

# FOSUN 复星

復星國際有限公司

FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code : 00656)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

# 2019





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CREATING HAPPIER LIVES FOR FAMILIES WORLDWIDE

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## 01.KEY PERFORMANCE OF 2019

Aspects	KPIs	Value	Unit
Economy	Total assets	715,681.2	RMB Million
	Revenue	142,982.1	RMB Million
	Profit before tax	27,517.3	RMB Million
	Net profit	20,169.4	RMB Million
	Tax	7,348.0	RMB Million
	Research and development costs	2,182.3	RMB Million
	Research and development costs / Sales ratio	1.53	%
Environment	The number of member companies obtained the environmental management system certification	19	Companies
	The number of EHS inspections	14,558	Times
	EHS training completion rate	100	%
	The average EHS audit core of member companies	3.6	
	Energy consumption intensity	311.6	MWh/ RMB Million of Revenue
	GHG emission intensity	126.6	tCO <sub>2</sub> e/ RMB Million of Revenue
	Water consumption intensity	319.4	tons/ RMB Million of Revenue
Society	Green Building Certifications	20	Certificates
	The integrity education coverage of employee	100	%
	Significant privacy data leakage	0	Times
	The response rate of customer complaints	100	%
	The resolution rate of customer complaints	98.6	%
	Total clean technology investment	>40	RMB 100 million
	The percentage of suppliers received credit investigations through a third party	100	%
	The total number of employees	Around 71,000	Persons
	Proportion of female employees	45.8	%
	Percentage of employees receiving regular performance and career development reviews	100	%
	Global Partner <sup>1</sup>	>50	Persons
	The employee attending rate of labor union	100	%
	The coverage of employee social insurance	100	%
	The accumulative training time	1,310,600.0	Hours
	Employee training rate	72.8	%
	The number of member companies obtained occupational health and safety management system certification	18	Companies
	The number of member companies obtained Grade II national standardization certification of work safety	31	Companies
	The number of member companies obtained Grade III national standardization certification of work safety	14	Companies
	Lost day rate	85.0	
	Injury rate	1.4	
	The accumulative donation by Fosun Foundation	Around 4.01	RMB 100 Million
	The donation by Fosun Foundation during the Reporting Period	Around 73	RMB Million
	The number of public welfare Projects contributed by Fosun Foundation during the Reporting Period	Around 30	Projects
	The number of benefited people contributed by Fosun Foundation	Around 22	Million Persons

<sup>1</sup> It is different from the legal concept of "partner" in partnership enterprises.

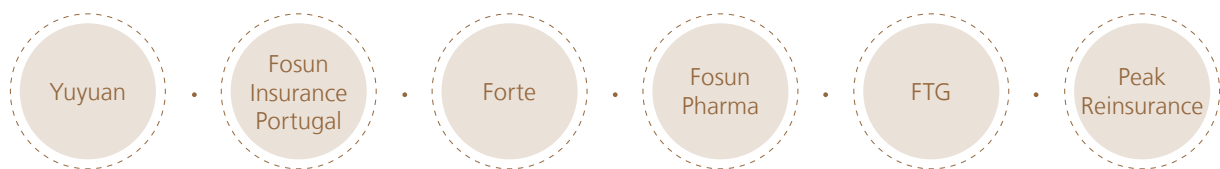
## 02.ABOUT THIS REPORT

The Company hereby issues the *Environmental, Social and Governance Report 2019* to elaborate the Group's strategies, policies, measures and achievements on sustainable development to stakeholders during the Reporting Period in an objective and balanced manner.

### ♦ Scope of the Report

The Report covers the ESG performance of three business lines operated by the Group: Health, Happiness and Wealth during the period from 1 January 2019 to 31 December 2019. Description in some parts of the Report goes beyond the above period.

The general disclosure scope of each aspect in the *Environmental, Social and Governance Report in the Annual Report 2018* starts at the Group level, while the disclosure scope of EHSQ related KPIs was 5 member companies identified on the basis of the proportion of the Group's equity attributable to owners of the parent and EHSQ risk. In order to clearly identify the scope of the Report, reflect the variety of businesses of the Group, and in accordance with the relevant definition regarding the significant subsidiary in the Listing Rules and the principle of above 2/3 accumulated equity attributable to owners of the parent of the Group, we have selected 6 subsidiaries besides the Company to be included in the reporting scope to meet the requirements of material disclosure in all ESG aspects:



In addition, as Hainan Mining and Nanjing Iron & Steel were exposed to high risks in EHS, the Group has also included them into the scope of EHS reporting.

### ♦ Standards of the Report

To further respond to stakeholder concerns and improve reporting quality, the Report is prepared in compliance with the *ESG Reporting Guide*, and the core option of 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"**: All data in the Report comes from relevant statistical reports and company's official documents; relevant standards and methods used for the calculation of greenhouse gas ("GHG") emissions/energy consumption are disclosed.

**"Consistency"**: The statistical method used in the Report is consistent with those used in the *Environmental, Social and Governance Report* in the *Annual Report 2018*. However, the data cannot be directly compared to the data of 2018 due to changes in the reporting scope and disclosure approaches of 2019, the changes of which are made to meet the requirements of materiality of disclosure and reflect the variety of the Group's business. We will disclose the historical data comparison in the following year's ESG report.

**"Balance"**: The Report is in accordance with the principle of "Balance" and displays the Group's ESG management status objectively.

### ♦ 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 2019, which have been independently audited by Ernst & Young, while other data is sourced from internal statistical reports and official documents of the Group. All monetary amounts quoted in the Report are shown in Renminbi ("RMB").

### ♦ Report Availability

The electronic form of the Report is available on the Company's website (<https://www.fosun.com>), 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 enquires, please contact [esg@fosun.com](mailto:esg@fosun.com).

## "Staying True to the Mission, Taking Accountability for Actions while Thinking Out of the Box" - Being a Responsible Global Citizen

Fosun upholds the core cultural values of "Self-improvement, Teamwork, Performance and Contribution to Society" since its incorporation. As a globalized company rooted in China, Fosun takes initiatives to create business value and gives high priorities to corporate social responsibility by including it into the corporate sustainable development strategies.

A portrait of Chairman Guo Guangchang, a middle-aged man with glasses, wearing a dark blue suit, white shirt, and patterned tie. He is standing with his arms crossed. The background features a faint world map and vertical lines.

Chairman  
GUO GUANGCHANG

In early 2020, Coronavirus Disease 2019 ("COVID-19") broke out and spread globally. The global crisis brought great challenges to the entire world, leaving no individual and enterprise unaffected. As soon as the outbreak took place, Fosun leveraged its global resources advantage and emergently deployed protective resources to help China fight against the epidemic on the frontline. However, as the COVID-19 eventually evolved into a global pandemic affecting all countries, we have now put great emphasis on helping more countries fight against the viruses. Fosun's action to fight the outbreak has won high recognition and great support from Chinese and foreign governments as well as all walks of life, in particular, Fosun's capacity in deploying our global resources is highly recognized.

Fosun joined the UNGC in 2014, formally establishing our global commitment to sustainable development. In 2019, the Company set up the ESG Committee and an ESG working group to comprehensively strengthen Fosun's ESG management.

As a global company rooted in China, Fosun always insisted on its "glocalization" (Global + Local) strategy. Fosun's mission is "Creating happier lives for families worldwide". In 2019, Fosun further confirmed the strategic positioning of "An innovation-driven consumer group" and engaged in the three businesses of "Health, Happiness, Wealth", to provide high-quality products and services for global families. Through meticulous management, increasing investment in research and development ("R&D") of technology innovation, strengthening our vertical industrial integration capability and emphasizing the synergistic advantages within our ecosystem, we endeavour to become one of the leaders in each of the core businesses we engage in.

In an effort to facilitate excellent operation and management, we have initiated the WCM pilot projects. Also, we have issued the *Regulations on Global Customer Service and Product Quality Supervision Management* and established the Cyber Security and User Privacy Supervision and Management Department, to further boost the Group's industry operations development that "centering on customers and product lines". In an effort to create favourable corporate atmosphere, enhance the sense of belonging among staff, and foster an outstanding workforce, we provide a safe and reassuring working environment for our staff. In 2019, Fosun was awarded the "Best Employer" by multiple professional institutions. We join hands with partners in the value chain to lead the way in fulfilling the ESG commitments. Fosun highly values environmental protection of all industries and guides various lines of business in enhancing environmental performance and resource utilization by means of supervision and inspection. In the process of rapid development, Fosun utilizes its industrial advantages and contributes to the society by various public welfare activities including health poverty alleviation, education and culture, entrepreneurship support; while making responsible investments, Fosun also empowers and incubates start-ups and their founders, in a bid to make significant contributions to society, stimulate employment and upgrade and transform the economy with intelligence.

Looking ahead, Fosun endeavours to maintain its robust and efficient development, continue to do the right things, do the difficult things and do things with patience, stay true to its mission, shoulder corporate social responsibilities and make itself a global corporate citizen with a high sense of social responsibility.





# FOSUN

## ESG REPORT

### 04 ABOUT US - AN INNOVATION-DRIVEN CONSUMER GROUP

- 4.1. About Fosun
- 4.2. Regulating Corporate Governance
- 4.3. Practising Business Ethics

## 4.1. About Fosun



### 4.1.1. 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.

Rooted in China, Fosun centered around family customers in health, happiness and wealth through customer-to-maker (C2M) model, innovation, deep industry operations + industrial investment, and glocalization (Global + Local). Fosun has been consolidating its industrial foundation, aspiring to become an innovation-driven consumer group.

#### Mission

Creating happier lives for families worldwide.

#### Vision

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

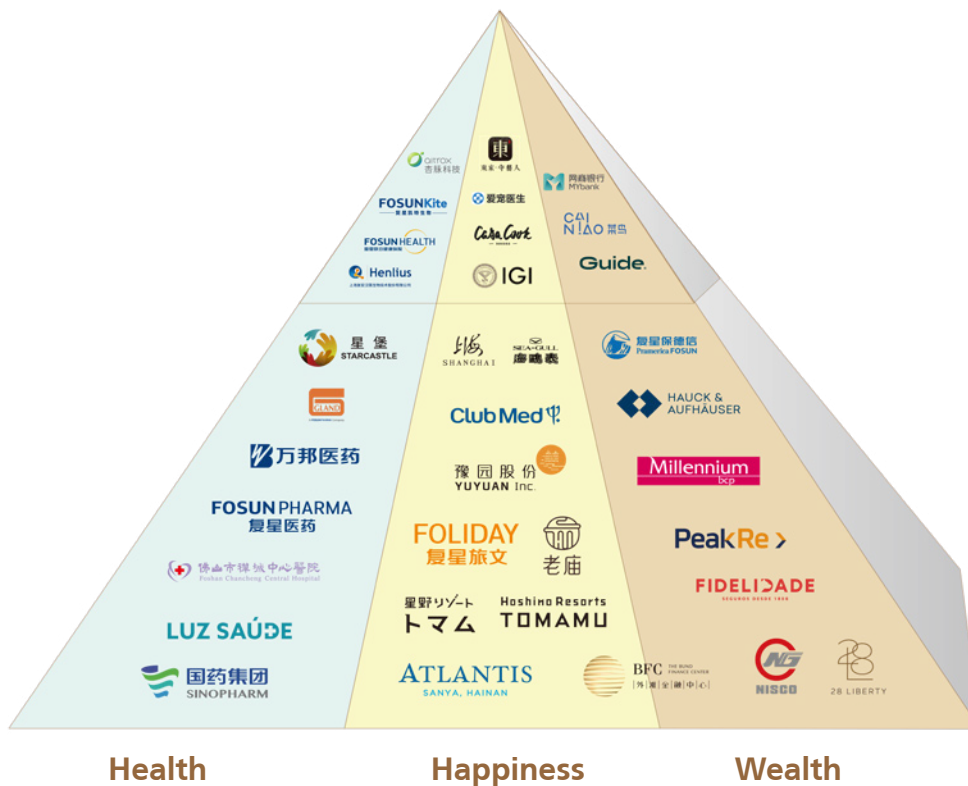
### 4.1.2. Industrial Footprint

Fosun has been fostering and integrating high-quality industrial resources around three core needs of families - health, happiness, and wealth across the globe, thereby gradually forming a one-stop happiness solution that covers the whole life cycle of family.

Fosun's dedication to industrial development over the years has provided the Group with a solid industrial foundation, leading to the emergence of numerous industrial groups. Each industrial group is backed by a group of global leading companies, brands and products that are widely favored by customers, forming a global happiness ecosystem with 1 ecosystem + N industrial groups.

## Fosun's Global Happiness Ecosystem

Health Business	Happiness Business	Wealth Business
<p>The Group's Health business focuses on innovation-driven pharmaceutical manufacturing and health services, leading the innovation of technology and ecological mode. In terms of innovation, the Group adheres to the strategies of innovation, internationalization, integration and intelligence. At present, the Group has formed an interactive and integrated R&amp;D system in China, the United States, India, and Israel, and created an international R&amp;D platform for biopharmaceutical drugs, small molecule chemistry drugs, cell-mediated immunity, and high-value generic drugs. The Group strengthened the construction of intelligent medical / internet technology through engaging in high potential business lines such as health insurance, high-quality medical services, and healthcare to improve scale and operational efficiency, and explored innovative business modes.</p>	<p>The Group's Happiness business targets the mid-to-high-end household customer base, focusing on contents, models, and products, and connecting online platforms with offline scenarios. The Group has laid out a number of Happiness industries to gain advantages of industrial synergies. Relying on the industrial development platform, the Group has continuously promoted the integration of industrial and urban development. Through building online member platforms such as the "Foryou Club" and "Dongjia", the Group creates rich offline scenes in Happiness industries to fully promote Fosun's Happiness business.</p>	<p>The Group's Wealth business focuses on insurance-based financial fundamental assets and on the basis of achieving synergy among insurance, industry and asset allocation, it also supports innovation-driven investment layout and forms three major industry characteristics – "Insurance + Industry" (Insurance + Medical Care &amp; Insurance + Tourism &amp; Insurance + Senior Living &amp; Insurance + Health Management), "Insurance + Finance + Asset Allocation" and "Finance + Technology".</p>



### 4.1.3. Industry Associations



### 4.1.4. Awards & Accolades

Organizer	Award	Member Company or Project
The 8 <sup>th</sup> China Charity Festival	"2018 Responsible Brand Award"	Golte City Service Property Group ("Golte")
2019 Medical Brand Building Case Contest	Social Brand Award	Fosun Pharma
CCM CSR Promotion Centre, Guanaitong and School of Management, Fudan University.	"The 4 <sup>th</sup> 'ai Value Co-Creation' Outstanding Corporate Social Responsibility Practices in China"	Fosun Foundation
The State Council Leading Group Office of Poverty Alleviation and Development and Chinese Academy of Social Science	<i>Classified Cases of Targeted Poverty Alleviation by Chinese Enterprises (2018)</i>	Rural Doctors Program
China Philanthropy Times	"China Philanthropy Times - 2019 China CSR Outstanding Cases"	Rural Doctors Program
Leading Group of Poverty Alleviation and Development and All-China Federation of Industry and Commerce	Advanced Private Enterprise in Targeted Poverty Alleviation Program themed "10,000 enterprises assisting 10,000 villages"	Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun High Technology")
Atom Think Tank of Tencent and National School of Development at Peking University	"Outstanding ESG Performance Award" of "CSR 2019" by China Benefit Corporation	The Company
Sina Finance	"2019 China ESG Golden Award" - Sustainable Award of the Year	Fosun Pharma
Babytree	"Babytree Brilliant Award - Poverty Alleviation Institution"	Fosun Foundation
Beijing Rongzhi Corporate Social Responsibility Institute and People's Daily	The 2 <sup>nd</sup> Social Responsibility Conference - "The Most Influential Brand"	Pramerica Fosun Life Insurance Co., Ltd. ("Pramerica-Fosun")
China Red Ribbon Foundation, CRRF	China Red Ribbon Star	Fosun High Technology
China Sustainability Tribune, China Business Council for Sustainable Development and CSR Centre of Embassy of Sweden	"GoldenBee 2019 Excellent CSR Report - Evergreen Award"	Fosun Pharma
China Population Communication Centre and Yixuejie - China Value-based Healthcare Conference	"Medical Value Medical Mount Tai Award" - Social Enterprise of the Year	The Group
China Enterprise Anti-fraud Alliance	Enterprise Anti-fraud - "Top Ten Units"	The Group
China Enterprise Anti-fraud Alliance	Enterprise Anti-fraud - "Excellent Cases"	The Group
The Asset	Best Initiative in Social Responsibility	The Company
The Asset	The Corporate Awards 2019 - Gold Award	The Company

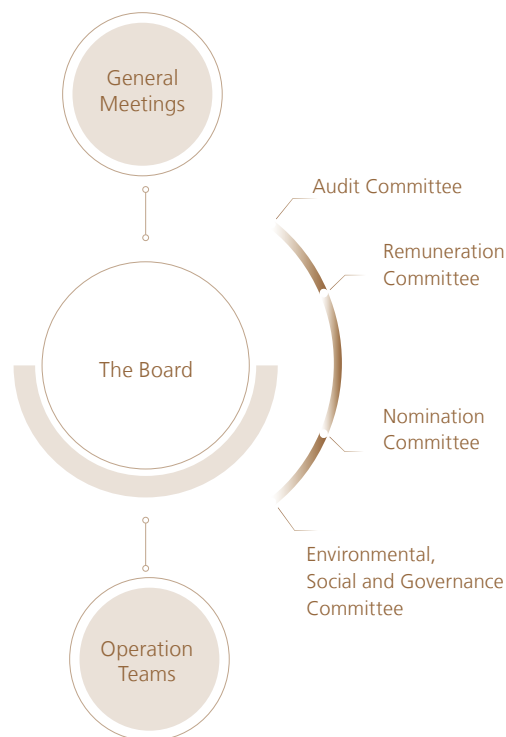
## 4.2.Regulating Corporate Governance

### 4.2.1.Optimizing Governance Structure

The Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance its corporate value and accountability.

The Group has established a sound corporate governance structure, under which the Board of Directors 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, Remuneration Committee, Nomination Committee and Environmental, Social and Governance Committee to oversee particular aspects of the Company's affairs. As of the date of this report, the Board currently comprises 11 Directors, with 6 Executive Directors, 1 Non-Executive Director and 4 Independent Non-executive Directors.

Governance Structure Framework



The Audit Committee, Remuneration Committee and Nomination Committee of the Group are all composed of the Independent Non-executive Directors. The committee members all have relevant industry experience and background and are regularly trained to enhance their capabilities for the job. In addition, each committee member has sufficient resources provided to discharge their duties and are able to seek independent professional advice where appropriate. Since listed, the Company's independent auditors report has been issued by external audit firm Ernst & Young for 13 years.

Please refer to the section of the *Corporate Governance Report* in the *Annual Report 2019* for other details.

## 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 gender, age, race, ethnicity, cultural and educational background, experience, skills, knowledge, etc. As of the end of the Reporting Period, the Board of the Company appointed 1 female director.

Board Matrix						
Name	Gender	Age	Tenure (year)*	Professional skills		
				Risk management	Financial management	Industry experience
Mr. Guo Guangchang	Male	52	16	√	√	√
Mr. Wang Qunbin	Male	50	15	√	√	√
Mr. Chen Qiyu	Male	47	5	√	√	√
Mr. Xu Xiaoliang	Male	46	5	√	√	√
Mr. Qin Xuetao	Male	56	16	√	√	√
Mr. Gong Ping	Male	44	3	√	√	√
Mrs. Chen Shucui	Female	45	1	√	√	√
Mr. Zhang Shengman	Male	62	14	√	√	√
Mr. Zhang Huaqiao	Male	56	8	√	√	√
Mr. David T. Zhang	Male	57	8	√	√	√
Dr. Lee Kai-fu	Male	58	3	√	√	√

\*Note:

The tenure period is calculated from the date of the director's official appointment; any period of less than one year shall be counted as one year.

## Remuneration Policy

The Remuneration Committee under the Board of the Company is responsible for establishing remuneration policy and structure in consistency with the requirements of the Group's business development, and ensuring the appropriateness of remuneration packages for Directors and senior management of the Company.

In an effort to continuously facilitate Fosun's sustainable development, the Company has set up a mechanism to appraise the Board's performance with regard to ESG performance. Please refer to the section of *RESPONSIBLE MANAGEMENT* in the Report for details.

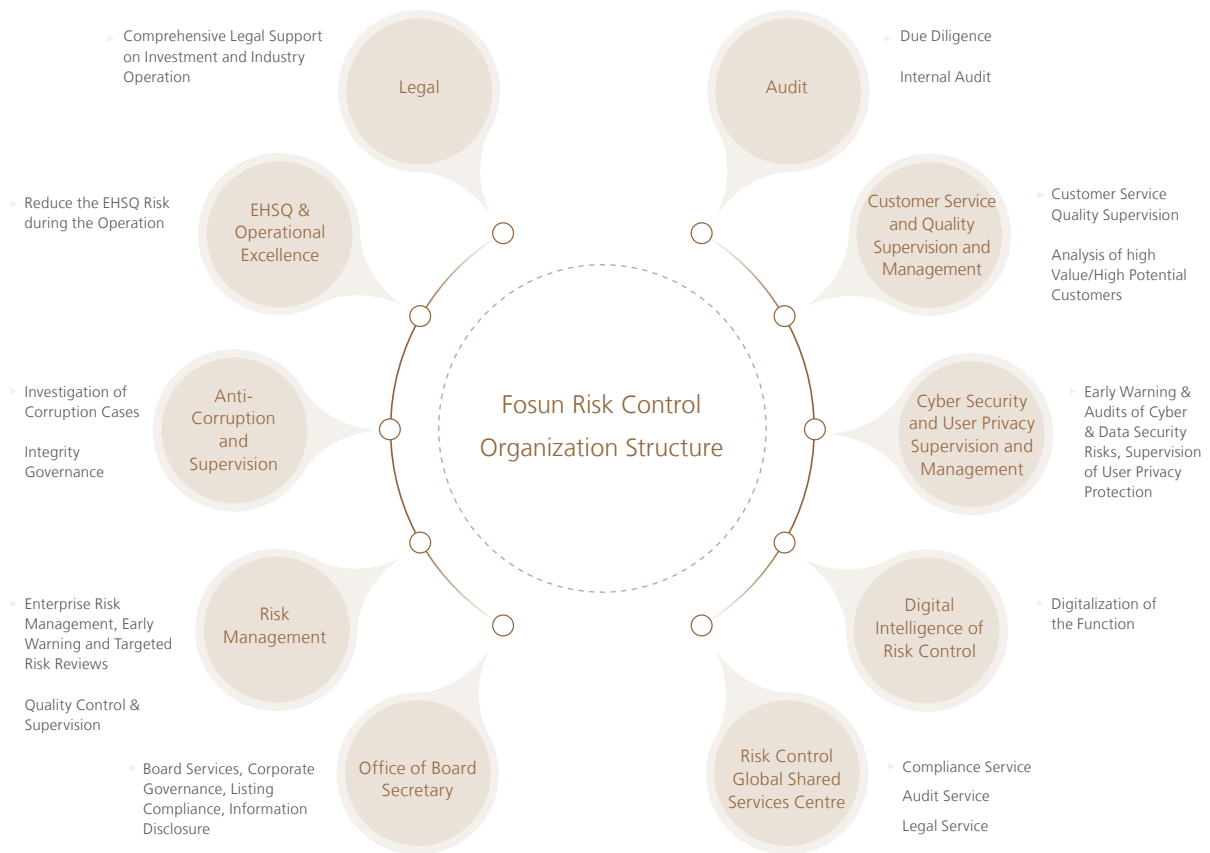
Besides, the Company properly controls the remuneration risks of the Board and senior management with the aid of a series of clawback mechanisms. The Group specifies the punitive measures on violations in relevant policies. In case of embezzlement, bribery, corruption, dereliction of duty and other acts 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 necessary. We also manage unknown risks through other remuneration policies, for instance, part of the incentives are allocated to the risk pool and additional incentive bonus are paid in later periods. Please refer to the section of *RESPONSIBLE EMPLOYER* in the Report for details.

#### 4.2.2. Comprehensive Risk Management

In order to enhance the capacity of risk management, the Group continues to optimize risk management system and governance framework in the aspects of, among other things, organizational structure, management system and workflow. We have set up the following overall risk management objectives: based on the C2M strategy and development requirements of the Group, to manage risks proactively before and during occurrence, make the overall planning on risk management, and build a systematic tiered risk management system that empowers and adds value to the Group, so as to ensure the realization of our strategies and operation targets.

We have established the risk management framework with "four lines of defence" to strengthen the systematic risk management. The first is business departments, the second is Finance, Legal and other functional departments, the third is the Internal Audit Department and the fourth is the Anti-Corruption and Supervision Department.

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, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems; the Board oversees the management in design, implementation and monitoring of the risk management and internal control systems, and the management provides a confirmation to the Board on the effectiveness of these systems.



The Company has built a Fosun Risk Control Line, including the Legal Department, EHSQ & Operational Excellence Department, Anti-Corruption and Supervision Department, Risk Management Department, Office of Board Secretary, Audit Department, Customer Service and Quality Supervision and Management Department, Cyber Security and User Privacy Supervision and Management Department, Digital Intelligence of Risk Control and Risk Control Global Shared Service Centre, for the overall management of various risks exposed to the Group.

The Audit Department of the Company conducts independent evaluation on the effectiveness of the current risk management and internal control system according to the audit strategy and annual audit plan of the Company, and is responsible for the stable and proper operation and improvement of the risk management and internal control system. Audit findings of the Company are reported to the Board and management, and management oversees the implementation of any remedial and improvement measures to be taken. After follow-up checks, remedial and improvement work is ensured to be taken as expected.

The Group has a well-established risk management system. We have published the *Fosun Group Risk Reporting Policy* to improve the Group's management of the core subsidiaries and strengthen the core subsidiaries' capabilities in early warning, reporting and responding to risk events, and to fulfil the Group Risk Management Department's responsibilities in coordinating the core subsidiaries' management and reporting of risk events.

We strengthen the second line of defence with ex-ante assessment, in-process management and ex-post alignment.

**Ex-Ante Assessment:** Conducting risk due diligence of the investment projects, and reviewing new financial products;

**In-process Management:** Establishing and enhancing risk management indicators, performing targeted risk reviews/investigations, timely identifying significant (potential) risks and promoting the implementation of remediation actions to prevent risks from increasing and promote risk management culture based on benchmarking of industry best practices;

**Ex-Post Alignment:** Effectively aligning the third line of defence, the Audit Department, and the fourth line of defence, the Anti-Corruption and Supervision Department.

The Group's risk management audit is based on the corporate values and risks and serves as a major driver for the building of a risk intelligent enterprise. We build the third line of defence for risk management to transfer the risk management from reactive to proactive, promote the establishment of risk control self-assessment system, and realize the self-supervision and audit supervision of business units. We implement the three-tiered system of audit procedures by means of the risk-oriented annual audit plan, project plan and risk control audit.

We organize risk management trainings for the staff of all levels in the Company to raise awareness of and improve techniques of risk management, enhance internal auditors' capabilities of risk analysis and assessment and cultivate risk control experts. In addition, we take technical measures to carry out comprehensive risk analysis and assessment, establish database for business risk control and responding, and enhance the capabilities and methods of special risk audit (e.g. IT audits, fraud audits, etc.).



#### 4.2.3.Crisis and Public Opinion 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.

The Company has established a Crisis Management Committee, with the Chief Executive Officer ("CEO") of the Company acting as the Chairman, who are responsible for coordinating Fosun's overall crisis management. The Crisis Management Committee has set up the Secretariat and task forces responsible for market value management, EHSQ, customer satisfaction and product complaints, brand and public opinion, etc.

We actively urge various industrial groups and core subsidiaries to establish crisis management systems. Meanwhile, we have sharpened up the ability to prevent crisis events by means of risk-based self-inspection and potential crisis monitoring within Fosun. We have drawn on relevant trainings to raise the awareness and ability of crisis management.

The Group has formulated a crisis classification mechanism to clarify the crisis handling requirements and responsibilities of each functional department for crisis events of different levels, and through a post-crisis reviewing mechanism to propel the upgrading of crisis management mechanism.

The Group was not involved in any material ESG crisis events in 2019.



## 4.3.Practising Business Ethics

The Group strictly abides by the *Anti-Unfair Competition Law of the People's Republic of China*, *Interim Provisions on Banning Commercial Bribery*, *Anti-Money Laundering Law of the People's Republic of China*, *Counterterrorism Law of the People's Republic of China* and various laws and regulations of China and other countries or regions where the Group operates or invests, including laws and regulations such as prevention of bribery, extortion, fraud, money laundering and unfair competitions.



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

—— Guo Guangchang  
Chairman

### 4.3.1.Anti-Corruption and Supervision

The Board is the top governance organization for business ethics management of the Company. As a specialized anti-fraud investigation department, the Anti-Corruption and Supervision Department, which is under the direct charge of the Chairman of the Company, specializes in investigation and handling of cases of malpractices among staff such as corruption, abuse of power or dereliction of duty, in an independent, impartial and keen manner. It has established a professional investigation team with extensive work experience in public security economic investigations and anti-corruption investigations which are able to discover, investigate, handle major corruption cases of the Company and its core subsidiaries, and transfer the cases to judicial organs.

We have developed and published relevant anti-corruption policies on the official website. We have built a business ethics management system to regulate their staff in terms of anti-corruption and anti-fraud, confidentiality of business information, declaration of conflicts of interest, prevention of unfair transactions, etc. It is composed of the *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.

#### Relevant link

[\*Incorruptible Working Regulations for Employees\*](#)

[\*Global Whistleblowing Policy\*](#)

[\*Measures for the Protection and Reward of the Informants and Witness\*](#)

We have set up relevant reward and punishment mechanism, under which the staff's performance is appraised with consideration to their practice of business ethics. Violators are subject to criticism, admonition, recovery, economic compensation, bonus deduction, demotion, dismissal, administrative penalties and termination of labor contract in line with the relevant rules.

The Group's staff shall all sign the *Integrity Agreement* and make undertakings to be fully aware of and abide by the Group's code of conduct. The 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. The Group also expressly prohibits transfer of property in the form of business entertainment expenses, office expenses and facilitation payments in operating activities for illegitimate benefits. During the Reporting Period, the Group made no political donations.

The Group rigorously creates the atmosphere of anti-corruption. During the Reporting Period, the Company carried out relevant anti-fraud propaganda to the Board. We promoted anti-corruption via Wechat official account "Fosun Anti-Corruption", Intranet 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. Our coverage rate of anti-corruption education has reached 100% for our staff. If fraud cases occurred and after treatment was done, the Group would organise education and introspection activities of "Rethink" to keep in mind for key departments and staff enhance the impacts of case investigation.



Nipping Corruption in the Bud and Being Incorruptible and Self-disciplined - Talk of "Zero Tolerance for Corruption"

In January 2019, the Group delivered the Talk of "Nipping Corruption in the Bud and Being Incorruptible and Self-disciplined" to procurement departments, so as to instill Fosun's value of zero tolerance for corruption into the procurement staff, identify corruption or fraud risks in the course of procurement, and discuss how to put an end to fraud in procurement.



Staff Talk of "Zero Tolerance for Corruption"

In December 2019, the Group delivered the Talk of "Zero Tolerance for Corruption" to all staff through classroom training and synchronous live network broadcast. The Talk highlighted Fosun's core values and demonstrated that "long-term prosperity lies in accountability, legality, compliance, transparency and integrity".

The Group released the *Global Whistleblowing Policy*. The whistle-blowing can be submitted in Fosun global reporting platform, Wechat official account "Fosun Anti-Corruption" and anti-corruption and supervision hotline and email. The Group encourages all staff, suppliers and partners to participate in the anti-corruption and supervision system to oversee the integrity and diligence of staff. We have opened our complaint channels to the public, hoping that more stakeholders can participate in the supervision and create good business practices with us.

<b>Fosun Global Reporting Platform</b>	<ul style="list-style-type: none"> <li>• Reporting e-mail: <a href="mailto:ethics@fosun.com">ethics@fosun.com</a></li> <li>• Reporting 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>• Hotline: +86 21 23156625</li> <li>• E-mail: <a href="mailto:lianzhengdc@fosun.com">lianzhengdc@fosun.com</a></li> </ul>
<b>Wechat Official Account</b>	<ul style="list-style-type: none"> <li>• Fosun Anti-Corruption ( "復星廉政" )</li> </ul>
<b>Report 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>

In strict compliance with the *Measures for the Protection and Reward of the Informants and Witness*, 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 evidences they provided in the process of acceptance, registration, storage and investigation, so as to prevent leakage and loss. 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 prohibits retaliating against and framing informants and witnesses in any form, otherwise serious punishment will be imposed, and alleged criminal cases will be transferred to a judicial organ.

After receiving internal and external reports, the Anti-Corruption and Supervision Department assesses and investigates the reporting information by case. In addition, we conduct from time to time special inspections on the Company and member companies with regard to various fraud risk through handing over, anti-corruption inspection, and sampling inspection. Where fraud cases are verified, the staff committing fraud will be severely punished, and those suspected of committing crimes will be transferred to a judicial organ. We identify, rectify and prevent relevant operation risks in the process of investigating and handling fraud cases, restore economic losses as much as possible while punishing the responsible persons and block the relevant anti-corruption and management loopholes.

The Group actively cooperates with other enterprises to establish a favorable business environment. The Group actively participates in the activities of China Enterprise Anti-fraud Alliance and brings dishonest staff into the Alliance's blacklist, increasing the social costs of acts without good faith. The Group is one of the initiators, the vice chairman enterprise and the director enterprise of Special Investigation Committee of China Enterprise Anti-fraud Alliance.



### Investigating Fraud and Controlling Risks in an Independent, Impartial and Keen Manner - The Third Senior Seminar on Anti-corruption Investigation Techniques

In April 2019, "The Third Senior Seminar on Anti-corruption Investigation Techniques" held by the Special Investigation Committee of China Enterprise Anti-fraud Alliance with Fosun and other companies in Nanjing. The representatives of the Group planned and presided over this seminar, and probed into issues of enterprise anti-fraud, together with nearly 250 business cadres from real estate, internet, manufacturing, retail, financial, and pharmaceutical sector.

### 4.3.2. Anti-Money Laundering

Fosun attaches great importance to anti-money laundering and counter-terrorist financing. We prevent 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. We have issued the *Fosun Group Guidance on Anti-money Laundering (Trial Version)* to provide comprehensive and operational guidance on anti-money laundering, so as 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.



#### Anti-money Laundering Training

In January 2019, the Group organized an anti-money laundering training. Experts from a third party professional institution introduced the requirements of relevant laws and regulations on anti-money laundering, and conducted in-depth communication on relevant concepts of foreign Politically Exposed Persons (PEPs).

### 4.3.3. Anti-Unfair Competition

The Group strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and various laws and regulations of China and other countries or regions where the Group operates or invests in. We work hard to safeguard the healthy economic development, advocate and protect fair competition and combat unfair competitions. For instance, our member company Peak Reinsurance expressly upholds the principle of open and fair competition and is committed to maintaining good operation practice in the *Code of Conduct*. During the Reporting Period, no material breach of anti-unfair competition laws and regulations occurred.



#### Antitrust and Anti-Unfair Competition Laws: the Corporate Compliance Strategy Training from Chinese and International Perspectives

In December 2019, the Group carried out a corporate compliance strategy training on antitrust and anti-unfair competition. Experts from a third party professional institution described the cardinal principles in the current system of competition laws and gave guidance on the compliance with relevant competition laws in China and other regions.





# FOSUN

## ESG REPORT

### 05 RESPONSIBLE MANAGEMENT - ADHERING TO ESG STRATEGIES TO ACCOMPLISH THE MISSION

- 5.1. ESG Strategies
- 5.2. ESG Governance
- 5.3. Stakeholder Engagement
- 5.4. Materiality Assessment
- 5.5. Response to UN SDGs

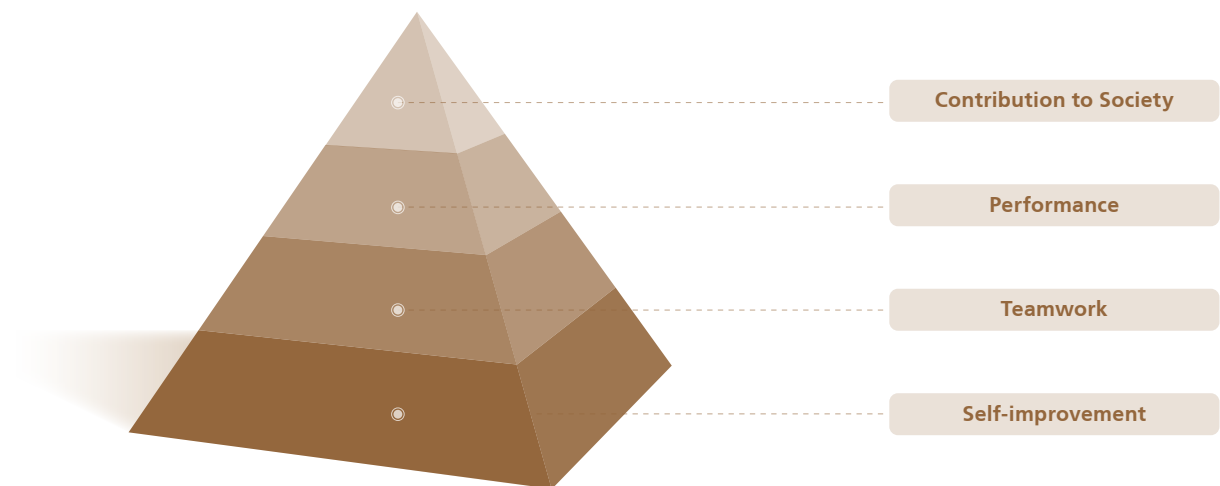
## 5.1. ESG Strategies

Since its establishment, Fosun has defined its corporate operating principles and cultural values as "Self-improvement, Teamwork, Performance and Contribution to Society". It has been closely linking the development and achievement of individuals and enterprise with the improvement of social welfare all along. These principles are not only all Fosuners' code of conduct in routine work, but also Fosun's commitment to the sustainable development as a global corporate citizen.

The Group is committed to working with various international initiatives to promote sustainable development. In August 2014, the Group joined the UNGC and is devoted to the global commitment to sustainable development. Three member companies, namely Fidelidade - Companhia de Seguros, S.A., H&A and IDERA Capital Management Ltd., also joined the UNGC in 2019. They make public commitments that they will comply with standards released by the United Nations in areas such as environment, labor and anti-corruption.

### 5.1.1. ESG Vision

ESG vision: Self-improvement, Teamwork, Performance and Contribution to Society



To fulfil the vision, we have developed following ESG strategies to review and manage the Group's impact on the environment, society and economy, and to incorporate sustainability into each operating level.

### 5.1.2.Strategies and Goals



#### Unity of Knowledge and Action – We Believe, So We Do (Self-improvement):

Objectives: Through continuous self-reflection, we comprehensively review our strengths and weaknesses, objectively evaluate ourselves and ultimately achieve self-improvement upon repeated revisions and continuous enhancement. Keep a strong passion for learning, develop excellent learning ability, strive to build a learning organization and push beyond limits to achieve a higher level of success.

To accomplish the above objectives, we will strengthen the management of the following key aspects:

- |                                     |  |                                 |
|-------------------------------------|--|---------------------------------|
| • Employee learning and development | • Compliance Employment and Caring for Employees | • Advanced Corporate Governance |
| • Risk and crisis management        | • Integrity and Anti-Corruption Supervision      |                                 |

### Concerted efforts and cooperation lead to win-win situation (Teamwork):

Objectives: To establish a Fosun team with entrepreneurial spirit and status and to build a harmonious partnership and an enduring business ecosystem, through complementary advantages and sharing mutual benefit to achieve win-win situation.

To accomplish the above objectives, we will strengthen the management of the following key aspects:

• Responsible investment

• Responsible procurement

• Responsible marketing

### Pursuit of perfection and excellent quality (Performance):

Objectives: Leveraging on innovations and services in "health, happiness and wealth" to deliver more products and services with excellent user experiences to families across the world, bringing happiness to every family.

To accomplish the above objectives, we will strengthen the management of the following key aspects:

• R&D and innovation

• Diversified products and services

• Product quality and safety

• Protection of intellectual property rights

• Customer service and satisfaction

• Customer privacy and data security





### Business for Good and Value Sharing (Contribution to Society):

Objectives: To make use of and to integrate the existing resources with the advantage in knowledge and technology; to contribute to green planet through energy conservation and environmental protection; to contribute to society by creating wealth; to serve society by building the brand; and to benefit the society by participating in public welfare.

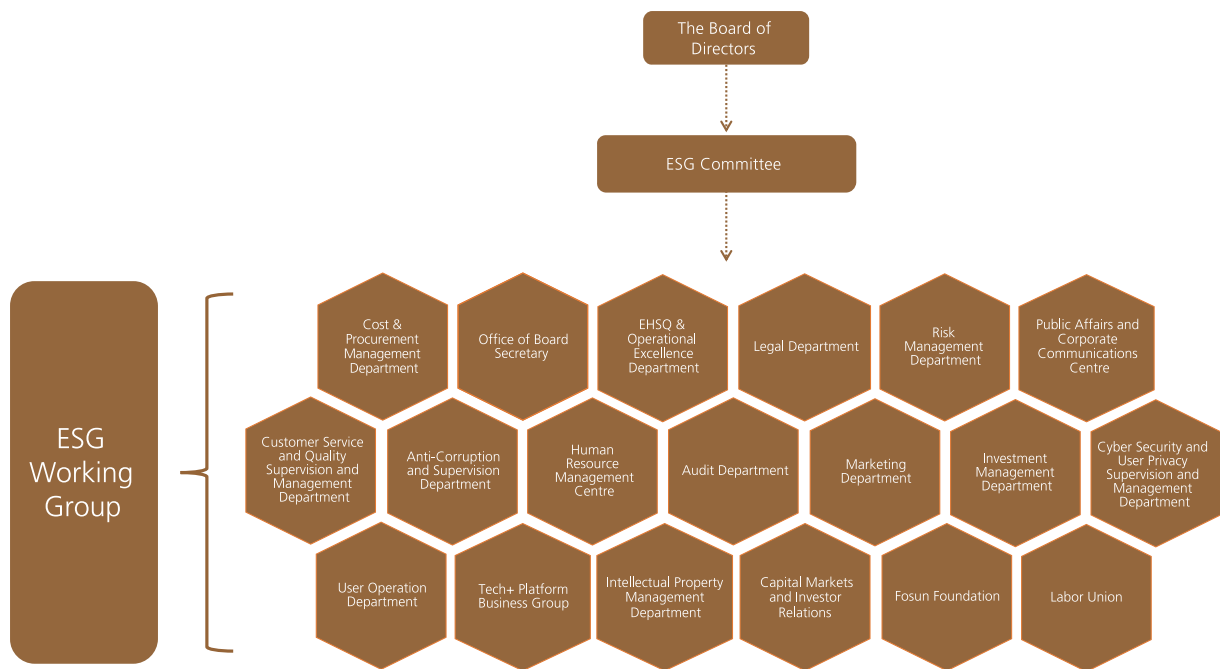
To accomplish the above objectives, we will strengthen the management of the following key aspects:

- |  |                                   |  |
|--|-----------------------------------|--|
| • Participation in social welfare activities | • Green products and technologies | • Climate change mitigation and adaptation |
| • Resource management                        | • Environmental protection        |  |



## 5.2. ESG Governance

Fosun is committed to promoting the long-term and sustainable development of the Group's operations and delivering the value of sustainable development for all stakeholders in the long run. The Group has established formal ESG governance structure and management system.



### 5.2.1.ESG Committee

The Board is the top governance organization for ESG management of the Company. The Company set up the ESG Committee under the Board in March 2019 to reinforce the Board's ESG management. As of the date of the Report, the Committee comprises 5 members of the Board, with an independent non-executive Director serving as the chairman.

The ESG Committee was established to assist the Board in providing direction on and overseeing the development and implementation of the ESG initiatives of the Group. The main duties include the following:

- To oversee the development of the ESG vision, strategies and policies;
- To oversee the implementation of the ESG vision, strategies and policies;
- To oversee the expenditure of ESG initiatives;
- To oversee the external communications policies; and
- Other responsibilities.

During the Reporting Period, the Company's ESG Committee continuously discussed to discuss the ESG development trend in both international and domestic capital market, discussed the Group's ESG rating, considered the ESG strategies, determined the disclosure scope of the Report and the results of materiality assessment.



### 5.2.2. ESG Working Group

In order to assist the ESG Committee in implementing ESG initiatives and ensuring the establishment of appropriate and effective ESG risk management and internal monitoring system, the Company has set up the ESG working group, which is composed of various functional departments related to the Company's ESG matters, to report to the ESG Committee and fully implement the Company's ESG strategies and related actions.

The ESG working group's main responsibilities include the followings:

- Participate in the formulation of Fosun's ESG strategic vision, objectives and strategies, and make recommendations to the ESG Committee on the ESG initiatives;
- Review emerging ESG trends and issues regularly, and make recommendations to the ESG Committee;
- Review Fosun's ESG policies and practices periodically to endeavor to ensure that they remain up-to-date and relevant, and compliant with the applicable legal and regulatory requirements and international standards;
- Review the materials provided by subsidiaries, affiliates and other portfolio companies on ESG initiatives, and assist setting targets to appraise their working performance;
- Monitor and provide internal and external feedback on Fosun's ESG initiatives, keep in touch with the ESG rating agencies, and improve ESG rating results;
- Provide guidance on the environmental and social impacts of Fosun's businesses;
- Oversee communication channels and means between Fosun and its related stakeholders and ensure that the appropriate communications policies are in place and working effectively to promote Fosun's relationship with its related stakeholders and protect its reputation, including reviewing the shareholders' communication policy to ensure its effectiveness and recommending any improvements to the ESG Committee;
- Prepare the annual *Environmental, Social and Governance Report* of the Company;
- Monitor and manage material ESG risks in the investment process, or make suggestion;
- Manage specific email-box for ESG; and
- Be responsible for other matters authorized by the ESG Committee.

### 5.2.3.Capacity Building

With the focus on ESG capacity building, the Group continuously pays attention to the international and domestic ESG development trend and actively grasps the hot topics on ESG in the capital market. We frequently organize ESG trainings for staff in related positions and positively participates in ESG market seminars to learn about the latest industry trends and improve ESG capacity building.

- In May 2019, participated in the seminar on "Interpretation of ESG Compliance Requirements" held by a third-party consulting agency to learn about the latest trends and requirements of ESG information disclosure by regulators and relevant impacts on the companies.
- In August 2019, took part in the ESG seminar with the theme of "Understanding ESG Trends and Achieving Corporate Sustainable Development" held by a third-party consulting agency to understand the current situation of ESG information disclosure and the capital market's concerns and requirements on ESG market.
- In December 2019, the Group organized a training with the theme of "ESG Management and Responsible Investment", introducing the capital market's focus on ESG performance to the participating employees, stressing the necessity of responsible investment, and jointly discussing how to carry out Fosun's responsible investment.

### 5.2.4.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 performance appraisal of the Board. We include ESG management performance as an evaluation factor in the Executive Directors' performance assessment and remuneration assessment process. Besides, the performance requirements for Executive Directors in optimizing ESG work, improving the quality of ESG reports and promoting ESG ratings are specified in "*Executive Director Performance Assessment Letter of Fosun*" to promote top management to optimize ESG management.

We have also established relevant punishment mechanism for ESG negative accidents. 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, management's ESG responsibilities are further strengthened and specified.

The Group endeavors to improve Fosun's ESG performance in various areas such as employee training and care, environmental protection, safety and health, innovation and R&D, and clean technology.

## 5.3. Stakeholder Engagement

Understanding stakeholders' key concerns is conducive to determining sustainable development plan and our business policy in the future.

We actively conduct communications with stakeholders to learn about their priorities, and expectations, as well as their views on Fosun's performance, especially their opinions on our sustainable development. Stakeholder communication enables us to maintain a high degree of trust with all stakeholders. It helps us implement ESG work around their considerations and face up to the imperfectness and deficiencies so that we can correct them accordingly.

Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Activities and Result
Governments and regulators	Product quality and safety Protection of intellectual property rights Business integrity and anti-corruption and supervision Emissions management	Policy seminars	Multiple times per month	The Group actively cooperates with governments and regulators. Taking health poverty alleviation as an example, we report the progress of counterpart poverty alleviation to the Shanghai Cooperation and Communication Office quarterly, and report the progress of the Rural Doctors Program to the National Health Commission at least every six months. Each on-site member is required to report their work progress to the Poverty Alleviation Office of the county where he or she is located monthly.
		Reporting to governments at all levels and other authorities in charge		
		Government affairs reception		
		Regulators supervision and inspection		
Customers	Diversified products and services Product quality and safety Customer service and satisfaction Customer privacy and data security Responsible marketing	Social media	Multiple times per year	The Group positively establishes customer communication channels to promote sustainable consumption. Taking 515 Fosun Family Day as an example, Fosun organizes this event each year with an aim to take the lead to jointly call on the public to pay attention to and return to their family life with the industry's outstanding companies and platforms as well as the household consumption companies under Fosun on the occasion of the International Day of Families.
		Fosun official website		
		Email and telephone communications		
		515 Fosun Family Day		
Suppliers	Responsible procurement Business integrity and anti-corruption and supervision	Onelinkplus.com	Multiple times per month	The Group pays attention to communications with suppliers. In December 2019, we held Onelinkplus user activity to introduce and publicize the procurement system as well as the relevant functions of Onelinkplus, so as to further strengthen the communications with suppliers.
		Email and telephone communications		
		Work meetings		
		Supplier conferences		
		Supplier field audit		
Non-governmental organizations	Public welfare engagement Business integrity and anti-corruption and supervision Green products and clean technology Response to climate change and energy management	Complaints hotline	Multiple times per quarter	In order to enhance the communication and cooperation, the Group frequently interacts with the China Business Council for Sustainable Development, China Academy of Safety Science and Technology, China Population Welfare Foundation, China Foundation for Guangcai Program, Shanghai Fudan University Education Development Foundation, etc.
		Industry associations		
		Fosun Foundation		
		Cooperation and exchange meetings		
		Seminars		
		Email and telephone communications		
		Work meeting		

Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Activities and Result
Communities and the public	Public welfare engagement Responsible marketing	Social media Fosun official website Email and telephone communications	From time to time	The Group opens multiple social media accounts to actively communicate with the public from all walks of life, including domestic platforms like Wechat, Weibo, Headline Today and Tik Tok, and international platforms like Facebook, Twitter and LinkedIn.
Media	Responsible marketing Public welfare engagement	Brand/product presentations Annual and interim results conferences Media roadshows Social media Fosun official website	Multiple times per year	The Group adopts innovative ways to communicate with media. In 2019, we announced the results of 2018 by the means of live video, with nearly 400,000 viewers. Meanwhile, ways like media interviews, Fosun self-media communication and third party KOL communication were also adopted to further expand relevant influence.
Peers and industry associations	R&D and innovation Protection of intellectual property Responsible investment Regulating corporate governance	International forums Round-table conferences Industry summits/ Association meetings	From time to time	The Group actively participates in inter-industry exchanges to improve corporate transparency. In 2019, Mr. Guo Guangchang, Chairman of the Company, took part in the World Economic Forum 2019, making full use of the platform to establish communications.
Limited Partners (LP)	Responsible investment	Work meetings Investment strategy meetings Email and telephone communications	Multiple times per quarter	The Group continues to strengthen exchanges with partners and communicates investment strategies through annual LP meeting to strengthen the mutual trust.
Shareholders and investors	Diversified products and services Business integrity and anti-corruption and supervision Regulating corporate governance Risk and crisis management	Brand/product presentations Annual and interim results conferences Investor meetings Shareholders' meetings Investor roadshows Email and telephone communications	Multiple times per year	The Group attaches great importance to information disclosure. In 2019, we not only held annual and interim results conferences, shareholders' meetings, Fosun Forum and Investor Open Day, but also organized over 100 investor communication activities, including management luncheon sessions, analyst teleconferences, strategy meetings, roadshows, product and brand presentations, etc., promoting the enterprise value.
Employees and management	Employee health and safety Employment and labour standards Learning and development of employees Employee interests and caring	Workers and employees' congress Health lectures DingTalk official account (Zhihu push) Fosun University push Luncheon session Master lectures DingTalk hotline (A la Ding) Fosuners Fosun Morning Assembly	Multiple times per year	The Group collects employees' opinions by establishing internal communication channels between employees and management, setting up multiple internal communication platforms and organizing internal communication activities.

## 5.4. Materiality Assessment

The Group regards the expectations and demands of stakeholders as an important factor in formulating our ESG strategy. In 2019, we conducted extensive and in-depth communication with stakeholders through various channels to understand their expectations and demands. Besides, we compiled focus areas, actively adopting constructive opinions and suggestions, and cooperating with stakeholders to improve the Group's operation management.

### Identify ESG Issues

Comprehensively considering the Group's industry, operating characteristics and strategic direction, we selected 24 ESG issues based on the following content:

- ESG strategic objectives of the Group;
- UN SDGs;
- *GRI Standards* by Global Sustainability Standard Board;
- The *ESG Reporting Guide* issued by The Hong Kong Stock Exchange; and
- ESG Rating reports including MSCI rating, Dow Jones Sustainability Index rating, Hang Seng sustainable development rating, etc.

<b>Social</b>	<ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Participate in social welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Employment and labour standards</li> </ul>	<ul style="list-style-type: none"> <li>• Employee learning and development</li> </ul>	<ul style="list-style-type: none"> <li>• Employee benefits and welfare</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Diversified products and services</li> <li>• Responsible marketing</li> <li>• Responsible investment</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Research development and innovation</li> <li>• Business integrity and supervision</li> </ul>	<ul style="list-style-type: none"> <li>• Customer service and satisfaction</li> <li>• Protect intellectual property</li> <li>• Advanced corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Customer privacy and data security</li> <li>• Responsible procurement</li> <li>• Risk and crisis management</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Gas emission management</li> <li>• Material management</li> </ul>	<ul style="list-style-type: none"> <li>• Water resource management</li> <li>• Green products and clean technology</li> </ul>	<ul style="list-style-type: none"> <li>• Waste management</li> <li>• Protect biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change mitigation and energy management</li> </ul>

## Identify Stakeholders

The Group identified stakeholders including customers, suppliers, non-governmental organizations, the public, media, counterparts and industry associations, LP, shareholders and investors, employees and management, as main research objects of materiality assessment from two perspectives, namely "affected by Fosun's businesses" and "affecting Fosun's businesses".

## Conduct Survey Activities

The Group invited representatives of the internal and external stakeholders identified to participate in the materiality assessment of the ESG issues. Such survey activities were carried out from two perspectives namely "Importance to business development of Fosun" and "Importance to stakeholders", through which we learnt about various stakeholders' opinions and suggestions.

### Stakeholders' opinions

Aiming at creating happier lives for families worldwide, the Group has been fulfilling its corporate social responsibilities by upholding the values of "Self-improvement, Teamwork, Performance and Contribution to Society". Fosun consistently attaches great importance to customers, employees and society.

——Employees

Developing economy scientifically, preserving lucid waters and lush mountains and spreading benefits to descendants.

——Communities and the public

As a public corporate, the positive engagement in the environmental protection field will have a great driving effect on the public. We hope that we will live in a better environment with bluer skies and cleaner waters.

——Suppliers

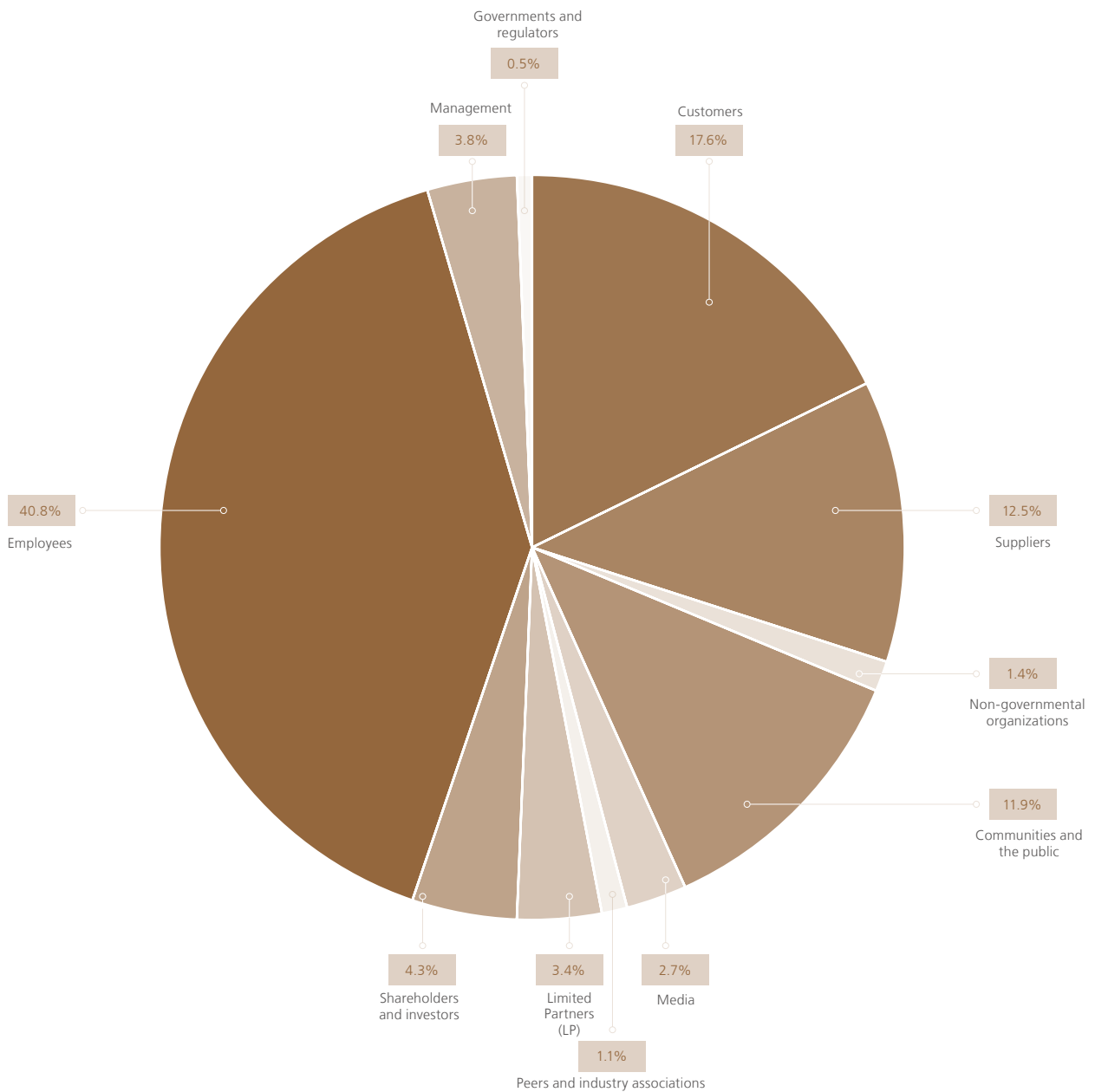
To provide more high-quality services for community culture construction and to promote collaboration, co-governance, and common gains.

——Limited Partners

### Formulating Materiality Assessment Matrix

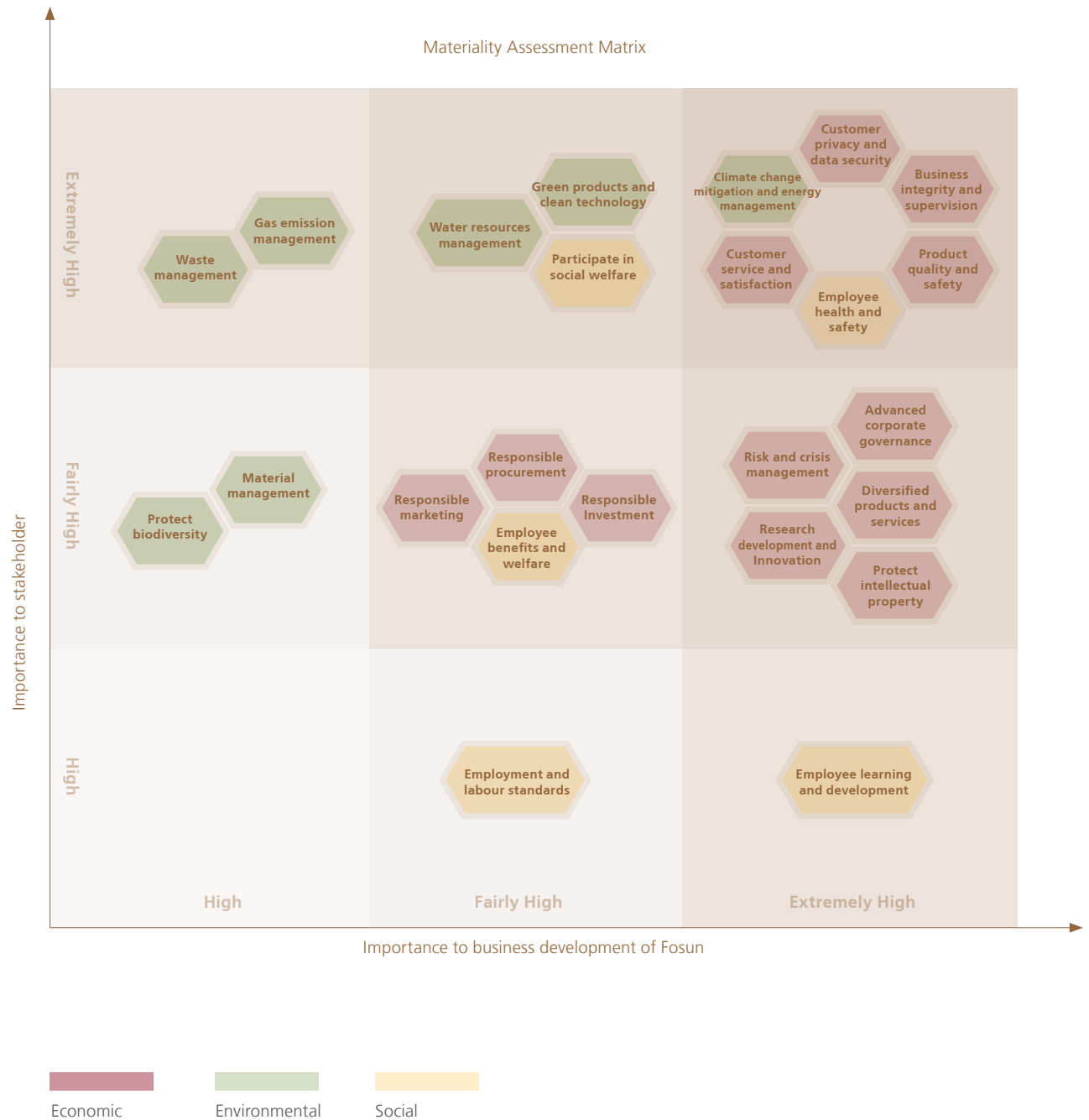
A total of 1,196 valid questionnaires were collected in this survey. Through analyzing the results of materiality assessment questionnaires completed by internal and external stakeholders, we identified the priority of materiality of economic, environmental and social issues, and formulated materiality assessment matrix.

### Stakeholders Involved in the Materiality Assessment









## Internal Confirmation

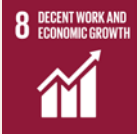
The results of materiality assessment were reviewed and confirmed by ESG working group and the ESG committee.



## 5.5. Response to UN SDGs

In 2015, the United Nations officially released 17 sustainable development goals, aiming to comprehensively and thoroughly solve the social, economic and environmental development issues from 2015 to 2030, and lead to the sustainable development subsequently. Actively responding to UN SDGs and combining our ESG vision and objectives, the Group identified the sustainable development goals relevant to our business, assisting the realization of 2030 UN SDGs from multiple dimensions.

Title of sections	Issue	Section introduction	UN SDGs
About Us	Business integrity and anti-corruption and supervision Advanced corporate governance Risk and crisis management	We are fully aware that corruption and bribery will affect the foundation of the Group seriously. The business ethics monitoring system is established to make the awareness of integrity be rooted in the daily work of employees.	
Responsible Operation	Diversified products and services Product quality and safety Customer service and satisfaction Customer privacy and data security Responsible marketing Research development and innovation Protection of intellectual property rights	Leading the industry development with innovation, the Group continuously improves the user experience of the Group's clients and advances product strength with operational excellence. We positively guide consumers to establish healthy consumption concepts and strictly protect their information as well.	  
Responsible EHS	Employee health and safety Gas emission management Water resource management Waste management Climate change mitigation Material management Green products and clean technology Protect biodiversity	Adhering to the principle of sustainable development, the Group supervises and guides its member companies to mitigate the impact of production and business activities on the environment and the human body and develop green cycle economy by ensuring work safety, protecting the physical and mental health of employees, actively tackling climate change, carrying out energy conservation and emission reduction, reducing the emissions of solid waste, waste water and atmospheric pollutants, effectively utilizing resources, and at the same time seeking opportunities to recycle wastes.	   

Title of sections	Issue	Section introduction	UN SDGs
Responsible Investment	Responsible investment Green products and clean technology	Practising the concept of sustainable development in the investment activities, Fosun continuously increases investments in clean technology and contributes to tackling climate change.	   
Responsible Procurement	Responsible procurement	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.	   
Responsible Employer	Employment and labour standards Employee learning and development Employee benefits and welfare	Fosun regards its employees as its most valuable capital. With its motto of "Together We Make a Difference", we make use of the talent supply chain system to integrate the external introduction of talents into the internal training, so as to gather leading talents from various industries.	  
Responsible Community	Participate in social welfare	Fosun Foundation, with an aim to disseminate Fosun's values and give back to society with practical actions, has launched more than 30 projects such as health poverty alleviation, culture, education, art and youth entrepreneurship, covering multiple countries and regions worldwide.	   





# FOSUN

## ESG REPORT

# 2019

### 06 RESPONSIBLE OPERATION - FOSUN'S ECOSYSTEM FEATURING WITH HEALTH, HAPPINESS AND WEALTH

- 6.1. Strengthening Fosun's Industry Operations
- 6.2. Enhancing Customer's Value
- 6.3. Protecting Privacy Information

## 6.1. Strengthening Fosun's Industry Operations

### 6.1.1. Innovation-driven and Strategic Focus

After its establishment in 1992 and nearly nineteen years of industrial entrepreneurship, the Group formed three major businesses, namely pharmaceutical, property and manufacturing in 2010. In the following decade, the Group adhered to "Combining China's growth momentum with global resources" plus "Industry operations + Industrial investment", and formed a "Glocal + 2C (to Customer) + Innovation" industrial footprint. Today, Fosun's strategic deployment, regional deployment and industrial deployment have been basically in-position. In mid-2019, the Group has positioned itself as "innovation-driven consumer group". Strategically, we will focus on family customers, C2M, innovation and creating synergy within Fosun's ecosystem; in terms of industry, we will focus on deepening our industry operations, and create good products and brands with high return on equity; in terms of investment, we will focus on strategic investments with controlling interest to strengthen the existing industrial segments and innovation field; regionally, we will further strengthen our develop existing key regional markets, including China, Europe, the United States and emerging markets.

In 2019, the Group's R&D costs amounted to about RMB2,182.3 million in total, accounting for approximately 1.53% of operating income.



## Fosun Pharma

Mainly driven by innovation and R&D, Fosun Pharma focuses on investing in the R&D fields of products with competitive advantage and clear curative effects and in line with modern medical development orientation, and insists on improving its R&D capability in the entire chain and the later industrial development. Fosun Pharma has formed an international R&D layout, enhanced its strong R&D capabilities, and established an interactive and integrated R&D system in China, the United States, India, etc. Fosun Pharma improves its own innovative R&D capabilities constantly. Through diversified cooperation of technology import, patent licensing and "deep incubations", it gets access to the world's cutting-edge innovative technologies and projects to promote the global development, conversion in China and production of cutting-edge products, and promote the innovation capabilities and the process of internationalization further.

Fosun Pharmaceutical Research Center and Fosun Pharma's member companies have established systematic new product R&D Management Practice and Standard Operating Procedure in accordance with industrial standards. All trials in the drug R&D process have complied with related state standards. All human clinical trials have complied with Good Clinical Practice and passed by the Ethics Committee, and all researches involving animals have complied with the related requirements of laboratory animal management.

As of 16 March 2020, 1 product of Shanghai Henlius Biotech, Inc. ("Shanghai Henlius"), has been successfully marketed, 2 products' new drug application ("NDA") have been accepted by the National Medical Products Administration ("NMPA") in China, 1 product's Marketing Authorization Application ("MAA") has been submitted and accepted in the European Union, 15 products and 2 monoclonal antibodies ("mAb") combination therapies have been adopted worldwide, which obtained 35 clinical trial approvals, and carried out more than 20 clinical trials on 10 products and 8 combination therapies in many countries and regions around the world, such as Chinese Mainland, Chinese Taiwan, Australia, Poland, Ukraine, and the Philippines. In February 2019, the NDA for the first mAb biosimilar HLX01 (Hanlikang<sup>®</sup>) self-developed by Shanghai Henlius was approved by the NMPA, becoming the first case according to the The Guiding Principles for Biosimilar approved for marketed mAb.

Establishing "Intellectual Property ("IP") Strategy for Key Products", Fosun Pharma has adopted a series of measures to protect the patents of R&D products, including analyzing the state of product IP at the start-up of the project, seizing the opportunity of domestic and foreign patent licensing to develop key products with patents, applying for a group of patents around existing key products to extend product's lifecycle, strengthening training on patents, etc.

In 2019, the patent applications for its Pharmaceutical Manufacturing and R&D sector reached 136, including 13 patents applications in USA, 3 patents applications in Japan, 7 patents applications in the Europe, 6 Patents Cooperation Treaty (PCT) Applications and 47 invention patent grants.



### Protection of Intellectual Property Rights:

The Company established Intellectual Property Management Department. The department which under the leadership of Chairman and CEO is responsible for the development, application, protection, use, licensing and confidentiality of Fosun's IP, anti-infringement, anti-piracy, anti-unfair competition of the Group. The Company practically protects the Group's core assets, builds and maintains industrial competitiveness.

The Group respects property rights, including IP and physical property rights. Infringement acts including misuse of a dominant position, counterfeiting and piracy by any industry are strictly prohibited by the Group. We pay fair compensation for property that we acquire or use. For the acquisition, disposal and use of property rights, the Group will also consider social, human rights and environmental factors.

We strictly abide by the rules and regulations regarding IP of the countries/regions where we operate. We make 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.

In order to strengthen brand management and promote the ONE Fosun Brand, we have formulated several normative documents like the Fosun Rules and Regulations for Brand Endorsement covering member companies to maintain the reputation of Fosun brand. Meanwhile, we have also issued guidelines for the appropriate use of original works such as pictures, stylized font and creative forms during our daily work to enhance employees' awareness of protecting IP, and respecting IP and original works. As of the end of the Reporting Period, the headquarters of the Group directly manages 80 domain names, 73 domestic trademarks and 515 valid trademark registration certificates and 182 valid trademark registration certificates covering 13 foreign countries/regions.

In 2019, the Group had no material legal action in relation to IP infringement.

## Yuyuan

Having established a multi-dimensional and comprehensive protection system, Yuyuan formulates a management system relevant to IP to clarify responsible department, trial process and dispute resolution process with respect to IP. Meanwhile, regular supervision on core IP has also been conducted to prevent others from infringing on the Company's rights and interests.

When using, acquiring and disposing IP, relevant background investigation shall be carried out by Yuyuan to inspect the information of IP. Yuyuan also confirms the ownership of IP through independent investigations, other internal assessments and external assessments to avoid infringement.

## Nanjing Iron & Steel

Up to December 2019, Nanjing Iron & Steel holds 840 valid authorized patents, including 351 invention patents. In order to protect the patented technology with independent IP, Nanjing Iron & Steel formulates the *Patent Management Measures* to standardize patents application, patents implementation, patents award, patents protection and patents assessment etc. At the same time, Nanjing Iron & Steel formulates patents warning mechanism, and search the R&D of new technology, new process and new product through the whole process. Nanjing Iron & Steel make full use of the patents database and other platforms to avoid repeated R&D or IP disputes.

In 2019, Nanjing Iron & Steel organizes "Erudite and informed, innovation without limit" theme training in the World IP Day. It explains the IP application trend of iron & steel industry, and popularize knowledge of IP protection process, IP infringement suit and patent invalidation, so as to enhance IP management level. Nanjing Iron & Steel is awarded as "National Intellectual Property Demonstration Enterprise" in 2019 by National Intellectual Property Administration.



## Vision

- Zero Deficiency
- Zero Recall

### 6.1.2. Quality Management and Operational Excellence

#### Quality Management

The Group strictly abides by the national and local 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*, *General European Union Food Law Regulation*, etc. The Group has set up the quality culture centred around customers with all employees involvement. We establish high quality products and service, improve continuously, and pursue excellence. Setting up the EHSQ & Operational Excellence Department as the responsible departments for Fosun's quality management, we have been promoting the improvement of the product powered by standardization and establishment of supervision and management on the product quality of the member companies in accordance with the *Guidance for Fosun's Member companies to Establish the Mechanism of Product Recall*.

Quality investigations and unannounced inspections are conducted to drive member companies to improve their quality management system. Measures taken include but not limited to raw and auxiliary materials incoming stock examination, production process control, finished product check, storage and logistics monitoring. Key quality indicators of each company are established after taking into account the characteristics of that company and are tracked on a monthly basis.

## Fosun Pharma

### 1. Whole Lifecycle Management

Fosun Pharma has built up an improving management system in the whole lifecycle of products (drug development, technology transfer, commercialized production, and product termination) with the establishment of pre-publishing R&D system, supply chain management system in production, post-marketing service system of products. The whole lifecycle management is subject to the GXP regulations. Furthermore, Fosun Pharma has set up pharmacovigilance system throughout the whole lifecycle as a comprehensive and effective guarantee on the quality and safety of products.

### 2. Audit of Quality System

Fosun Pharma strives to become "a first-tier enterprise in the global mainstream pharmaceutical healthcare market" and committed to its quality policy of "respecting life, prioritizing quality, surpassing perfection and pursuing excellence". Adopting a four-level quality architectural system (quality manual, GMP guidelines, management discipline, files of member companies), Fosun Pharma leads and helps member companies to enhance and improve their quality system from top to bottom to constantly catch up with regulations updated at home and abroad and continues to provide technical support for quality improvement to promote the construction and management of quality system with a global perspective and level.

In 2019, Fosun Pharma carried out 17 quality auditing activities including 6 unannounced inspections and overall quality auditing in 4 production sites of Gland Pharma Limited, an overseas pharmaceutical enterprise; Fosun Pharma carried out auditing assessment on medical device member companies and finished the assessment on 8 of them accumulatively. Meanwhile, it has promoted the member companies to establish quality systems in compliance with the domestic and international requirements and improve their compliance in different ways including GMP pre-inspection, operation research, special examination, exclusive research in laws and regulations.

### 3. Certification of Quality System

In 2019, Fosun Pharma continued to strengthen the management and control of enterprise compliance operation, increased the times of normalized GMP unannounced inspection and technology supervision and guidance to ensure compliance operation of the enterprises and improve GMP quality system construction as well as steadily averaged up the quality management.

#### GMP Certification of Domestic Fosun Pharma's Pharmacy Member Companies in 2019

Type	Authorities	Certified Items
Certification from China GMP	National & Provincial Supervision and Administration on Medical Products	63 Active Pharmaceutical Ingredients ("API") 30 Lines of Sterile Preparation 43 Lines of Oral Dosage Forms ("OSDF")
Certification from USA Food and Drug Administration ("FDA")	FDA	12 API 2 OSDF
Certification from EU	Drug Administration of EU Members	3 API 1 Line of Sterile-Lyophilization
Certification from WHO	WHO	4 API 1 OSDF 3 Lines of Injection
Certification from Pharmaceuticals and Medical Devices Agency of Japan	Pharmaceuticals and Medical Devices Agency of Japan	4 API

#### International Certification of Fosun Pharma's Domestic Medical Device and Medical Diagnosis Member Companies in 2019

Type	Authorities	Certified Items
ISO 13485: 2016	TÜV SÜD, TÜV Rheinland, DNV GL	7 enterprises certified
CE Product Certification	TÜV SÜD, TÜV Rheinland, DNV GL	6 enterprises certified
ISO9001: 2015	Shanghai Audit Center of Quality System, TÜV Rheinland	2 enterprises certified

### 4. Quality and Risk Management

Fosun Pharma has attached great importance to the drug safety of patients. It has created quality risk control procedures in accordance with requirements of regulations of GMP 2010, WHO and International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use Quality Risk Management to identify quality risk and potential harm, scientifically assessing and analyzing quality risk in a prospective and retrospective way. Risks which can't be fully decided or accepted shall be eliminated or mitigated while the residual risks shall be further assessed and analyzed. Summary of control, communication and review on risks ensure the management on quality risks arising from or existed in the period of the product's lifecycle subject to requirements of GMP and relevant regulations so that the product quality can protect all people involved and always meet with the requirements of patients.

### 5. Product Recalls

Fosun Pharma member companies of pharmacy abide by the *Administrative Measures for Drug Recalls* and other national relevant regulations to create their own *Rules of Management on Product Recalls*. The member companies regularly exercise simulated drug recall drills to verify the effectiveness of existing system, making sure that drugs can be recalled soon upon any emergency and the interests of consumers can be protected. In 2019, 10 simulated recalling drills were carried out by Fosun Pharma member companies of pharmacy. Also in this year, Fosun Pharma conducted 2 product recalls, and 2 Fosun Pharma member companies of pharmacy were involved. Fosun Pharma took the initiative to rectify and self-inspect according to regulatory requirements in this year and no medication risk is exposed to patients.





## 6. Construction of Quality Culture

In order to clarify its quality policy of "respecting life, prioritizing quality, surpassing perfection and pursuing excellence", and implement quality policy, improve the quality risk awareness and quality management ability of all member companies as well as to practice Fosun Pharma's quality culture of prioritizing quality, Fosun Pharma launched a monthly quality management activity covering 30 pharmaceutical, medical device and medical diagnosis member company from September to October 2019. This monthly management activity is rich and colorful in types, including quality culture essay, quality skills competition, QP summit forum, quality improvement proposals, etc., which not only demonstrated the high-standard management on quality and enterprises' elegant demeanor, but also improved their capacity of quality culture construction and enhanced their competitiveness.

## 7. Quality Training

Aiming to constantly improve the level of quality management system, promote employees to absorb the latest quality concepts, and consolidate the standard operating procedures, Fosun Pharma's member companies have prized quality-related trainings, and further enhanced the awareness of enterprise compliance operation through internal and external trainings of the publicity on laws and regulations. In response to the newly promulgated *Drug Administration Law* and *Vaccine Administration Law* in 2019, Fosun Pharma and all the member companies actively sent staff to attend various publicity and training, and implemented internal transfer and targeted training. In 2019, the annual hours of quality training per capita of pharmaceutical member companies exceeded 49 hours. The total employee training hours of device member companies were 1,852.5 hours with 14.8 hours per employee. The total class hour of internal training reached 22,257 hours with 15.8 hours per employee.

## FTG

FTG always emphasizes the top priority of food safety. In order to enhance the management on food safety, the headquarters of FTG established EHS & Customer services and product quality management department, and formulated the *Food Safety Management Policy*. Each member company sets up food safety and health manager, and formulates various operating process for food safety to fully deploy food safety management covering the layout of construction sites, facility and equipment, management on raw materials, processing-production, catering, dining service, disinfection, management on wastes, etc., and further improved the management by taking the following measures:



In addition, FTG has also required all of its subordinate enterprises to establish contingency plans for food poisoning and foodborne diseases according to their business practice and submit reports in time in accordance with the *FTG Emergency Plans and Report Management Policy*.

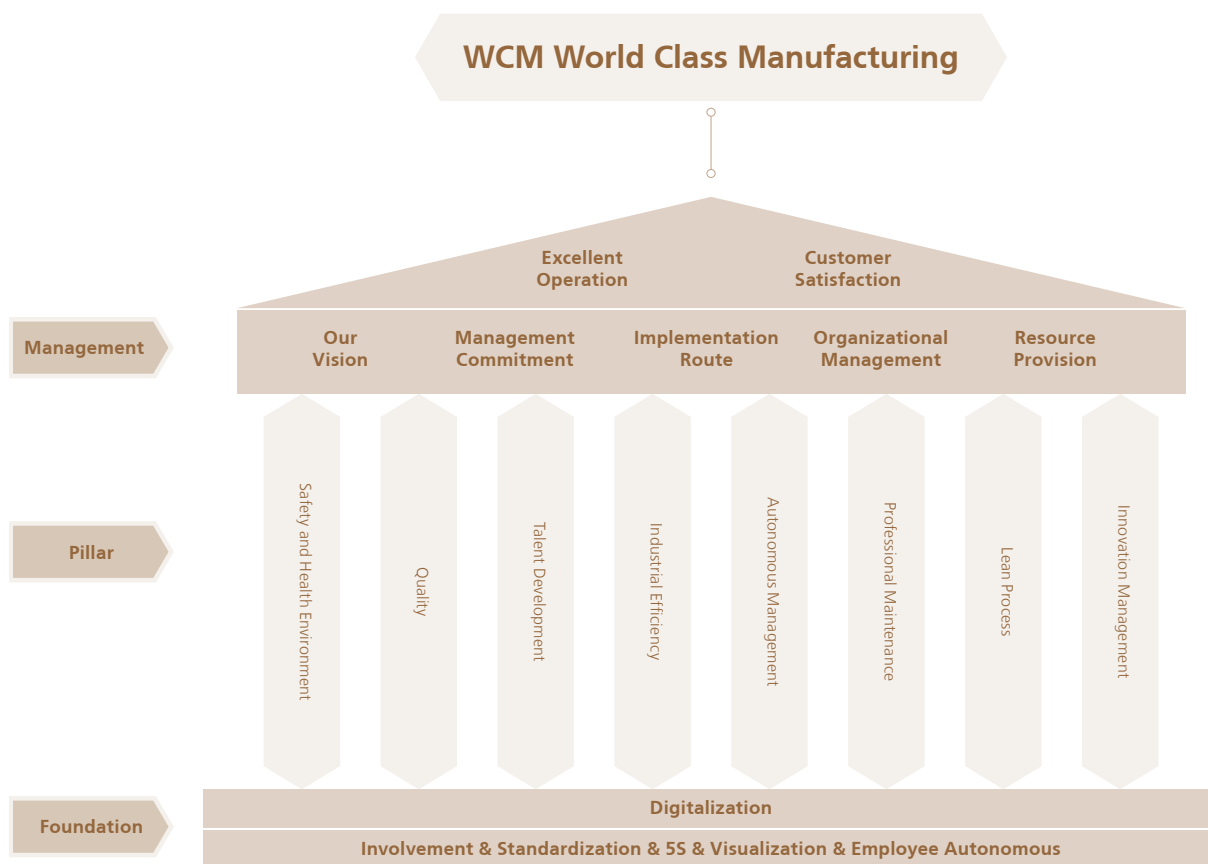
In October 2019, Atlantis Sanya successfully passed the HACCP review. This was the first review since it received the HACCP certification in 2018. In order to further improve the food safety management, besides the 6 FTG customized food safety trainings, it also conducted orientation training related to food safety for all employees, 2-6 special food safety trainings per month, suspected foodborne poisoning drill, and random inspections of food safety knowledge for employees. It continuously improves the food safety understanding and awareness of each employee, guarantees all key control points of food safety, and provides safe and healthy food for tourists and employees.



## Operational Excellence

To realize Fosun's strategic vision and promote the benchmarking of member companies amongst global peers and cross-boundary leading enterprises, the Group has set up EHSQ & Operational Excellence Department and put forward the slogan of "Achieve WCM". Centering on strengthening the construction of C2M ecological and excellence operation ability, the Group has strived to enhance the ability and efficiency of the organization, promote the enterprise management level, improve enterprise operational efficiency so as to create excellence operation system with comprehensive competitive advantage and ability as well as agile, flexible supply chain by combining intelligent manufacturing with digital business process management, etc.

The overall framework of WCM consists of three parts: management module, pillar module and foundation module while the ultimate goal is to achieve operational excellence within the enterprise and external customer satisfaction.



In 2019, we carried out pilot projects in some of the member companies. The four pilots, Fosun Pharma, Nanjing Iron & Steel, Hainan Mining and AHAVA Dead Sea Laboratories Ltd., promoted WCM and excellence in parallel to drive the enterprise from excellence to outstanding.

## 6.2. Enhancing Customer's Value

### 6.2.1. Responsible Marketing

As a responsible corporate, 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. The Group strictly abides by the rules and regulations about our products and services, related advertising and labelling of the countries/regions where we operate, such as *Advertising Law of the People's Republic of China*, *French consumer code*, etc.

#### Case

##### Consumer Safety Education



As the shopping malls of Yuyuan own large building area, a large number of concentrated people and restaurants, once a fire occurs, severe losses and consequences may happen easily. While strengthening fire safety governance, it shares safety awareness education for consumers.

Yuyuan requires all its shopping malls to place publicity materials and post notices at conspicuous locations, indicating certain fire safety common sense such as the correct escaping route for customers, the correct method of reporting fire alarms, and the instructions for the use of fire extinguishers. Especially for institutions engaged in children's education and training, ways like live-action rehearsal shall be adopted to enhance the prevention awareness of teenagers and preschool children.

##### Jewellery Appreciation Lectures



Lao Miao Jewellery under Yuyuan established a jewellery appreciation lecture with the theme of "Stepping into the cultural world of Lao Miao Jewellery", introducing jewellery in a vivid and interesting form with a combination of popular topics, conducting consumer education and sharing practical and interesting jewellery appreciation knowledge so as to avoid consumption blind spot. In this way, consumers have formed a brand new understanding on gold and jewellery category.

##### Activities on World Lymphoma Day



On 14 September 2019, 2019 World Lymphoma Day Science Popularization Public Welfare Activity and Fosun Pharma Corporate Open Day supported by Fosun Pharma with the theme of "curable and attainable - listen to patients' heart" was grandly held.

Experts or professors from universities and hospitals with volunteers from Fosun Pharma, joined hands with over 40 patients and their family representatives from Family of Lymphoma. They jointly publicized the awareness of lymphoma standard diagnosis and treatment, helping patients to cultivate correct living habits, diagnosis and treatment habits and to take medicines properly, so as to assist patients and their families in building up the confidence to fight against disease, improve life quality, and be cured.

##### Forte Sunshine Sales Policy



Forte strictly implements the Sunshine Sales Policy to ensure consumers' right to know and choose.

Forte publicly disclosed information such as the adverse factors inside and outside the real estate project red line, decoration material table for fine decoration products, price list for all houses, announcement on prohibition of receipt of additional fee and 400 customer service hotlines in conspicuous place to mitigate customers' risks, which shows the company's genuine vision to provide continuous happy scenario experiences and services for billion of family customers.

### 6.2.2. Customer Care

Centered around family customers, Fosun C2M strategy provides high quality products and services to innovate a global happiness ecosystem rooted in China. The strategy is designed to precisely address family customers' demands and pain points, through a range of technologies including artificial intelligence ("AI"), big data, cloud computing and the Internet of things ("IoT") applied to clearly analyze user profile, reshape the supply chain, and facilitate the introduction and innovation of products. As a result, the Maker-end could respond customized demands in quick, industrial, scale, low cost way, providing consumers with health, happiness and wealth solutions to live a happy life.

The Group is committed to fully implementing its C2M strategy to further help Fosun reach global family customers effectively and continue to provide ultimate consumption experiences for global families. Our data-empowered ecosystem provides each membership system with a basic framework and standard services, to maximize Fosun's synergistic values and harmonize Fosun's eco-resources in the forms of electronic design for products and services as well as the allocation of rights and interests, which will improve customer experience and innovate more health and happiness options for a happy family lifestyle.

## Forte

In order to thoroughly implement Fosun's "good products" strategy and break through the "last mile" bottleneck between existing products, services and customer needs, Forte carries out the work of upgrading the house repair management system during the original warranty period with a combination of annual third-party customer satisfaction survey data and industry benchmarking results.

In order to identify and control product defects in advance, further improve the quality of projects under construction, increase the project's centralized delivery rate and delivery satisfaction of customers, and realize the quality and delivery data precipitation at the group level, departments of Forte, relying on technology platform, jointly introduce the project "mobile house-inspection system" to achieve delicacy management.

Moreover, "FOMILY", a newly updated online platform from the previous customer club "Forte Club", has been set up to provide customers with online services such as house purchasing information, appointments for house inspection, repair service and emergencies online reporting with a specialized customer service sector, so as to comprehensively improve customer experience.



## FTG

FTG has formulated and issued *Customer Service and Product Quality Supervision and Management Regulations of FTG*, *Entertainment Performance Requirements Guide of FTG* and *Customer Service Etiquette Guidelines of FTG* to improve the quality of customer service, standardize and ensure service etiquette standards, while strengthening the quality of performances of FTG and its subordinate corporates and standardizing and ensuring the healthy development of performances.

In 2019, FTG and its hotels won awards such as "Best Service Provider of Family-leisure Resort" and "Premium Selected Family Fun Resort of the Year", which shows that its service has been recognized and commended by society.



### 6.2.3. Complaint Management

We have set up a Customer Service and Product Quality Supervision & Management Department as the responsible unit for Fosun's quality management, and established the Group's standard management mechanism for service and product quality supervision over its portfolio companies, while continuously enhancing customer experience and product competitiveness under customer-end by systematically assessing, identifying and preventing risks arising from customer complaints, and providing follow-up and guidance on crisis investigation, handling, reporting, public opinion monitoring, accountability, etc. in pursuit of improved customer service management mechanism and better customer satisfaction.

Fosun has launched a "Global Customer Complaint Platform" with Group's customer service mailbox [groupcst@fosun.com](mailto:groupcst@fosun.com), and joined hands with its portfolio companies in setting up "Fosun Pharma's Customer Complaint Platform", "FTG's Customer Complaint Platform", "Yuyuan's Customer Complaint Platform", to collect customer feedback on product and service quality while monitoring and handling customer complaints. In 2019, the Group's major complaint channels as mentioned received approximately 145 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 98.6%.

We have established a set of Fosun's complaint management system constituted by mechanisms such as *Fosun Group's Regulations on Global Customer Service and Product Quality Supervision Management*, *Email Complaint Handling & Reporting Procedures on Customer Complaint Platform*, *Fosun Group's General Provisions for Customer Complaint Crisis*, followed by a tiered handling mechanism and differentiated follow-up procedures for regular, serious, major, critical and whistle-blower complaints respectively, along with reporting and analysis mechanisms on a weekly, monthly and annual basis.

The Group continues to improve its corporate accountability mechanism for customer complaints. We will hold the relevant persons accountable for the failure to handle any customer complaint on time which causes severe loss or major negative impact upon the company and the Group due to the fault or negligence by relevant departments.

We conduct regular or irregular survey, supervision and inspection upon member companies to assess their customer service quality and complaint management based on customer service standards and management specifications in their respective industries, while organizing peer exchange and sharing for member companies to constantly improve and optimize customer services and product quality supervision and management system.

### Yuyuan

- Establishing a customer service management system of Yuyuan according to national laws and regulations and relying on the Global Customer Service and Product Quality Supervision and Management Regulations of Fosun.
- Setting up a monthly reporting system for customer service management, proposing customer service management requirements that meet the current stage situations according to the development stages of various industry sectors.
- Realizing omni-channel rapid closed-loop management within 48 hours.
- Selecting customers of all ages to conduct customer service satisfaction survey and brand health survey for core brand.

### Forte

- Closely linking customer service satisfaction to the performance of member companies by issuing *Management Measures for Customer Satisfaction Assessment*, so as to promote member companies to attach more importance to and increase investment in customer satisfaction.
- Issuing "Operation Guidelines 2.0 for House Repair and Maintenance Center" and organizing a special working group for house repair management, so as to fully implement the establishment of the project house repair center within the warranty period.
- In terms of delivery management, 100% adopting the mobile inspection system to conduct pre-delivery internal inspection, and synchronizing the rectification tasks promptly, so that the Group level can dynamically understand the sales progress and effect.

### FTG

- FTG adopts customers' suggestions and opinions. Through diversified customer complaint channels and systematic survey and analysis of customer satisfaction, FTG understands customers' feedback and make timely improvements to constantly improve customer experience.
- FTG has formulated the customer service channel coverage project and defined the hierarchical complaint handling mechanism. It has opened multiple complaint feedback platform such as email, official website and Foliday App to ensure that each guest's complaint can be properly handled.

## 6.3. Protecting Privacy Information

The Group strictly abides by the rules and regulations regarding privacy protection and information security of the countries/regions where we operate, such as *Administrative Measures for Internet Information Services of China*, *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and *European Union General Data Protection Regulation*, etc., and has established the Cyber Security and User Privacy Supervision and Management Department as the responsible department for the Group's privacy protection and information security.

During the Reporting Period, the Group has not received any complaints regarding user data privacy, nor has any major data breach accident occurred.

### 6.3.1. Information Security

In order to improve the information security awareness of the Group's employees, regulate employee behavior, and guide employees to use information assets reasonably and safely, we have formulated the *Fosun Group Information Security Management Policy* and regulated employees' behaviors strictly 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. to prevent intentional or unintentional undermining-information security behaviors. We have established data security level management mechanism. According to the value of information, the sensitivity of content and the access range, sensitive information will be classified into three levels which are top secret, secret and confidential for hierarchical management, so as to improve the overall information security level of the Group.

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. We formulate standards and requirements towards the member companies from the aspect of terminal security, physical machine room, authority management, system security, network security, application security, data security, personnel management, security services, etc., and according to different dimensions such as enterprise scale, business side security demands, industry classification, and national supervision strength, the member companies are divided into three categories, and the security level needs to meet different security requirements.

The Group strengthens the construction of website security capabilities, fills high-risk vulnerabilities, and improves operational capabilities by conducting information security inspections and penetration testing on member companies regularly. We also issue safety tips and education materials covering all members of the Group, and publicity materials on security with the theme of "Intelligent Science and Technology Information Security", and carry out relevant trainings to strengthen the construction of information security culture.

### 6.3.2. 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. Strictly following the requirements of laws and regulations, we have formulated the *Fosun Group User Privacy Policy*, which has been released on the Group's website.

Insisting on being transparent and open for personal data processing and the end-to-end privacy protection methods of Fosun's business segments, we express the circumstance to our users to obtain their consents, and allow them to decide whether to provide their personal data to Fosun.

Without permission, users' personal information will not be shared, transferred or disclosed to any other company, organization or individual. Moreover, we will take reasonable and feasible security measures, based on industry standards, to protect users' private information, preventing unauthorized access, disclosure, use, modification, damage or loss.

We also attach great importance to the protection of minors' information and provide our services or collect relevant information only upon consent from the parent or guardian.

#### Relevant link

[\*Fosun Group User Privacy Policy\*](#)



heavy damages payments in  
of accidents. Even negotiation ser  
es for out-of-court settlements have  
merged.  
There are about 70 million bikes in  
Japan, according to the Japan Bicycle  
Promotion Institute. The number is al  
most equal to that of automobiles, but  
there is no obligation for riders to take  
out insurance, experts note.  
Only about 30 percent of bike owners

The num  
cycle insurance  
urance companies  
court ruling in July that  
mother of a boy who caused  
accident to pay ¥95.2 million  
compensation.

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# FOSUN

## ESG REPORT

### 07 RESPONSIBLE EHS - ENSURING COMPLIANCE AND PURSUING EXCELLENCE<sup>2</sup>

- 7.1. Strengthening Management System
- 7.2. Safety First and Health Protection
- 7.3. Green Operation for Energy Conservation and Emission Reduction
- 7.4. Compliance Emissions and Harmonious Ecology

<sup>2</sup> The data disclosure scope of this section includes Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, FTG, Fosun Portugal Insurance, Hainan Mining and Nanjing Iron & Steel, unless otherwise stated.

The Group strictly abides by the rules and related regulations on the aspects of environmental protection, occupational health, and work safety in the countries/regions where the Group operates or invests. We have established the EHSQ & Operational Excellence Department to specifically manage and supervise the environmental protection, health and safety issues of the Group and its member companies, and report to the Board on a regular basis.

## 7.1. Strengthening Management System

Based on occupational health & safety management system, environmental management system and national work safety standards, the Group has launched the framework standards for Fosun EHS management system and established the management framework system of environmental protection, occupational health and work safety ("EHS"). It has also made systematic and standardized arrangement on EHS work of the member companies, aiming for "zero occupational disease" and "zero work-related fatality".



### Our Commitments

- To strictly comply with environmental protection laws and regulations, and continuously improve management and adopt advanced technologies to reduce waste gas emissions, waste water, solid waste and greenhouse gas, and strive to minimize the impact on the environment;
- To make good use of and cherish resources, improve production technology to use natural resources effectively, carry out energy conservation and emission reduction, and to continue to adopt more environmentally friendly raw materials;
- To reduce the impact of production and operation on natural resources, protect the environment of mining area, and actively carry out geological disasters and environmental governance in the mines;
- To provide employees with a safe working place and protect employees and contractors' employees from occupational injuries;
- To provide customers with safe products and services and strive for excellence; and
- To actively adopt international advanced management concepts and methods such as Lean Six Sigma to promote the overall improvement of operations.



The Group have formulated relevant policies like *Fosun Group Environment, Health, Safety & Quality Policy*, *Fosun Group EHS Management System Manual*, *Fosun Group's Measures for Dealing with Leaders of Units involving Safety, Quality, Environmental Protection, Reporting System of Major Safety, Quality and Environments Accidents* to standardize the procedures of reporting environmental accidents and define the EHS performance appraisal reward/punishment mechanism for member companies and their management personnel.

At the same time, we also actively encourage member companies to obtain the occupational health and safety management system certification, national standardization certification of work safety and environmental management system certification. As of the end of the Reporting Period, 18 member companies have obtained the occupational health and safety management system (OHSAS18001/ISO45001) certification. 31 member companies have obtained the Grade II national standardization certification of work safety. 14 member companies have the Grade III national standardization certification of work safety. 19 member companies have received environmental management system certification. During the Reporting Period, no significant environmental pollution events occurred in the Group.

### 7.1.1. Accountability

The Group has developed clear quantitative standards for safety, environmental protection, energy conservation, quality, operational excellence and others, against which CEOs and line management personnel of each core holding enterprise are appraised annually. The results are commensurate with their remuneration, rewards and punishments.

We have an EHSQ accident punishment mechanism in place, under which "the person in charge is responsible" and "regional responsibility system" are introduced. The objects of punishment include the top management of the Group, the top management of business segments, the top management of core member companies, the persons in charge of the production plants and directly responsible person for the accident, and such punishments shall be strictly supervised by the EHSQ & Operational Excellence Department.

If there are any incidents of occupational health and safety, quality, environmental pollution, the scores will be deducted by the Board upon assessment and review according to the severity of the consequences; if the consequences are severe, their annual performance bonus for the year may be cancelled. If there are any major accidents such as major casualty accident, major equipment accidents, and major fire accidents are punished by the regulatory or judicial authorities, the performance score of the partner who has been punished by regulatory and judicial authority for the year will be zero.

#### Relevant link

[\*Fosun Group Environment, Health, Safety & Quality Policy\*](#)

### 7.1.2. Audit Mechanism

In order 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 audit mechanism for all member companies based on the EHS management system framework. Our audit includes annual audit, special audit, unannounced audit, etc.

Based on 5 major parts, namely system management elements, environment, safety, occupational hygiene, firefighting, and according to the assessment score of each item, the actual management status of the EHS management level, equipment, technology and personnel operations of the enterprises under the Group are classified into 5 score levels (0-1.5, 1.6-2.5, 2.6-3.5, 3.6-4.5, 4.6-5) based on which a quantified assessment will be conducted. Enterprises with relatively low scores (less than 1.5) will be classified as "red light" enterprises and brought under close supervision.

In 2019, the Group's EHS audit discovered a total of 335 issues, of which 292 rectification items have been completed and 43 are in progress; 125 member companies have conducted self-audits, representing an increase of 18 over 2018; and over 20 EHS unannounced inspections have been completed in the whole year, with a total of 284 issues found. In the reporting period, the Group's member companies in this section carried out 14,558 EHS inspections.

### 7.1.3. Communication Mechanism

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

By organizing EHSQ & Operational Excellence 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 update on workplace hazards to promote the exchange of EHS matters and solve the existing problems in time. At the same time, employees can give feedbacks of EHS to the management by e-mail and suggestion box, etc.





EHSQ &amp; Operational Excellence Line Annual Meeting

### 2019 Fosun EHSQ & Operational Excellence Line Annual Meeting

The 2019 Fosun EHSQ & Operational Excellence Line Annual Meeting, with the theme of "Risk Control, Deep Empowerment, Stepping from Compliance to be Excellent", was attended by a total of 204 people, including 40 presidents and vice presidents from Fosun Pharma, Yuyuan, Nanjing Iron & Steel, FTG and other member companies.

The head of the Group's EHSQ & Operational Excellence Department summarized the work results regarding safety, quality and environmental protection & operational excellence in 2019 and released the work plan of 2020. Member companies discussed environmental protection, occupational health, work safety, intelligent manufacturing and operational excellence issues. Q&A session was included to promote the exchange and sharing of experience among them.

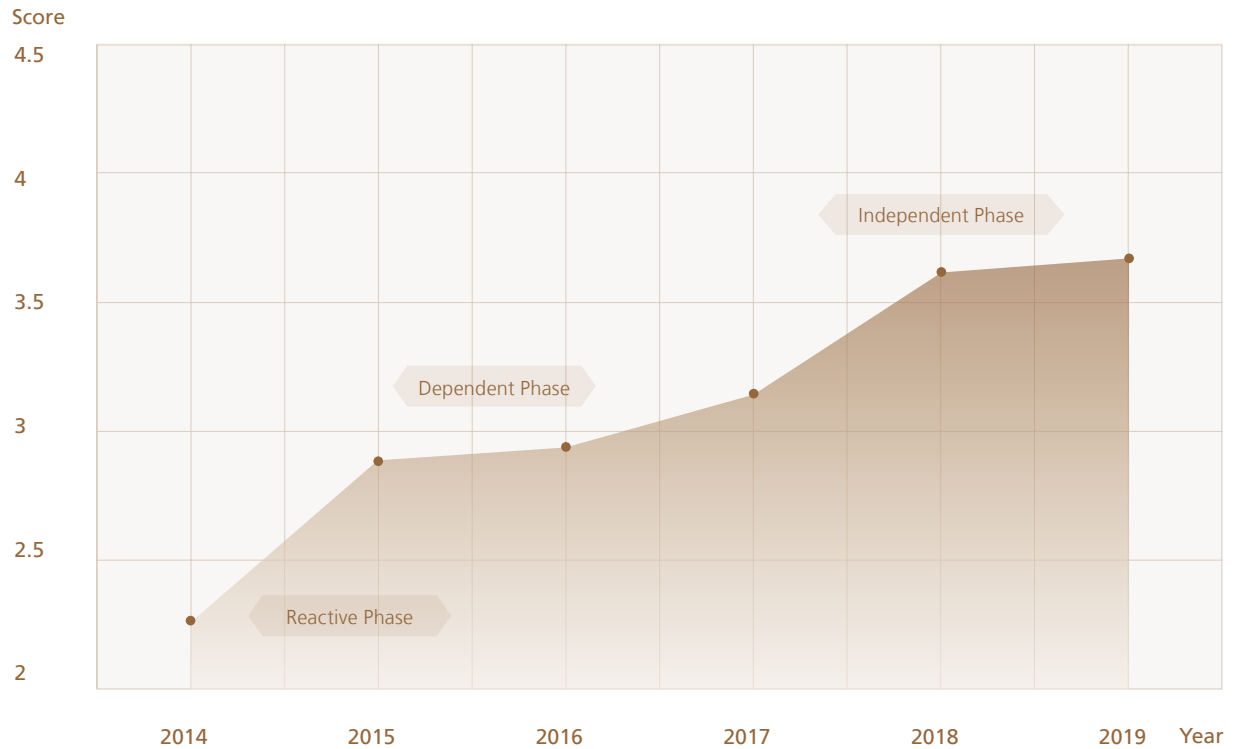
At a meeting, Mr. Wang Qunbin, the Co-Chairman of Fosun, made a summary speech, emphasizing the importance of the EHSQ & Operational Excellence to the Group's operation. In line with the most advanced international standard system, we shall face up to the pain points and difficulties in EHSQ management, improve the top-level design, and practically implement every detail in the principle of people orientation, value creation and positive innovation in order to become a world-class enterprise.

#### 7.1.4.EHS Culture

The EHS departments of the Group and its member companies regularly organize employees and contractors at all levels to carry out special promotion activities on health and safety education in various forms such as drills, trainings, theme weeks and others, so as to infiltrate the safety concept into the whole operation process of member companies and improve the effect of cultural construction of safety from top to bottom. At the same time, 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. In addition, we encourage member companies to promote intelligent EHS management to reduce EHS risk fundamentally. In the member companies within disclosure scope of this section, the rate of employee representation in EHS committees is 77%. During the Reporting Period, the number of EHS committee meetings is 2,847, and the completion rate of EHS training plan is 100%.

With the thorough implementation of EHS management system in member companies, the Group's EHS management performance continues to improve, and the average score of EHS audit has also shown an upward trend in recent years. In 2019, among the member companies of the Group, 10 enterprises' audit scores exceeded 3.0, and 8 enterprises' audit scores reached 3.6 and above. In particular, the audit scores of the headquarters of Wanbang Biopharma EHS system exceeded 4.0 for the first time, reaching the world-class EHS management level. In addition, 125 member companies have conducted self-audit of the EHS system, representing an increase of 18 over 2018.

The Average Audit Score of Member Companies by Group's EHS Audit

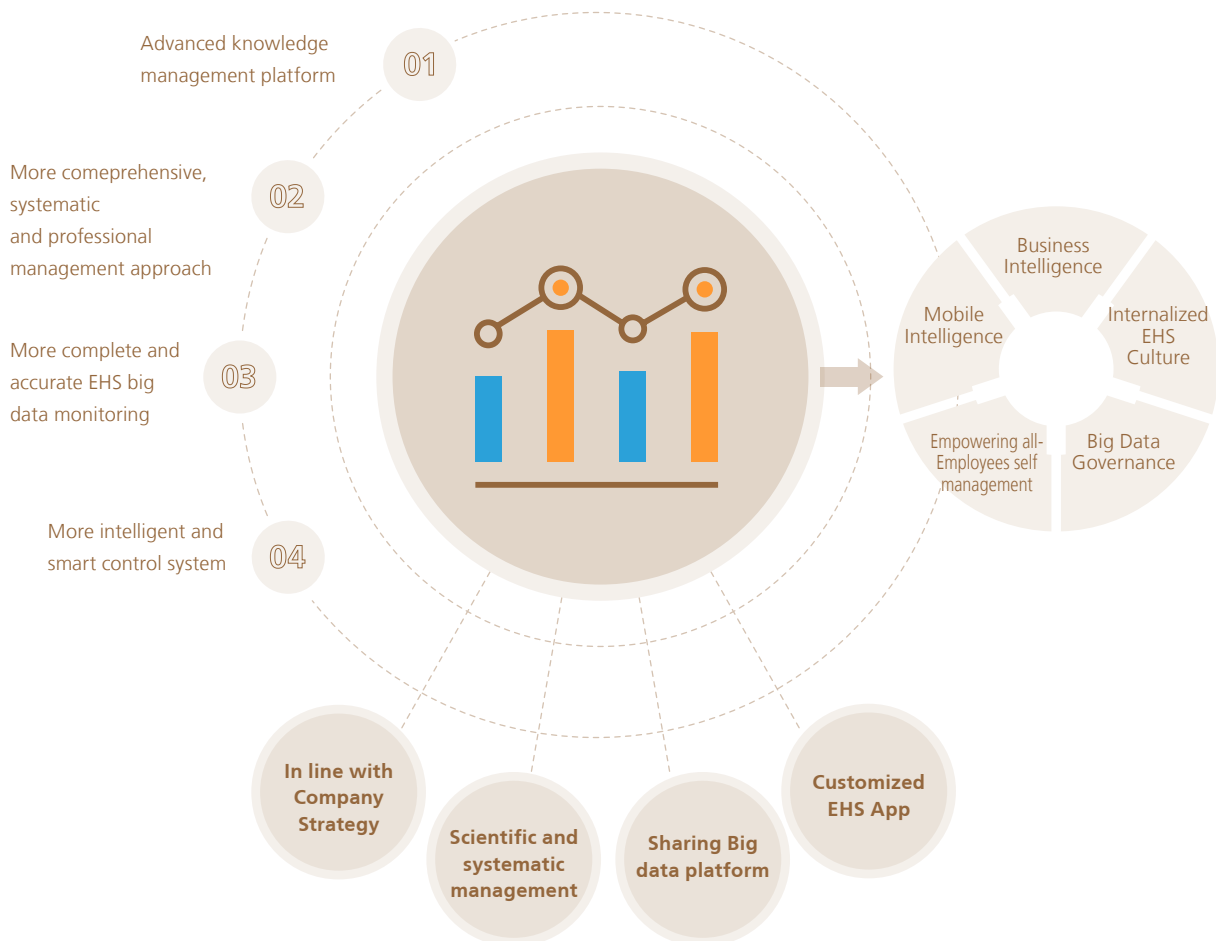


## Wanbang Biopharma

Wanbang Biopharma, a member of Fosun Pharma, has relevant "codes of conduct, efficient monitoring system, effective controls" in place to optimize EHS management. The policy features "flexibility, comprehensiveness, interconnection, visibility, ubiquity". It's headquarters exceeded score 4.0 for the first time in the Fosun EHS system audit in 2019, reaching the world-class EHS management level.

Wanbang Biopharma's headquarters persists on independent innovation and voluntarily introduces new technologies. From the grid management, automated production process, scientific warehouse management, and innovative projects, Wanbang Biopharma not only promotes intelligent manufacturing, but also innovates intelligent EHS management. Making full use of science and technology, it reduces manual operation and contact, effectively ensuring the safety of employees, such as using pipeline periscope to inspect the integrity of pipe networks, applying online monitoring system to monitor and control dust on the construction site, and using intelligent EHS management to reduce the EHS risk in daily operation. In addition, an online EHS safety risk rectification tracking is established, leaving no place unchecked for EHS management.

In order to ensure the health and safety of employees, the headquarters of Wanbang Biopharma has set up intelligent storage cabinets for personal protective equipment in the factory, which means employees can replenish their own equipment at any time. In addition, in order to further promote the EHS culture construction and maintain the smooth flow of EHS information, the headquarters of Wanbang Biopharma has launched a mobile platform, where employees can not only learn EHS knowledge online and improve their awareness of EHS, but also easily access the monitoring systems in the factory at any time to view real-time data.



## 7.2. Safety First and Health Protection

We strictly abide by the relevant laws and regulations in countries/regions where we operate such as *Work Safety Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, *Labor Law of the People's Republic of China*, etc. Arranging annual physical examination and occupational disease physical examination for employees, we regard employees' health and workplace safety management as the top priority. We continuously optimize management methods, improve work safety responsibility system, carry out in-depth supervision and inspection, perform cultural education of safety and other measures, establish an online submission system to control risks of work safety, to strengthen occupational disease prevention, to build a safe working environment and to protect the life, health and safety of employees.

In 2019, the detailed work safety KPIs are as follows:

Indicator	Female	Male	Total
The Number of Work-related Injury	71.0	101.0	172.0
Lost Day (days)	1,653.5	8,824.3	10,477.8
Lost Day Rate <sup>3</sup>	32.0	123.3	85.0
Injury Rate <sup>4</sup>	1.4	1.4	1.4

Note:

(1) The disclosure scope of work safety data including Hainan Mining, Nanjing Iron & Steel, Peak Reinsurance, Fosun Insurance Portugal, Fosun Pharma, Yuyuan, Forte and FTG (Atlantis Sanya), and calculated on the basis of the statistical data of each member company.

### 7.2.1. Work Safety

The Group implements the policy of "safety first, prevention dominant, comprehensive management". In the EHS audit system, according to the industrial patterns of the Group, nine major safety indicators and safety precautions are stipulated, including special equipment and special equipment operator, mechanical protection, electrical safety, hoisting operation, fire operation, high-place operation and so on.

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.

<sup>3</sup> Lost day rate = Lost days \* 1,000,000 / Total working hours

<sup>4</sup> Injury rate = (The number of work-related injury + The number of work-related fatalities) \* 1,000,000 / Total working hours



Hainan Mining-EHS Training

## Hainan Mining

Hainan Mining has set a goal of "zeros in five aspects": zero work-related fatality, zero serious injury, zero major equipment accident, zero major fire accident, and zero new occupational disease, and identified the requirements of "100% in five aspects": 100% of the accidents reporting rate, 100% of the rate of special operators with certificates, 100% of the pass rate of new employees' safety training, 100% of the rectification rate of general safety risk, and 100% of the signing rate of safety responsibility certificate by all employees and related parties.

In 2019, Hainan Mining completely reviewed the original rules and regulations on safety and environmental protection, among which 13 rules and regulations have been revised and improved. Projects have been actively carried out to achieve further improvement and transformation in work safety, including workplace sites and ditch cleaning, renovation and repair, with a total investment of RMB16.16 million.

Firmly establishing the concept of people-oriented, safe development and green mines, Hainan Mining implements the *Safety Standardization System of Hainan Mining* to establish and improve the dual mechanism of safety risk classification control and accident hidden hazards investigation and management system, strictly conducts the process of hazard sources identification and risk assessment to ensure that all kinds of hazard sources are under control. Within Hainan Mining, the work safety responsibility system applies anywhere, anytime and to anybody without exception. *Work Safety Responsibility Certificate* is signed following a hierarchical level: "company-secondary unit-team-individual employees". Safety assessment indicators are refined, and persons responsible for work safety are specified; rewards and punishments for safety are commensurate with the assessment results of responsible persons; those who fail to follow the rules would not be vetoed for any selective competitions.

The senior management of Hainan Mining leads the team to conduct quarterly inspection. The safety and environment department carries out weekly special inspections and ad hoc safety inspections. Each organization conducts monthly inspections led by leaders, and the company's special group conducts quarterly inspections, seasonal inspections and temporary inspections.

According to the latest laws and regulations, Hainan Mining has revised and improved some of the document system and post operation safety rules. It launched activities namely "Production Safety Month", "Zero Incident in 100 Days", "Ankang Cup" Competition, "Production Safety Law" Publicity Week, "Safety Knowledge Competition", "Job Safety Skills Competition", "Creating Production Safety Excellent Team" and other activities. It also intensified EHS trainings and expanded the trainees to the principal heads, safety management personnel, new recruits, those transferred from other positions, team leaders and operators of Hainan Mining and its second-level units. 4,205 person-times were trained throughout the year, thus a sound atmosphere and long-term mechanism of work safety is successfully created.

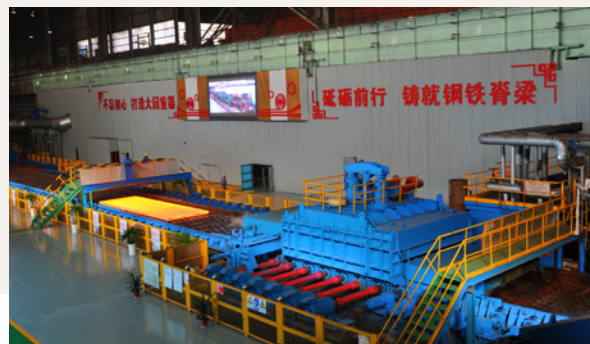
## Nanjing Iron & Steel

Nanjing Iron & Steel puts the health and safety of its employees first, builds up the EHS culture with "management's emphasis and employees' participation", and has formulated the *Safety Responsibility Policy* for All Employees and the *Measures for Economic Assessment and Investigation of Safety Management Responsibility* which clearly state the safety performance assessment. Nanjing Iron & Steel makes efforts to firmly establish the awareness of danger, adheres to safety hazard checks, keeps the bottom line preventing major accidents, and sets up the goals with "zero casualty accident, zero major production accident, zero major equipment accident, zero major traffic accident, zero major fire and explosion accident and zero major poisoning accident". In 2019, Nanjing Iron & Steel successfully passed the inspections at all levels of the State Council's work safety supervision group and other governmental bodies, and also got high scores in Fosun's EHS management system audit.

In order to discover and solve the safety risks from the source, Nanjing Iron & Steel organized several internal and external professional third-party organizations to assess the post risk and evaluate the safety situation, formulated risk reduction and control measures based on the assessment findings to ensure that the safety risks of high-risk operations and special equipment are eliminated. It also used robots to replace operators in hazardous areas for operations which reduced human-machine contact and lowered the risk of mechanical injury. It also discovered and eliminated employees' unsafe behaviors and the unsafe state of objects by means of intelligent technology and IoT.

Through safety inspection and safety management assistance at all levels, Nanjing Iron & Steel vigorously deals with hidden hazards and strictly supervises dangerous operations. It enhances all employees' participation and their safety awareness by involving them in various safety activities such as "Cherish Life", "Safety Star Rating", "Safety Incidents Reporting", "Safety Warning Education", "Work Safety Month" and "Safety Warning Day", as well as 425 safety drills. It pays attention to employee's work safety training, tests their learning results, and urges all employees to pass the safety examination before starting daily work to ensure 100% certificate-taking rate and 100% safety training rate.

In addition, Nanjing Iron & Steel attaches great importance to the safety management of related parties and considers their safety as important as that of full-time employees. It formulated management systems for related parties, of which the *Measures for Integrated Management of Labor Service and Outsourced Personnel* which require "consistency in eight aspects", i.e. keeping consistency in appraisal and accountability, personnel management, technical training, operating standards, work requirements, safety activities, pre-work meetings, and violations punishment for related parties and full-time employees; while the *System of Review on Dangerous Operation Scheme and Construction Permit Approval* requires strengthening the review of the safety conditions before construction, and prohibits unqualified projects from construction. At the same time, it carries out safety trainings and examinations for related parties and evaluates their safety performance. It also controls the operation of related parties in the whole process, strengthens the fixed-point monitoring of dangerous operations, performs inspections by regions and specialties and ceases to renew contracts with those who are at the bottom of the assessment list.



## FTG

FTG has always put safety in the first place and is committed to ensuring the health and safety of tourists. Under the strict requirements from FTG, each subsidiary actively takes the preventive actions on operational safety accidents. Club Med formulates a risk management mapping after a comprehensive risk assessment, and establishes a special accident prevention mechanism for swimming, skiing, rock climbing, sailing and other sports. It formulates and updates crisis management manuals, equips with emergency communication tools, and conducts regularly drills.

Part of FTG business is vulnerable for extreme weather, thus it was taken into account in the Group's risk management. For Atlantis Sanya, it takes hurricanes and typhoons into the consideration, making plans to respond different grade of hurricanes and typhoons.

During the daily operation, FTG has established strict safety operation procedures to ensure the safety of employees and tourists. Regarding tourists' safety, it provides safety tips and security inspections to ensure that tourists follow the safety requirements of various activities. For swimming pools and water entertainment activities, Club Med and Atlantis Sanya have formulated strict safety requirements, including restrictions on tourists' health conditions, clothing, belongings, body conditions and tourist behavior. All lifeguards in Atlantis Sanya have been qualified with Ellis & Associates lifesaving. Atlantis Sanya hold mock drill from time to time and emergency action plans to ensure timely rescue.

Club Med offers many types of sports, such as skiing, rock climbing, high-altitude swing, sailing, kayaking, archery, horse riding, etc. Each sport is equipped with safety protection facilities and first aid equipment. The professional third-party companies are regularly requested to evaluate and test the safety of these sports fields. In order to notice tourists about the sports safety risk and safety requirements, FTG broadcasts sports safety videos, sets up safety notice boards, signs safety notice cards, equips professional coaches to guide tourists to stay safe and provides first aid services.



### 7.2.2. Occupational Health

Strictly abiding by the relevant laws and regulations in countries/regions where we operate on labor protection, the member companies required that the facility for occupational-disaster-prevention must be designed, constructed and put to use or into operation simultaneously with the main part of a construction project. The member companies clearly classified occupational hazards in their workplaces, regularly conduct occupational hazard factors tests in the workplaces, take preventive measures for the corresponding occupational disease in a timely manner, actively improve the operation environment, so as to prevent the occupational diseases to the maximum extent.

## Fosun Pharma

Fosun Pharma attaches great importance to occupational health and safety management. It integrates occupational health and safety management into the whole life process of product R&D, design, manufacturing and service, and strives to achieve the goal of zero accident and zero occupational disease. Each member company of Fosun Pharma shall, in accordance with the requirements of the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, regularly carry out the assessment of the occupational disease inductive factors of the facilities in service and inform the employees. Combined with the assessment results of occupational hazard factors, each member company shall strictly organize the physical examination of employees before, during and termination of employment; the coverage rate of physical examination of employees for the positions exposed to occupational hazard factors is 99.9%<sup>5</sup>. In 2019, no cases of occupational hazard occurred in Fosun Pharma.



<sup>5</sup> There were two female employees having pregnant in member companies of Fosun Pharma, thus they were not suitable for occupational health examination.

## Nanjing Iron & Steel

Nanjing Iron & Steel attaches great importance to employees' health and has formulated occupational health policies and procedures such as *Measures for the Management of Radiation Safety and Protection and Key Points of Occupational Disease Prevention and Control of Nanjing Iron & Steel*. In 2019, in order to protect the health of employees from the source, it implemented a series of occupational hazard control measures (mainly dust and noise), and performed the "three simultaneous" acceptance of occupational disease protection facilities for construction projects in strict accordance with *Measures for Administration of "Three Simultaneities" of Facilities for the Prevention and Control of Occupational Disease*.

Nanjing Iron & Steel formulates the *Regulations on Management of Labor Protection Supplies*, the *Standard of the Distribution of the personal protective equipment for Employees*, and the *Notification on Managing High Temperature and Sunstroke Prevention* to further standardize the management of personal protective equipment and high temperature allowance. The allocation and standard notification form of personal protective equipment was distributed to each post. In 2019, RMB14.04 million was invested to provide employees with personal protective equipment. For example, anti-PM2.5 KN95 respirators were distributed to the employees with prolonged or frequent exposure to dusts. In addition, it makes sure all personal protective equipment, such as safety shoes, work clothes, emergency facilities are qualified, so as to better protect employees.

The occupational health evaluations of the current situation and the workplace occupational disease hazard factor detections in the member companies were completed in 2019. The occupational health examinations among all member companies' workers exposed to occupational hazard were completed. A total of 7,226 employees and 16,020 related party employees underwent occupational health examination, with an examination rate of 100%. 26 employees with occupational contraindications were adjusted to other position. At the same time, the physical examination of 231 radiation operators was completed, and the examination rate was 100%.

To enhance the occupational health awareness of all employees and related parties, the senior management and occupational health management personnel of Nanjing Iron & Steel and related parties were strictly required to receive training and obtain certificates through examination. Each plant conducted trainings for employees, and thus a total of 7,226 full-time employees and 16,020 employees of related parties were trained.



### 7.2.3. Fire Safety

The Group stipulates its member companies to implement related laws and regulations in countries/regions where we operate on fire safety, and establish effective fire safety management system, including but not limited to fire safety committees, safety procedures, implementation methods, plans of inspection, annual fire-fighting equipment maintenance plan, etc. 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 so as to strengthen management and control of fire safety from the source.

## Yuyuan

Yuyuan firmly holds the faith that the development cannot be achieved at the expense of safety, and always puts safety in the first place. In order to create a sustainable and safe experience for citizens, tourists and employees, it has spared no expense to build a fully equipped mini-sized fire station with an enterprise fire-fighting team of 10 full-time firefighters. 70% of firefighters are veteran firefighters and all of them are equipped with professional clothing and portable tools. They attended professional training and fire inspection regularly to maintain the ability and stay alert at all times in case of emergencies. In addition, the firefighting IoT system has been established to conduct real-time monitoring on the firefighting sensors in the business circle, the running of all firefighting facilities and devices are checked 24 hours a day to gain timely reports of any emergency and elimination of fire risks, thus ensuring a "Safe Yuyuan, Peaceful Yuyuan".

In July 2019, Yuyuan held a special safety month meeting with the theme of "Result and Outlook of Emergency Management". It has manifested Yuyuan's confidence and strong sense of responsibility in maintaining high-standard safety management that meets the international standards and making itself a word-class enterprise in the form of keynote speech, melodrama performance, flag recognition, etc.

On the eve of 2019 National Day, Yuyuan held the "Safeguard the National Day and Expo, Yuyuan Anti-Terrorism and Fire Drill" to ensure security during the 70<sup>th</sup> anniversary of the founding of the PRC and the second China International Import Expo, to further improve Yuyuan's emergency response capacity.

Yuyuan, as a "municipal key firefighting organization" in Huangpu district and a member of Shanghai Fire Protection Association, has always been strict in its fire safety management for many years. In the annual performance evaluation by Huangpu District Fire Safety Committee in 2019, it won three group awards including "Advanced Firefighting Group", "Advanced Organization of Job Training in Mini-Sized Fire Station" and "Advanced Mini-Sized Fire Station of Key Organization".



Yuyuan  
-Anti-Terrorism and Fire Drill 2019

## Forte

Golte, Forte's subsidiary of property management platform, has carried out the *Code of Fire Drill, Regulations of Fire Equipment Management and Procedures of Education and Training on Firefighting* and other fire safety regulations to firmly put firefighting regulations into effect and ensure fire control work conforms to the rules. In such way can Golte regularly check firefighting equipment, fire extinguishing equipment, fire hydrant box and key parts of firefighting and record the result; it has also set up or determined the centralized management function of fire control work, and hires full-time or part-time fire management personnel, and organizes another fire emergency team or volunteer fire-fighting team.

On the basis of sustainable management and in accordance with the requirements of the relevant laws and regulations, in 2019, Golte actively joined up with organizations such as local fire departments, property management associations, community neighbourhood committees, large commercial real estates across the country to carry out various projects in a variety of forms of firefighting and emergency evacuation drills so as to promote firefighting awareness and knowledge. Furthermore, the establishment of emergency response teams and volunteer fire services has strengthened the property management organization's capacity of fire prevention and control and created a safe and stable living environment for the residents.

In 2019, Golte Shanghai carried out 243 emergency drills with the theme of firefighting, including fire drill, water logging, water and power outages, terrorism and riot. Property owners and local government department were invited to the drill, with a total of more than 4,000 participants.



Forte  
- Fire Drill in Shanghai Forte Central World

## FTG

In the field of fire safety, the Atlantis Sanya, a subsidiary of FTG, has established a "mini-sized fire station" in accordance with relevant laws or regulations of large commercial complex mall to improve fire emergency response capacity. It also established a complete firefighting system to ensure the safety of each customer and employee:

- **Seamless management system:** The Hotel carries out inspection every two hours. During the fire control and security inspections, electronic tags and terminal chromatic graphs are used to mark status on the site situation and work progress, which can clearly demonstrate the security patrol effect and successfully avoid cheating and inadequate inspections.
- **Electric fire monitor system:** When the power supply equipment fault occurs, its location, type and time can be quickly displayed and recorded on the monitor with a sound-light alarm so that the reliability of the fire control linkage system is effectively ensured.
- **Fire emergency lighting and evacuation indicating system:** It automatically tests devices including communication line, power supply line, centrally connected power supply, power distribution device, emergency lighting in real time if they work well. It has the functions of annual/monthly/daily inspection and emergency response transfer of periodic automatic detection.
- **Automatic fire gun system:** Hotel is equipped with 18 such systems to realize a combination of fire prevention, firefighting and monitoring, which can automatically detect, make alarm and locate the ignition point. The system is also endowed with functions of automatic control, remote manual control and site manual control. In addition, with a long detectable distance, wide protected scope, quick response, highly detectable sensibility, It can also realize remote fixed fire extinguishing to greatly reduce the losses in firefighting. It can also connect with other fire alarm systems to realise visual extinguishing by image technology.

During the Reporting Period, the Atlantis Sanya joined up with fire departments to identify fire safety risks and took corrective measures accordingly. In 2019, Atlantis Sanya held a total of 7 fire drills and 2 emergency drills for shuttle buses. Training and drills have enhanced the staff's fire safety skills and theoretical knowledge of the fire equipment application and fire evacuation. Meanwhile, Atlantis Sanya organized employees to participate in the 119 National Firefighting Skills Competition of Haitang district in Sanya city, and won the third place, fully reflecting the success of the promotion of firefighting knowledge inside the company.



Production Safety Month – firefighting skill competition



Emergency Drill

## 7.3. Green Operation for Energy Conservation and Emission Reduction

The Group attaches importance to environmental protection and insists sustainable development to supervise and guide the member companies to dispose the solid wastes, polluted water and air pollutants in compliance with the related regulations. The Group effectively takes advantage of resources and seizes chance to recycle the wastes so as to reduce influences brought by production and operation activities to the environment and human beings. The Group protects the biological diversity aiming to develop a green cycle economy.

### 7.3.1. Climate Change and the Energy

In response to climate change, the Company joined the UNGC in August 2014, formalizing its global commitment to a sustainable development, participating in and promoting the achievement of the goals of UN sustainable development globally and locally. We are creating a target and system of green low-carbon in multi-dimensionally by low-carbon operation and management, carbon emission compliance control, etc.

EHSQ & Operational Excellence Department, taking Fosun's characteristics into consideration, has long been focusing on trend of climate change, impact brought by regulation change at home and abroad to insurance, construction, pharmaceutical, iron and steel, catering, tourism and other industries. It also regularly reports risks and chances and the ideal solutions to the Board of Directors.

Type of Risks	Description of Risks	Potential Financial Impact	Type of Chances	Description of Chances	Potential Financial Impact
Transitional	Rise of raw material cost	Operating costs ↑	Resource Efficiency	Green buildings and factories	Operating costs ↓ Revenue ↑ Asset Value ↑
	Cost of GHG emission	Operating costs ↑		Application of clean technologies	Operating costs ↓ Revenue ↑
	Existing laws and regulations of environmental protection	Operating costs ↑ Asset Value ↓		Operational excellence	Operating costs ↓ Revenue ↑
	Investment and transition of low carbon technology	Revenue ↓	Energy Sources	Clean and renewable energy	Operating costs ↓
	Changes in green customer behavior	Revenue ↓		Participating in carbon transaction	Asset Value ↑ Revenue ↑
Physical	Increase of extreme weather conditions and natural disasters	Revenue ↓ Operating costs ↑ Asset Value ↓ Liability ↑	Product Services	Research development and investment in clean technologies	Asset Value ↑ Revenue ↑
	Sea level rise	Asset Value ↓	Markets	Rise of demand on green and low-carbon products	Revenue ↑

### Energy conservation and carbon emission reduction

Following the Energy Conservation Law of the People's Republic of China and other relevant laws and regulations in countries/regions where we operate, in the principle of minimum consumption of social resources exchanging maximum production, Fosun endeavours to protect natural resources, save social resources during the manufacturing and operation process. We positively make efforts on improving the energy structure, stimulating the recycling of energy, developing clean energy and fastening the application of clean technologies to raise the energy utilization rate of the Group and all member companies and reduce the GHG emission. In order to enhance the awareness of climate change risks in member companies, EHSQ & Operational Excellence Department includes energy conservation and GHG reduction into the EHS audits. The audit results would directly influence the EHS scores and rankings of member companies and are related to the performance and bonuses of persons in charge. The Group's member companies planned and implemented initiatives to save energy and cut GHG emission based on their characteristics.

Energy Use	Quantity
Direct Energy (MWh)	48,687,267.0
Indirect Energy (MWh)	4,248,902.7
Total Energy (MWh)	52,936,169.7
Energy Consumption Intensity (MWh/ RMB Million of Revenue)	311.6

Note:

(1) Total energy consumption is calculated based on the amount of electricity and steam used and kinds of fuel consumed, based on the statistical data of each member company. For companies in China, it is calculated based on each member company's industrial characteristics and its statistics and the value of fossil fuel in the *Guide of Accounting and Report of Greenhouse Gas Emissions* for different industries, which is released by the National Development and Reform Commission (NDRC).

GHG	Emissions
Scope 1: Direct GHG Emissions (tCO <sub>2</sub> e)	18,685,636.5
Scope 2: Energy Indirect GHG Emissions (tCO <sub>2</sub> e)	2,824,580.6
Total GHG Emissions (tCO <sub>2</sub> e)	21,510,217.1
GHG Emissions Intensity (tCO <sub>2</sub> e / RMB Million of Revenue)	126.6

Notes:

(1) Based on the member companies' characteristics and statistical data, our GHG emissions mainly include the direct GHG emissions (Scope 1) released from fuel combustion and industrial production process, added with energy indirect GHG emissions (Scope 2) from purchased electricity and steam.

(2) GHG emissions are presented in CO<sub>2</sub>. According to the member companies' industrial characteristics, GHG emissions are calculated based on the latest Guide of Accounting and Report of Greenhouse Gas Emissions released by the NDRC, the average CO<sub>2</sub>e emission factors of grid in China or the IEA 2017 database.



## Nanjing Iron & Steel

Considering the requirements of the country and the actual operation, Nanjing Iron & Steel sets up a goal of realizing the sustainable management on natural resources and effective utilization of energy by 2030. Through active measures of energy conservation and carbon emission reduction, and adoption of Amoeba operating mode in energy management, it pushes energy management in details. Nanjing Iron & Steel strives to create a recycling, clean, green, low-carbon metropolitan iron and steel enterprise to become a global model with green and low-carbon development among iron and steel enterprises. Nanjing Iron & Steel signed a carbon emission reduction purchase agreement with the World Bank, which was the first project in the steel industry of the "carbon financing" of the World Bank. The contract term of the project spans from 2010 to 2019, which is divided into 10 phases. At present, nine phases of verification and transaction have been completed.

In 2019, Nanjing Iron & Steel's energy system management staff at all levels referred to advanced enterprises, actively looking for countermeasures and measures in response to pain points and difficulties, and further improved energy management performance. The key energy consumption indicators such as comprehensive energy consumption per ton of steel, comprehensive electricity consumption per ton of steel, fresh water consumption per ton of steel have created the best in history, and 553.7 kgce is completed in this year, decreasing 1.6 kgce compared with the previous year. The comprehensive power consumption per ton of steel was 464.0kWh, which was 20kWh lower than the previous year, and the annual power consumption was saved by 219 million kWh.

Nanjing Iron & Steel arranged specific fund for the R&D of transformation and equipment in energy conservation. In 2019, it also launched a series of energy-saving projects:

- Through the energy conservation technology transform measures such as No.4 and No.5 Blast Furnace coke frying, oxygen system, compressed system, the comprehensive energy consumption per ton of steel achieved the new lowest record, while the power from self-generation broke the new record. The annual energy consumption saved 108,600 tons of standard coal. The ratio of self-generation electricity to the consumption electricity was 51.6%.
- High-efficiency power generation project achieves comprehensive utilization of resources. The total investment of this project was about RMB444 million. The project used advanced ultra-high temperature subcritical gas boilers and intermediate reheating steam turbine generator, further improving the comprehensive utilization efficiency of coal gas, and achieving a heat utilization rate to 40.5%. It is the first 120,000-class subcritical unit in China, which can reduce the environmental pollution caused by gas emissions. The project is currently in operation, with an estimated annual power supply increase of 250 million kWh, and an annual reduction of GHG emissions of approximately 171,000 tons.
- The low-pressure oxygen-enriched renovation project of blast furnace. Nanjing Iron & Steel invested around RMB30 million to transform the existing No.2 turbine oxygen compressor, which can create 20,000 m<sup>3</sup> oxygen per hour. After the transformation, the power consumption of the machine is reduced by 0.08kWh/m<sup>3</sup>, the annual power saving is about 25.35 million kWh, and the GHG emission is reduced by approximately 17,000 tons a year.

Moreover, based on energy technical innovation and driven by intelligent energy management, Nanjing Iron & Steel realized real-time online collection and 100% automatic collection of energy consumption data, making data collection more complete, timely and accurate, facilitating the overall management and reasonable utilization of energy, and providing effective data support for real-time control of the energy consumption by various units.

Due to its excellent performance in energy conservation and carbon reduction, Nanjing Iron & Steel was awarded the "Green Factory" in 2018 as an example corporate by the Ministry of Industry and Information Technology of People's Republic of China. In addition, in the 2019 "National Energy Saving and Consumption Reduction Competition for Key Large Energy-consuming Steel Production Equipment", its 150t No. 2 Converter and 2,000m<sup>3</sup> No.5 Blast Furnace won the titles of champion furnace and advanced furnace in 120~200t converter and 2000~3000m<sup>3</sup> Blast Furnace, respectively.

## Hainan Mining

Hainan Mining continues to make efforts in energy conservation and emission reduction, and divides the targets of energy saving and consumption reduction in each factory and workshop. It proactively carries out projects on the comprehensive utilization of resources.

In 2019, to further implement the industrial policy of energy conservation and emission reduction, achieve lower energy consumption and cleaning production as well as promote productivity, it formulated and detailed *2019 Energy Consumption Plan*. It invested renovation project valued RMB99.5 million to carry out energy saving retrofitting of the existing production lines in its mineral processing system of rich ore, 1.1 million tons per year dressing plant and 2 million tons per year dressing plant. The reformed production lines are backed up by a thoroughly renovated mining system where a more efficient screening process is adopted to screen the mines by nature, which further shortens the production process. Advanced large equipment and automatic control technique are employed and promotes the equipment efficiency. Those three production lines are elaborately coordinated, reducing the worker involved, lowering the labor intensity and facilitating a better production management. Besides, the surplus facilities were scraped, and in line with the cultural background of Hainan Mining, the idle plants were incorporated into a Mining park.



## Fosun Pharma

Fosun Pharma has set up strategic goals of GHG emission intensity and comprehensive energy consumption intensity based on its business. The goal of GHG emission intensity is dropping 50% compared with 2016, which means achieving 0.03 tons per RMB10,000 output value in 2020, while the goal of comprehensive energy consumption intensity is dropping 45% compared with 2016, which means achieving 2.44GJ per RMB10,000 output value in 2020.

Fosun Pharma is actively promoting photovoltaic power projects. The headquarters of Wanbang Biopharma, one of its member companies, made use of the major tablet plants' vacant roofs to lay photovoltaic panels to generate power in cooperation with photovoltaic manufacturers. The installed capacity of the panels is 0.375MW with an annual average power generation of 250,000 kWh, the GHG emission is reduced by approximately 176 tons.

Shanghai Zhaohui Pharmaceutical Co., Ltd. ("Zhaohui Pharma"), a member company of Fosun Pharma, adopting a distributed photovoltaic power generation system, installed 3,404 crystalline silicon PV modules of 295w standard power, of which the photovoltaic power capacity is 1,004.3kw, and power generated are connected to the grid system by user-end accession in the principle of "self-sufficiency, the surplus going to the grid system". It is expected that an average 1,128 MWh of power will be transferred to the grid system during the operation of the power stations annually. Since its operation from the October, about 200 MWh have been saved during the Reporting Period. The GHG emission is reduced by approximately 141 tons.

### Green building

During the operations of the affiliated commercial and office buildings, we actively manage resources like water and electricity. We strive to decrease water and energy consumption, so as to minimize the adverse impact of energy consumption on the environment. In the architectural designing, we hold the concept of "green design" and consider the local conditions, to incorporate the philosophy of environmentally friendly and healthy into the development and construction of each building. We integrated the natural scenes into the building and use environment-friendly materials as much as possible for providing our clients a healthy, applicable and efficient living environment, and reduce GHG emissions and maximize the harmony between man and nature with high quality buildings. As of the end of the Reporting Period, the disclosed member companies in this section has been awarded 20 green building certifications.

## BFC



Bund Finance Centre made full use of original energy-saving designs to operate. It was awarded the LEED Gold Award and China Green Building Three Star Certificate:

- Setting a sound energy consumption monitoring system to measure the power consumption of sockets, air conditioners, motivation power, and power for special use by category, so as to promote the efficiency of energy management.
- The green space of roof reaches 4,000m<sup>2</sup>, accounting for 70.9% of the total available green roof area.
- Fresh air full heat exchangers are adopted for indoor fresh air (the full heat recovery efficiency in both winter and summer is over 60%) to utilize ventilation to pre-heat / pre-chill the fresh air.

## FTG

FTG is devoted to continuously promoting the sustainable tourism through global recognized green certification. Under the strict requirement of green certification system, continuous technology innovation and management upgrades were conducted by FTG to improve its green certification performance. By the end of 2019, the Club Med and Atlantis Sanya of FTG had been awarded by multiple internationally recognized sustainable tourism or green building certificates.

The 85% village of Club Med obtained the certification of GREEN GLOBE, over 20 of those obtained Greenleaders of Trip Advisor. In 2019, 4 new or important renovation resorts certified Building Research Establishment Environmental Assessment Method.

Atlantis Sanya under FTG uses completed smart system, combined with local climate, circumstance, and resource. Both of the percentages of natural lighting and ventilation area are around 90%, getting the certification of Three Star Green Building Label by Chinese Society for Urban Studies, which is the top green building certification in China. In addition, Atlantis Sanya obtained the EarthCheck Bronze Certification.



### 7.3.2. 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. We have taken various water-saving measures to explore a new water recycling pattern to reuse reclaimed water, so as to reduce water resource consumption in production. As of the end of the Reporting Period, no member company is confronted with problems in acquiring applicable water resource.

Water	Quantity
Total Water Consumption (ten thousand tons)	5,426.9
Water Consumption Intensity (ten thousand tons / RMB Million of Revenue)	319.4

Notes:

(1) Each member company's water resources mainly come from municipal water supply. Some of water source of FTG is from ground water, surface water, seawater, drinking water, purchased recycled water, etc.

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

## Fosun Pharma

Fosun Pharma sets a water-saving goal that the water consumption intensity in 2020 would drop 50% (3.00 tons per RMB10,000 output value) compared with 2016.

Fosun Pharma's member companies reduce consumption from the source, limit high water consumption projects, and replace high water consumption processes and equipment. In 2019, Fosun Pharma's member companies conduct various water saving engineering measures, such as promote and modify water saving equipment and appliances (such as water-saving toilets and water-saving faucets), encourage to use a variety of water recycling system (such as concentrated water reusing, condensed water reusing, reclaimed water reusing, rainwater reusing, etc. in preparation of pure water), adopt automatically recycling the cooling water of the water ejector vacuum units, etc. Fosun Pharma's member companies also adopt administration management measures to control water-saving and improve the utilization rate of water, such as upgrading the lyophilizer SIP / CIP procedure and reducing the bottle washing machine injection water, optimize the internal usage frequency of water, etc. The total saving water is about 255,000 tons per year.



## Nanjing Iron & Steel

Fresh water consumption per ton of steel of Nanjing Iron & Steel hit record low. In 2019, Nanjing Iron & Steel invested RMB3.8 million in renovation of public water systems and circulating water systems. The major work renovated buried pipelines into the overhead pipelines for water system, including water plant, No.1 Furnace, No.1 ironmaking plant, electric furnace and medium thick plate rolls plant implemented the transformation in a leading role, effectively reducing water waste.

All organizations of Nanjing Iron & Steel monitored the quality of circulating water seriously to effectively increase the recycling times and reduce water consumption. Fresh water consumption per ton of steel for the whole year was 1.82 tons, a decrease of 0.13 tons compared with the previous year. Compared with the target, water consumption decreased by 0.18 tons, maintaining a leading place in the industry. In 2019, medium thick plate rolls plant and No.1 ironmaking plant were awarded provincial-level water-saving plant.

## Hainan Mining

Hainan Mining carried out a series of water-saving transformation projects in 2019, such as retrofitting the equipment cooling water system at the dressing plants and substituting the previous once-through cooling water system with recycling cooling water system. Benefiting from the transformations, a new increase of 681,100 tons per year of water goes into the recycling system. Meanwhile, to ensure the stable quality of the recycled water, efficient energy-saving and environment-friendly novel hydromagnetic cleaners are adopted in scale inhibition and removal, antiseptis, sterilization and anti-algae. The recycling water usage was over 40 million tons in 2019.



### 7.3.3.Material Management

The Group consumes a certain amount of raw materials and packaging materials in product manufacturing, transportation and sales. Adhering to the philosophy of reducing resource consumption and pollutant discharge at the source, we encourage green products designing and the usage of green materials and carry on efforts in optimizing the use of materials by reducing over-package and invalid package and classifying recyclable materials to achieve recycling and reusing.

Packaging Materials	Consumption (ton)
Glass	11,050.5
Wood	22.4
Metal	352.7
Plastics	2,745.8
Paper	8,650.6
Rubber	854.0
Others	66.4
Packaging Materials in Total	23,742.5

Note:

(1) As Forte, Peak Reinsurance, FTG, Fosun Insurance Portugal do not involve production activities, Hainan Mining and Nanjing Iron & Steel do not produce any or much products which requires packing materials, the disclosure scope of packaging materials only contains the statistical data of each of Fosun Pharma and Yuyuan.

## Fosun Pharma

Fosun Pharma directly and/or indirectly consumes various packaging materials during product manufacturing, transportation and sales as well as provision of medical services. The top three packaging materials by nature and consumption are papers, glasses and plastics.

Adhering to the principles of "controlling at the source, optimizing layout, reducing energy consumption and pollutant discharge", Fosun Pharma has been actively promoting reduction in use of packaging materials and taken measures mainly including (but not limited to):

- Intervene from the source to avoid excessive and unnecessary packaging.
- Conducting classified management of packaging materials from unwrapping the supplied materials, and recycling certain materials for internal reuse.
- Some of our member corporates, in cooperation with the upstream and downstream customers, use materials circulating cases in substitute of disposable material cases to reduce the consumption of circulating cases in transportation.

## FTG

In order to reduce waste generation and reduce environmental pollution caused by the use of disposable plastic products, Club Med has promoted the "Bye-Bye Plastic" project since 2018, and is committed to eliminating single-use plastic products from bars, restaurants and rooms by 2021 in all Club Med resorts.

66% of the Club Med world-wide resorts no longer provide disposable straws, cups, plates, tableware and plastic bags by the end of 2019. The toiletries package was replaced with large reusable containers to reduce the use of plastic products.

Club Med plans to completely phase out all disposable plastic products and packaging in the rooms by the end of 2020. From 2021 onwards, plastic water bottles made available in restaurants and rooms will gradually be replaced. Water fountains, available in the village, allows to fill the bottles made available in the rooms when the guests arrive. Reusable water bottles are also available in village shops.



## 7.4. Compliance Emissions and Harmonious Ecology

To effectively monitor the various pollutants generated in the operation of the Group, minimize or reduce their impact on the environment and regulate the corporate environmental protection management, we strictly implement the related requirements of 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*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, etc., aiming to establish a valid emission policy and system in compliance with the laws and regulations in countries/regions where we operate. Moreover, we actively construct and improve various environmental protection facilities and waste treatment facilities.

### 7.4.1.Waste water

Apart from obeying the relevant laws and regulations of wastewater discharge, we perform a strict control over the wastewater discharge which is handled comprehensively and discharged in compliance with discharge standards to minimize its impact on the environment. Some of our member companies invite qualified third parties to inspect their discharge work periodically. Monitoring facilities are installed at the discharge outlet of the wastewater treatment equipment to constantly supervise and record the quality and volume, so that we can take appropriate measures to deal with abnormalities instantly.

Waste water	Emission
Total Amount of Waste Water (ten thousand tons)	2,885.1
Chemical Oxygen Demand (COD) (ton)	1,364.5
NH <sub>3</sub> -H (ton)	160.9
Suspended Solids (ton)	280.1

Note:

(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 operation, the disclosure scope of wastewater only contains the statistical data of each of Hainan Mining, Yuyuan, Nanjing Iron & Steel and Fosun Pharma.

## Fosun Pharma

Fosun Pharma strictly requires member companies to ensure stable operation of sewage treatment facilities and maintain continuous up-to-standard discharge. For the member companies with insufficient sewage treatment capacity, it actively increases hardware input of sewage treatment facilities by adding new sewage treatment facilities or upgrading the existing ones.

Fosun Pharma sets up an emission reduction goal based on the practical production:

Discharge intensity of the sewage: dropping by 30%, equivalently 3.25 tons per RMB10,000 output value in 2020, compared with 2016.

Emission intensity of COD: dropping by 30%, equivalently 0.23 kg per RMB10,000 output value in 2020, compared with 2016.

Emission intensity of  $\text{NH}_3\text{-H}$ : dropping by 30%, equivalently 0.029 kg per RMB10,000 output value in 2020, compared with 2016.

In 2019, some member companies of Fosun Pharma upgraded the sewage treatment process, sharply improving the sewage treatment capacity. The member companies' sewage treatment plant upgrade their treatment process such as the BIOCOS (Biological Combination System) process, "regulation + multidimensional electro-catalysis" pre-treatment process, "hydrolytic acidification + biological contact oxidation" process and "advanced oxidation + biochemical treatment" process, etc. In this way, the daily treatment capability and the automatic degree improved greatly, and with good resistance to shock loading, technically ensuring a stable performance of the wastewater treatment.



### 7.4.2. Waste Gas

The Group is committed to air pollution reduction. We adopted various optimal and feasible technologies in compliance with all kind of formats to effectively handle waste gases. For those member companies that are less capable in waste gas treatment, we increased labor and resources input, such as adding new efficient treatment facilities or upgrading the existing ones, which will optimize internal management, urge and support them to make progress, so as to reduce the waste gas generated in the operations.

Waste gas	Quantity
NOx (ton)	6,168.9
SOx (ton)	3,168.3
Particulate Matter (ton)	84.1

Note:

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



## Nanjing Iron & Steel

Nanjing Iron & Steel strictly abides by the national and local environmental laws and regulations, shoulders social responsibilities on its own initiative and upholds the principle of sustainable development. The chairman put forward the vision of "Building advanced clean factory in World". And Nanjing Iron & Steel follows out its environmental protection policy that "takes stable up-to-standard emission as the bottom line and ultra-low emission as the target, and underlines the implementation of the three-year plan for environmental improvement". It strictly implements the three-level environmental supervision system, strengthens the daily management of the environmental protection facilities, speeds up the pace of pollution control, and continuously reduces pollutant emissions and improves the plant environment, making unremitting efforts to shape itself to be an ecologically beautiful urban steel mill.

To reduce the organized and unorganized emission of the plant waste gas as possible, Nanjing Iron & Steel formulates the *Eight Management Regulations on the Plant Dust Pollution Control*. Upholding the principle of "Mines and coal are used and transported without being exposed to the open environment and no dust beheld in production", it continuously intensifies its efforts in comprehensive management and makes an ultralow emission transformation planning, of which the aggregate investment is RMB4 billion. In 2019, it constructed fully-closed raw material storage sheds at the material stockyard to reduce non-organized emission, and had "Semi-dry desulfurization and dust removal +SCR denitration" retrofitting for 5 sintering machines. It is estimated to cut annual emission of NOx by 2,700 tons, SO<sub>2</sub> by 600 tons and PM by 100 tons. Nanjing Iron & Steel was awarded the "2018 Top Ten Iron and Steel Enterprises for Green Development" and the "2019 Excellent Enterprises for Green Development" by the China Metallurgical News for its outstanding performance in environmental protection.

### 7.4.3. Solid Waste

The wastes generated in the operations of the Group are disposed in an active, safe and efficient way. We entrust the eligible professional agent to dispose hazardous waste, and general industrial solid waste is collected and disposed collectively by the local Municipal Sanitation Department. We carry out special investigations and compliance inspection on solid waste, performed standardized and detailed management on storage places and record ledgers. Through source control, we strengthen daily management of solid waste treatment equipment, and reasonably extends the replacement cycle to reduce the general solid waste and hazardous waste; through terminal use, we properly treats the solid waste generated and reclaims the resource solid waste in production to lower the volume of the solid waste to be disposed.

Solid Waste	Quantity
Non-hazardous Waste (ton)	9,252,135.7
Non-hazardous Waste Intensity (ton/ RMB Million of Revenue)	54.5
Hazardous Waste (ton)	27,917.7
Hazardous Waste Intensity (ton/ RMB Million of Revenue)	0.2
Total Solid Waste (ton)	9,280,053.4
Total Solid Waste Intensity (ton/ RMB Million of Revenue)	54.6

Note:

(1) The solid waste arising from operation of Peak Reinsurance, Fosun Insurance Portugal and Forte is limited, mainly includes small amount of domestic waste, having no material impact on the ESG aspect of their business operation. Therefore, the disclosure scope of solid waste data only contains the statistical data of each of Hainan Mining, Yuyuan, Nanjing Iron & Steel, FTG and Fosun Pharma.

## Fosun Pharma

Fosun Pharma has formulated a strategy to promote the industrial solid waste for reuse of resource, promoted the reduction of hazardous waste, and set clear strategic goals.

- **Total solid waste intensity:** based on 2016, it will decrease by 30% in 2020, which equals 38.69 kg per RMB10,000 output value.
- **Hazardous waste intensity:** based on 2016, it will decrease by 10% in 2020, which equals 1.00 kg per RMB10,000 output value.



## Nanjing Iron & Steel

Nanjing Iron & Steel makes internal and external comprehensive utilization of general solid waste. It designs and uses industrial chain for the integrated utilization of waste materials to dispose the internal waste resources, and carries out inspections on land pollution and underground water. In result, it achieves the localization management of solid waste and a full process control over the disposal environment.

- It makes the comprehensive utilization system of tailings a reality by reclaiming steel slag and refining slag to the feedstock plant after crushing, magnetic screening and selling tailings outside.
- Precipitator dust, most of the oxidized iron and sludge are reclaimed to the feedstock plant for comprehensive utilization where the mixture of them with other mineral powder was put into sintering machines and reused in production.
- Blast furnace slag and dust, dry ash, desulfurization residues and desulphurization gypsum are sold to external parties for comprehensive utilization.

In 2019, Nanjing Iron & Steel reclaimed an aggregate 5.743 million tons of general solid waste for comprehensive utilization and its safe disposal rate of hazardous waste was up to 100%.



### 7.4.4. Biodiversity

Biodiversity, as the prerequisite of mankind existence, is the foundation of the sustainable development of the economy and society. The Group highly values the protection of biodiversity. Its office areas, business sites and industrial plants are kept away from nature reserves and biodiversity is not undermined by Fosun's activities, products and services. It upholds the practice that no primeval vegetation is ruined, no rare plant or animal is hurt for animal experiments or for being used as raw materials in production.

## FTG

Club Med attaches importance to the protection of biodiversity in the whole process of construction and operation. During the environmental impact assessment of the early construction, it identifies sensitive habitats and takes relevant measures to mitigate environmental impacts. In the operation, it formulates related procurement policies to promote the purchase of organic food and eco-certified products. In addition, Club Med also conducts related activities to enhance environmental awareness among consumers and local communities. For example, it holds "Clean Art Planet" artistic activity cooperated with the local community. Participants made creative artworks out of the plastics collected and cleaned from seaside to create artworks. By doing this, Club Med made a strong case for environmental protection while arousing the artistic creativity.

Club Med circulated a guideline on turtle protection at 7 resorts in 3 continents. In Brazil and Maldives, it is engaged in coral reef conservation and plantation on its own initiative.

At the World Oceans Day 2019, the divers at the Atlantis Sanya Aquarium used huge banners and launched a "protect the marine environment and reduce plastic waste" promotion activity, calling on people to reduce the use of plastic products and protect our marine homes.



## Hainan Mining

Upholding the principle of mining and vegetation reclamation for years, Hainan Mining reclaimed and resumed governance of the land destroyed by mining. In 2019, it planted 200,000 trees on the 150 mu of land reclaimed, for which, the aggregate investment was RMB4.7905 million. After years of endeavor in vegetation reclamation, as of the end of the Reporting Period, the accumulated area of reclamation in mine land is 4,910.55 mu, ensuring a green coverage of 58.5% in the reclaimed land and creating an orchard with a total input of RMB114.24 million.



## Nanjing Iron & Steel

Nanjing Iron & Steel invested hundreds of millions of amount to build an "urbanization + ecological" plant area, constructing landscaping projects such as landscape avenues, stone river landscape belts, and green isolation belts. It forms a well-arranged and colorful landscape with flowers in three seasons and evergreen in four seasons. At the same time, it carried out comprehensive management of soil and water loss and ecological restoration. The 700,000 m<sup>3</sup> of riverside surrounding the plant area was re-greened and transformed into a wetland park, with a total of 12,253 trees planted, creating foundation of a "4A-level industrial tourism base" for Nanjing Iron & Steel.





# F O S U N

## ESG REPORT

# 2019

### 08 RESPONSIBLE INVESTMENT - INNOVATION INVESTMENT WITH PROFOUND INDUSTRY OPERATIONS AND HIGH VALUE

- 8.1. Organization Structure and Policy
- 8.2. Responsible Investment and Management Strategy
- 8.3. Proxy Voting and Communication
- 8.4. Response to International Initiatives
- 8.5. Investment in Clean Technology

As a responsible company, Fosun's commitment to sustainable development is reflected not only in the high-level practice of the Group's sustainable development, but also in the practice of responsible investment concepts in investment activities.

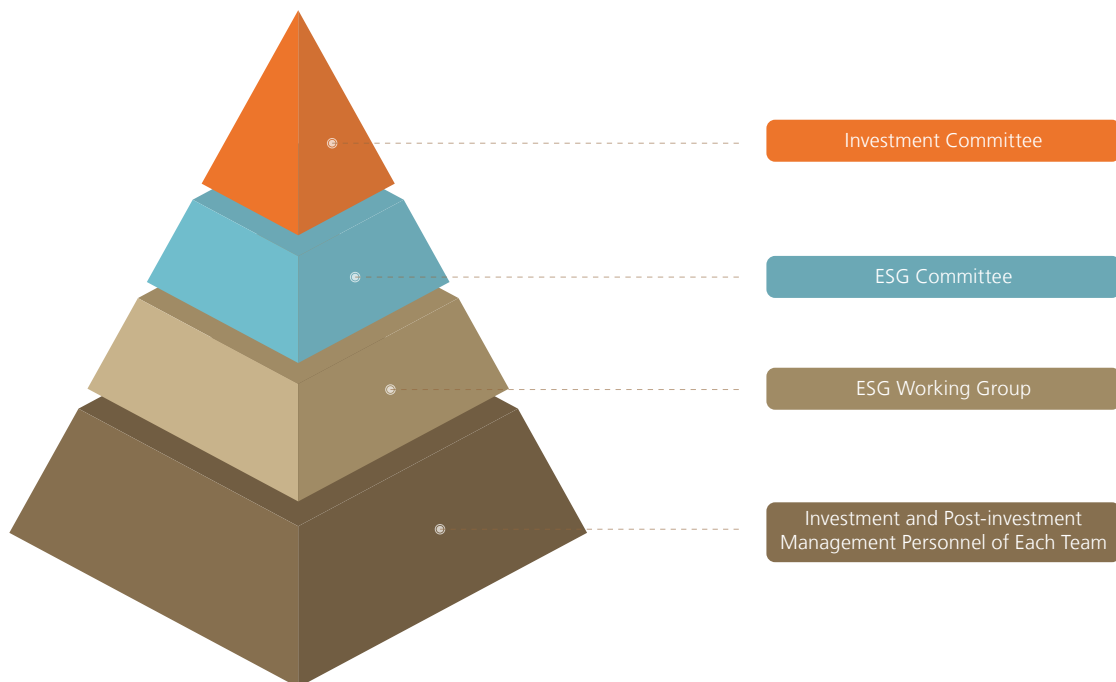
As an innovation-driven consumer group, we have established a responsible investment management system with reference to advanced domestic and foreign practices to promote the integration and development of responsible investment concepts of Fosun.

## 8.1. Organization Structure and Policy

The Group has set up a top-down organization structure for responsible investment to promote the implementation of responsible investment in Group's investment.

- **Investment Committee:** The decision-making body of Fosun's responsible investment. In the decision-making meetings, the "responsible investment" factor is taken into account as one of the significant topics.
- **ESG Committee:** Review and ensure the effectiveness of the responsible investment system.
- **ESG working group:** For investment projects, make ESG Due Diligence in the pre-investment stage, supervise and manage ESG-related risks during the pre-investment stage, post-investment stage and industrial operation.
- **The investment and post-investment management personnel of each investment team and industry platform:** Be responsible for the implementation of the responsible investment system.

By formulating manual guidelines and carrying out regular trainings, the Group inculcates basic elements of responsible investment, shares best practices, and strengthens the responsible investment concept of investment members.





### ESG Management and Responsible Investment Training

In December 2019, the Group organized a training with the theme of "ESG Management and Responsible Investment" to introduce the capital market's focus on ESG performance to the participating employees. In the training, the Group stressed the necessity of responsible investment, and discussed how to carry out Fosun's responsible investment with employees.

Fosun has formulated the *Fosun Investment Work Manual and Responsible Investment Policy* which incorporate ESG governance topics into investment decisions to clarify, express and implement relevant responsible investment requirements, so as to regulate the operation of the Group's responsible investment. ESG factors are incorporated into investment processes of the Group.

Our investment team consider ESG responsible investment factors in company and industry analysis, including but not limited to:

- Corporate governance (structure of the Board, remuneration of senior management, etc.)
- Shareholder authority (election of directors, amendment of Articles of Association, etc.)
- Regulation amendments (GHG emission limits, environmental protection requirements, etc.)
- Brand and reputation issues (poor health and safety records, cybersecurity problems, etc.)
- Supply chain management (work-related injury rate, labor relation, etc.)
- Working environment (compliance with health, safety and human rights regulations, etc.)
- Other matters requiring attention

## 8.2. Responsible Investment and Management Strategy

We have formed a bottom-up investment methodology and embedded responsible investment factors into the entire research process:

In the project screening stage, Fosun should actively analyze 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 should also be conducted.

In the course of investment, the investment team shall, in combination with business, technology, finance, law, tax, IT, EHSQ and other parts, complete the *ESG Due Diligence List*, and report the major ESG risks observed to the Investment Committee.

In the post-investment management and industrial operation stage, Fosun should encourage the invested enterprises to carry out high standard corporate governance and good management of environmental and social risks, and convey Fosun's ESG expectations to those invested enterprises as well as promote them to realize such expectations by using the rights of shareholders. The Group has established the evaluation mechanism to evaluate the ESG performance of the invested enterprise dynamically and regularly.

### 8.3. Proxy Voting and Communication

Fosun establishes a "responsible director" system, and encourages the accredited responsible directors to fully communicate with the board of directors from the invested enterprises, rather than rashly proposing a resolution that may be rejected at the shareholders' meeting. We are concerned 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 management, the accredited directors should seek to contact the board of directors of the invested enterprise at the early stage and try to resolve the divergences. If necessary, further exchange of views shall be conducted with the consultants and/or accredited directors of the invested enterprise. If such communication is still invalid, the accredited directors shall consider abstaining or voting against at the general meeting, or even require an extraordinary general meeting to enable all investors to vote on the disputed matters.

For companies with a large equity interest held by Fosun, their management shall understand the voting principles as well as the opposition reasons of Fosun. When Fosun is in lack of information or has restricted information to form opinions, it is recommended to abstain. Stock sale could also be a response for the Group.

## 8.4. Response to International Initiatives

The Group works with international initiatives to promote the development of the responsible investment market. In August 2014, the Group joined the UNGC and devoted to the global commitment of sustainable development.

To boost contribution to responsible investment, H&A, our member company, signed the The United Nations-Supported Principles for Responsible Investment. It is also a member of the European Sustainable Investment Forum. H&A is committed to excluding companies that violate human rights, participate in weapons production or trading, accelerate climate change, use socially controversial technologies, or participate in risky activities during the investment.

Peak Reinsurance, our member company, is a signatory to the Principles for Sustainable Insurance ("PSI") of United Nations Environment Programme - Finance Initiative. In the investment process, Peak Reinsurance is committed to promoting the integration of PSI and business decisions, and excluding companies that have a negative impact on the climate from the investment portfolio.

## 8.5. Investment in Clean Technology

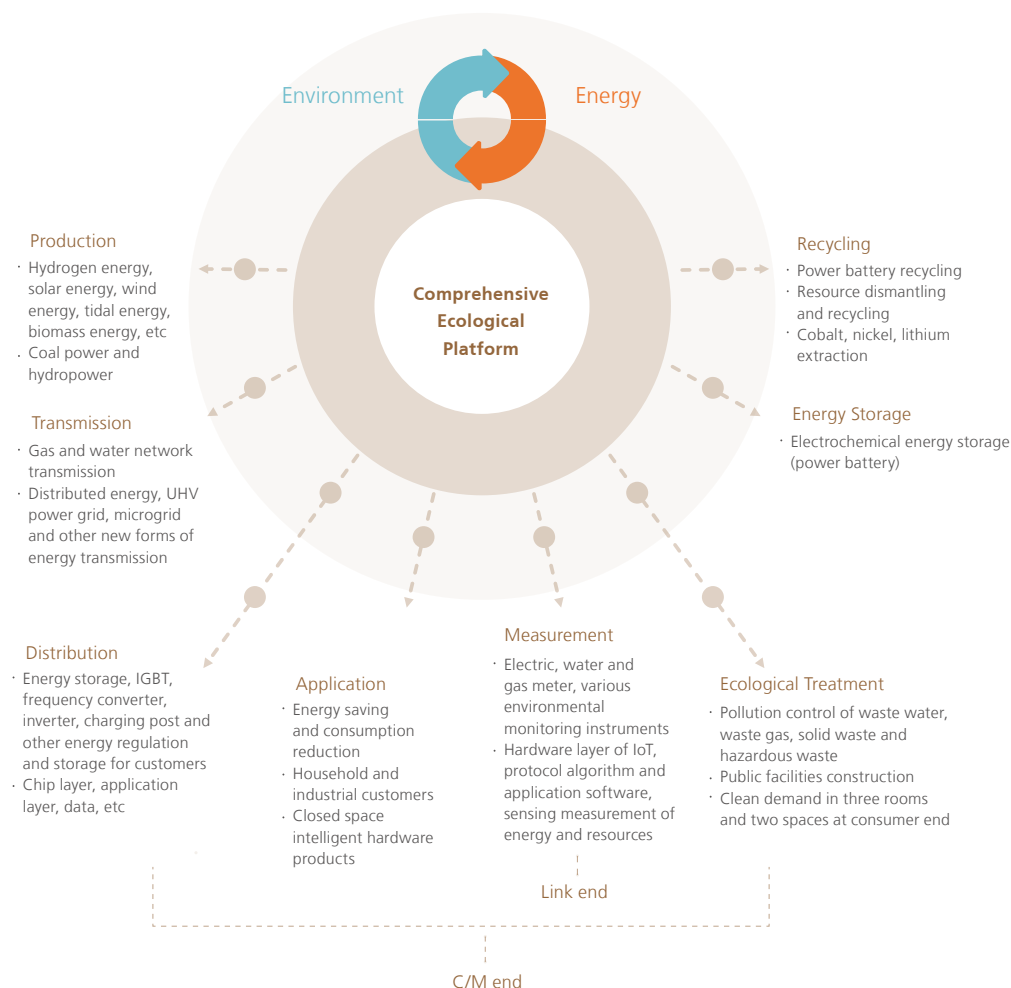
Focusing on the investment in environmental protection industry and clean technology, the Group establishes the Energy Industrial and Utility Investment Department, and clearly formulates the vision and strategy of clean technology investment, so as to achieve precise layout under the strategic goal of building a comprehensive ecological platform.

### **Vision:**

To build a comprehensive environment and energy service platform rooted in China, with an international perspective, and led by innovation. To work on comprehensive environmental governance, resource utilization and ecological protection, and to contribute to the continuous improvement of the ecological environment.

### **Strategy:**

Under the plan of Energy Industrial and Utility Investment Department of the Group, taking Besino Environment as the core platform, we will make our efforts in the next 10 years to realize our transition from environmental protection group (pollution control), to environmental group (pollution control + resource utilization), and then to ecological group (pollution control + resource utilization + energy). At the same time, we will also expand our customer coverage beyond government and companies to cover end consumers.

**Objective:**

Timeline	Industry positioning	Milestones
2019 - 2021	Relied on Besino Environment, the core foundation, establish a comprehensive environmental protection group covering important segments such as sewage treatment, solid waste, and hazardous waste to provide pollution treatment services	<ul style="list-style-type: none"> <li>Vigorously expanding business in municipal and industrial sewage treatment, water quality inspection and monitoring, solid waste and hazardous waste treatment, and operation and management of more projects in different regions.</li> <li>Actively developing and applying related technologies to further improve the level and standard of environmental treatment.</li> <li>Further increasing sewage and waste treatment capacity and pollutant reduction.</li> </ul>
2021 - 2025	In addition to pollution treatment services at terminal, expand towards resource recycling and further stretch out to upstream and downstream, transform from "discard" to "regeneration", and from "consumption" to "recycle"	<ul style="list-style-type: none"> <li>Expanding businesses in the areas of environmental restoration and conservation and resource recycling, to achieve source reduction, energy conservation and consumption reduction, resource recycling and long-term sustainable development.</li> </ul>
2025 - 2030	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 household users, but also a clean, sustainable, measurable, and alternative energy system, to promote the ultimate upgrade and evolution of the environmental group into ecological group	<ul style="list-style-type: none"> <li>Taking renewable energy as a breakthrough to construct an integrated energy platform containing energy providers (clean energy/distributed energy), transmission parties (grid/microgrid/pipe network), storage regulators (energy storage / Insulated Gate Bipolar Transistor / converter / inverter /charging pile), calculators (electricity, water and gas meter/ IoT), as well as sales parties, and meanwhile gather a large number of business and individual customers.</li> </ul>

As of the end of the Reporting Period, for the Energy Industrial and Utility Investment Department, investments have been made in a number of clean technology companies, with a total investment of more than RMB4 billion, accounting for about 53.4% of the total investment of Energy Industrial and Utility Investment Department in primary market.

## Some Clean Technology Investment Projects Introduction



### Besino Environment

Besino Environment is mainly engaged in environmental treatment services. Its business involves investment, construction and operation services in the fields of urban and rural sewage treatment, industrial sewage treatment and reuse, water supply, production and supply of industrial clean water, sludge disposal, etc. The project of Wangxiaoying Sewage Treatment Plant in Hefei is the first Transfer-Operate-Transfer (TOT) concession project in China. It introduces German advanced operation management system and the grid-connected distributed photovoltaic power generation project, which is the largest photovoltaic project in scale in China, and also the first photovoltaic project in sewage treatment plant that has been settled in Anhui Province.

During the Reporting Period, Besino Environment recorded about 432.24 million tons in sewage treatment volume, approximately 72,457.22 tons in chemical oxygen demand removal, about 6,942.40 tons in ammonia nitrogen removal, and around 85,228.02 tons in suspended solids removal.



### CN-NL Waste Solution

Shanghai CN-NL Waste Solution Co., Ltd. ("CN-NL Waste Solution") focuses on providing urban and rural smart integrated solution with the core of domestic trash transfer station. It is the integrated service company who offers services like investment, planning, consulting, design, R&D, equipment manufacturing, construction and operation.

CN-NL Waste Solution is the creator of the domestic trash integrated solution, which takes vertical classification transfer technology as core. Through more than ten years of application and development, there are nearly 200 trash transfer stations using this technology, with 80,000 tons in daily transfer volume, which is used in 24 provinces (regions, cities) in China, Thailand, Vietnam, Malaysia and other countries. The garden-type vertical classification transfer station has become the benchmark in industry.



### Spring

Qingdao SPRING Water Treatment Co., Ltd. ("Spring") has applied Moving-Bed Biofilm Reactor ("MBBR"), a biochemical technology, to sewage treatment and continuously improved it in projects. By combining practice with new sewage treatment theories, Spring developed MBBR-based autotrophic nitrogen removal techniques, including MBBR nitrification, anaerobic ammonium oxidation and Completely Autotrophic Nitrogen Removal Over Nitrite (CANON). By the end of 2019, Spring completed nearly 160 projects, with nearly 10 million tons processed per day.



### Feierte

Yunnan Feierte Environment Protection Technology Co., Ltd. ("Feierte") is a leading domestic company for exhaust after-treatment of internal combustion engines. It is also the biggest manufacturer of honeycomb ceramics in China. Having been tested by domestic third-party authorities, the key performance and parameters of ceramics is the leading product in China. Its diesel particulate filter (DPF) has been listed as a national key new product by the Ministry of Science and Technology and other relevant ministries and commissions. This product application fields include new vehicle after-treatment technology, in-use vehicle exhaust purification-transformation, and stationary source exhaust purification.





# FOSUN

## ESG REPORT

### 09 RESPONSIBLE PROCUREMENT - MUTUALLY BENEFICIAL COLLABORATION

- 9.1. Supplier Management System
- 9.2. Sustainable Value Delivery
- 9.3. Business Integrity Management
- 9.4. Communication with Suppliers

## 9.1. Supplier Management System

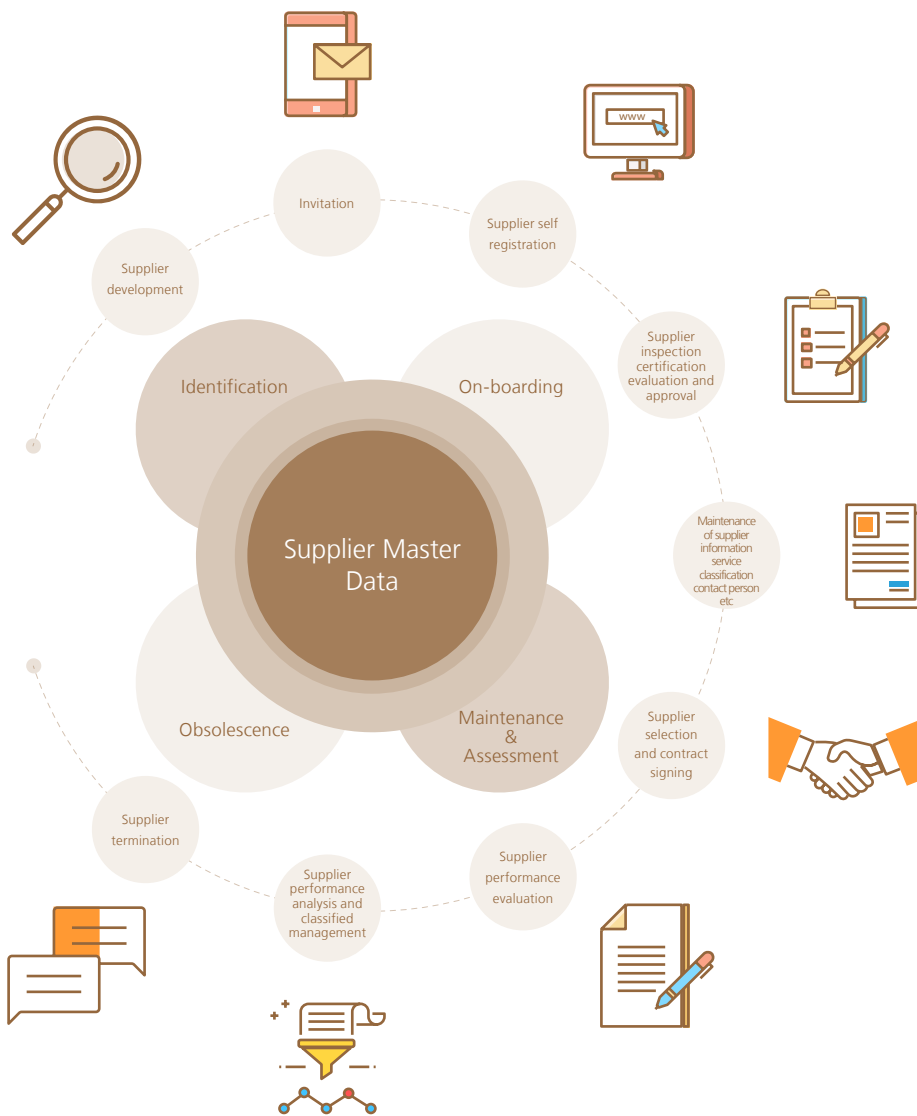
Under the vision of "concerted efforts and cooperation lead to win-win situation", Fosun persists in jointly building a harmonious partnership and an enduring business ecosystem, to achieve win-win cooperation through complementary advantages and benefits mutual sharing.

<b>Overall strategy for procurement management</b>	<ul style="list-style-type: none"> <li>• Transparent procurement, cost reduction and efficiency enhancement</li> </ul>
<b>Basic principles for procurement practices</b>	<ul style="list-style-type: none"> <li>• Openness, fairness and impartiality</li> </ul>
<b>Objective</b>	<ul style="list-style-type: none"> <li>• To build a world-class procurement risk control management system by 2028</li> </ul>



Strictly abiding by relevant national and local laws and regulations, and aiming to build a world-class procurement risk control management system by 2028, we reduce procurement risks, save procurement costs, and enhance management efficiency to create the core value of procurement through standardized, scientific, professional and refined management.

The Cost Procurement and Management Department is responsible for the supply chain management of the Group. Focusing on the *Procurement White Paper of Fosun Group*, we have formulated a comprehensive system, including *Basic Guidelines for Procurement Management*, *Basic Guidelines for Supplier Management*, *Management Measures for Strategic Procurement*, *Management Measures for Procurement System*, etc., to fully regulate procurement management.



We have established a whole-process supplier management mechanism to standardize and systematize the supplier management system, clarify management functions, and institutionalize supplier assessment. Moreover, according to the *Procurement Management Assessment and Red, Yellow and Green Light Management Measures*, we carry out assessment at least once a year, while high-risk suppliers are assessed on a quarterly, monthly and contract basis.

Onelinkplus is established in 2017, as a smart cost procurement management platform for Fosun's member companies, it provides hundreds of companies with whole procurement process information services and procurement sharing center services including budget management, bidding, sourcing, supplier lifecycle management, contract signing and performance, procurement risk control, etc. By the end of 2019, Onelinkplus has managed more than 4,000 online bidding projects. Over 300 purchasers and more than 10,000 qualified suppliers have settled in, and total online users have reached above 50,000.

#### Relevant link

[Onelinkplus](#)

[Procurement White Paper of Fosun Group](#)

## 9.2. Sustainable Value Delivery

In order to strengthen the ESG performance management of the Group's suppliers, we have formulated the *FOSUN GROUP Supplier Code of Conduct*, covering all member companies. We hope that all suppliers do business in a sustainable manner and comply with all applicable laws and regulations.

We have requirements for suppliers in the following areas. For specific requirements, please refer to the relevant link:

- A. Human rights;
- B. Fair labor conditions;
- C. Environmental, health, safety and quality management;
- D. Business ethics;
- E. Secure business;
- F. Procurement of suppliers.

### Relevant link

[\*FOSUN GROUP Supplier Code of Conduct\*](#)

In response to the above, we have made inspections and corrective measures. The suppliers' business and facilities will be reviewed by Fosun itself or a third party entrusted with reasonable notice. 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 fail to comply after taking corrective actions, Fosun will conduct corresponding actions, including but not limited to suspend or cancel cooperation relationship with such suppliers.

Regarding the business relationship between suppliers and Fosun, we also encourage suppliers and their employees to make complaints and reports on violations of the *FOSUN GROUP Supplier Code of Conduct*, including but not limited to employee discrimination, extortion, bribery, fraud, corruption, etc. Please refer to the section of Practising Business Ethics in the Report for the reporting channels and protection measures.



## Fosun Pharma

In 2016, Fosun Pharma jointly launched the green supply chain construction project called "Green Fosun" together with its subsidiaries and suppliers, which was aiming at guiding the subsidiaries to raise EHS standards and driving suppliers to strengthen self-control and self-regulation on EHS in the industry, so as to promote a healthier and more sustainable supply chain ecosystem in the industry.

In 2016, Fosun Pharma released the *Basic Standards of Green Supplier Management of Fosun Pharma (Trial)* and *Proposal of Green Chain of Fosun Pharma*. By the end of 2019, a total of 6,242 suppliers accepted the proposal. The project was awarded the "The star of green chain" by Shanghai Municipal Bureau of Ecology and Environment and other organizations, and the "Green supply chain excellent case in Shanghai" for two consecutive years.

Fosun Pharma establishes the green supplier assessment system and conducts trainings of green supplier assessment system in subsidiaries. It also conducts documentary audit and on-site EHS audit in multi-dimensional measures to review and score the green supply chain of suppliers; improvement suggestions were given to help supply chain enterprises optimize EHS management.

By the end of 2019, Fosun Pharma member companies carried out 358 green supply chain audit to their suppliers. In 2019, 139 raw materials, ingredients and packing materials suppliers completed green supply chain audits conducted by 20 member companies of Fosun Pharma, among which, 51 suppliers had conducted on-site EHS audits. Fosun Pharma's member companies communicated with suppliers about the rectification plan for the non-conforming items according to the documents and on-site audit. Besides, Fosun Pharma conducted on-site audit for 3 suppliers, and no material or potential significant negative environmental impacts were found.



## 9.3. Business Integrity Management

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 participating in company procurement to fill in and sign the *Letter of Commitment Relating to Supplier Integrity and Self-discipline*. Credit investigations are carried out through a third party for all suppliers in the supplier base of Fosun.

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 without proper reasons and other violations of laws, regulations and rules are prohibited.

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 produce a "blacklist" of suppliers, and formulate different punishment measures including warning and prohibition from access accordingly. In the event of serious circumstances, the business relation with the suppliers will be permanently terminated.

In order to supervise suppliers' behaviors, we have opened our complaint channels, hoping that more stakeholders can participate in the supervision and create good business practices with us.



## 9.4. Communication with Suppliers

We are committed to continuously improving the comprehensive capabilities of suppliers through business communication and mutual promotion, and elevating the quality and efficiency of suppliers' products and services through interactions.

The Group and member companies have established communication channels with suppliers. Suppliers can contact and communicate with the Group through the customer service center of Onelinkplus. In addition, through regular cultural exchanges and other activities, we emphasize Fosun's values and guide the healthy development of suppliers.

### Supplier Communication Cases during the Reporting Period



#### Supplier Conference

Yuyuan held a supplier conference under the theme of "Communication Brings Shining Future", which indicated that suppliers were important external resource, and the main source of cost control and risk control of the company. Moreover, the cooperation attitude with mutual openness, resource sharing and complementary advantages were clearly encouraged for joint development of all parties.



#### Supplier Training

On 27 December, the Group organized all the users of Onelinkplus to participate in the training on user procurement and bidding, for introduction and training on various types of services and system usage. Through this training, the Group conveyed relevant requirements of the *FOSUN GROUP Supplier Code of Conduct*, and specified requirements for suppliers' ESG performance. It was emphasized that suppliers should respect human rights and any form of discrimination should be strictly prohibited.





# F O S U N

## ESG REPORT

# 2019

### 10 RESPONSIBLE EMPLOYER - SUSTAINABLE DEVELOPMENT AND CULTIVATION OF TALENTS

- 10.1. Talent Development Strategy
- 10.2. Creating Happy Work Environment
- 10.3. Building a Learning-oriented Organization

## 10.1. Talent Development Strategy

Fosun regards its employees as its most valuable capital. With our motto of "Together We Make a Difference", we make use of the talent supply chain system to combine the external talents attraction and the internal training, so as to cooperate with global talents with entrepreneurial spirit.

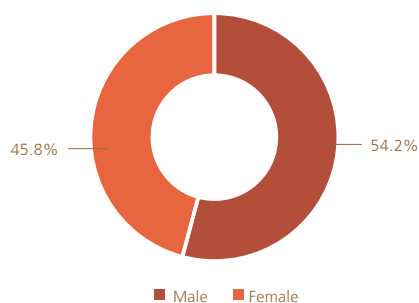
The Group protects the interests of employees by formulating the *Employee Manual*. The establishment of all human resources policies strictly complies with all rules and relevant regulations in connection with recruitment and dismissal, remuneration and promotion, employee schedule, equal opportunities, anti-discrimination, diversity, working hours, rest periods 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*, *Brazilian Labor Laws Act*, etc.

We take the sustainable development and cultivation of talents as priorities. Based on a training system, we help employees improve work performance and personal capabilities by providing opportunities such as cross-level promotion and cross-company/sector/function rotation, so as to allow both Fosun and our employees to grow together.

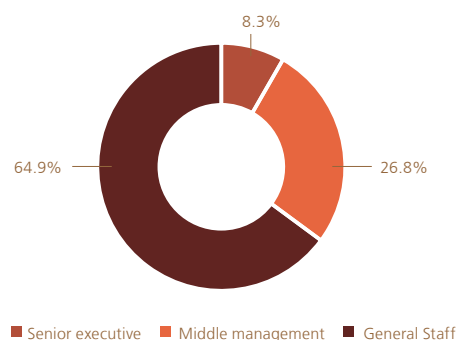
During the Reporting Period, the Group was awarded the fourth "China's Most Admired Employer" by LinkedIn, "the 2019 Extraordinary Innovative Employer" and "Top 100 Extraordinary Employer" by Liepin.com, "the 2019 Best Employer" by zhaopin.com, "the Distinguished Contribution" by BOSS (zhipin.com), "the 2019 China's Best HR Management Team" by Moka, "the 2019 Best HR Digital Practice" by Moka, etc.

By the end of 2019, the number of employees of the Group was approximately 71,000. And the number of employees of the Company and 6 subsidiaries<sup>6</sup> within the scope of the Report was around 58,000.

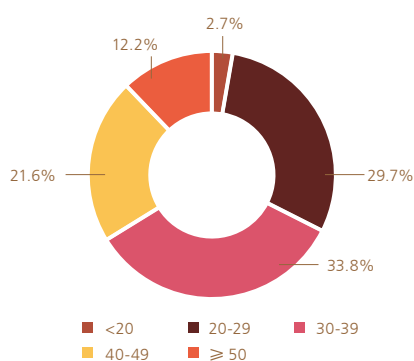
Total number of employees by gender



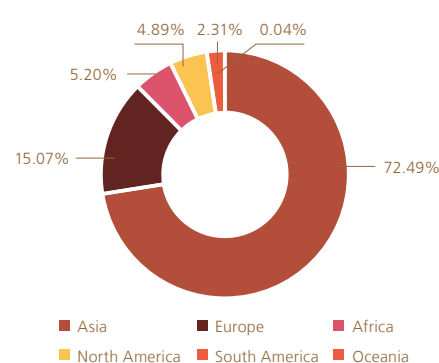
Total number of employees by position



Total employees by age

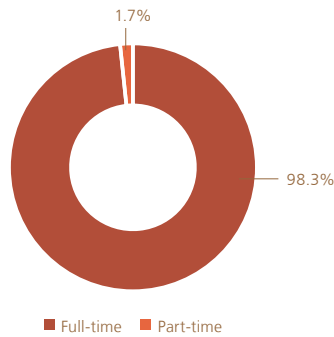


Total number of employees by region



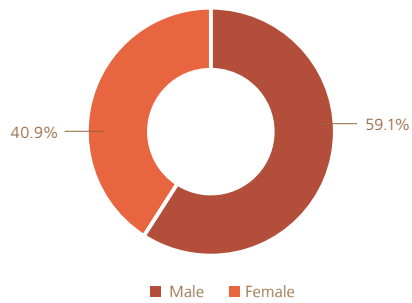
<sup>6</sup> In this section, the disclosure scope of data is the Company, Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, FTG, Fosun Insurance Portugal.

Total number of employees by type of employment

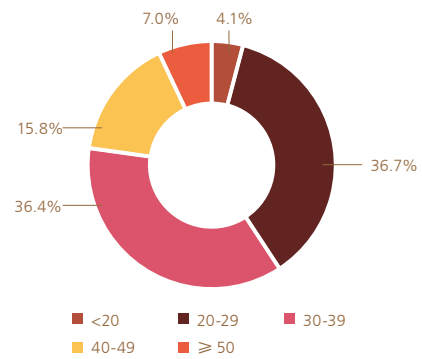


In 2019, the total number of new employee hires of the Company and 6 subsidiaries within the scope of the Report was around 19,000.

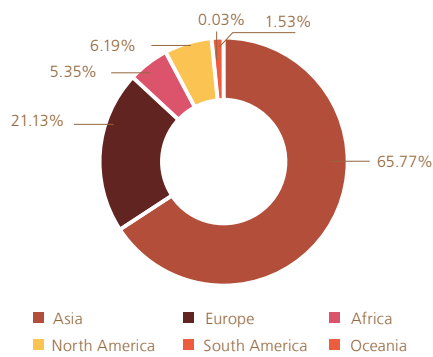
Total number of new employees by gender



Total number of new employees by age



Total number of new employees by region



### 10.1.1. Attracting People with Development

We concentrate on the global talent layout, and strive to build up an elite talent recruitment team to enhance the talent introduction ability. We aim to continuously expand recruitment channels, focus on high-potential talents from various industries with operational capabilities, and strengthen the talent pool. We hold global campus recruitment, actively promote the brand of Fosun as an outstanding employer, attract elites from all fields worldwide, and provide a variety of development opportunities for more excellent talents, so as to invigorate fresh blood into the company.

#### Diverse Forms of Recruitment

Adhering to the 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.

FOSTAR Program	The global campus recruitment project has been launched for new graduates from top universities and colleges by offline talk, cloud talk, mutual selection and other means. It offers jobs covering investment, functions (e.g. HR, finance, risk control and legal) and operation (e.g. marketing, AI, technologies), so as to develop backbone and young partners.
"PoleStar" Internship Program	The "PoleStar" internship program constitutes a reserve talent pool for the FOSTAR program. Every year we'll sign some outstanding performers as formal employees after the internship program. As the starting point of annual campus recruitment plans, the "PoleStar" internship program has built a path to the youth talent pool and followed a targeted selection and development strategy by means of communication and cooperation with core enterprises and industrial groups.
Star Gathering Creation Camp	Targeting at top talents and student leaders in universities and colleges, we assemble excellent graduates and undergraduates with entrepreneurship, passion and dreams. Through StarGathering Creation Camp and subsequent training programs, we find and train top talents, join hands with them to embrace the future and realise dreams on one hand, and reserving select future management talents for the Group on the other hand.
SeeStar Action	Social recruitment programs, covering all sorts of positions and functions of the Group, product lines and core enterprises, have been launched for job hunters with certain work experience instead of fresh graduates to build up Fosun's talent teams and improve the organizational capabilities by introducing experienced outstanding talents. The system grades experienced talents and adopts different talent introduction strategies according to their advantages, including cooperation with top EMBA/MBA universities and colleges, cooperation with industry leading organizations, and interaction with the entrepreneur groups. With a clear expectation of our future workforce and the help of assessment and selection tools, we aim to build a first-class global talent team.
MoveStar Program	Fosun has launched the MoveStar program to encourage the transfer of internal staff and talent flow, so as to help employees to find a more suitable career path and optimise the match between our people and job requirements. In addition, this program also encourages cross-boundary, cross-industry, and cross-function development. After the release of internal posts on the digital platform, employees can apply for transfer themselves, thus increasing their opportunities for internal development, invigorating the internal talent resources, strengthening the flow of talents among posts, enhancing the flexibility of business, and enhancing the vitality of the organization.

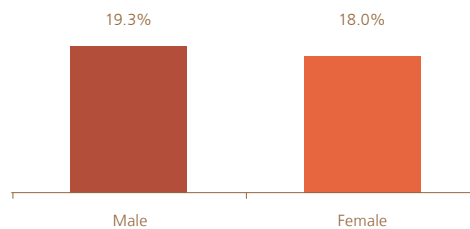
### Working Hours and Holidays

Based on the operation of the Group, Fosun promulgates the attendance management and leave system in accordance with the laws and regulations of the countries/regions where we operate. We regulate the working hours and 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, casual leave, sick leave, maternity leave, compassionate leave, etc. Besides, we also set up paid leave as appropriate based on the laws and regulations of the countries/regions where the staff are recruited.

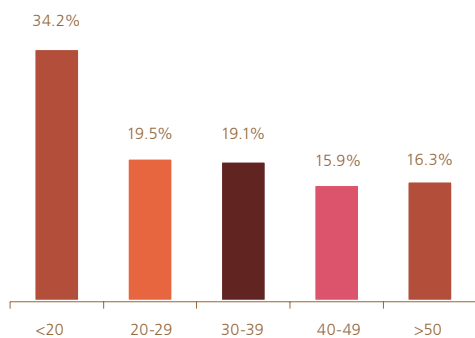
### Termination

We strictly follow the labor contract and the relevant laws and regulations 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 an employee leaves, we will conduct an interview with him/her to understand the reason for leaving and his/her suggestions to the Group. The employee turnover rate was around 18.7% in 2019.

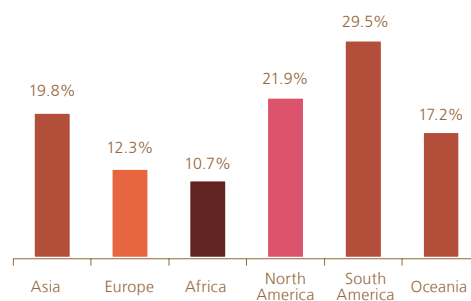
Turnover rate by gender



Turnover rate by age



Turnover rate by region





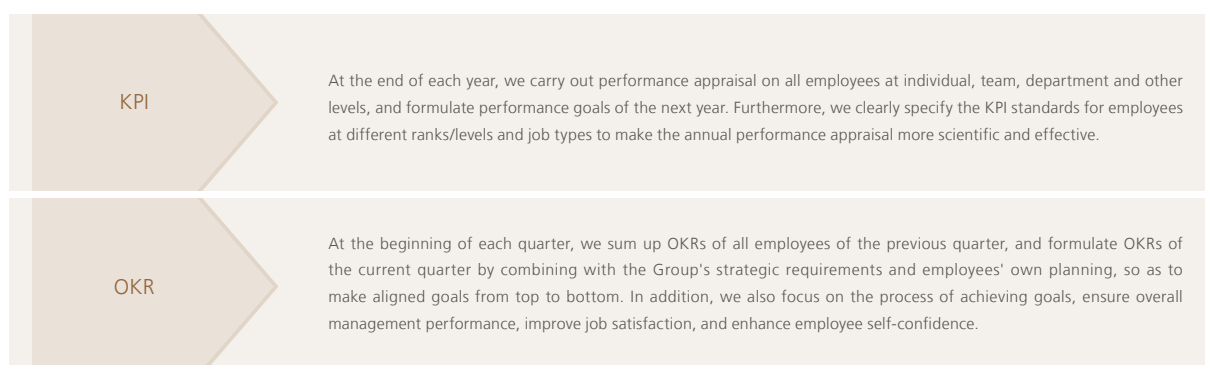
Percentage of employees receiving regular performance and career development reviews

100%

### 10.1.2. Appraising People with Performance

All employees of the Group are subject to diverse performance and career development appraisal regularly. Taking work performance as the most fundamental basis to evaluate employees work and measure their work abilities, we constantly improve the appraisal mechanism, design, optimize and upgrade the appraisal method to make a more scientific and reasonable performance appraisal through innovative, simplified and efficient appraisal method, so as to create a fair and impartial, performance-oriented and efficiency-centric working atmosphere.

Adopting both qualitative and quantitative appraisal, we assess employee performance comprehensively, and conduct regular performance reviews and annual performance appraisals. In addition, we make use of a diversified performance appraisal mechanism combining KPIs and OKRs ("Objectives&Key Results") to assist employees' personal growth and performance improvement.



### 10.1.3. Training People with Work

Always following the incentive principle of "value sharing after value creation" and the incentive concepts of "competitive remuneration" and "motivate value creation", we guide all employees to actively realize the implementation of the Group's strategy and the development of themselves through a multi-level remuneration incentive system of full coverage. The remuneration of employees includes basic salary, performance related bonus, special award for value sharing plan (Carry Incentive), stock incentive plan, etc. We encourage employees to continue to practice and improve in their own positions, 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 the relevant national and regional policies of various industries, we have scientifically set short-, medium- and long-term incentive mechanisms, and achieve full coverage of employees and business lines. And 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.

#### Performance Related Bonus

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.

#### Value Sharing Plan

In order to ensure that all employees actually participating in the investment projects have the right to share the excess earnings brought by various investment projects, for incentive mechanisms of various investment projects, we have formulated the *Management Measures for Value Sharing Plan (e.g. Carry Incentive)* to share with employees various types of excess earnings generated from private equity investment, venture capital, stock bond allocation, investment in and operation of significant projects.

#### Stock Incentive Plan

Personnel at the executive officer, executive director, managing director level and above meeting the performance requirements, or other outstanding high-potential personnel approved by the board of directors can participate in the Group's stock incentive plan. Meanwhile, in order to attract more talents in the new economy and Internet industries, outstanding talents from leading enterprises in these industries have been specially included in the stock incentive plan since 2019. 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 of directors 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 Note 62 to financial statement of the 2019 Annual Report for details.

#### Risk Protection Mechanism

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

### Clawback Mechanism

In the *Management Measures for Corporate Value Growth Award (Carry Incentive) of Fosun Group* and the *Management Regulations for Reward and Punishment of Fosun Group*, 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 all investment projects 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 Group sets limits on the total annual incentives available to individual employees each year according to the new incentives in the current year and the deferred incentives in previous years respectively, and the part exceeding the limit is deferred to the next year.

### 10.1.4. Uniting People by Career

With the upgrading of the organizational structure, we keep strengthening the industrial depth of organization and talents, and promote mutual empowerment between the Group and its member companies, making the creation of a better Fosun as a common cause for all employees. In addition, focusing on high-potential talents with outstanding performances, we provide them with more promotion and development opportunities, actively develop the full potentials of employees, and provide opportunities for rotation in a timely manner, so that we can help employees to establish a strong sense of enterprise and initiative.

Furthermore, we continue to promote multi-dimensional and multi-layer global partner model with various sharing and supporting measures to stimulate the entrepreneurial passion of sharing joys and hardships.

### 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 give full play to their personal value.

### Promotion Mechanism

We divide promotion into regular promotion and special promotion 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 employees belong and human resources department jointly conduct a complete promotion assessment, then they report it to the board of directors for final decision.

### Global Partners

Adhering to the concept of "let the professionals handle the professional matters", we continue to promote multi-dimensional, multi-layer, mutual-sharing and jointly progressive Fosun partner model to cover companies, regions and fields of Fosun, including Fosun global partners, sector partners, line partners, corporate partners, etc., so as to achieve complementary advantages among partners in Fosun's global business development. Based on the characteristics of partners at all levels and in various fields, the Group has formulated different partner entry and exit mechanisms, deliberative mechanisms, incentive mechanisms, etc. We also attach importance to nurturing young people for higher levels of management to ensure the continued competitiveness of the partner team.

In order to uphold the core values of the entrepreneurial spirit that we have always advocated, to motivate the value creation, initiate responsibility and performance contribution of core management of the Group, and to actively promote management innovation and cultural heritage, Fosun also implemented a partner share option incentive plan.

As of the end of the Reporting Period, Fosun's global partners have reached more than 50 from China, Japan, India, Germany, France, United Kingdom, Portugal, the United States, etc.

## 10.2. Creating Happy Work Environment

In addition to focusing on human rights, respecting the basic interests of employees, and advocating that all men are created equal, we have created a big data platform to utilize the Group's own resources so that employees and their families can access to all types of internal products, activities, services and related resources more conveniently while at lower costs. We also create a harmonious working environment to enhance employees' sense of well-being.

### 10.2.1. Focusing on Human Rights Protection

Fosun actively safeguards the basic interests of employees, practices the principle that all men are created equal, and respects life and human rights. The Group strictly complies with all laws and relevant regulations in countries/regions where we operate. We respect the political rights of employees and the right of freedom of association, including election and voting rights, to promote democratic management. The Company has formed a union of all employees with 100% joining rate while the collective agreements are signed with all employees. As of the end of the Reporting Period, there have been no complaints on human rights within the Company.



#### The Second Session of the 5<sup>th</sup> Union Member Congress and Congress of Workers of the Company

On 18 December 2019, the Second Session of the 5<sup>th</sup> Union Member Congress and Congress of Workers of the Company was held successfully, attended by nearly 40 representatives from all departments. At the congress, union representatives of the Company summarized the work in 2019, and the outlook of 2020, publicized the Fosun corporate cultural values, and approved the new version of the *Employee Manual* and the *Management Measures for Union Funds of Fosun*.

### Key Human Rights Issues

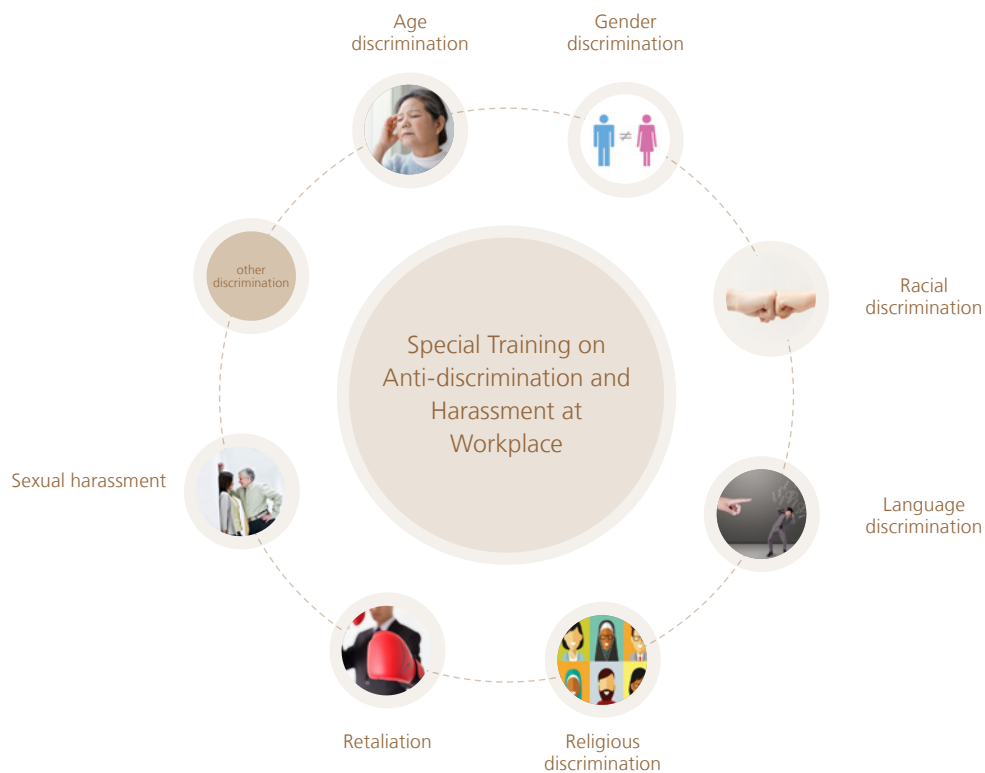
#### Prohibit Discrimination and Harassment

We advocate fair competition and anti-discrimination. All employees and job applicants shall be not subject to the restricted factors such as gender, age, race, color and religious belief, ethnicity, nationality and sexual orientation, etc. The Group's industry covers a vast land of geographical areas. Hence, we encourage industrial groups and member companies to formulate corresponding anti-discrimination and harassment policies according to the specific conditions of the country/region where they operate, 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 *Code of Conduct of Fosun Group*, all employees of the Group shall not discriminate or harass others, and there is zero tolerance towards discrimination and harassment. Moreover, we carry out anti-discrimination trainings in the Group and its member companies, and guide employees to treat others with respect, equality and impartiality. In addition, employees can make complaints through communication with superiors and directors or emails. Upon receiving complaints, the Group will carry out investigation timely and protect employees' identities.

As of the end of the reporting period, the Company has received no complaints related to discrimination and harassment.

### Special Training on Anti-discrimination and Harassment at Workplace



On 18 September 2019, a third-party professional organization was engaged to hold an educational training on anti-discrimination. Both online and offline participation were adopted for the training. It explained the types and behaviors of discrimination and harassment in details, improving employee awareness and urging employees to stay alert at work.

#### Preventing Child and Forced Labor

We strictly abide by laws and regulations of various countries and regions. All employees of the Group meet the minimum age requirements stipulated by relevant laws and regulations of the countries/regions where we operate, which is stipulated expressly in the *Employee Manual* that it is forbidden to hire child labor. We have a rigorous identity review 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.

### Ensuring Full Benefits Coverage

We ensure the non-differentiated treatment for employees in the Group's operations, all employees can enjoy social security plans such as social insurance, annuities or pensions in compliance with social security programs regulations of local countries/regions. While in some regions, based on local conditions, we provide 100% coverage of additional benefits such as commercial medical insurance and supplementary housing fund.

### Employee Communication Channel

Having established various employee feedback and complaint channels, including Fosun Morning Assembly, Fosun Luncheon Session, HR Hotline "A La Ding", and their performance review and feedback from management heads in different tiers, we advocate frank communication between the Group and employees and among employees with a view to creating an open and transparent communication environment. As of the end of the Reporting Period, the Company had not received any employee complaints.



### 10.2.2. Attentive Employee Service

The Group uses the Internet and various innovative technologies to provide better services to employees and continues to optimize and innovate the methods of benefit distribution and publicity. We announce employee benefits through our self-developed mobile application platform so that our employees can easily find various remuneration benefits and human resources policies.

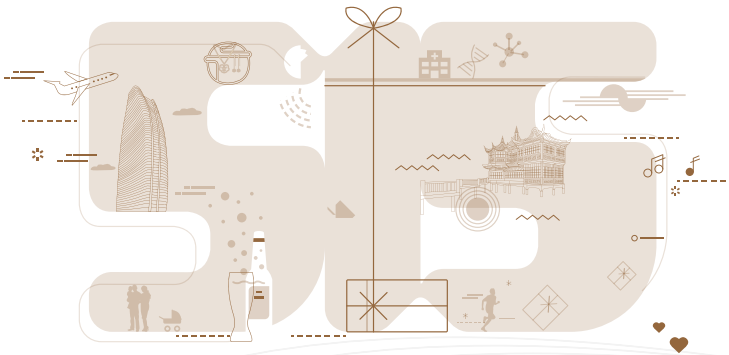
To drive the Group's globalization and meet the diversified demands of our employees, we studied and formulated exclusive welfare policies and systems according to the laws, regulations and market practices of different countries and regions. Meanwhile, we also introduced induction courses and the "Buddy" program to help expatriate staff to quickly understand and integrate into our corporate culture.

We have full-time employee service positions within our Global Human Resources Shared Service Centre, assisting employees in applying for various certificates, such as employment permits/residence permits for overseas staff, permits for introduction of high calibre employees from other provinces or cities/residence certificates for employees from other cities, settlement of registered permanent residence of college graduates and collective residence affiliation so as to save time and efforts spent by employees on applying for these certificates, which effectively supported the introduction of excellent talents.

### 10.2.3. Employee Caring Activities

Centring on the Group's happiness ecosystem, we have created "FOSUN DAY", an exclusive activity brand for employees with the tenet of "Growth, Guardian, Youth", and employees' family are also welcomed to various warm-hearted activities of the Group.

#### Fosun Family Day



On 15 May 2019, Fosun and its domestic and international partners together launched the "Global Family Plan" to provide high-quality products and service experience for family customers around the world. During the event, Fosun and its member companies held more than 60 family day activities.

In addition, to celebrate the launch of the "Global Family Plan", Fosun Union held the Fosun Family Day 2019 -- BFC International Happy Families Carnival on the first Saturday after 15 May, and invited 600 families to visit 18 parent-child interactive sites such as Wolverhampton Wanderers F.C., The Little Gym, Miniversity and Yu Garden. In a relaxing parent-child atmosphere, employees also gained a strong sense of happiness and cultural identity.

### Health Activities

Fosun pays great attention to staff's health management and keeps on innovating the health management pattern. Fosun also encourages employees to participate in fitness activities such as Tai Chi, dance and Yoga, conducts health lectures, and strengthens employees' health awareness. Integrating rich medical and insurance resources within the Group, we create a variety of health services. By introducing advanced technology companies within the Group, we organize employees to experience the latest futuristic technology in health timely, and provide online consultation and online appointments for medical examination, etc.



#### Health Class: Explanation and Prevention of Cervical Spondylosis

On 21 October 2019, we together with a member company, invited professional doctors to explain the causes of neck, shoulder, waist and leg pain, introduced the prevention and treatment of cervical spondylosis to employees, and taught them the eight-sectioned exercise, so that they can also relieve the neck and shoulder pain after work.

### Physical Activities

In order to enrich employees' cultural and spiritual life and reflect humanized management and care, we hold different kinds of physical activities that are beneficial to physical and mental health every year. While encouraging employees to strengthen their physique by exercising more, these also help build unity and cohesion among staffs and thus create harmonious and lively working atmosphere and environment.



#### Employees Watch the Premier League Asia Trophy Final, Wolverhampton Wanderers vs Manchester City

On 20 July 2019, 2000 Fosun soccer fans, organized by the Fosun Union, watched the Premier League Asia Trophy Final, Wolverhampton Wanderers vs Manchester City, and experienced the charm of football matches.



### The 4<sup>th</sup> Fosun Cup Football Challenge

From 23 June to 13 July 2019, we organized the 4<sup>th</sup> Fosun Cup Football Challenge, in which 15 football teams from different member companies enthusiastically participated. The employees of the member companies made friends and deepened their friendship through football. At last, Fosun Pharma stood out and won the game.

### Women Care Activities

Fosun also cares about both the physical and mental health of female employees, extending special regards to them. Every year during the Women's Day, Fosun Labor Union launches 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, jewellery appreciation courses, yoga experience courses, traditional Chinese medicine acupuncture experience, 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.



### Yoga Club

In order to enhance the physical and mental strength of female employees, we organize different kinds of yoga activities, so that they can relax and enjoy themselves.

### Parent-child Activities

We have been striving to provide diverse forms of care to employees and their families, including all-round support for the growth of the "Children of Fosun Employees" and enrich family life of our employees.

We prepare gifts for "Children of Fosun Employees" on Children's Day every year, organize various activities from time to time and invite employees and their families to participate, hoping to help our employees and their families enjoy a happy life.



### Happiness Starts at Home - Paintings with Childishness

Fosun Labor Union held "Happiness Starts at Home - Paintings with Childishness" activity, which gave full play to children's imagination and creativity and showed the happiness perspective of different families to the world. The activity was well accepted by the public, with 384 families participating. Finally, through professional review and online voting, 9 winning children were selected to experience the happy family trip to FOLIDAY's Atlantis Sanya, Albion and Club Med.

## 10.3. Building a Learning-oriented Organization

### 10.3.1. Fosun University<sup>7</sup>

We have built a comprehensive learning and development system, devised, among others, *Fosun Group Staff Training Management Regulations* and *Fosun Group External Training Application Management Regulations*, and established Fosun University.

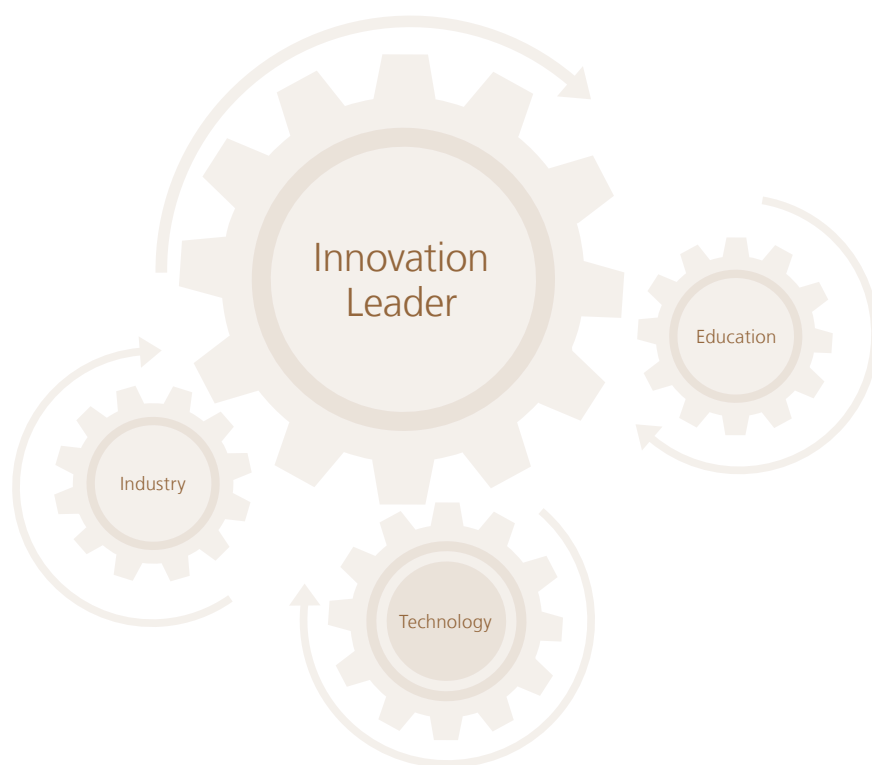


**Vision:**

pooling powers of industry, education and science and technology to build a world-class corporate university ecosystem.

**Mission:**

discovering and accompanying the innovative leaders.

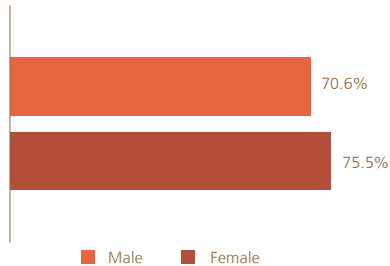


As an internal training department and a platform for incubating innovative thinking, Fosun University draws up talent development plans according to Fosun's development strategy, integrates internal and external training resources in a timely manner and organizes cross-functional sharing, program-learning and case study. Fosun University encourages "lifelong learning" and aims to find, train and reserve savvy business professionals and high-potential talents for the Group.

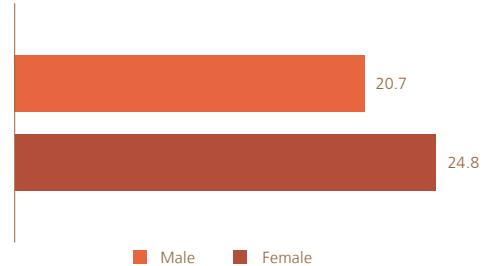
In 2019, the Group's staff training rate of Company and 6 subsidiaries was 72.8%, while accumulative training time was 1,310,600.0 hours and average training time per capita was 22.6 hours within the the scope of the Report.

<sup>7</sup> Fosun University is an internal training department.

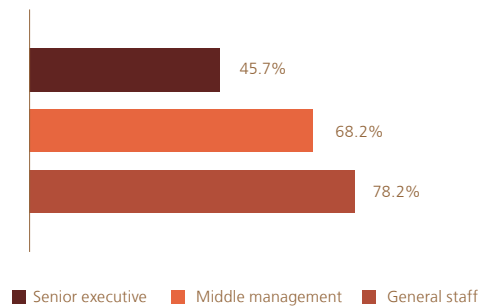
Proportion of trainees by gender



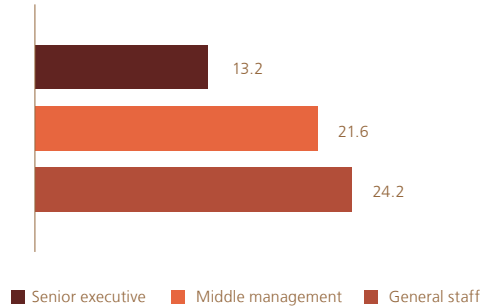
Training hours per capita by gender (h)



Proportion of trainees by position



Average training hours by position (h)



### 10.3.2. Training Framework 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 with more and better opportunities to upgrade their vocational skills, and further promote solidarity and cooperation. We also conduct post-training satisfaction 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

Through weekly and quarterly orientation trainings, we help new employees understand and recognize Fosun's cultural values and strategic planning, clarify the work flow and requirements of their position, and improve learning efficiency to accelerate the role change of employees through online course package for newcomers.

On Boarding Day	E-learning	Quarterly Training
Introduction of the Group Common work instructions Workplace visiting	Log into the online platform Self-learning	Strategy Business Culture Dialogues with partners Team sharing

### Tiered Talent Training Program

We have established tiered talent development programs for different talents and designed development paths and learning methods for our employees that match different development goals. With interactive project learning as the main theme, we brought students under different plans together to form project teams. Case studies are introduced to improve the comprehensive ability of employees and train investment experts and potential business leaders, thus helping them accumulate business experience.

FOSTAR training camp	Young leader's training camp	Management excellence training camp
Non-MBA fresh graduates	Manager level, MBA students from campus recruitment	Director level
<ul style="list-style-type: none"> <li>· Fresh top talent training camp</li> <li>· Verify growth potential</li> <li>· Identify and develop future partners</li> </ul>	<ul style="list-style-type: none"> <li>· Improve investment analysis skills</li> <li>· Identify and prevent project risks</li> <li>· Improve communication and coordination skills</li> </ul>	<ul style="list-style-type: none"> <li>· Improve enterprise operation and decision-making abilities</li> <li>· Improve negotiation skills for investment and M&amp;A</li> <li>· Enhance the influence of high-level dialogues inside and outside the enterprise</li> <li>· Identify the differences between core personnel and team managers, as well as the basic management knowledge and methods</li> </ul>

Leadership development training camp	CXO training camp	Global Leadership program
Senior executives and above	CXO reserve talents	Management level reserve talents
<ul style="list-style-type: none"> <li>· Develop deep product thinking, lead the team to innovate, and discover/ create more "good products"</li> <li>· Break through the boundary of traditional thinking, possess strategic vision and business acumen, and consider problems from diversified and multiple angles</li> <li>· Improve comprehensive management skills</li> </ul>	<ul style="list-style-type: none"> <li>· Broaden strategic vision and unlock business insight</li> <li>· Explore the business and achieve effective leadership</li> <li>· Break through the boundary of thinking, improve comprehensive management skills</li> </ul>	<ul style="list-style-type: none"> <li>· Broaden international vision</li> <li>· Deepen the understanding of the latest developments of global business and culture</li> <li>· Develop leadership</li> </ul>

## Training Activities



Militarized team-building

### FOSTAR training camp

We conduct a series of military training, cross-functional/customized rotation, professional competence training and executive coaching mechanism to help new FOSTARs learn the ropes in the workplace from student, develop the future backbone of Fosun and young partners at the management level.

Since 2013, FOSTAR has developed more than 110 excellent high-potential talents.



Learning workshop

### Young leader's training camp

Young leader's training camp focuses on improving the professional skills of investment and enterprise operation. Through various forms such as case review, online courses, classroom learning, workshops, it further deepens participants' understanding of investment analysis, and strengthens participants' communication ability in the process of work, the negotiation ability of investment and M & A and the business decision-making ability of the enterprise.



Team development

### CFO training camp

With the purpose of solving practical problems, by using the online plus offline approach, combining theory and practice, we invited internal experts and external lecturers to carry out activities such as team development and learning workshops to cultivate CFOs who recognize Fosun's strategic vision and cultural values, and have innovation awareness, strategic influence and entrepreneurial spirit.

## Cultural Promotion

We regularly conduct internal and external cultural exchange and communication activities to vigorously promote Fosun's values, in an effort to enhance our employees' and the public's understanding and recognition of Fosun.

**Fosun Ambassador Plan:** Fosun selects outstanding employees from domestic and international member companies or investees to conduct cross-company visit, communication, sharing, experience activities. Our Fosun Ambassadors communicate and share our cultural values with a view to build cultural identity, strategic synergy and cooperative management among member entities. These measures help the Group to develop a unified mechanism regarding "soft culture", bridge the gap between the heterogeneous talents with different cultural backgrounds, and foster harmonious relationships within the members of Fosun big family. Since 2015, eight sessions of Fosun Ambassador Plan have been held, with a total of more than 120 participants from more than 20 investees across 10 countries.



**Happy Fosun Visit:** Joining hands with external consulting firms, institutes and universities, we invite qualified people to visit Fosun for free so as to promote the spirit of the Group's brand, introduce our development history, cultural values, development strategies, organization and talent mechanism, share our management experience with the public and learn excellent cases, and communicate Fosun's mission, vision and strategy to the public.

## Diversified Forms of Learning

The Group offers a variety of learning programs to all staff.

**Mobile Learning Platform:** We have built an unobstructed learning platform that allows users to use every span of fragmented time anywhere and anytime. With upskilling courses in a variety of areas such as investment, finance and soft skills, the platform makes it convenient for employees at the group level, incubators under the Group and some core companies to learn. Thanks to its characteristics of customization, sharing and playability, so far the platform has attracted at least 6 core enterprises to contribute course content and published a total of 877 excellent courses, with 5,774 users registered and over 30,000 views recorded for live broadcasting. Online sharing platform not only paves the way for Fosun ecosystem university line, but also serves as the cornerstone for creating Fosun ecological Internet university.

**Luncheon Session:** We invite internal staff, management of middle and senior levels in core portfolio enterprises, external senior management, industry specialists, etc., to have offline sharing on issues like strategy, investment and financing, industry hot issues, corporate operation, and health management during lunch time, and through having streaming live, help the staff to understand the Group's development strategies, to broaden their horizons and enrich their knowledge. In 2019, we held 42 luncheon sessions with over 3,337 attendances.



**Books Recommendation:** Library corner and book-sharing activities are held periodically. Those activities enrich the staff's life and promote an atmosphere of learning for all, motivate the staff to learn more and cultivate good habits of reading good books, reading industriously, and reading eagerly.



**Post-90s Fresh Talk:** Fosun has utilized the mobile internet and set up a showcase stage for post-90s employees who were invited to introduce emerging things in the current industry. Various interesting and cutting-edge topics like hot issues, films and television industry analysis, and robots, etc., are covered in the 12 episodes of Season 4 released in 2019.

## Feature:

Fosun took up responsibility in difficult time, and worked around the clock to support the battle against the epidemic

### Mobilizing global resources, deploying scarce medical supplies to support the world fight against the epidemic

Since the outbreak of COVID-19, Fosun leveraged its global network and initiated a global medical supplies deployment plan on 24 January 2020. Under the direct supervision of Chairman Mr. Guo Guangchang and Co-Chairman Mr. Wang Qunbin of the Company, Fosun established a global medical supplies allocation working group, and gradually built a global procurement network covering 23 countries including: Japan, India, the United Kingdom, Germany, Spain, Portugal, Russia, Italy, France, the United States, Brazil, Israel, South Korea, Greece, and Poland. With the support of powerful supply chain and global resource coordination capabilities, Fosun's first urgent procurement of 50 thousand protective suits from Germany took only 4 days from purchase to arrival in Shanghai.



### Leading in technology and innovation, in support of scientific and effective epidemic prevention and control



Leveraging its strengths, profound experience, and strong innovation capabilities in the healthcare industry, Fosun is able to expedite the development of a vaccine for COVID-19. On 15 March, Fosun Pharma announced that Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. ("Fosun Pharma Industrial"), its holding subsidiary, has been licensed by BioNTech SE to exclusively develop and commercialize COVID-19 vaccines based on its proprietary mRNA technology platform in China. According to the agreement, Fosun Pharma Industrial is responsible for the clinical trials, marketing application, and sales & marketing of the vaccine in Chinese Mainland, Hong Kong, Macao, and Taiwan ("the Region"), and all associated overhead costs and expenses. BioNTech SE will be responsible for providing technical materials and preclinical research data required for clinical trial applications in the Region, cooperating with clinical trials in the Region, and supplying products for related clinical trials and sales & marketing.

On 26 March, the COVID-19 nucleic acid test kit developed by Shanghai Fosun Long March Medical Science Co., Ltd., a wholly-owned subsidiary of Fosun Pharma, obtained the emergency approval from the NMPA of China.

Additionally, Breas (Shanghai) Medical Technologies Co., Ltd. and Beijing Beiling Special Automobile Co., Ltd., both member companies of Fosun Pharma, have contributed to front-line epidemic control and prevention efforts by conducting R&D, production, and donations of urgent and scarce supplies such as non-invasive ventilator and negative pressure ambulance.

## Supporting the front line to fight against the epidemic, through organizing medical professionals and patient care resources



Fosun also has leading medical and healthcare personnel resources on both national and provincial levels. On 23 January, the Group's Wuhan Jihe Hospital was appointed the "Infectious Disease Ward of Caidian District in Wuhan City", served as the designated hospital for centralized treatment of patients with fever in Caidian District of Wuhan City. On 22 January, Chancheng Hospital, ranked first in consecutive years among private hospitals in the country, was appointed the only designated point hospital for the epidemic in Foshan Chancheng District.

On 25 January, the management and experts of Fosun Healthcare Holdings arrived at the front line of Wuhan and devoted themselves into the prevention and control of the epidemic. On 6 February, Fosun Medical Group's first wave of Hubei bound medical teams gathered on the front lines of Caidian, Wuhan. The team consisted of nearly 30 professionals hailing from: Xuzhou Mining General Hospital, Foshan Chancheng Central Hospital, Shenzhen Hengsheng Hospital, Yueyang Guangji Hospital, Suqian Zhongwu Hospital, and Wenzhou Geriatric Hospital, covering from specialists in hospital infection management, internal medicine, ICU, integrated traditional Chinese and western medicine, as well as a material and logistics support team.

27 hospitals under Fosun have been designated hospitals to treat COVID-19 patients. Fosun has over 240 medical personnel fighting in the front line of Hubei. Since 14 March, Wuhan Jihe Hospital no longer served as a designated hospital. It accounted for 515 cured and discharged patients in 51 days. In addition, the mortality and infection rate of medical staff were both zero.

## Utilizing global capability, and assuming global responsibility to help prevent and control the epidemic

In the face of the ever-escalating risk of the pandemic overseas, Fosun quickly organized and established 24 Anti-COVID-19 working committees covering 10 provinces and regions in China, as well as 14 overseas countries & regions. They ensured the normal operations of local member companies of Fosun, promoted the collaboration of local resources, and strengthened care towards employees' health and families. At the same time, Fosun has also issued multiple epidemic resistance and resumption of work guidelines for employee, as well as produced Fosun Global Employee Care and Protection Manual in multiple languages, and has insisted on the continual health status self-reporting of all global employees.

On 1 March, Fosun officially launched the second phase of its fighting against COVID-19 by urgently deploying global resources to support the overseas countries to fight against the epidemic. As at 7 April, Fosun has deployed 3.927 million medical supplies including masks, protective suits, nucleic acid test kits, etc., to key countries with rapid epidemic outbreak, including Italy, the United States, France, Germany, the United Kingdom, Portugal, Japan, South Korea and India.



On 5 March, Fosun Foundation and Fosun's member company donated 5,000 "red-zone" masks to Milan's municipal government, and received a thank you letter from Giuseppe Sala, the mayor of Milan. Fosun has donated 4 batches of medical supplies to Italy. On 24 March, Clemens von Goetze, Ambassador of Germany to China wrote a "Letter of appreciation" to particularly extend its gratitude to Fosun, for the kind donation of protective supplies at such a critical time to Germany. On 30 March, Fosun's first chartered flight carrying over one million pieces of medical supplies weighing over 120,000 tons from Shanghai landed at Lisbon Airport. This batch of supplies includes 50,000 medical supplies and 20,000 nucleic acid test kits donated by Fosun Foundation and Fosun's member companies in Portugal, as well as one million KN95 masks purchased by Fosun member company, Luz Saúde. Fosun will continue to deploy medical protection supplies and nucleic acid test kits to overseas countries through its global procurement network and help the world to fight against the epidemic.





# FOSUN

## ESG REPORT

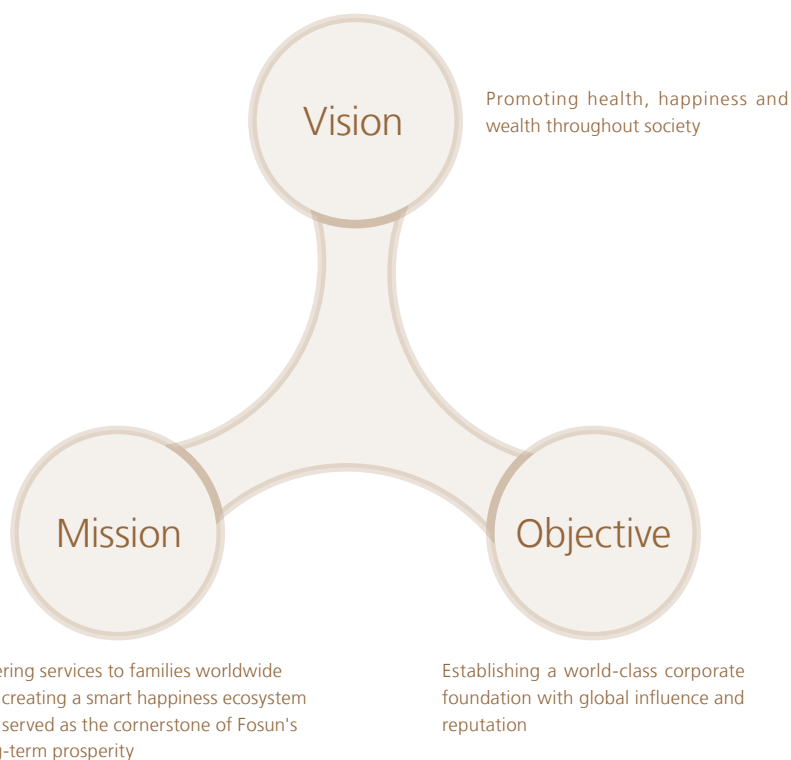
### 11 RESPONSIBLE COMMUNITY - SERVING THE COMMUNITY, THE PEOPLE AND THE NATION

- 11.1. Fosun for Good - Operation with Love
- 11.2. Poverty Alleviation
- 11.3. Health
- 11.4. Youth Entrepreneurship
- 11.5. Education
- 11.6. Culture & Art

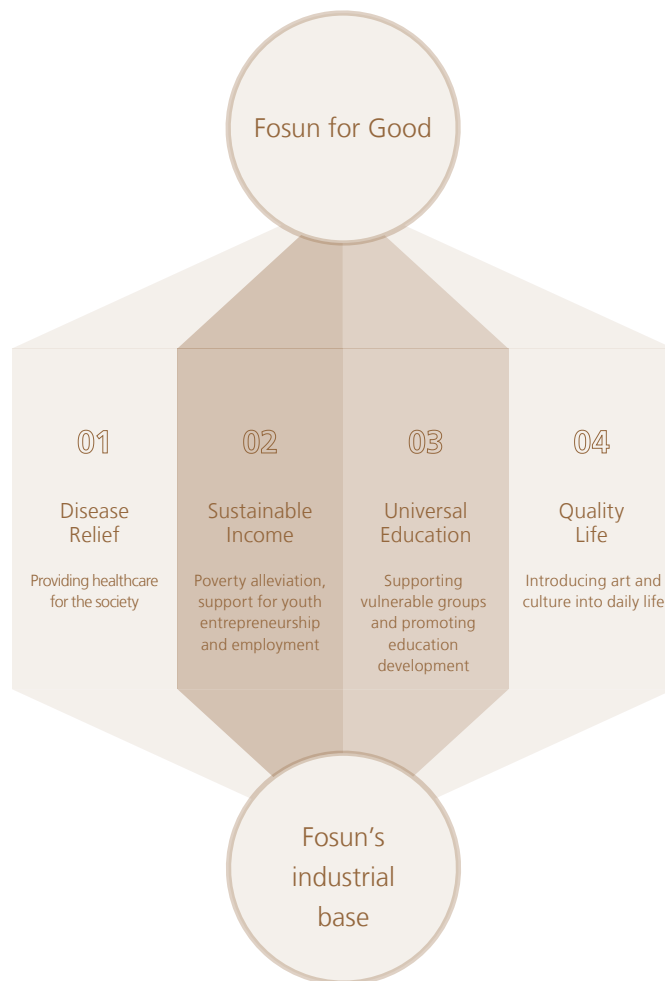
## 11.1. Fosun for Good - Operation with Love

While pursuing commercial benefits, Fosun is committed to the improvement of China's business environment and natural ecosystem and the revitalization of the Chinese economy and Chinese culture. Fosun strives to be a good corporate citizen by shouldering corporate social responsibilities and insisting to serve the community, the people and the nation.

Founded in November 2012, Fosun Foundation is a corporate foundation and receives a majority of its donation from the Group and its member companies. The coverage of the foundation includes healthcare, poverty alleviation, culture, education, art and young entrepreneurs in multiple countries and regions around the world, aiming to spread the value of Fosun and pay back the community in practice.



Holding to the principle of "Fosun for Good", and based on family life, we made the four aspects of "disease relief, sustainable income, universal education and quality life" as the priorities of the Fosun Foundation. It mainly focuses on areas of healthcare, young entrepreneurship, education, culture and art, poverty alleviation, etc. through carrying out various public welfare activities. As of the end of 2019, the accumulated donation of Fosun Foundation was over RMB401 million, benefiting over 22 million people. In 2019, the donation of Fosun Foundation was over RMB73 million, contributing over 30 charity projects.



Fosun Foundation's 7<sup>th</sup> anniversary was celebrated in the weeks from 2 December to 14 December 2019. As a tradition, Fosun Foundation initiated the second ONE FOSUN community service week themed "FOSUN FOR LOVE", aiming to discover the charity moments around individuals. Centred around "Ever is Forever", Fosun headquarters and global member companies held more than 60 public welfare activities such as poverty alleviation, medical assistance and public run, covering 7 countries, more than 50 domestic and international cities, attracting more than 40 member companies to participate.

## 11.2. Poverty Alleviation

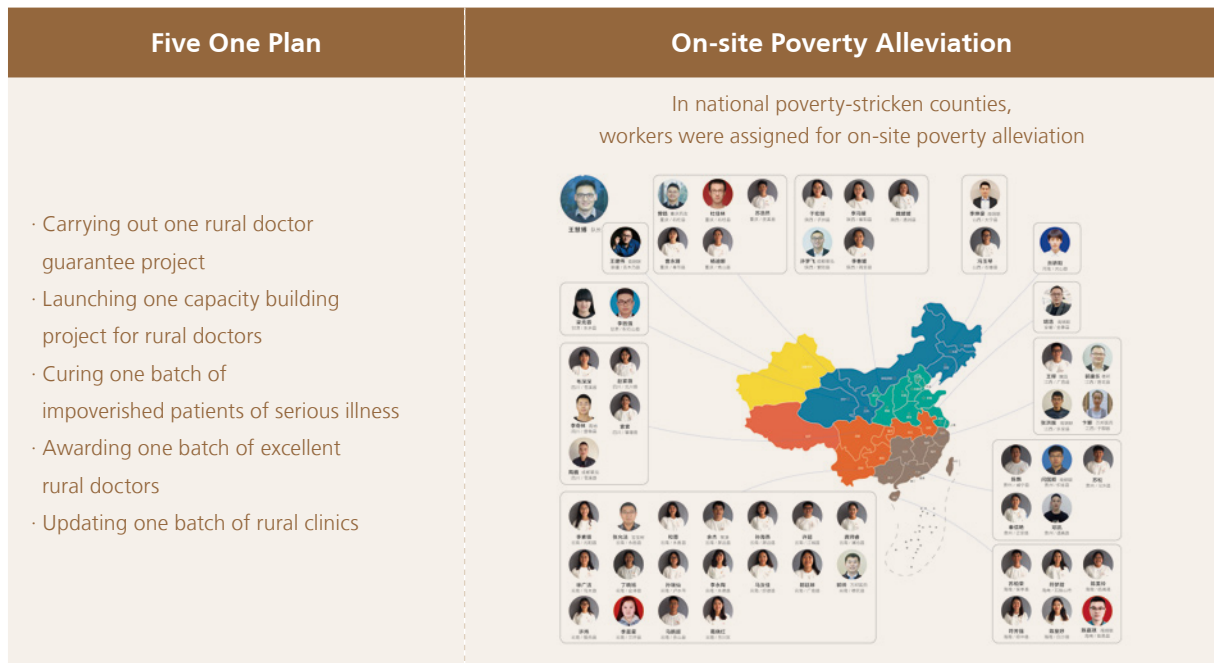
Fosun actively responds to the nation and is committed to relieving rural areas "from worries over food and clothing and guarantees compulsory education, basic medical services and safe housing" and is eagerly engaged in the battle against poverty. It focused on spot-to-spot poverty alleviation in impoverished rural counties in Guizhou, Yunnan and other provinces to realize targeted poverty alleviation by supporting rural industries, employment and healthcare.

On 17 October 2019, in the National Award Ceremony for Poverty Alleviation held in Beijing and the Symposium of the First Anniversary of General Secretary of the Communist Party of China Xi Jinping's Important Reply & "Corporates Supporting Rural Areas", a national commendation conference for advanced private corporates, Fosun received the "Innovation Award of National Poverty Alleviation Work" (awarded to Mr. Chen Qiyu, project leader of "Rural Doctors Program" and executive director of the Company) and was praised as advanced private corporate for "Ten Thousand Enterprises Help Ten Thousand Villages Project".



### Rural Doctors Program

In support of the nation's poverty alleviation goal for 2020, under the instruction of the National Health Commission and with its advantage of long-term endeavour in developing the Health Industry, Fosun focused on the rural healthcare. Starting with providing assistance to 1.5 million rural doctors, we launched the Rural Doctors Program that would last at least 10 years. Through active and effective exploration, we carried on with the "Five One Plan" plus on-site Poverty Alleviation model, and at the same time, introduced in the Internet, AI, big data and other advanced technologies to build a network for health protection and improve health management at the grass-roots level, contributing to the great courses of national poverty alleviation and rural vitalization on behalf of private corporates. By the end of 2019, the program covered 60 national poverty-stricken counties. In total, 87 staff members were assigned to support on-site poverty alleviation in the rural areas. They visited and interviewed 1,289 health clinics in towns and townships and 6,769 village clinics and set up assistance archives for 10,925 rural doctors.



Free training courses are provided to rural doctors to promote their professional skills. In 2019, we:

- organized 74 offline trainings, and provided accident and health insurances with an accumulated premium of over RMB1.9 billion;
- helped 122 patients of serious illness via on-site workers and rural doctors to be treated in cooperation with China's Social Support Platform for Serious Illness;
- gave out RMB5.77 million in total to 28 counties as the incentive fund to encourage rural doctors to do chronic disease contracting management for the rural residents; and
- upgraded 298 rural clinics and donated more than RMB6 million worth of equipment, medicines and other supplies.



Moreover, in cooperation with the "University Students Volunteer Plan in Western" sponsored by the Central Committee of the Communist Youth League of China, we recruited 40 graduates with medical and public health background as volunteers to work together with Fosun staff volunteers to explore the on-site volunteering model of poverty alleviation with university graduates.



### "Healthy China" Charity Gala

On 8 December 2019, we held the 2019 Healthy China Charity Gala themed "Care and Love for Rural Doctors". During the event, we called for donations in the favour of 1.5 million Chinese rural doctors. The raised fund and supplies are allocated for the implementation of the health poverty alleviation project for rural doctors, in order to help more rural doctors and patients and facilitate better healthcare in the rural areas.

### Multi-Dimensional Poverty Alleviation Projects in Qinba Mountain Area

Chengdu Stater Commercial Technology Development Co., Ltd ("Chengdu Stater"), one of the Group's member company, has built up the International Smart Trade City in Ankang, Shaanxi Province, the hinterland of the contiguous poor areas in Qinba. Smart Trade City covers an area of 40 ha, with a total construction area of 600,000m<sup>2</sup>. 3,000 new jobs have been created and another 10,000 jobs related have been inspired since its operation. As of 31 December 2019, the accumulated tax paid to Ankang was about RMB240 million. We have organized various forces to introduce professional business logistics projects in a targeted way to realize the transformation of Ankang city into a regional business logistics center. The goal of targeted poverty alleviation is achieved through multi-dimensional measures, such as industrial support, job creation, health support and social assistance, so that the "Qinba Pearl" can step on the road of sustainable development and poverty alleviation with a strong function of "blood transfusion".

Taking advantage of selenium as an effective mean, we have held China Ankang Expo for Selenium-Enriched Products for 5 consecutive years since 2015 to sell selenium-enriched and healthy products to the whole world by integrating resources of products rich in selenium, running a new retail platform to build a local brand. At the same time, except for rural doctors program, we have deeply participated in social poverty alleviation, carried out many charity activities, such as local infrastructure, aid to students, agriculture products consumption in poor villages.



#### The fifth Session of China Ankang Selenium-Enriched Products Expo

From 15 June 2019 to 17 June 2019, the fifth China Ankang Selenium-Enriched Products Expo themed "China Selenium Valley - Ecology and Health" was held in Ankang International Smart Trade City, with a total of 130 exhibitors. Smart Trade City Speciality Hall, with a mainline of selenium-enriched products, collectively displayed the industrial characteristics of Ankang city and the development achievements of selenium-enriched industries outside of Ankang. It had set up 7 professional product exhibition halls respectively for selenium-enriched packaging drinking water, selenium-enriched tea, selenium-enriched konjac, selenium-enriched grain & oil and other selenium-enriched food, silkworm cocoon and silk, plush toy cultural and creative industry, and electronic science and technology. A series of promotional and marketing activities have been carried out, which have boosted the local economy and lifted Ankang out of poverty.

Chengdu Starter, a member company of the Group, has built Cangxi Starter Meihao Square in Cangxi County, Guangyuan City, Sichuan Province, which is also a national poverty-stricken county in Qinba mountain area. Since it was put into operation, the Square Project has directly solved the employment of more than 1,000 people in total, and promoted the upstream and downstream employment of more than 3,000 people. As of 31 December 2019, it has directly paid RMB66 millions of tax to Cangxi, and indirectly promoted the tax revenue of more than RMB100 million.

Chengdu Starter adheres to and insists on the goal of "building a project, invigorating economy and enriching people". Taking the project as the carrier, it implements Cangxi's new urbanization strategy, builds a three-dimensional business platform covering the people's life and consumption demand, and boosts the county's commercial development. It also aims to achieve the goal of targeted poverty alleviation through multi-dimensional poverty alleviation, such as industrial poverty alleviation, employment poverty alleviation, health poverty alleviation and social assistance, and eventually making the goal of sustainable poverty alleviation for Cangxi County come true. At the same time, Meihao Square also took active actions in "Golden Autumn Education", "Ten Thousand Enterprises Help Ten Thousand Villages" and other activities, and was awarded "Benevolent Enterprise" by Cangxi County Party Committee and county government for several years.

## 11.3. Health

### Assistance in Fighting against Malaria in Africa

As an official member of the Roll Back Malaria, a global cooperative organization initiative advocated by the WHO, Fosun Pharma is committed to raising the awareness to malaria prevention among African people, reducing the morbidity and ultimately realising the target of a "malaria-free world".

Fosun Pharma has injectable artesunate Artesun<sup>®</sup>, a proprietary innovative drug with full IP. According to incomplete statistics, by the end of 2019, over 120 million doses of Artesun<sup>®</sup> (Artesunate for injection) were supplied to the international market contributing to the recovery of more than 24 million sufferers of severe malaria worldwide, most of whom were African children under the age of 5, and greatly reducing the death rate in Africa.

In the past ten years, Fosun Pharma actively participated in the Chinese government's program in assisting African in fighting against malaria. Fosun Pharma had organized seminar sessions on Malaria Control for Developing Countries for 11<sup>th</sup> consecutive time, Pharmaceutical Quality Management for Developing Countries for 6<sup>th</sup> consecutive time and Minister-level on Pharmaceutical Supervision and Management for Developing Countries for 4<sup>th</sup> consecutive time, covering more than 50 countries or regions, and completed 167 batches of foreign aid projects. At the same time, the injectable artesunate as well as artesunate and amodiaquine hydrochloride tablets, etc. have long been the key innovative drugs in the Chinese government's assistance programmes to Africa.

On 21 November 2019, two malaria treatment drugs, the dihydroartemisinin-piperaquine phosphate dispersible tablets and dihydroartemisinin-piperaquine phosphate dispersible tablets, developed by Guilin Pharmaceutical Co., Ltd. ("Guilin Pharma"), a member company of Fosun Pharma, were pre-certified by the WHO. The pre-certification of the dihydroartemisinin-piperaquine phosphate dispersible tablets amongst, the first dihydroartemisinin-piperaquine phosphate in dosage form, is not only good news for children with the disease, but also a recognition of our strong innovation capacity in the field of anti-malaria drug R&D, as well as a reveal of Fosun's strong sense of responsibility to "build up a world without malaria" and its determination of "as long as malaria exists, innovation will continue".



### Tai Chi Adjuvant Therapy for Parkinson's Disease

Fosun has long been supporting the promotion of the Tai Chi culture through hosting CSR programs like Tai Chi adjuvant therapy program for Parkinson's disease. We cooperate with nine well-known Chinese medical experts and are committed to scientific trainings and the popularization and promulgation of the "Tai Chi Adjuvant Therapy for Parkinson's Disease".

Since 2015, we have kept supporting the cooperation of scientific research on "Tai Chi Anti-Parkinson's Disease as an adjuvant therapy". Now we have set up charitable centers in Shanghai, Beijing, Chengdu, Ningbo and other cities, and successfully completed 18 free camps of "Tai Chi Anti-Parkinson's disease", benefiting 376 patients of Parkinson's disease. In the future, the Group will further mobilize its resources and promote the Tai Chi activities to more hospitals and communities, so as to spread traditional Chinese culture and improve the health level of the whole country.



#### When Tai Chi meets Flash Mob

On 11 April 2019, World Parkinson's Disease Day, with the wonderful performance of Shanghai symphony orchestra, the "Pariends" dressed in white shirts were doing Tai Chi to the melody at Shanghai BFC Central Plaza. On the same day, the Fosun Foundation and Sino Taiji jointly released the "Fosun and CSR Partnership Program of 'Tai Chi Anti-Parkinson's Disease'", calling for more social forces to pay attention to and participate in the "Tai Chi Anti-Parkinson's Disease" project through donations, so as to help more patients with Parkinson's disease on improving their condition by practising Tai Chi.

### Standard Chartered Hong Kong Marathon 2019

In January 2019, employees of the Group and its subsidiaries in Hong Kong, including Peak Reinsurance, formed a ONE FOSUN team to participate in an annual sports event "Standard Chartered Hong Kong Marathon 2019" as a way to actively support the harmonious development of the local communities. Fosun also raised funds for the Hong Kong Paralympic Committee & Sports Association for the Physically Disabled and Orbis, which is an international non-profit organization, by participating in the Standard Chartered Marathon. The move was aimed at promoting sports among disabled people in Hong Kong and arousing public awareness of the plight of the visually impaired.

## 11.4.Youth Entrepreneurship

### Protechting Startup Accelerator Program ("the Protechting")

The Protechting is jointly initiated and organized by Fosun and its member companies aiming to develop to a world-class innovation and entrepreneurship competition for the youth and actively fulfil and take the global social responsibility on behalf of Chinese enterprises. Upholding the principle of "Innovation is about People", we focus on fields of healthtech, insutech and fintech and keep a watchful eye on key areas of national strategy. Keeping pace with times by expanding the project pool of Internet+ and AI cutting-edge technologies and adding a new product line of "environmental protection and sustainability", Fosun utilized its local and overseas resources to organize trainings in marketing, financing, human resources, innovation and investment, and big data for the team of youth entrepreneurship which also conveys Fosun's "entrepreneurial spirit". Fosun hopes that professional trainings would help those start-ups to grow and also hopes that global cooperation and partnership would help China achieve its industrial transformation and upgrading through cooperation with global makers and better serve the society. By the end of 2019, the Protechting had given support to 887 start-up projects covering 42 countries and regions.



## 11.5. Education

### Scholarships and Grants for Students from Low Income Families

In order to help students with family financial difficulties complete their studies, the Group has set up scholarship programs in cooperative schools in Hainan and Shanghai. By the end of 2019, we had helped nearly 5,000 poor students and donated more than RMB11 million.



#### Hainan Guangcai Scholarships

Since 2007, Fosun has cooperated with China Foundation for Guangcai Program to donate to the middle school students from low income families in Hainan province. Over the past 10 years, the Group has supported 4,280 students. The proportion of students admitted to undergraduate colleges and universities reached 96%, and those admitted to key universities reached 61%.

### Pramerica-Fosun Spirit of Community Awards

Pramerica-Fosun Spirit of Community Awards originated from Pramerica Spirit of Community Awards. The awards were community services awards entirely based on voluntary community services for the youth in the United States. It aims to identify and recognize outstanding teenage volunteers aged from 12 to 18 who made outstanding contributions to communities, and to attract and encourage more young people to devote to the greater public good and help the development of Chinese youth community service culture by rewarding honors.

Over the past 20 years, Pramerica Community Awards, have carried out in the United States, China, Japan, South Korea, Ireland, India, Brazil, Poland and other countries and regions, and have awarded nearly 120 thousand global excellent young volunteers.



### Fosun Young Fellowship Program

"Fosun Young Fellowship Program" was launched jointly by Fosun and the Hong Kong University of Science and Technology ("HKUST"). Fosun provides outstanding HKUST students with full-time, paid internships that last for three to six months, allowing them to gain work experience in the business of health, happiness and wealth, helping students prepare for the society. Students then become "Fosun Young Fellow" upon completion of their internships and will be entitled to "Fosun Young Fellowship Scholarship".

## 11.6.Culture & Art

### Fosun Foundation Art Center (Shanghai)

The Fosun Foundation Art Center (Shanghai), a non-profit organization initiated and funded by Fosun and the Fosun Foundation, continuously pays attention to and supports local artists, providing a broad platform for the exhibition of outstanding contemporary art works. All year round, it has organized various art exhibitions and cultural exchange projects to promote global cultural and artistic exchanges and cooperation.



In 2019, Fosun Foundation Art Center (Shanghai), a "Dancing House", completed its third year of operation since its commencement. As a new landmark of Shanghai's culture and art, we attracted 350,000 visitors and held 4 great theme exhibitions including "Yayoi Kusama: All About Love Speaks Forever", "Giovanni Ozura & Yang Fudong Dual Solo Exhibitions", "Tiffany & Co. Announces 'Vision & Virtuosity' Celebrating 180 Years of Artistry and Innovation at Tiffany", "Dialogue: Lanvin 130 Years";

We also adhere to the social responsibility of art education. We have launched 64 public education activities in the form of cloud salon, cloud screen, cloud theatre and cloud workshop, providing the public with opportunities to get in touch with culture and art, and meeting the diverse needs of the public for art; together by joining hands with partners in various fields, we have held 29 cross-brand cooperation activities, covering luxury, fashion, cosmetics and other fields. We are committed to presenting the public with wonderful events integrating art, culture and fashion.

### Promotion of Symphony Culture

As the board member of Shanghai Symphony Orchestra, we have supported the performance activities of Shanghai Symphony Orchestra in Shanghai and around the world for many years to promote the development and dissemination of symphony art. In addition, in December of each year, we hold a special concert named "Fosun for Love Fosun Community Night", taking the opportunity of our "ONE FOSUN Community Service Week". What's more, irregular and various performance activities were held to provide high-end music appreciation opportunities for partners, customers and employees.



### Development of Cantonese Opera Culture

On 25 August 2019, in order to celebrate the 70<sup>th</sup> anniversary of the founding of the People's Republic of China and the 10<sup>th</sup> anniversary of the inclusion of Cantonese Opera on the Representative List of the Intangible Cultural Heritage of Humanity, the Legend of Mulan, a Cantonese Opera we sponsored, was staged at the newly built Drama Center Grand Theater of the West Kowloon Cultural District, HKSAR. This performance took advantage of brand new technologies such as 3D projection and rotating stage to reproduce the classic story of Mulan.

We specially invited hundreds of local residents including the elders, those from vulnerable groups and other communities of Hong Kong together with nearly one thousand Hong Kong citizens, with the hope to promote the traditional Cantonese opera culture, support its innovation and development, and attract new forces, so as to realize the goodwill of passing on such traditional performance art from generation to generation.



### Chinese and Foreign Cultural Exchanges

Since 2014, the Group, together with our member companies in Germany, France, the United Kingdom, the United States and other countries and regions, cooperatively organized many cultural exchange activities between China and foreign countries. The Group also cooperated with external organizations like "Sing for Hope", "Downtown Alliance", "the Lower Manhattan, Cultural Council" and launched a series of Cultural exchange activities including the cooperative piano exhibition, Downtown food festival, summer film, and Downtown activity of young artists on site in order to promote community inclusion and bring happier lives to local residents.



#### Cooperative Piano Exhibition with the "Sing for Hope" 2019

As one of the largest annual public art events in the United States, "Sing for Hope" has been cooperating with us for five years. On 3 June 2019, the 2019 "Sing for Hope" Piano Exhibition officially opened at Fosun Plaza in New York City. 50 pianos hand-painted by artists were placed in parks and other public places in the five boroughs of New York for visitors and residents to play. It also attracted the participation of New York musicians, turning the square into a stage for visitors to experience the charm of music.

## GLOSSARY

ABBREVIATIONS	FULLNAMES
Atlantis Sanya	Fosun Tourism Group's tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC
Besino Environment	Besino Environment Ltd.
Board	The Board of Directors
China or PRC	The People's Republic of China
Club Med	Club Med SAS
Company	Fosun International Limited
C2M	Customer to Maker
Director(s)	The director(s) of the Company
EHS	Environment, Health and Safety
EHSQ	Environment, Health, Safety & Quality
ESG	Environmental, Social and Governance
ESG Reporting Guide	<i>Environmental, Social and Governance Reporting Guide</i> in Appendix 27 to the Listing Rules of the Hong Kong Stock Exchange
ESG Report or the Report	Environmental, Social and Governance Report
Forte	Shanghai Forte Land Co., Ltd.
Fosun Foundation	Shanghai Fosun Foundation
Fosun Insurance Portugal	Fidelidade – Companhia de Seguros, S.A., Multicare – Seguros de Saúde, S.A. and Fidelidade Assistência – Companhia de Seguros, S.A.
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
FTG	Fosun Tourism Group
GMP	Good Manufacturing Practices
GRI Standards	<i>GRI Sustainability Reporting Standards</i> issued by the Global Sustainability Standards Board
Group, Fosun or We	Fosun International Limited and its subsidiaries
H&A	Hauck & Aufhäuser Privatbankiers AG

ABBREVIATIONS	FULLNAMES
Hainan Mining	Hainan Mining Co., Ltd.
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
KPI	Key Performance Indicator
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.
Peak Reinsurance	Peak Reinsurance Company Limited
Reporting Period	The year ended 31 December 2019
RMB	Renminbi, the official currency of the PRC
UNGC	The United Nations Global Compact
UN SDGs	United Nations Sustainable Development Goals
Wanbang Biopharma	Jiangsu Wanbang Biopharmaceuticals Company Limited
WCM	World Class Manufacturing
WHO	World Health Organization
Yuyuan	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.

# GRI Standards Index

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GRI Standards	Disclosure Title	Section(s)	Pages
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GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not related	/
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	305-6 Emissions of ozone-depleting substances (ODS)	Not related	/
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GRI 306: Effluents and Waste	306-1 Water discharge by quality and destination	Compliance Emissions and Harmonious Ecology	81
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	306-4 Transport of hazardous waste	/	/
	306-5 Water bodies affected by water discharges and/or runoff	Not related	/

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	No incidents of non-compliance	/
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Sustainable Value Delivery	101
	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier Management System	99
GRI 401: Employment	401-1 New employee hires and employee turnover	Talent Development Strategy	108
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GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	Strictly follow Countries/Regions Related laws and Regulations	/
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	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development Strategy, Building a Learning-oriented Organization	111, 121
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development Strategy	111
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Regulating Corporate Governance, Talent Development Strategy	11, 109
	405-2 Ratio of basic salary and remuneration of women to men	/	/
GRI 406: Non discrimination	406-1 Incidents of discrimination and corrective actions taken	Creating Happy Work Environment	115
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Creating Happy Work Environment	115
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainable Value Delivery, Creating Happy Work Environment	101, 116
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainable Value Delivery, Creating Happy Work Environment	101, 116
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	/	/

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	No incidents of non-compliance	/
GRI 412: Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	Sustainable Value Delivery	101
	412-2 Employee training on human rights policies or procedures	Creating Happy Work Environment	115
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Organization Structure and Policy	92
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Responsible Community - Serving The Community, The People And The Nation	131
	413-2 Operations with significant actual and potential negative Impacts on local communities	Not related	/
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Sustainable Value Delivery	101
	414-2 Negative social impacts in the supply chain and actions taken	Practising Business Ethics, Sustainable Value Delivery	16, 101
GRI 415: Public Policy	415-1 Political contributions	Not related	/
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Responsible Operation - Fosun's Ecosystem Featuring with Health, Happiness and Wealth	39
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance	/
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Enhancing Customer's Value	49
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance	/
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance	/
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protecting Privacy Information	53
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	No incidents of non-compliance	/

# ESG Reporting Guide

KPI	Description	Section(s)	Pages
A1 Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Green Operation for Energy Conservation and Emission Reduction, Compliance Emissions and Harmonious Ecology	72, 81
A1.1	The types of emissions and respective emissions data	Compliance Emissions and Harmonious Ecology	81
A1.2	Greenhouse gas emissions in total and intensity	Green Operation for Energy Conservation and Emission Reduction	73
A1.3	Total hazardous waste produced and intensity	Compliance Emissions and Harmonious Ecology	84
A1.4	Total non-hazardous waste produced and intensity	Compliance Emissions and Harmonious Ecology	84
A1.5	Description of measures to mitigate emissions and results achieved	Green Operation for Energy Conservation and Emission Reduction, Compliance Emissions and Harmonious Ecology	72, 81
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Compliance Emissions and Harmonious Ecology	84
A2 Use of Resource			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operation for Energy Conservation and Emission Reduction	72
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Green Operation for Energy Conservation and Emission Reduction	73
A2.2	Water consumption in total and intensity.	Green Operation for Energy Conservation and Emission Reduction	77
A2.3	Description of energy use efficiency initiatives and results achieved.	Green Operation for Energy Conservation and Emission Reduction	72
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Green Operation for Energy Conservation and Emission Reduction	77
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Green Operation for Energy Conservation and Emission Reduction	79

KPI	Description	Section(s)	Pages
<b>A3 The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Operation for Energy Conservation and Emission Reduction, Compliance Emissions and Harmonious Ecology	72, 81
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operation for Energy Conservation and Emission Reduction, Compliance Emissions and Harmonious Ecology	72, 81
<b>B1 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.	Talent Development Strategy, Creating Happy Work Environment	107, 115
B1.1	Total workforce by gender, employment type, age group and geographical region.	Talent Development Strategy	107
B1.2	Employee turnover rate by gender, age group and geographical region.	Talent Development Strategy	110
<b>B2 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.	Strengthening Management system, Safety first and Health Protection	57, 63
B2.1	Number and rate of work-related fatalities.	/	/
B2.2	Lost days due to work injury.	Safety first and Health Protection	63
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Strengthening Management system, Safety first and Health Protection	57, 63

KPI	Description	Section(s)	Pages
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Building a Learning-oriented Organization	121
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Building a Learning-oriented Organization	122
B3.2	The average training hours completed per employee by gender and employee category.	Building a Learning-oriented Organization	122
B4 Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Creating Happy Work Environment	116
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Creating Happy Work Environment	116
B4.2	Description of steps taken to eliminate such practices when discovered.	Creating Happy Work Environment	116
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Procurement - Mutually Beneficial Collaboration	99
B5.1	Number of suppliers by geographical region.	/	/
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Responsible Procurement - Mutually Beneficial Collaboration	99

KPI	Description	Section(s)	Pages
<b>B6 Product Responsibility</b>			
<b>General Disclosure</b>	<b>Information on:</b> <b>(a) the policies; and</b> <b>(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.</b>	<b>Responsible Operation - Fosun's Ecosystem Featuring with Health, Happiness and Wealth</b>	<b>39</b>
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	/	/
B6.2	Number of products and service related complaints received and how they are dealt with.	Enhancing Customer's Value	51
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Strengthening Fosun's Industry Operations	41
B6.4	Description of quality assurance process and recall procedures.	Strengthening Fosun's Industry Operations	43
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protecting Privacy Information	53
<b>B7 Anti-corruption</b>			
<b>General Disclosure</b>	<b>Information on:</b> <b>(a) the policies; and</b> <b>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</b>	<b>Practising Business Ethics</b>	<b>15</b>
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.	/	/
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Practising Business Ethics	17
<b>B8 Community Investment</b>			
<b>General Disclosure</b>	<b>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.</b>	<b>Responsible Community - Serving The Community, The People And The Nation</b>	<b>131</b>
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Responsible Community - Serving The Community, The People And The Nation	131
B8.2	Resources contributed (e.g. money or time) to the focus area.	Responsible Community - Serving The Community, The People And The Nation	131

# Readers Feedback Form

Thank you for reading the Group's "2019 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 the following:**

E-mail address: [esg@fosun.com](mailto:esg@fosun.com)

**How would you rate the Group's 2019 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 of 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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**FOSUN 复星**