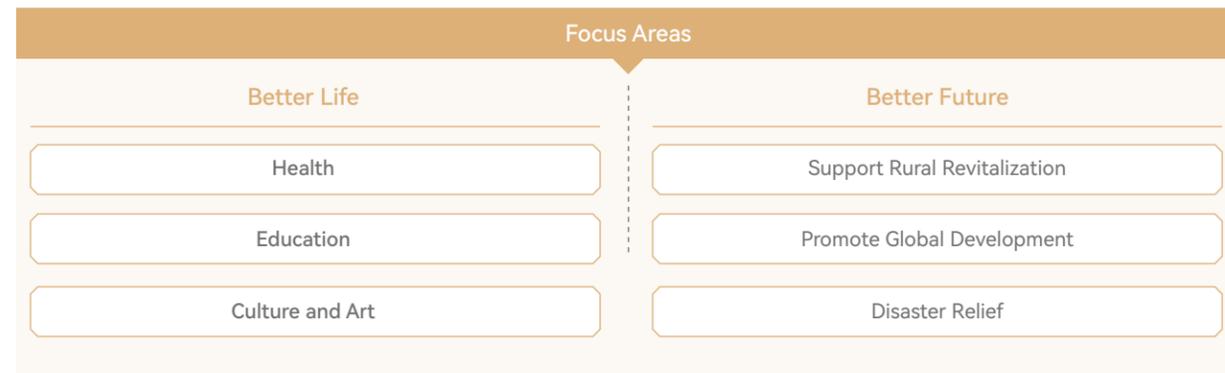
Fosun remains true to its original aspirations and strives to create shared value for the society and environment. Through integrating resources from Fosun's ecosystem and its global operation resources, we join hands with our member companies to launch philanthropy activities at multiple dimensions, levels, and categories. We will steadfastly fulfil our roles as a practitioner of "Contribution to Society", the promoter of globalization and the creator of social value.

## 7.1 A New Chapter in Philanthropy

### 7.1.1 Fosun Foundation

Fosun Foundation was founded in November 2012. As a “5A China Social Organization”, Fosun Foundation centers on major areas such as emergency disaster relief, rural revitalization, health, youth entrepreneurship, education, community development and culture & art. As of 31 December 2023, Fosun Foundation has made over RMB1.026 billion donation to society. Fosun Foundation is committed to involving Fosun employees worldwide to participate in philanthropy. In 2023, we have received many awards, such as the “20th Annual Model Foundation (Non-Public Fundraising)”.

In 2023, we developed a five-year philanthropy strategy (2023–2027) of “Together for A Better Life” in line with the UN SDGs and China’s strategies like rural revitalization:



In 2023, the donation of Fosun Foundation was over	including charitable donations of over	community investments of over	commercial initiatives of over
<b>RMB109 million</b>	<b>RMB38,474,600</b>	<b>RMB43,483,400</b>	<b>RMB27,738,500</b>

**Notes:**

- (1) Charitable donations: Refers to one-off or occasional support to good causes in response to the needs and appeals of charitable and community organizations.
- (2) Community investments: Refers to long-term strategic involvement in, and partnership with, community organizations to address a limited range of social issues.
- (3) Commercial initiatives: Refers to business-related activities in the community, not the total cost of the marketing campaign or similar.

### 7.1.2 Corporate Citizenship

#### Staff Engagement

Upholding the values of “Contribution to Society” from the enterprise to the employee, we encourage global employees to participate in community services and philanthropic activities on a regular basis. During the Reporting Period, we took a number of initiatives to engage our employees by releasing staff volunteering mechanism and programs at Group level and organizing monthly CSR themes activities.

Annual target for staff engagement in philanthropy:

**30,000 hours**

In 2023, the total community service hours of Fosun staff engagement in philanthropy worldwide reached **34,476**, with **93** events organized.

The “half-day leave for community service” policy was formally included in the employee manual	93 activities were organized and “WE Volunteer” platform were launched	Assisted employees to set three volunteer groups such as the urban farming volunteer group, the autistic children care volunteer group and the pet care volunteer group	Held the sixth “ONE FOSUN” CSR Week and Fosun Foundation 11th Anniversary Ceremony to award the top 10 CSR projects and role models
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#### ◇ Branding CSR Project: WE Volunteer Platform

In 2023, we launched the “WE Volunteer” platform to guide and support staff volunteering programs. Together with member companies, we announced a CSR calendar with monthly CSR theme and activities under the theme for all Fosun staff to co-create and participate in. For example, the Anti-malaria Month was hosted by Tridem Pharma and Guilin Pharma, and the Care for the Elderly Month was hosted by Fosun Healthcare and Sino-taichi. Many staff across different business groups were involved in design and implementation periods.

March	April	May	June	July	August	September	October	November
Care for Her	Anti-malaria Month	Care for Children	Eco-friendly Month	SDG Popularization Month	Care for Community	Care for the Elderly Month	Care for Animals Month	Anniversary Charity Ceremony

#### ◇ Branding CSR Project: “Together We Build a Malaria-Free World” Volunteer Running

In April 2023, we call on employees and partners to participate in a series of running events aimed at promoting the vision of “Together We Build a Malaria-Free World”. Starting from Guilin, Guangxi, the birthplace of the anti-malaria drug artesunate, more than 1,600 employees were running at the bund of the Huangpu River, the West Lake, the New York City, Singapore, Angola, Mozambique and other 20 counties.



Run at the Bund, Shanghai

Tridem Pharma Volunteer Running in Ghana, Africa

### ◇ 99 Giving Day Participation

In 2023, it's the sixth time for Fosun to join in the 99 Giving Day Fundraising campaign. Led by Fosun Global Partners and mobilized by Fosun staff, **11,561 people** donated **RMB1.14 million** to 3 projects of Fosun Foundation: The Wonder Girls, Young Rural Doctors Empowerment Project, and Sino Taichi Project from 7-9, September.

#### Fosun Partner Teams

About 150 Fosun Global Partners led 6 teams of "ONE Fosun" and raised money for "99 Giving Day" projects by utilizing resources within or outside Fosun ecosystem.

#### Celebrities

A number of well-known Chinese celebrities, such as Lin Gengxin, Zhang Tianai, FLY (Peng Yunfei) and Yaodao (Zhong Letian) from Chongqing Wolves (for Arena of Valor contest) also utilize their influence to support Fosun Foundation project fundraising.

#### Outdoor Ad.

Fosun's member companies, especially Forte, donated outdoor screens to advertise these 3 charity projects for fundraising in 14 cities.



## 7.2 Health Promotion

As an industry leader in health care area, Fosun is keen on primary healthcare in China, Africa and many other countries, and has been operating the Rural Doctors Program, Anti-malaria in Africa and Taichi promotion in communities for long time.

### 7.2.1 Rural Doctors Program

Establishing a sound and comprehensive rural medical and healthcare system is crucial for ensuring the well-being of millions and is a driving force in promoting the "Healthy China" target. Fosun launched the Rural Doctors Program at the end of 2017 to empower, encourage and safeguard over 1 million rural doctors who take care of more than 0.6 billion people in rural areas. During the Reporting Period, the Rural Doctors Program won the first "Shanghai Charity Award", and was selected as the "Model Program of the Year" in the 20th China Charity Ranking.

In 2023, we formulated the new strategy (2023-2027) for the program, to renew a vision as: "To safeguard grass-root families and contribute to Health China and Rural Revitalization strategies", and goals as: "To enhance the poverty alleviation accomplishments and community health, to improve health literacy and develop rural economies for people."

As of the end of 2023, the program has covered 78 counties in 16 provinces, municipalities, and autonomous regions (including 21 national key rural revitalization counties).

More than **12,900** village clinics have received assistance, supporting **25,000** rural doctors, benefiting **3 million** grassroots families.



The 5 "One Action"

In 2023, we:

1. Insurance Donation	<ul style="list-style-type: none"> <li>Donated RMB970,000 accident insurance to 16,521 rural doctors in 61 counties, and made 33 claims with an accumulated premium of about RMB520,000;</li> <li>Donated RMB1.06 million health insurance to 8,098 rural doctors in 62 counties. The net amount at risk is RMB3.4 billion;</li> </ul>
2. Capacity Building Project	<ul style="list-style-type: none"> <li>Released online training courses for rural doctors on the prevention and treatment of COVID-19, and invited experts to give lectures on the early identification of severe symptoms of COVID-19, the safe use of Azulfidine through media;</li> <li>90 rural doctors joined in the first offline training of the Leaping Up Plan<sup>19</sup>, and passed the practical skills examination, 21 of whom obtained rural general practitioners' assistance qualification certificate;</li> <li>13 online training sessions "Famous Doctors Talk" were held, and 26,000 rural doctors were trained;</li> <li>152 experts were invited to 17 counties to carry out 18 free clinics;</li> </ul>
3. Seriously Ill Patients Project	<ul style="list-style-type: none"> <li>Verified and uploaded 70 cases of patients with serious illnesses by Fosun on-site volunteers and rural doctors on China's Social Support Platform for Serious Illness in 2023. With Fosun Foundation's 5:1 matching donation, the total fund-raising amount for the platform is about RMB5.44 million;</li> </ul>
4. Warm-hearted Rural Doctors Awards	<ul style="list-style-type: none"> <li>Rewarded 10 "Warm-hearted Rural Doctors", 10 "Warm-hearted Township Hospital Directors", and 5 "Young Role Models" with cash donation and on-site training courses;</li> </ul>
5. Smart Clinics Project	<ul style="list-style-type: none"> <li>Have upgraded 330 rural smart clinics in the past 6 years and invested more than RMB450,000 on intelligent equipment in 2023;</li> </ul>

◆ Rural Doctors at CIIE

In November 2023, Fosun Foundation invited representatives of rural doctors from the program counties to attend CIIE for the fourth consecutive year. They had the opportunity to explore cutting-edge medical technology. At the same time, the expert and rural doctors convened at Fosun Health's booth, engaging in the 18th special edition of "Famous Doctors Talk" live broadcast at CIIE, discussing the inheritance and innovation of primary healthcare.



<sup>19</sup>The Leaping Up Plan is a philanthropic project to support the rural doctors to obtain rural general practitioners' assistance qualification certificate.

◆ New Demo Counties Initiated

Fosun Foundation announced five new demo counties in 2023. With the support of the Administration Civil Affairs, Shanghai, we have initiated four new demo counties in Rikaze City, Tibet. And in collaboration with Shede Spirits, a member company of Yuyuan, Shehong County in Sichuan Province were chosen as a demo county.



◆ Unveiling Training Bases for Rural Doctors

In 2023, Fosun Foundation formed an expert review team comprising of members from the China National Health Development Research Center, Community Health Association of China, and the Institute of Medical Information of the Chinese Academy of Medical Sciences to select 25 outstanding rural doctors cases from 1,221 applicants. On October 19, 2023, the China Population Welfare Foundation and Fosun Foundation jointly organized the awarding ceremony of "2023 Warm-hearted Rural Doctors and Heads of Township Hospital". Fosun Foshan Chancheng Hospital and Shenzhen Heng Sheng Hospital were awarded as "Training Bases for Rural Doctors".



### ◇ 2023 Simple Holiday Music Festival in Lijiang

On May 1-2, 2023, under the guidance of the Yunnan Provincial Department of Culture and Tourism, Fosun Foundation organized the "2023 Simple Holiday" music festival in Lijiang. This event featured open-air concerts combined with charity bazaars, screening of documentaries on rural doctors and camping in nature for the first time. The band Tong Young, Chang Chen-yue and Wang Yang (Lao Lang) performed as the three generations of "Rural Doctors' Guardians", connecting more people with music, so that more people would care about rural doctors. Additionally, the premiere screening of "For Their Clear Sky," the first documentary film focusing on rural doctors in China, provided audiences with a glimpse into the realities of rural doctors' work and lives.



### ◇ Development and Sale of Agricultural Products

In 2023, Fosun Foundation partnered with various brands, to select premium ingredients from demo Rural Doctors Program counties, jointly launched a series of agricultural products. The four types of pastries are developed with Shanghai-based pastry brand "Miqingpuzi". The Chinese New Year Gift Package is developed together with Shanghai time-honored brand Lv Bo Lang. The sales revenue will be donated to the Rural Doctors Program for the provision of professional skills training and health protection.



Rural Revitalization New Year Gift Package  
Co-developed by Lv Bo Lang



Fosun Selection E-Commerce Platform Opened A Special  
Zone for Agricultural Products from Project Demo Areas

## 7.2.2 Building A Malaria-Free World

As an member of Roll Back Malaria, a global initiative advocated by WHO, Fosun has been committed to providing more innovative solutions to fight malaria. Fosun Pharma, our member company, is actively involved in public health promotion and malaria prevention among African people, reducing morbidity and ultimately achieving the target of a "malaria-free world".

From 2005 to the end of 2023, Fosun Pharma has helped more than 68 million malaria patients worldwide to regain their health. Among them, 258 million African children have benefited from the "Seasonal Malaria Chemoprevention Program". This program takes the SPAQ-CO series of children's malaria prevention drugs as the core drug, effectively reducing the incidence of malaria in children under 5 years old in Africa.

As of the end of the Reporting Period, Fosun Pharma had 33 antimalarial pharmaceutical products prequalified for production by the WHO (WHO-PQ), and became an antimalarial product manufacturer which received the most such certification. It has been a significant supplier of antimalarial drugs to the global foundation, the United Nations International Children's Emergency Fund, WHO and national drug purchase centers in African countries for many consecutive years. In June 2023, Argesun®, the second-generation artesunate for injection independently developed by Fosun Pharma, passed the prequalification of medicines by WHO, becoming the first injectable artesunate presented with a single solvent system approved by WHO-PQ. This new generation of drug further enhances the convenience and safety of clinical use of artesunate, greatly benefiting severe malaria patients in Africa.

From 2005 to the end of 2023, Fosun Pharma has helped more than

**68 million** malaria

patients worldwide to regain their health.

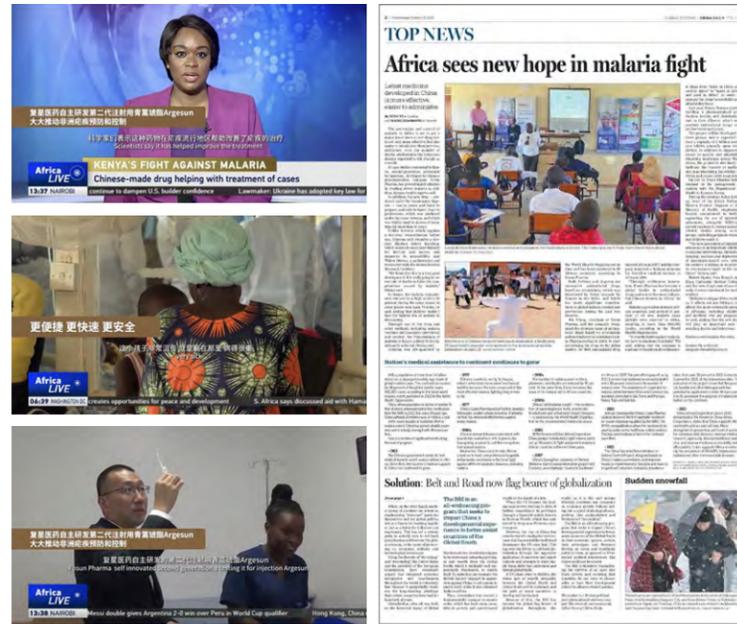
### ◇ Workshop on China Supporting Africa through Civil Societies

In April 2023, Fosun Foundation collaborated with 19 partners within Fosun ecosystem to launch a diverse array of anti-malaria initiatives in Africa. On the occasion of the World Malaria Day, Fosun Foundation convened the "Workshop on China Supporting Africa through Civil Societies" in Shanghai. The workshop brought together philanthropy organizations such as the Bill & Melinda Gates Foundation and the Amity Foundation, industry experts and government representatives, offered suggestions and proposed strategies for leveraging the power of the Chinese civil society to establish a long-term philanthropy mechanism in support of Africa. Moreover, the workshop aimed to disseminate the "malaria-free" vision globally.



### ◆ Malaria Prevention and Treatment in Africa

For many years, Fosun Foundation and Fosun Pharma have been working together to help malaria prevention and treatment and scientific research in Africa by donating its self-developed artesunate for injection. The relevant stories have been reported by CGTN and other media.



The Second-generation Artesunate For Injection Reported by Media



In September 2023, Fosun Foundation and Fosun Pharma, together with the 12th batch of China's medical team to Ghana and Power Construction Corporation of China, visited Akuse District in the Eastern Region of Ghana to provide three-day mobile medical services. 11 doctors from the China's medical team provided free medical services for about 300 local residents. Fosun Pharma also donated malaria test kits, anti-malarial drugs, broad-spectrum antibiotics and other essential medicines for the event.



Voluntary Medical Consultation in Ghanaian Community

### 7.2.3 Hearing Aids Donation

In 2022, the "Hear Every Sound" hearing aids donation campaign was launched for the elderly by Fosun Foundation, Fosun Health, Sivanto and Widex, in a bid to improve their quality of life. By the end of 2023, this program has conducted hearing tests for 300 elders across 11 communities in Shanghai.



From September to November 2023, Fosun Foundation, together with Sivanto and other partners, donated hearing aids to the hearing-impaired students of Huize County Special Education School in Yunnan Province, a county under the Rural Doctors Program. By the end of 2023, many hearing-impaired students are able to perceive external sound more clearly and respond appropriately after using hearing aids, thus "escaping" the silent world.



### 7.2.4 Tai Chi Adjuvant Therapy Against Chronic Disease

2023 marks the 9th year of Fosun Tai Chi philanthropy projects. Our commitment remained steadfast in projects such as "Tai Chi Adjuvant Therapy for Parkinson's Disease," "Tai Chi for Delaying Alzheimer's Disease," and "Tai Chi CSR Project in the Community, Volunteers in Action." By blending traditional Chinese health culture with scientific research evidence, we continue to support patients with chronic diseases and individuals experiencing sub-health conditions in achieving a fulfilling life through simple, effective, and sustainable practices.

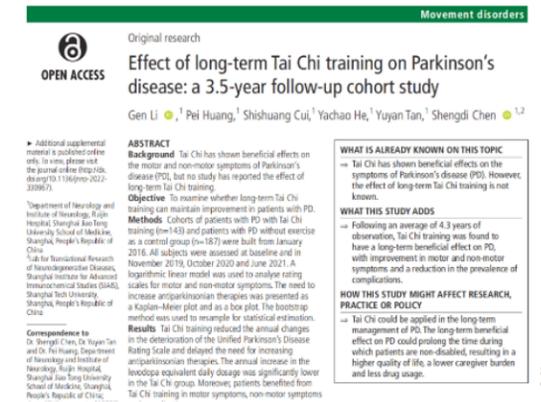
#### ◆ Tai Chi Anti-Parkinson's Disease, Tai Chi for Delaying Alzheimer's Disease

Fosun Foundation and Sino-taichi have jointly initiated the philanthropic programs "Slow Therapy for Chronic Diseases" - "Tai Chi Anti-Parkinson's Disease" and "Tai Chi for Delaying Alzheimer's Disease", helping the elderly to alleviate their diseases and regain confidence in life.

Fosun Foundation has collaborated with the research team of Professor Chen Shengdi from the Neurology Department of Shanghai Ruijin Hospital to recruit participants in the "Tai Chi Anti-Parkinson's Disease" research program. The research result reveals that long-term training of Tai Chi can effectively inhibit Parkinson's Disease and is effective in improving memory and emotions. On 26 October 2023, the latest findings were published in the *Journal of Neurology, Neurosurgery and Psychiatry*.

In 2023, the Fosun Foundation, Star Tai Chi and the Neurology Department of Shanghai Ruijin Hospital jointly initiated the "Long-term Prospective Clinical Study of Tai Chi for Alzheimer's Disease" project. During the Reporting Period, the project offered a total of 108 sessions and serving 707 individuals.

In 2023, the two projects of "Tai Chi Anti-Parkinson's Disease" and "Tai Chi for Delaying Alzheimer's Disease" offered offline and online Tai Chi courses, providing a total of 596 hours, and serving 8,261 persons.



#### ◆ Tai Chi CSR Project in Communities

Tai Chi CSR project in community aims to help the elders in the community to balance their physical and mental health and improve their quality of life. Fosun Foundation and Sino-taichi brings the scientific research findings of Tai Chi in preventing chronic diseases into the communities. We start from training volunteers, and we serve the communities via volunteers, so that more people can benefit from Tai Chi. In 2023, the program recruited 58 Tai Chi volunteers and served 17 communities, benefiting a total of 2,046 people. Notably, "ONE Fosun" Tai Chi employee volunteers provided a total service duration of 196 hours in 2023.



## 7.3 Community Co-development

Fosun is committed to integrate the life concept of "Health, Happiness and Wealth" into community building. We actively encourage member companies, stakeholders, and the general public to join us in creating vibrant and thriving communities together.

### ◆ Shanghai Summit of Philanthropy

In September 2023, under the guidance of the Shanghai Civil Affairs Bureau, Fosun Foundation and several foundations co-organized the 4th Shanghai Summit of Philanthropy. The forum with the theme of "Gathering Kindness and Striving for High-Quality Development", invited numerous social organizations, experts and scholars, and caring enterprises. These participants shared insights into how enterprises can promote high-quality economic and social development with the power of philanthropy in a variety of ways like keynote speeches and round-table forums.



### ◆ Rural Revitalization in Xingshi Village, Hainan Province



Since 2014, Hainan Mining has been helping Xingshi Village in Tunchang County, Hainan Province, establishing a long-term support mechanism of "industrial support + educational support". This mechanism promotes the construction of local infrastructures and the improvement of the human environment, and helps Xingshi Village embark on a new journey of rural revitalization after it was lifted out of poverty in 2018. In 2023, Hainan Mining contributed a total of **RMB276 thousand**.

### ◆ The Green Farmers Program

Since 2008, Club Med, a member company of FTG, has partnered with the NGO Agrisud to guide local peasants in places where its resorts are located to use the land more sustainably based on agro-ecological principles. It has integrated local agricultural products into the resorts' food supply network and realized a win-win situation for the local ecology and economy. 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 **EUR1.56 million**.



### ◆ "Sing for Hope"

Since 2015, 28 Liberty has hosted "Sing for Hope" every year at New York's Fosun Plaza. Recycled old pianos were renewed and hand-painted by artists for all to play publicly and freely. Upon completion of the tour, the pianos will be donated to schools and community organizations. So far, more than 680 pieces of "renewed" piano artworks have been donated to communities and schools. The event attracts up to 2 million New Yorkers and tourists every year, providing the public with intimate encounter with art.



### ◆ Fenglin Builds "Elder-Friendly Community"



As the main entity of Fosun Care that engages in care business for the elderly in communities, Fenglin reduces the burden of care for families with elders, enhances the connection between the elderly and the community, and improves the community support network by organizing a variety of philanthropic activities. As of the end of the Reporting Period, Fenglin has carried out elderly care activities in 7 sub-districts, providing services such as blood pressure and blood sugar monitoring for the elderly, and served about **100 thousand persons**.

### ◆ Community Care in Hong Kong

Fosun cooperated with the Hong Kong Federation of Youth Groups, a non-profit organization in Hong Kong, to launch the "Rice Giving" volunteer service from July to September 2023 and distribute free rice to low-income individuals and families in Hong Kong. Fosun has been contributing to the "Rice Giving" volunteer service for many years, providing material support and care to ease the burden of low-income earners through the volunteer services. Fosun International was awarded the "Heart to Heart Company" logo and a certificate of appreciation by the Hong Kong Federation of Youth Groups, and "Caring Company" by the Hong Kong Council of Social Service.



## 7.4 Emergency Relief

With the rapid pace of global climate change, the frequency of extreme weather events and severe natural disasters has increased in recent years. Fosun remains steadfast in its mission as a “Corporate Citizen” and mobilizes global resources to offer immediate assistance to disaster-stricken areas.



### 7.4.1 Earthquake and Disaster Relief

Fosun responded to the disaster in a timely manner. We deployed internal resources immediately and worked with member companies such as Fosun Trade to directly support the disaster-stricken areas.

#### ◆ Relief for Flood Affected Areas Around Beijing

From July to August 2023, Fosun Foundation, together with its caring partners, actively responded to the needs of the flood-affected areas in Beijing-Tianjin-Hebei and Northeast China. The foundation provided essential supplies for livelihood support and donated rescue equipment to professional rescue organizations. The foundation donated a total of **140 thousand** pieces of relief supplies to Beijing-Tianjin-Hebei, valued at more than RMB2.75 million.



### 7.4.2 Earthquake Relief

#### ◆ Earthquake Relief in Turkey

In February 2023, Fosun Foundation, as one of the first batch of social organizations in Shanghai to respond to the earthquake relief in Turkey, Fosun Foundation, together with Tom Tailor and Fosun Trade, etc. donated relief supplies worth **RMB1 million** to assist the post-earthquake relief work in Turkey during the severe winter.



#### ◆ Earthquake Relief in Morocco



In September 2023, Morocco was hit by a 6.9 magnitude earthquake. The Club Med Foundation contacted the local government to provide relief and emergency supplies, which greatly helped the affected people. In order to help rebuild homes in the affected areas, Club Med Foundation and the nongovernmental organization Agrisud jointly launched a three-year project with a budget of about **1 million euros** to support the affected families, and formulated a two-phase plan for post-disaster reconstruction and the relaunch of faming activities, so as to fully restore production and daily life.

#### ◆ Earthquake Relief in Gansu Province

In December 2023, a 6.2 magnitude earthquake struck Linxia Prefecture in Gansu Province. Fosun Foundation, responding promptly, activated the rescue mechanism. Fosun Foundation activated the rescue mechanism at the first time and dispatched Wang Chunxi, on-site member of the Rural Doctors Program to the disaster-stricken region, ensuring the swift distribution of emergency supplies in adherence to the concept of “0.01 Second Quicker”, even in harsh winter conditions. A total of **130 thousand** pieces of supplies were delivered to the affected regions.



## 7.5 Care for Children and Youth

Children and Youth represent the future of our society and are essential groups for our attention and care. Fosun actively responds to and supports the initiatives of the UN Global Compact and the United Nations International Children’s Emergency Fund and implements the ten principles of the *Children’s Rights and Business Principles*. Fosun is dedicated to safeguarding children’s rights, promoting their healthy development, and providing ongoing assistance to children in need.

### 7.5.1 Protecting Children’s Rights

Club Med, a member company of FTG, actively identifies relevant risks and protects children rights’ risks by working with local NGOs, developing uniform procedures for answering questions from and identification of underage guests, conducting regular staff training, and other means. Since 2005, to combat the sexual exploitation of children in the tourism industry, Club Med has signed a cooperation agreement with ECPAT<sup>20</sup> and has jointly published leaflets on the initiative against child sexual exploitation, which are regularly made accessible 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.

Additionally, Club Med actively organizes special events and fundraising activities to help disadvantaged and poor children. As one of Club Med’s signature charitable programs, Worldwide Snacks cooperates with various NGOs every year to invite local children to participate all kinds of resort activities in Club Med’s resorts. Meanwhile, Club Med encourages its resorts to establish and maintain good relations with local NGOs and to provide support and assistance when needed.



<sup>20</sup>ECPAT 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.

## 7.5.2 Safeguarding the Growth of Children and Teenagers

### ◇ Xinling Caring Project

In 2023, Fosun Foundation, in collaboration with the caring artist Lin Chi-Ling and Starkids Children’s Hospital Shanghai, launched the “Xinling Caring Project” to raise public awareness about identifying and addressing children’s psychological challenges as they grow up. Through various measures such as advocacy and publicity, screening and registration, and fundraising for children with serious mental illnesses, the program is designed to highlight and safeguard the mental well-being of children and adolescents. During the Reporting Period, we screened and registered more than 3,000 students in 6 schools. We plan to expand the program to 60 schools and 100 thousand families in Shanghai, to protect the physical and mental health of more children.



### ◇ Rural Children’s Early Screening for Autism

From June to December 2023, Fosun Foundation has conducted early screening for autism and early intervention lectures for school-age children in four townships in Shandong Province, namely Zoucheng Zaogou Village, Liuwa Village, Zhangzhuang Village, and Xianqiao Village, and organized philanthropic seminars on early intervention. It also provided parents and healthcare professionals with autism-related knowledge and advice on guided interventions, so as to provide protection and support for the “children of the stars” and their families.



### ◇ Care for Rural Teenage Girls

We care about the growth of rural teenage girls, and endeavor to provide education courses designed to improve their awareness of body image as well as their ability of self-protection during puberty, so as to reduce the risk of gender-based violence and sexual assault. In May 2023, the “I Love Me” themed Care for Teenage Girls Art Camp was held in Liangshan Yi Autonomous Prefecture, Sichuan Province, where nearly 40 Yi girls learned about the physiological knowledge through handicrafts and other forms of art. During the Reporting Period, Fosun Foundation successively launched the Care for Teenage Girls Program in 59 rural schools in Yunnan, Sichuan and other regions.



### 7.5.3 Cultivating the Forces of Innovation

#### Emerging Visionaries Award

“Emerging Visionaries Award” is an award that supports youth from 12-18 years old to practice the UN SDGs through innovative public service projects. In 2023, the organizing committee of the award received a total of 457 valid applications submitted by individuals and societies from 163 schools nationwide. It awarded 2 “Charity Ambassadors” in China, 10 “Emerging Visionaries Award”, 16 “Potential Visionaries”, and 5 groups of “Outstanding Charitable Associations”.

In July 2023, Emerging Visionaries National Summit & Ceremony was held in Shanghai Jiulong Model Middle School, where representatives from Shanghai People’s Association for Friendship with Foreign Countries (SPAFC), Prudential Financial, Inc., Pramerica Fosun Life Insurance, and Fosun Trade, as well as expert representatives from the program, and more than 30 young people who actively participated in philanthropy gathered together to share their stories and dreams.

This event established a venture capital roadshow section to provide students with a platform to showcase their philanthropic initiatives. Simultaneously, it leverages diverse resources both within and outside Fosun ecosystem. Representatives of enterprises or organizations can directly express their willingness to invest in the project or provide professional guidance. In the venture capital roadshow section, Leng Xiao’ao from Beijing No. 66 High School shared his project “Let Girls Go to School”, which hopes to raise funds for poor girls in Kenya to go to school, and establish a database for donors and recipients to help all parties follow up on the results in a timely manner. Through the roadshow, this project received professional support from participating enterprises.



In 2023, It awarded

- 2 “Charity Ambassadors”
- 10 “Emerging Visionaries Award”
- 16 “Potential Visionaries”
- 5 groups of “Outstanding Charitable Associations”

### 7.6 Youth Entrepreneurship

#### Protechting Startup Accelerator Program

Protechting Startup Accelerator Program was jointly initiated by Fosun Foundation and Fosun Insurance Portugal in 2016. Derived from the words “Protection” and “Technology”, “Protechting” aims to support and motivate youth to realize innovations in the areas of finance, insurance, healthcare, ESG, etc. so as to contribute to social development. Over the past 6 years, the program has attracted more than 900 startup teams from over 60 countries. By the end of the Reporting Period, 50 startups have maintained close cooperation with Fosun’s member companies, among which 5 of them have signed commercial contracts with us to jointly conceive and enforce innovative solutions.

In 2023, we added an ESG category for the sixth Protechting Open Innovation Program, encouraging participants to explore innovative solutions in areas such as new energy and the green circular economy. The competition received 259 project applications from 57 countries and regions, setting a record of youth participation.

In September, 2023, Shanghai Jing’an Association For Science and Technology, Shanghai Jing’an Federation of Returned Overseas Chinese and Fosun Foundation jointly hosted the 2023 Protechting Youth Science and Technology Innovation Seminar with the theme of “Gathering Youthful Energy, Driving Technology Innovation”. Youth, experts and investors in the field of science and technology innovation from China and abroad gathered together to exchange ideas on how to empower young people in science and technology innovation.

At the seminar, “Fosun Protechting × China Association for Science and Technology Hai Zhi Work Base - New Overseas Chinese Shuang Chuang in Shanghai” Youth Innovation and Entrepreneurship Growth Space was formally launched, in order to promote the landing of Protechting projects in the Yangtze River Delta in the “health, finance, ESG” sectors, and to promote the construction of a global incubator for youth innovation.



By the end of the Reporting Period, **50** startups have maintained close cooperation with Fosun’s member companies

## 7.7 Culture & Art

Culture and art embody humanity’s pursuit of beauty. Fosun is dedicated to fostering a diverse range of cultural and artistic endeavors, seamlessly integrating art into our surroundings and daily lives, enhancing the public’s appreciation of beauty. We uphold and innovate upon China’s rich traditional culture, championing cultural exchange and mutual understanding, while advocating for compassion and solidarity among people through the power of art.

### 7.7.1 Art, Music and City Culture

#### Fosun Foundation Shanghai (FFS)<sup>21</sup>

In 2023, Fosun Foundation Shanghai celebrated its seventh anniversary of operation. Over the past seven years, Fosun Foundation Shanghai has been committed to promoting contemporary art, disseminating diversified art concepts to the public through various media and disciplines, and promoting global cultural and art exchanges and collaborations. With an open, inclusive and diverse perspective, Fosun Foundation Shanghai has showcased exhibitions by many renowned artists from home and abroad, including Kengo Kuma and Ugo Rondinone. Leveraging cutting-edge HD scanning technology and other methods, we provide audiences with a multi-dimensional, immersive experience, igniting a passion for art within the community.

Fosun Foundation Shanghai actively promotes the development of art communities, integrates art into public space, seamlessly integrating art into public spaces to elevate urban aesthetics and make art accessible to all. In 2023, Fosun Foundation Shanghai officially joined the “Joint Conference on Art Bund Construction”, contributing to the transformation of the Art Bund into a globally renowned cultural hub and spearheading the advancement of China’s distinctive art products industry. Fosun Foundation Shanghai hosted the third Bund Art Festival, an event featuring online broadcasts connecting offline venues. Fosun Foundation Shanghai also launched the “Art in Elevation Vol.05 Summer”, converting outdoor rooftops into public art spaces that not only showcased art but also encouraged contemplation, offering the public a dynamic and immersive art and cultural experience.

Fosun Foundation Shanghai insists on fulfilling its social responsibility of art education and strives to achieve the goal of “nurturing people with knowledge and aesthetics”. In 2023, Fosun Foundation Shanghai launched a total of 28 “Art Online” live streaming and 142 public education activities. These events were conducted in cooperating with 59 international brands from different sectors and provided the public with the opportunities to experience different aspects of art from multiple perspectives.

#### ◇ Cloud Color Box - Mobile Classes of Public Art

Fosun Foundation Shanghai co-organizes exhibitions with several universities to bring art to the campuses. We continue to focus on rural art education. In 2023, we conducted offline course practice in 184 schools through the “Cloud Color Box - Mobile Classes of Public Art” to provide abundant education resources for rural teachers to enrich their art classes.



### Fosun Foundation Chengdu

Fosun Foundation Chengdu is a non-profit organization founded and sponsored by Fosun and Fosun Foundation. As the first expansion venue of Fosun Foundation after five years in operation in Shanghai, Fosun Foundation Chengdu shares Fosun Foundation’s experience and resources from years of exploring contemporary art. Drawing on Chengdu’s unique character, historical heritage and thriving development, Fosun Foundation Chengdu focuses on contemporary art with an international vision, presenting a platform of inspiration for the public.



### 7.7.2 Support The Shanghai Symphony Orchestra

Music is the most beautiful language of mankind. Fosun actively supports the Shanghai Symphony Orchestra’s symphonic performances, exhibitions and exchanges, and actively promotes the development of the symphonic music industry in Shanghai. Fosun Foundation is also a council member of the Shanghai Symphony Foundation.

#### ◇ “Burn to Shine” Exhibition Concert

In order to promote classic art and continue to promote symphonic music, Fosun Foundation Shanghai joined hands with the Shanghai Symphony Orchestra to organize an immersive concert based on the theme of the exhibition combined with music, so that the audience can enjoy the music while visiting the exhibition.



<sup>21</sup>Fosun Foundation Shanghai and Fosun Foundation Chengdu are non-profit organizations founded by Fosun. They are committed to connecting Chinese and international culture and art, continuously paying attention to and supporting the local Chinese artists, and providing a platform for the display of outstanding Chinese contemporary art works.

### 7.7.3 Promoting Traditional Art

#### ◇ Promoting Oriental Aesthetics

The Shanghai Yuyuan Garden Lantern Festival is one of the longest-running, best-known and most popular Chinese New Year lantern-viewing events in China, and has been listed as one of China's national intangible cultural heritage programs. In 2024, the Yuyuan Garden Lantern Festival went global for the first time in the Year of the Loong and held in Jardin d'Acclimatation in Paris, France. The festival showcases Chinese cultural elements and lifestyles through vivid visual language, immersive sensory experiences and a rich variety of performances and bazaars. It was designated as part of the opening festivities celebrating the 60th anniversary of the establishment of diplomatic relations between China and France, as well as the China-France Year of Culture and Tourism. It also served as a highlighted event for the bilateral cooperation between China and France in 2024.

To create a tourist-friendly and effective Yuyuan Garden Lantern Festival in France, we have adopted a comparative presentation of Eastern and Western life scenes to enable the French people to visualize Chinese aesthetics, such as "qin (stringed instrument), Chinese chess, calligraphy, painting, poetry, liquor and tea". We also promoted quality brands and commercial and cultural projects, including long-established Chinese brands to go overseas with the Yuyuan Garden Lantern Festival. These projects reached out to French consumers and promoted Chinese brands and Chinese products to the world.



#### ◇ Preserving Traditional Art

Leveraging on its industrial strengths, Yuyuan has created a number of traditional culture preservation activities to promote traditional Chinese culture and inject vitality into traditional culture by means of folk culture performances, display of intangible cultural heritages, and promotion of culture and tourism, etc. In 2023, we organized the "Purple Breath East - Intoxicating Pottery in Shanghai" Yunnan Jianshui Purple Pottery Excellence Exhibition at Huabao Mansion of Yuyuan, and the "The Silver Glow of Time Shines in Shanghai" exhibition of Heqing silverware forging techniques, both of which are national intangible cultural heritages, so as to let more people experience the charm of national intangible cultural heritages.



Yunnan Jianshui Purple Pottery Exhibition



Yunnan Heqing Silverware Exhibition

### 7.7.4 International Exchange

#### ◇ Theme Exhibition *Shanghai, Homeland Once Upon a Time – Jewish Refugees and Shanghai*

On August 1, 2023, the theme exhibition *Shanghai, Homeland Once Upon a Time – Jewish Refugees and Shanghai*, organized by Shanghai People's Association for Friendship with Foreign Countries and Fosun Foundation, hosted by Shanghai Jewish Refugees Museum, supported by the Consulate General of the People's Republic of China in New York and the Information Office of Shanghai Municipality, opened at Fosun Plaza in New York.

This is the first overseas promotion of the Shanghai Jewish Refugees Museum since its reopening in 2020. Through photographs, documentary and other valuable historical materials, the exhibition tells the story of Jewish refugees finding safe refuge in Shanghai and calls on the public to be kind and helpful to others. A new English version of Shanghai's city video "Shanghai Let's Meet" was also released at the opening ceremony, vividly presenting a sample of Shanghai's modernization in Chinese style.



#### ◇ The "Blooming Yulan Friendship at Sea" Sino-Japanese Friendship Exchange Event

On May 19, 2023, Shanghai People's Association for Friendship with Foreign Countries, Japan-China Cultural Exchange Association and Shanghai-Japan Magnolia Association co-hosted the "Blooming Yulan Friendship at Sea" Sino-Japanese Friendship Exchange Event in Tokyo with Fosun Foundation as the supporting unit. This is the first time that Shanghai People's Association for Friendship with Foreign Countries has organized an exchange activity overseas after the Covid is treated as "Category B disease".

The event started with a calligraphy exchange activity, inviting eight calligraphers from China and Japan to complete eight pieces of calligraphy together, in order to foster friendship through art. On the occasion of the 45th anniversary of the Sino-Japanese Treaty of Peace and Friendship, the event also featured a dialogue on how to promote the development of relations between the two countries through civil cooperation and exchange. Fosun, as a Chinese enterprise with business in Japan, will actively develop internationalized cooperation between China and Japan, and do its best to play the role of ambassador and bridge between the two countries in culture, business and trade.



## Glossary

Abbreviations	Full Names
AI	Artificial Intelligence
Atlantis Sanya	Fosun Tourism Group's tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC
BCP	Banco Comercial Português, S.A., a company whose shares are listed on the Euronext Lisbon with stock code BCP
BFC	The Bund Finance Center (外灘金融中心)
Board	The board of directors of the Company
C2M	Customer to Maker
CBCSD	China Business Council for Sustainable Development
China or PRC	The People's Republic of China, which, for the purpose of this report, excludes Hong Kong, Macau and Taiwan region
CIIE	China International Import Expo
Club Med	Club Med SAS
Company	Fosun International Limited
COVID-19 or pandemic	Coronavirus disease (COVID-19) pandemic
CSR	Corporate Social Responsibility
Director(s)	The director(s) of the Company
Easun Technology	Shanghai Easun Technology Co., Ltd.* (上海翌耀科技股份有限公司) (formerly known as 上海翌耀科技有限公司 and 上海愛夫迪自動化科技有限公司)
EHS	Environment, Health and Safety
EHSQ	Environment, Health, Safety & Quality
Elco	Elco (Tianjin) Electronics Co., Ltd.* (宜科 (天津) 電子有限公司)
ESG	Environmental, Social and Governance
ESG Report or the Report	Environmental, Social and Governance Report 2023
ESG Reporting Guide	Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules
FC2M	Family/Fosun Customer to Maker
Forte	Shanghai Forte Land Co., Ltd.
Fosun Care	Fosun Care Group (復星康復與養老集團)
Fosun Foundation	Shanghai Fosun Foundation
Fosun High Technology	Shanghai Fosun High Technology (Group) Co., Ltd.* (上海復星高科技 (集團) 有限公司)
Fosun Insurance Portugal	Fidelidade – Companhia de Seguros, S.A.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥 (集團) 股份有限公司)
Fosun Trade	Hainan Fosun Trading Co., Ltd.* (海南復星商社貿易有限公司)

\* For identification purpose only

Abbreviations	Full Names
FTG	Fosun Tourism Group
GMP	Good Manufacturing Practices
GRI	Global Reporting Initiative (GRI) Universal Standards 2021
Group, Fosun or We	Fosun International Limited and its member companies
Guilin Pharma	Guilin South Pharma Co., Ltd.* (桂林南藥股份有限公司)
Hainan Mining	Hainan Mining Co., Ltd.
HAL	Hauck Aufhäuser Lampe Privatbank AG
Hong Kong	The Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Sheng New Material	Zhejiang Hong Sheng New Material Technology Group Co., Ltd.* (浙江鴻盛新材料科技集團股份有限公司)
Jinsheng New Energy	Guangdong Jinsheng New Energy Co., Ltd.* (廣東金晟新能源股份有限公司)
KPI	Key Performance Indicator
Kuntian New Energy	Hebei Kuntian New Energy Co., Ltd.* (河北坤天新能源股份有限公司)
Lianyun Environment	Zhejiang Lianyun Environmental Engineering Co., Ltd.* (浙江聯運環境工程有限公司)
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
MSCI	MSCI Inc.
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Ltd.* (南鋼股份有限公司)
Peak Reinsurance	Peak Reinsurance Company Limited
Pramerica Fosun	Pramerica Fosun Life Insurance Co., Ltd.* (復星保德信人壽保險有限公司)
PSI	Principles for Sustainable Insurance
Reporting Period	The year ended 31 December 2023
RMB	Renminbi, the official currency of the PRC
Shanghai Henlius	Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司)
Tai Chi Anti-Parkinson's Disease	Tai Chi Adjuvant Therapy for Parkinson's Disease
UN Global Compact	United Nations Global Compact
UN SDGs	United Nations Sustainable Development Goals
Wanbang Biopharma	Jiangsu Wanbang Biopharmaceuticals Co., Ltd.* (江蘇萬邦生化醫藥集團有限責任公司)
WHO	World Health Organization
Yuyuan	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城 (集團) 股份有限公司)

\* For identification purpose only

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GRI 20: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Business for Good	157
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	303-3 Water withdrawal	Water Resource and Material Management	151
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	303-5 Water Consumption	Water Resource and Material Management	151
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	304-3 Habitats protected or restored	Biodiversity and Animal Welfare	154
	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	No relevant operation sites	/
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	305-5 Reduction of GHG emissions	Climate Change and Energy Fosun International 2023 Climate Information Disclosures Report	150
	305-6 Emissions of ozone-depleting substances (ODS)	No emission of such substances	/
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	405-2 Ratio of basic salary and remuneration of women to men	Building A Diverse and Equal Working Environment	122	
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GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Building A Diverse and Equal Working Environment	122	
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GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	/	/	
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GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Business for Good	157	
		413-2 Operations with significant actual and potential negative Impacts on local communities	No relevant operation sites	/
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GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Lean Industrial Space	075	
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No violations occurred	/
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Improving Customer Experience	086	
		417-2 Incidents of non-compliance concerning product and service information and labeling	No violations occurred	/
		417-3 Incidents of non-compliance concerning marketing communications	No violations occurred	/
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A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity	Climate Change and Energy Fosun International 2023 Climate Information Disclosures Report	150
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A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate Change and Energy	150
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 and Material Management	151
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Water Resource and Material Management	151
<b>A3</b>	<b>The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Environmental Compliance and Clean Production	145
		Climate Change and Energy	140
		Water Resource and Material Management	151
		Biodiversity and Animal Welfare	154
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental Compliance and Clean Production	145
		Climate Change and Energy	150
		Water Resource and Material Management	151
		Biodiversity and Animal Welfare	154

KPI	Description	Section(s)	Pages
<b>A4</b>	<b>Climate Change</b>		
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	150
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	150
<b>B1</b>	<b>Employment</b>		
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	Strategic Planning for Talent Development	109
		Building A Diverse and Equal Working Environment	122
		Enhancing Satisfaction at Work	129
B1.1	Total workforce by gender, employment type, age group and geographical region	Strategic Planning for Talent Development	109
		Building A Diverse and Equal Working Environment	122
B1.2	Employee turnover rate by gender, age group and geographical region	Strategic Planning for Talent Development	109
<b>B2</b>	<b>Health and Safety</b>		
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	Safeguarding Safety and Health	133
		Enhancing Management Systems	141
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Safeguarding Safety and Health	133
B2.2	Lost days due to work injury	Safeguarding Safety and Health	133
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Safeguarding Safety and Health	133
		Enhancing Management Systems	141
<b>B3</b>	<b>Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Building a Learning-Oriented Organization	118
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Building a Learning-Oriented Organization	118
B3.2	The average training hours completed per employee by gender and employee category	Building a Learning-Oriented Organization	118
<b>B4</b>	<b>Labor Standards</b>		
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 Diverse and Equal Working Environment	122
B4.1	Description of measures to review employment practices to avoid child and forced labor	Building A Diverse and Equal Working Environment	122
B4.2	Description of steps taken to eliminate such practices when discovered	Building A Diverse and Equal Working Environment	122

KPI	Description	Section(s)	Pages
<b>B5</b>	<b>Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Ecosystem Synergy	097
B5.1	Number of suppliers by geographical region	Ecosystem Synergy	097
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	Ecosystem Synergy	097
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Ecosystem Synergy	097
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Ecosystem Synergy	097
<b>B6</b>	<b>Product Responsibility</b>		
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	Lean Industrial Space Improving Customer Experience	075 086
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Lean Industrial Space	075
B6.2	Number of products and service related complaints received and how they are dealt with	Improving Customer Experience	086
B6.3	Description of practices relating to observing and protecting intellectual property rights	Protection of Intellectual Property	071
B6.4	Description of quality assurance process and recall procedures	Lean Industrial Space	075
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Lean Industrial Space	075
<b>B7</b>	<b>Anti-corruption</b>		
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	Business Ethics	054
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	Business Ethics	054
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Business Ethics	054
B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics	054
<b>B8</b>	<b>Community Investment</b>		
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	Business for Good	157
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Business for Good	157
B8.2	Resources contributed (e.g. money or time) to the focus area	Business for Good	157

## Readers Feedback Form

Thank you for reading the Group's 2023 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 this Report.

You can send this form to any of the following:

E-mail address: [esg@fosun.com](mailto:esg@fosun.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 this 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 this 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 this 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 this Report:

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## ASSURANCE STATEMENT

### SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE 2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT OF FOSUN INTERNATIONAL LIMITED

#### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as "SGS") was commissioned by FOSUN INTERNATIONAL LIMITED (hereinafter referred to as "Fosun International") to conduct an independent assurance of the 2023 Environmental, Social and Governance Report of Fosun International Limited (hereinafter referred to as the "Report").

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Fosun International's stakeholders.

#### RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the governing body and the management of Fosun International. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Fosun International's stakeholders, especially for the verification of Key Performance Tables in the Report.

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards, which include:

- the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) as:
  - GRI 1: Foundation 2021 for report quality,
  - GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail,
  - GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manage each topic,
- and the guidance on levels of assurance contained within the AA1000 series of standards and ISAE3000.

#### THE ASSURANCE OF THIS REPORT CONDUCTED BY THE FOLLOWING ASSURANCE STANDARDS

- SGS ESG & SRA Assurance Protocols (based on GRI Principles and AA1000AS v3)
- Assurance has been conducted at a moderate level of scrutiny

#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- HKEX Environmental, Social and Governance (ESG) Reporting Guide
- GRI Standards 2021 (Reference)

#### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, onsite interviews with relevant Fosun International employees at Shanghai office of Fosun International located at the Bund Finance Center, Huangpu District, Shanghai; documentation and record review and validation were conducted when necessary.

#### LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The carbon emission related data in the Report only be sampled and checked during this assurance process, without be verified comprehensively. The assurance results will not be used as evidence for third-party verification.

The assurance was limited to Fosun International Headquarters, and did not involve other subsidiaries' data.

The assurance process only involved interviews with the heads of relevant departments and certain employees, and the interviews did not involve external stakeholders.

#### STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in multiple countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Fosun International, being free from bias and conflicts of interest with the company, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with CCAA Registered ISO 9001/ ISO 14001/ ISO 45001 auditor, CSR assessor, ISO 37001 auditor, etc.

#### FINDINGS AND CONCLUSIONS

##### ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, the information and data in the Report have been verified to be accurate and reliable, and they provide a fair and unbiased account of Fosun International sustainability activities in 2023.

The assurance team is of the opinion that the Report has referred GRI Standards and was presented in accordance with the reporting principles, mandatory disclosure requirements and the KPIs disclosures of the HKEX Listing Rules appendix C2 'Environmental, Social and Governance Reporting Guide'.

#### PRINCIPLES

##### Materiality

Fosun International presented the methodology for materiality topic research and analysis. Through materiality analysis, the environmental, social and governance significant issues were reported, which could meet the requirement of materiality principle.

##### Quantitative

Fosun International conducted the statistics and analysis for KPIs, and reported the disclosures' impacts and purposes. In the Report, some data were compared with historical years, which to better assist stakeholders in evaluating and making decisions about the effectiveness of management systems.

##### Balance

Fosun International presented the balance reporting rule in the Report and reported the environmental, social and governance issues truthfully.

##### Consistency

Fosun International adopted the consistent content disclosure methods in its report, including statistical methods and caliber for key quantitative performance indicators. In addition, remarks and interpretations were marked in the Report to enable stakeholders to make a clear comparison.

#### Findings and recommendations

Good practices and recommendations for the Report and management process were described in the internal management report which has been submitted to the management of Fosun International for continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin  
Sr. Director – Business Assurance  
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Apr. 12<sup>th</sup>, 2024  
WWW.SGS.COM

**FOSUN 复星**