

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 2020



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KEY PERFORMANCE of 2020

Aspects	KPIs	2020	2019	Unit
Economy	Total assets	767,680.6	715,681.2	RMB Million
	Revenue	136,629.5	142,982.1	RMB Million
	Profit before tax	16,973.9	27,517.3	RMB Million
	Net profit	11,100.5	20,169.4	RMB Million
	Tax	5,873.5	7,348.0	RMB Million
	Research and development costs	3,004.5	2,182.3	RMB Million
	Research and development costs/ Sales ratio	2.20	1.53	%
	Environment	Number of member companies obtained the environmental management system certification	18	19
EHS training completion rate		100	100	%
Average EHS audit score of member companies		3.7	3.6	
Energy consumption intensity		324.4	311.6	MWh/ RMB Million of Revenue
GHG emission intensity		130.7	126.6	Tonnes/ RMB Million of Revenue
Water consumption intensity		292.3	319.4	Tonnes/ RMB Million of Revenue
Green Building Certifications		29	20	Certificates
Society	Integrity education coverage of employee	100	100	%
	Significant privacy data leakage	0	0	Times
	Response rate of customer complaints	100	100	%
	Resolution rate of customer complaints	95	98.6	%
	Total clean technology investment	>50	>40	RMB 100 million
	Percentage of suppliers received credit investigations through a third party	100	100	%
	Total number of employees	Around 76,000	Around 71,000	Persons
	Proportion of female employees	47.2	45.8	%
	Percentage of employees received regular performance and career development reviews	100	100	%
	Global Partner ¹	>110	>50	Persons
	Employee attending rate of labor union	100	100	%
	Coverage of employee social insurance	100	100	%
	Accumulative training time	1,349,476.1	1,310,600.0	Hours
	Employee training rate	74.4	72.8	%
	Number of member companies obtained occupational health and safety management system certification	20	18	Companies
	Number of member companies obtained Grade II national standardization certification of work safety	44	31	Companies
	Number of member companies obtained Grade III national standardization certification of work safety	17	14	Companies
	Donation by Fosun Foundation during the Reporting Period	Around 208	Around 73	RMB Million

¹It is different from the legal concept of "partner" in partnership enterprises.

ABOUT THIS REPORT

The Company hereby issues the *Environmental, Social and Governance Report 2020* 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.

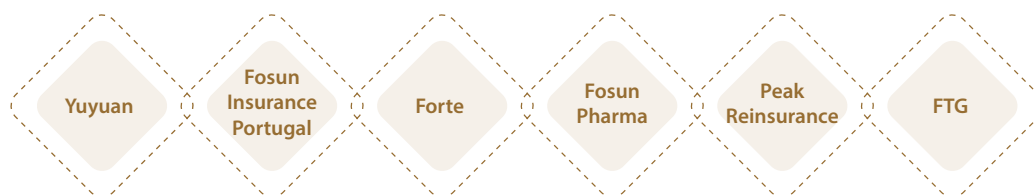
Reporting period

This Report is the fifth annual ESG Report released by the Company. The *Environmental, Social and Governance Report 2019* for the previous reporting period was released on 24 April 2020.

Scope of the Report

The Report covers the ESG performance of four business segments operated by the Group: Health, Happiness, Wealth, and Intelligent Manufacturing during the period from 1 January 2020 to 31 December 2020. Description in some parts of the Report goes beyond the above period.

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 selected 6 subsidiaries besides the Company to be included in the reporting scope to meet the requirements of material disclosure in all ESG aspects; part of the description is beyond the above-stated reporting scope.



In addition, considering that Hainan Mining and Nanjing Iron & Steel were exposed to high risks in EHS, the Group also included them into the scope of EHS related contents in this Report.

The scope of this Report is consistent with the *Environmental, Social and Governance Report 2019*.

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

"Consistency": The statistical methods used in the Report is consistent with those used in the *Environmental, Social and Governance Report 2019*.

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

Notes to the Report's data

The financial data of the Report all comes from the Group's consolidated financial statements for year ended 31 December 2020, 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 Sustainability Page (<https://www.fosun.com/development/>), and the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>).

Contact Information

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



CHAIRMAN'S STATEMENT

“

Today, Fosun is not only an enterprise that creates jobs for employees, contributes taxes to the government, and creates wealth for society. We are also committed to our original aspirations for "Self-improvement, Teamwork, Performance and Contribution to Society". We will assume more responsibilities towards the world and work harder for a better life.

- Chairman, Guo Guangchang

”

Having been in business for 29 years, Fosun has evolved into a globalised company rooted in China. In its steadfast pursuit of a globalisation strategy, Fosun aims to provide high-quality products and services for families around the world with the mission of "Creating happier lives for families worldwide".

In 2020, we quickly entered the "wartime" mode as COVID-19 wreaked havoc on society, enterprises and markets. At the end January 2020, Fosun started its emergency mechanism for rapidly deploying its resources worldwide for the fight against the COVID-19, first supporting the frontline battle against the pandemic and then contributing to the rest of the world. In March and April, it arranged for safe resumption of work and production to aid in an economic recovery in the aftermath of the pandemic. In the second half of the year, Fosun forged ahead with the development, production and launch of a coronavirus vaccine. All these were made possible with Fosun's accumulation of global industrial resources and relentless aspirations for "Self-improvement, Teamwork, Performance and Contribution to Society" over the past 29 years. We are deeply honored to be able to contribute to the prevention and control of the pandemic and to the restoration of people's health in this once in-a-century war between humans and the virus.

We have also deeply appreciated that with stronger capabilities come more corporate responsibilities. Fosun joined the United Nations Global Compact (UNGC) in 2014, formally committing itself to the whole world's sustainable development. We have set up the ESG Committee and an ESG working group for comprehensive supervision and management of the sustainable development of Fosun. In 2020, we set the strategic goal of developing ourselves into "an innovation-driven consumer group" and worked with the Group's various lines of businesses in accelerating the Group's business transformation and upgrading and developing an FC2M ecosystem which is geared towards families' needs. In the process, Fosun will create synergy and a multiplier effect within its ecosystem by leveraging its profound industry operations and global resources. Fosun steadfastly pursues the strategy of driving its development with innovation. For instance, it focuses on the

cutting edge of technologies in the world's healthcare industry, and continuously pushes forward with innovation, research and development to build its core competitiveness. Moreover, we always regard the recruitment and fostering of talents as one of the most important tasks which are crucial to our success. We also provide a safe working environment for our employees. For all these efforts, we have been rated as the "Best Employer" by many professional organizations. We have also joined hands with our business partners in the value chain in driving the Group's development with good ESG practices. Fosun attaches great importance to environmental protection at all its businesses and guides them in the enhancement of environmental performance and resource utilisation by means of supervision and inspection. In the course of rapid development, Fosun also utilizes the strengths of its businesses to give back to society. For instance, it has contributed to charitable causes such as aiding in the fight against the pandemic, running the Rural Doctors Programme, and fostering education, culture and entrepreneurship.

In 2020, we had some achievements in sustainable development. Fosun's MSCI rating was raised to A, its Hang Seng Corporate Sustainability rating to A+, and it was selected to become a constituent of Hang Seng Corporate Sustainability Benchmark Index. In addition, Fosun won the "ESG Leading Enterprise Award" and the "ESG Leading Project Award" from Bloomberg Businessweek (Chinese Edition). These achievements, which represent the recognition and encouragement for our sustainable development performance, have resulted from the concerted efforts of our employees, business partners and stakeholders and have strengthened our determination to continuously improve our ESG performance. I would like to thank everyone for your support for our sustainable development efforts.

In 2021, we will remain determined to do the right and difficult things and things that need time to develop. We should believe in our value as an enterprise worker, keep building up our globalisation capability, increase investment in technology innovation and remain true to our original aspirations to create happier lives for families worldwide!

BOARD STATEMENT

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

Governance Framework

The Board bears ultimate responsibility for the ESG strategy and management of the Company. The Company has set up an ESG Committee to assist the Board in guiding and overseeing the Group's ESG development and the implementation. The Company has also set up an ESG working group to implement ESG strategies and related actions and ensure the establishment of appropriate and effective ESG risk management and internal control system. For detailed information about the Company's governance framework, please refer to the section of [ESG Governance](#) in the Report.

Management Policy and Strategy

In 2019, the Company collected and complied focused topics of stakeholders and actively adopted constructive opinions and suggestions from stakeholders after conducting extensive and in-depth communication with them through various channels. During the Reporting Period, the Company re-examined the results of the Group's materiality assessment and continued to respond to key issues. Our Board and ESG Committee have conducted active management on a range of material issues, including customer privacy and data security, business integrity and supervision, product quality and safety, employee health and safety, customer service and satisfaction, climate change mitigation and energy management, etc. and management approaches to those material issues aforementioned are discussed in detail in the Report. For detailed information about the Company's management approach and strategy, please refer to the sections of [ESG Strategies](#) and [Materiality Assessment](#) in the Report.

Performance Review

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

Looking ahead, the Board will continue to optimize the ESG management of the Company, actively respond to concerns of our stakeholders and facilitate the improvement of ESG management, working to fulfill our vision of "Self-improvement, Teamwork, Performance and Contribution to Society".



CAMPAIGN: RACING AGAINST THE VIRUS

FOSUN INTERNATIONAL LIMITED
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2020



CAMPAIGN: RACING AGAINST THE VIRUS

“

As a global enterprise, we hope that we can do our bit to help the world win the battle against the coronavirus as soon as possible. We are concerned about the health and safety of our employees and customers, and we will stand firmly with people around the world. I believe that with the wisdom of all mankind, if we unite, support and help each other, we can overcome the difficulties and defeat the virus.

- Chairman, Guo Guangchang

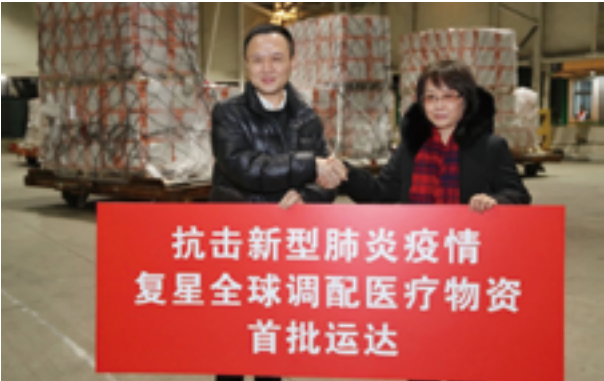
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Responding to the sudden outbreak of COVID-19 in early 2020, on 24 January 2020, Fosun initiated the Global Medical Supplies Deployment Plan to mobilize and deliver millions of global medical supplies from more than 20 countries to the frontline in China at the fastest speed, demonstrating our "China Speed across the Globe" brought about by our diversified business ecosystem. As the pandemic continues to worsen overseas, Fosun initiated the second-phase action to combat the COVID-19, helping the worst-hit countries and regions through the mobilization of global resources.

- ① | ②
- ③ | ④

- ① Fosun speed – quick act
- ② Fosun attitude – ceaseless work
- ③ Fosun width – global efforts
- ④ Fosun warmth – industrious labor

While undergoing the pandemic, Fosun has switched the business mode of the whole ecosystem to the "wartime" mode to fight against the pandemic on all fronts, including the deployment of medical supplies, provision of frontline medical treatment, containment of pandemic through technology innovation, and resumption of production and work. Having steered through the crisis, Fosun firmly adheres to its globalisation strategy. We not only leverage our Global + Local resources, but also try to increase empathy and unite the world to fight the pandemic. We wish we could do our bit to make the world a community of common interests, common responsibility and common destiny.



Global Capabilities, Global Responsibilities



We'll do everything we can to find medical supplies and deploy them to countries and regions that seriously impacted by the pandemic. The costs won't be put first into consideration. Saving life is our top priority.

- Chairman, Guo Guangchang



Worldwide procurement of resources for domestic aid
(January 2020 - early March 2020)

2.976 million

Units of medical supplies purchased worldwide



23 countries

As the origin of medical procurement



28 provinces and cities

Supported to fight the pandemic

Support for China - Race to Open the Way for Lives

On 24 January 2020, we initiated the Global Medical Supplies Deployment Plan and established the "Fosun's Fight Against COVID-19 Global Central Command" to provide strong organizational support for overseas material deployment, logistics and distribution of medical materials urgently needed. Since then, we gradually established a material deployment network covering 23 countries including Japan, India, the United Kingdom, Germany, Spain, Portugal, Russia, Italy, France, the United States, Brazil, Israel, South Korea, Greece, Poland, etc. In doing so, we effectively supported the needs for medical supplies in the front-line in 28 provinces and cities in China including Wuhan, Hubei Province.

With the support of strong supply chain capability and global resource coordination capability, Fosun urgently raised around 2.976 million units of supplies, greatly mitigating the shortage situation of materials at the front-line of coronavirus in China. Additionally, the Fosun Foundation set up a "Special Fund for Fighting Against COVID-19", called on more than 40 member companies to donate funds and goods, and made joint donations with more than 90 social organizations, enterprises and individuals at more than RMB200 million, realizing a "multiplier effect" of enterprise strength in the fight against the pandemic.



Worldwide deployment of resources for overseas aid
(March 2020 - the report issuing date)

50+ million

Units of medical supplies provided worldwide



3.18 million

Units of medical supplies donated overseas



30+ countries

Supported to fight the pandemic



Strain every nerve, get through 900km to transport necessities



Establishment of "Fosun's Fight Against COVID-19 Global Central Command"



Fosun Foundation realized unblocked resource exchange

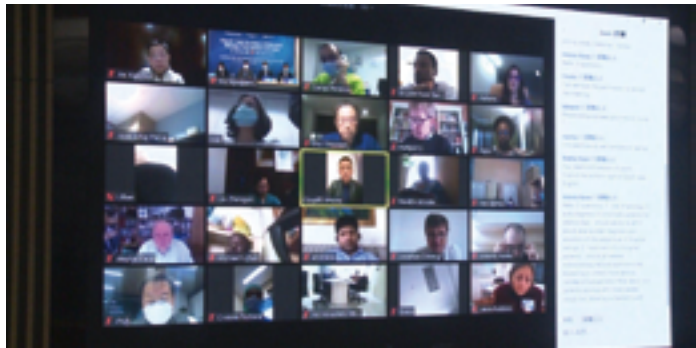
Support for the World -- Global Humanitarian Aid

In the face of the ever-escalating risk of the pandemic overseas, Fosun officially launched the second phase of its fighting against COVID-19 on 1 March 2020, urgently mobilizing global resources to support the overseas countries in COVID-19 fight. For resource deployment and experience sharing, we successively set up working groups in countries or regions such as Japan, Italy, South Korea, the French-speaking region in Europe, India, the United Kingdom, Portugal, North America, South America, Russia, Israel, Africa, the Pan-Asia Pacific region, and the German-speaking region in Europe. In addition, Guo Guangchang, Chairman of the Company, proposed through Yabuli China Entrepreneurs Forum to donate medical supplies to the worst-hit countries, and jointly initiated the "Global Humanitarian Aid Programme" with certain caring enterprises, organizations and individuals to help those countries.

As of the end of the Reporting Period, Fosun had provided more than 50 million medical protection materials, such as masks, protective clothing, nucleic acid detecting reagents, to multiple countries including Italy, the United States, France, Germany, the United Kingdom, Portugal, Japan, South Korea and India. In the future, Fosun will continue to use global resources to provide medical protection materials, nucleic acid detecting reagents, vaccines and other products to help fight the epidemic worldwide.



The medical supplies donated by Fosun to the countries around the world were wrapped with blessing writings in the local language to express our sympathy during the pandemic with the local people



Fosun frequently invited domestic medical experts to share the treatment and latest research results of COVID-19 with public health experts and doctors from the United States, the United Kingdom, Portugal, Africa and other regions

Thank You Letter








Hold on at the Frontline of the Battle against Pandemic

Thanks to the long-term accumulation in the medical sector, Fosun quickly deployed the leading medical workers in China to support the front-line. Wuhan Jihe Hospital Co., Ltd., a member of the Group, was selected as the "Inpatient Ward for Infectious Disease in Caidian District, Wuhan" which served as a designated hospital for the treatment of fever patients in Caidian District, Wuhan. Furthermore, the hospital became an important "hub" for the distribution of supplies, through which we constantly delivered medical supplies to more than 80 hospitals, including Leishenshan Hospital and Huoshenshan Hospital, in 12 cities such as Wuhan, Xiaogan and Huanggang in Hubei Province.



The fight against COVID-19 revealed Fosuners' strong sense of responsibility, great mindset and considerable courage. We have doctors who risked their own life to save others; we have volunteers who delivered supplies in the teeth of the epidemic; we have support teams who worked on resource allocation and emergency purchases. Together, we bravely fought against the pandemic despite of difficulties.



During the pandemic, 27 hospitals in total of Fosun were designated as pandemic treatment hospitals, with nearly **10,000** beds.

Five medical teams with over **275** medical workers were assigned to Hubei Province.

Wuhan Jihe Hospital, as a designated hospital for the treatment of fever patients, treated **515** patients during the 51 days of the outbreak, with **0** deaths among patients and **0** infections among medical workers.

Ordinary Fosuners That Brought Light to the City in Darkness



Yang Jie, an employee of Fosun

Yang Jie, an employee of Forte Wuhan, left Wuhan for home in Anhui before the Spring Festival. After the outbreak of COVID-19, he rushed back to Wuhan and worked as a volunteer carrying medical supplies and installing ECMO, ventilators and violet light sanitising robots, and also helped cooking in Leishenshan Hospital and Huoshenshan Hospital.



Ma Zheng, an employee of Shanghai Forte Industry and Development Group Ltd., Wuhan Branch, called upon his colleagues to build up a team of volunteers from Forte Wuhan on the next day after the lockdown in Wuhan. In cooperation with charitable foundations across the country, the team distributed protective supplies and household goods to various parts of Wuhan. His story was reported by CCTV, and he was a "ferryman" of resources for pandemic containment in this city.



A team of volunteers from Forte Wuhan

Contain Pandemic through Technology Innovation

Fosun makes constant contribution to the COVID-19 containment in nucleic acid detection reagent, vaccine R&D and other fields through its advantages on R&D and resources.

Innovation-Driven to Support Production Resumption

Shanghai Fosun Long March Medical Science Co., Ltd. ("Fosun Long March") a wholly-owned subsidiary of Fosun Pharma, has developed COVID-19 nucleic acid detection reagent kit (PCR), which is one of the reliable and automated COVID-19 detection products in the market. The product has been certified with the Registration Certificate of Medical Devices issued by the National Medical Products Administration (NMPA), the CE certification from the EU, the Emergency Use Authorisation (EUA) from the U.S. Food and Drug Administration (FDA) and certification from the Therapeutic Goods Administration (TGA). In addition, it has been officially listed on the Emergency Use List (EUL) of the WHO. The product was used in the 10-

day nucleic acid detecting for 1.04 million people in Wuhan, covering nearly one-tenth of the entire detection population. At present, it has been exported to more than 10 countries including Portugal, Hungary, Belgium, France and Germany for combating the pandemic around the world.

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 fight by conducting R&D, production, and donations of urgent and scarce supplies such as non-invasive ventilator and negative pressure ambulance.



Nucleic acid detection reagents developed by Fosun Long March



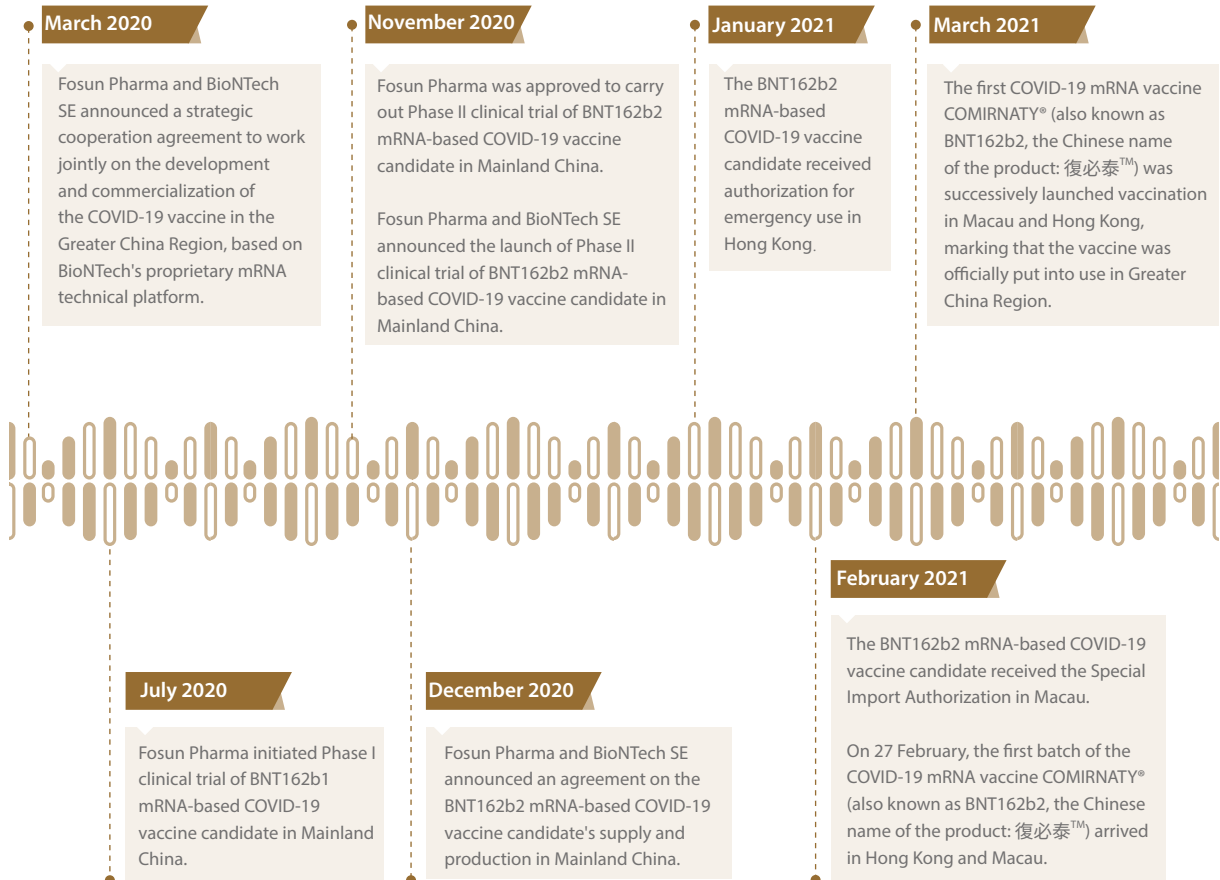
Fosun Beiling Negative Pressure Ambulance

Vaccine Development to Help Pandemic Containment Worldwide

Leveraging its strengths and profound experience in the healthcare industry and global innovation footprint, Fosun is able to expedite the development of a vaccine for COVID-19.



The first batch of Fosun COVID-19 mRNA vaccine arrived in Hong Kong



Protect Jobs & Resume Production, Fight Pandemic with Dedication

Care for Employee, We Are ONE Fosun

Being with its employees since the outbreak of COVID-19, Fosun established and coordinated resources to provide a strong backing for all Fosuners throughout the country and then a solid guarantee for the resumption of work.





At the beginning of the pandemic, we set up regional anti-pandemic working groups across the country, which comprised an operational support group and three service groups, namely, Employee Care, Logistics Support and PR/GR, to coordinate the procurement channels for the prevention materials and the protection needs of various member enterprises, and to make every effort to solve problems for member enterprises and employees.

In order to ensure the resumption of work, we issued the guidelines for pandemic containment and work resumption to our employees on several occasions, prepared *Fosun Global Employee Care and Protection Manual* in multiple languages, providing clear instructions and requirements on a series of matters, including the establishment of a pandemic containment agency, office protection, employee protection supplies preparation, health check-up, epidemic declaration, quarantine arrangement, resumption schedule, commuting transportation, temperature testing, office cleaning and disinfection, office and conference protection, meal arrangement, remote working, E-learning, etc. At the same time, we upgraded our prevention facilities at offices, continuously improved intelligent service, provided our employees with tools and platforms including online smart office tools and online learning courses, and provided meal ordering service through cooperation with catering merchants.



Global Ecosystem, We Contribute to Recovery

During the pandemic, our member companies offered the "Anti-pandemic Packages" and assisted the society to overcome the difficulties:

 <p>Since 17 February 2020, we have been actively supporting the resumption of production and work of our member companies, caring for overseas employees, and supporting 583,350 masks to our member companies at home and abroad, cooperative institutions, associations and enterprises</p>	 <p>Yuyuan announced to reduce the rent by half for the period from 25 January to 2 February 2020 for commercial projects (excluding office buildings) under the property management</p>	 <p>Pramerica Fosun expanded the coverage of the medical product liability insurance "StarCare" for the pandemic to reduce the medical burden for infected people</p>	 <p>The Rural Doctors Programme focuses on helping six poverty-stricken counties in Hubei Province (which have been lifted out of poverty), providing online pandemic prevention and control training courses for 2,492 primary health workers, and distributing more than 50,000 health packages to help people return to work; after the epidemic situation was under control, it continues to contributing to grassroots' health and epidemic prevention and control by subsidizing voluntary service organizations in Hubei Province and carry out community health volunteer service projects</p>
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As the pandemic was effectively contained in China, Fosun and our members made reasonable and organised efforts to resume the operations in line with the trend of "healthcare", "family" and "online". We have updated the marketing model as necessary to meet the accumulating consumer demand during the pandemic, providing a unique and warm consumption experience, so as to help domestic consumption to rebound:

<p>"healthcare"</p>	<p>Shanghai BFC, Forte Vigour City and other business complexes accelerated the online transformation and strengthened their connection with customers through online community, online games and cloud food ordering;</p>
<p>"family"</p>	<p>Yuyuan, Starter, Resource Property and Yosun successively launched online property selling and brought fresh experience to customers through livestreaming and VR house viewing, etc.;</p>
<p>"online"</p>	<p>Shanghai Classical Hotel, a well-established Shanghai hotel of Yuyuan started to offer take-away packages to meet the needs of surrounding areas;</p> <p>The "BFC Fengjing Weekend Market", a market product developed by BFC, attracted more than 6 million visits since its opening, and has become a popular destination for visitors;</p> <p>On the "515 Fosun Family Day" and the "920 Fosun Family Season", we are to organize online and offline carnivals with more than 35 ecological member companies to boost consumer confidence and demand;</p>



BFC Fengjing Weekend Market



515 Fosun Family Day



920 Fosun Family Season

To find out more about Fosun's efforts in fighting COVID-19, please visit [Fosun website's special session: Fosun's efforts in fighting against the epidemic.](#)

01

ABOUT US

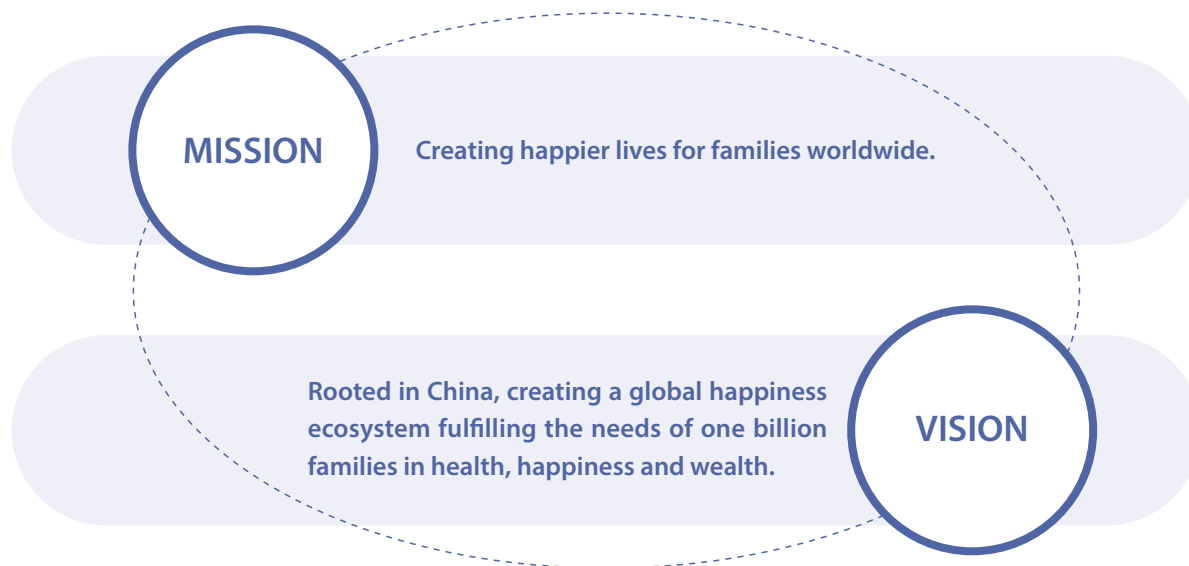
**A GLOBAL ENTERPRISE
FULFILLING THE NEEDS OF ONE
BILLION FAMILIES**



1.1 About Fosun

1.1.1 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.



1.1.2 Industrial Footprint

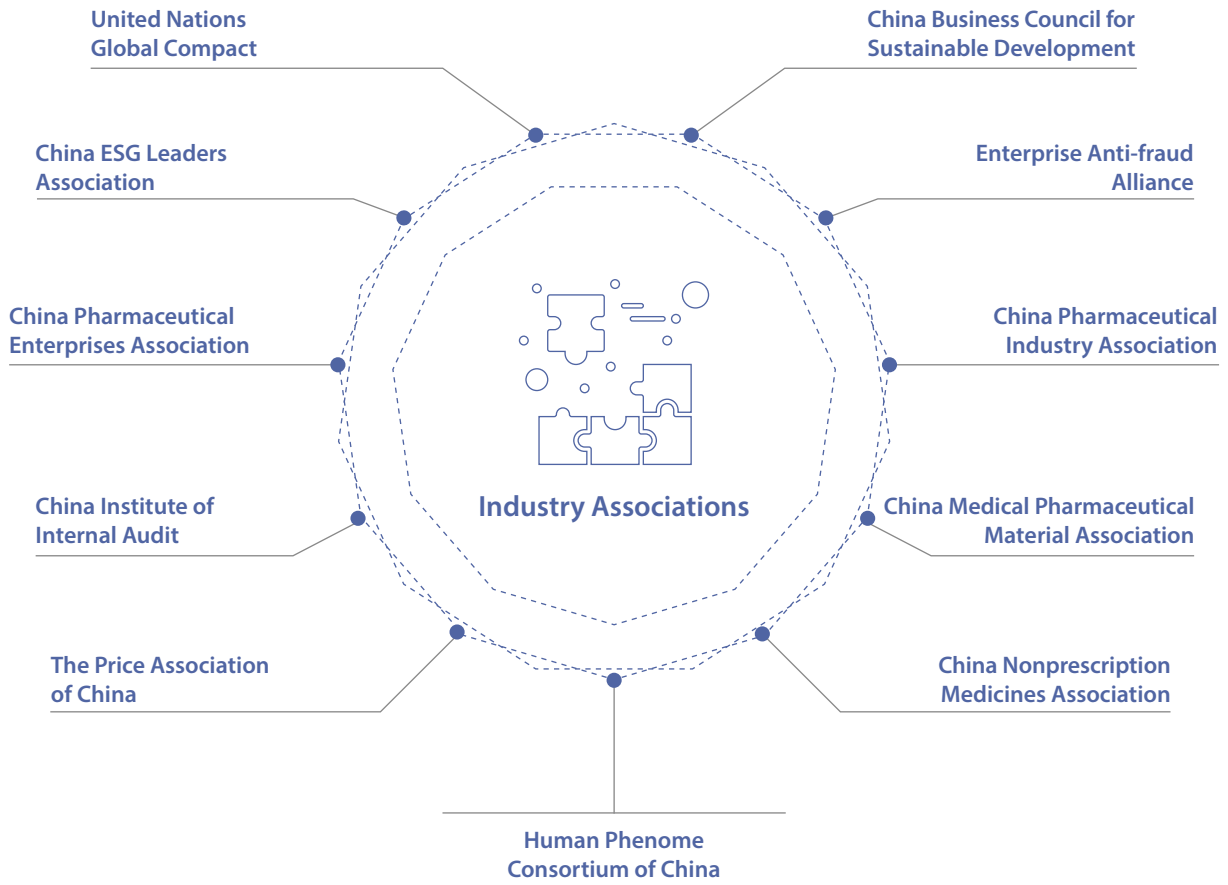
Adhering to the positioning as an innovation-driven consumer group, the Group has been actively solidifying its footholds in four major segments, namely Health, Happiness, Wealth and Intelligent Manufacturing. It has also been consistently optimizing its organizational structure, promoting synergy between businesses within its ecosystem, and embracing intelligitization and internet for the upgrading of its business. Meanwhile, the Group has been continuously improving the professional capabilities of its teams through the mechanisms for coopetition, job rotation and comparison with peers in industries.

Having experienced two stages of development which were respectively driven by China's growth momentum and our strategy of "Combining China's growth momentum with global resources", the Group proposed making one billion families worldwide our target customers in 2018, and has since been building a family-oriented C2M happiness ecosystem. Through profound industry operations, the Group has sparked a multiplier effect within its ecosystem of businesses and is offering more high-quality products to clients. As high-quality products are the key to serving the families well, the Group has made manufacturing capability (M-end) the priority in the past few years when building up its C2M ecosystem. In 2020, the Group proposed making customers (the "C-end") a top priority, which is at the core of the operation of the C2M ecosystem. At present, the Group has gained rich experience in operating online platforms in the Happiness segment and has accumulated a considerable number of registered users. It has also been improving the online shopping experience and connecting the ecosystems of online and offline operations.

The Group will continue to consolidate its professional operation capabilities, spearhead the growth of the enterprises under it with the aim of developing itself into the world's leading innovation-driven consumer group.

1.1.3 Industry Associations

The Group actively responds to international and domestic sustainable development initiatives. By actively joining industry associations, we are committed to promoting the sustainable development with global industry companies and striving to become a leader in ESG development and practice in the industry.



1.1.4 Awards & Accolades²

Award	Organizer	Member Company or Project
"Keen Love for Zhejiang Merchants" Heroes for Anti-Epidemic Award	Zhejiang Daily Press Group, Institute for Zhejiang Merchants Development, Zhejiang Federation of Industry and Commerce, Zhejiang Federation of Returned Overseas Chinese, Zhejiang Association for Science and Technology Guidance, ZHESHANG magazine, www.wzs.org.cn , ZHESHANG National Council	Fosun Group
2020 Best Open Innovator Award	Committee of the 5 th China Innovation Challenge (Regional Integration of the Yangtze River Delta) Contest & the 3 rd Yangtze River Delta International Innovation Challenge Contest	Fosun High Technology
2020 Gold Medal Award Annual Listed Company Social Responsibility Award	Shanghai United Media Group	Fosun Pharma
Nomination Award of the 11 th "China Charity Award" Charity Project (Shanghai Area)	Shanghai Civil Affairs Bureau	Shanghai Fosun Foundation "Rural Doctors Programme"
Nomination Award of the 11 th "China Charity Award" Charity Project (Shanghai Area)	Shanghai Civil Affairs Bureau	Shanghai Fosun Foundation "Global Materials Rush to Fight COVID-19 Programme"
Golden Jubilee Award -2020 Excellent Social Responsibility Enterprise	<i>China Investment Network</i> , Biaodian Institute for Finance and Economics	Fosun International
Corporate Social Responsibility Outstanding Achievement "Overseas Development Award"	Shanghai Federation of Economic Organizations (SFEO)	Fosun Pharma
Shanghai Advanced Group for Anti-Epidemic	Shanghai Municipal Committee, Shanghai Municipal People's Government	The CPC Committee of Fosun High Technology
"Anti-Epidemic Action Award" of The 2020 Ram Charan Management Practice Awards	<i>Harvard Business Review</i>	Guo Guangchang (Chairman of Fosun International), Fosun International
"Business for Good TOP10: Enterprise Award for Special Contribution for Anti-Epidemic" of "Toward the Light Award"	China Social Enterprise and Impact Investing Forum	Fosun High Technology
"Advanced Individual for Anti-Epidemic"	The China Democratic League (CDL)	Guo Guangchang (Chairman of Fosun International)
"ESG Leading Enterprise Award (Enterprise Group I: Over HK\$20 Billion in Market Capitalization)"	Organizer: <i>Bloomberg Businessweek/Chinese Edition</i> / Co-sponsor: Deloitte	Fosun International
"ESG Leading Project Award- Leading Community Project Award"	Organizer: <i>Bloomberg Businessweek/Chinese Edition</i> / Co-sponsor: Deloitte	"Fosun Global Epidemic Relief Programme"
50 Typical Cases of Targeted Poverty Alleviation by Chinese Enterprises in 2019	Joint Research Group of Social Poverty Alleviation Office of the State Council and Institute of Industrial Economics, Chinese Academy of Social Sciences (CASS)	Fosun High Technology "Rural Doctors Programme"
2020 Outstanding Contribution for Anti-Epidemic Award	Gelonghui "Gelonghui • Global Investment Carnival • 2020"	Fosun International

²Awards are sorted by awarded date ascending.

Award	Organizer	Member Company or Project
Title of "Enterprise Pioneer" in 2019 <i>Assessment Report on Environmental Responsibility Information Disclosure of Chinese Listed Companies</i>	China Association of Environmental Journalists and Beijing University of Chemical Technology	Fosun Pharma
National Advanced Individual of Private Sector for Anti-Epidemic	The United Front Work Department of CPC Central Committee, Ministry of Industry and Information Technology, State Administration for Market Regulation and All-China Federation of Industry and Commerce	Wang Qunbin (Co-Chairman of Fosun International)
The 10 th "Asia Best CSR Award" of the "Asia Corporate Excellence Award"	<i>Corporate Governance Asia</i>	Fosun International
"Caring for Business" Emblem and Certificate	The Hong Kong Council of Social Service	Fosun International
Top 10 Social Enterprise of the Year	IFENG.COM Action League	Fosun International
GoldenBee 2020 Excellent CSR Report - Evergreen Enterprise	The 13 th International Conference on CSR Reporting in China	Fosun Pharma
"Best ESG Report Award (Large Cap)", "ESG Governance Excellence Award", "Outstanding Environmental Achievement Award" & "Outstanding Social Achievement Award"	Independent Hong Kong ESG Consulting Firm- Alaya Consulting	Fosun International
2020 ESG Summit – "Golden Awards" of Chinese Enterprises for Social Responsibility (S) Outstanding Enterprises	Sina Finance	Nanjing Iron & Steel, Fosun Pharma
"2020 Best Practices for Businesses in Achieving the Sustainable Development Goals" Award	Global Compact Network China	Fosun High Technology "Global Partnership Joint Action Initiative for Anti-Epidemic"
The 11 th "China Charity Award" (Category of Charity Projects and Charitable Trusts)	Ministry of Civil Affairs	Shanghai Fosun Foundation "Rural Doctors Programme"
Gold Award of "The Asset ESG Corporate Awards 2020"	Asia Financial Magazine <i>The Asset</i>	Fosun International
Title of "Social Enterprise of the Year"	<i>China Philanthropy Times</i> - The 5 th China Annual Conference on Philanthropy	Fosun High Technology
Advanced Individual of Social Service Work of the China Democratic League	Shanghai Committee of the China Democratic League	Chen Qiyu (Executive Director & Co-CEO of Fosun International)
2020 Enterprise with Outstanding Contribution for Anti-Epidemic	The 10 th China Charity Festival	Fosun High Technology
National Poverty Alleviation Advanced Group	The CPC Central Committee, the State Council	Fosun High Technology

1.2 Regulating Corporate Governance



As of the end of the Reporting Period, the Board currently comprises **14** Directors, with **6** Executive Directors, **3** Non-Executive Directors and **5** Independent Non-Executive Directors.

1.2.1 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 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.

Governance Structure Framework



The Audit Committee, Remuneration Committee and Nomination Committee of the Group are all composed of the independent non-executive directors. Also, the majority of the members of the ESG Committee are independent non-executive directors. The committee members all have relevant industry experience and background and are regularly trained to maintain their competency. In addition, each committee member is entitled with sufficient resources when performing his/her duties and can seek independent professional advice when appropriate. Since listed, the Company's independent auditor's report has been issued by external audit firm Ernst & Young for 14 years. The Company sets out the requirement of the rotation of the audit engagement partner for independence in the *Policy for the Selection, Appointment and Rotation of External Auditors*, requiring the audit engagement partner to rotate at least every seven years. Selection criteria and procedures are in place for candidates for the position of the Company's external auditor to ensure, to the extent possible, that external auditors with appropriate expertise, knowledge and experience are appointed.

Diversified Governance

[Learn more about Board Diversity Policy](#)



The Company recognizes and embraces the benefit of having a diverse governance, and sees increasing diversity in governance as an essential element in maintaining a competitive advantage and achieving long-term sustainable growth for the Group. Selection of board candidates will be based on a range of diversity perspectives, including but not limited to ethnicity, race, nationality, gender, age, cultural and educational background, experience, skills, knowledge, term of service, etc.

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

As of the end of the Reporting Period, the Board appointed 2 female directors.

Performance and Remuneration

To continuously facilitate Fosun's sustainable development, the Company established performance-related pay mechanism to link the Board's salary progression to an assessment of its ESG performance. Please refer to the section of **RESPONSIBILITIES** in the Report for details.

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

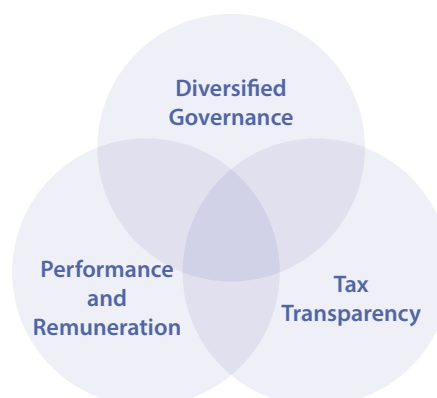
Besides, the Company properly controls the remuneration risks of the Board and senior management with the aid of a series of mid-term and long-term payment deferral mechanisms and clawback mechanisms. The Group specifies punitive measures on violations in relevant policies. In case of embezzlement, bribery, corruption, dereliction of duty and other acts that cause losses to Fosun's interests or damage the reputation of Fosun, violators will no longer be entitled to any bonus, and shall pay compensation for the losses herein and be held liable as and when necessary. We also manage unknown risks through other remuneration policies, for instance, reserving part of the incentives to the risk pool, deferring excess incentive bonus (over three years) and offering restricted stock with long-term vesting. Please refer to the section of **TALENT-ORIENTED** in the Report for details.

Tax Transparency

[Learn more about Fosun Group Tax Guiding Principles](#)



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



1.2.2 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 organizational structure, management system, workflow, etc. We have set up the following overall risk management objectives: based on our C2M strategy and development requirements, to provide an important guarantee for the Group to achieve its strategic and business objectives by formulating overall risk management plan, implementing proactive ex-ante and in-process risk management, and building a systematic tiered risk management system that empowers and adds value to the Group.

Risk Framework

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 the Finance, Legal, Risk Management 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. The Board should establish and maintain sound risk management and internal control systems and should oversee the management's design, implementation and monitoring of these systems. Management should provide a confirmation to the Board on the effectiveness of these systems.

The Group has built a Fosun Risk Control Line, including the Legal Department, EHSQ Department, Anti-Corruption and Supervision Department, Risk Management Department, Office of Board Secretary, Intellectual Property Management Department, Audit Department and Risk Control Global Shared Services Centre, for the overall management of various risks exposed to the Group.

The Audit Department of the Company conducts independent reviews on the adequacy and effectiveness of the current risk management and internal control systems according to the audit strategy and annual audit plan of the Company on an annual basis. The Audit Department is responsible for monitoring the stable and proper operation and improvement of the risk management and internal control systems. Audit findings are reported to the Board and management respectively, and the management oversees the implementation of any remedial and improvement measures to be taken. After following up and checking, remedial and improvement work is ensured to be taken as expected.

³Due to internal reorganization, some departments were combined into other business lines.

⁴The department, formerly called EHSQ & Operational Excellence Department in the last reporting period, was renamed EHSQ Department in this Reporting Period.

Risk Management System

The Group has a well-established risk management system. We published *the Fosun Group Risk Reporting Policy (Trial Version)* to improve the Group's risk management of the core subsidiaries, to 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 through ex-ante assessment, in-process management and ex-post alignment.

Ex-Ante Assessment: Conducting risk due diligence and pre-review of the investment projects.

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. For the business sectors with significant potential risks (regulatory risks, etc.), core finance subsidiaries are required to conduct self-review or business line joint-investigation, in order to timely reveal risks and promote core finance subsidiaries to improve risk management level.

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 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 through the risk-oriented annual audit plan, project plan and risk control audit. During the Reporting Period, the Company's internal audit business line carried out approximately 200 audits on major engineering projects, major procurement expenditures and key financial businesses, and released several significant risk disclosures, consolidating the third line of defence of risk management.



Risk Management of Finance Segment

The Group has established a scoring mechanism to assess finance subsidiaries' enterprise risk management capabilities. *The Fosun Group Guidelines for Assessing the Finance Subsidiaries' Enterprise Risk Management Capabilities (Trial Version)* was issued which requires the Group's core finance subsidiaries to comprehensively improve their risk management capabilities by setting up management framework and foundation system.

Risk Culture Building

The Group organizes appropriate risk management trainings for staff at all levels to enhance their risk management awareness and capability; meanwhile, we aim to cultivate risk control experts by enhancing our internal auditors' capabilities of risk analysis and assessment through those trainings. 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.).

The Group has established a regular on-site meeting mechanism that involves the risk management principals from core finance subsidiaries and the Group's Risk Management Department to report and discuss the recent risk management work, major risks faced by enterprises and countermeasures, etc.

1.2.3 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 at different levels, and through a post-crisis reviewing mechanism to propel the upgrading of crisis management mechanism.

After the outbreak of COVID-19, the Group immediately launched a crisis response to respond to the impact of the pandemic on business and actively supported global epidemic prevention and control. Please refer to the section of [CAMPAIGN: RACING AGAINST THE VIRUS](#) in the Report for details.

The Group was not involved in any material ESG crisis events during the Reporting Period.



1.3 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*, *Counter-terrorism 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, including laws and regulations such as prevention of bribery, extortion, fraud, money laundering and unfair competitions.

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

- Chairman, Guo Guangchang



1.3.1 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.

Anti-Corruption and Supervision System Building

The Anti-Corruption and Supervision Department has established a professional investigation team with extensive work experience in public security economic investigations and anti-corruption investigations; the department is able to discover, investigate, handle major corruption cases of the Company and its core subsidiaries, and transfer the cases to judicial organs.

The Company has established an internal management system with reference to ISO 37001 Anti-Bribery Management System and the management standards issued by the China Enterprise Anti-fraud Alliance. We have developed and published relevant anti-corruption policies on the official website. We have built such business ethics management systems as 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. to regulate our staff in terms of anti-corruption and anti-fraud, confidentiality of business information, declaration of conflicts of interest, prevention of unfair transactions, etc.

The Group's Anti-Corruption and Supervision Department issued the *Regulations on Anti-Corruption Inspection* to strengthen the standardized management and supervision of the integrity management among member companies. An inspection team organised by the Group's Anti-Corruption and Supervision Department oversees the Group's units and core member companies annually, conducts inspection on their corruption sensitive points (i.e. operating indicators, the integrity management of key project's bidding processes and the integrity of key posts) and pays constant attention to the rectification of the inspected enterprises. During the Reporting Period, the anti-corruption inspection covered all key member companies of the Group within the planned annual inspection scope.

[Learn more about
Incorruptible Working
Regulations for Employees](#)



[Learn more about
Global Whistleblowing Policy](#)



[Learn more about Measures for
the Protection and Reward of
the Informants and Witnesses](#)



Code of Conduct

We have set up relevant reward and punishment mechanism, where the staff's performance is linked with their ethical practices in business. 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 formulates *Staff Code of Conduct* to supervise staff's daily behavior. All staff shall sign the integrity agreement and make undertakings to be fully aware of and abide by the Group's code of conduct. The terms of *Staff Code of Conduct* will be adjusted timely to ensure the restraint on staff behavior. Staff are required to consciously comply with laws, be incorruptible and accountable, and not to seek illegitimate benefits or undermine the interests of the Group by taking advantage of their authorities or work duties. In cooperation with management and service partners, we prohibit staff from offering, giving, soliciting, accepting property or financial benefits and prohibit any form of fraud by taking advantage of the position.

In 2020, in order to strengthen management and supervision over the integrity and performance of leaders in key positions, the Company issued the *Regulations on the Administration of Reporting on Conflicts of Interests for Leaders in Major Posts of Fosun Group* to avoid potential conflicts of interests, inappropriate related party transactions, insider transactions, etc. that may damage the enterprise.

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 lobbying or political donations.



Culture of Integrity

The Group is rigorously committed to fostering an atmosphere of anti-corruption. During the Reporting Period, the Company carried out relevant anti-fraud awareness and promotion to the Board and all staff. We promoted anti-corruption via WeChat Official Account "Fosun Anti-Corruption", staff intranet online platform and other platforms, and organized case sharing and training courses to enhance the staff's awareness of anti-corruption and encourage them to stick to integrity. If fraud cases occur, the Group would organise education and introspection activities of "Rethink" to alert key departments and staff and emphasize the impacts of case investigation. The Company's coverage rate of anti-corruption education reached 100%. The per capita integrity training hours were about 1 hour. In addition, we also conducted anti-corruption training. During the Reporting Period, the per capita anti-corruption training hours of the Group's suppliers reached 0.5 hour, and the per capita anti-corruption training hours of the Group's contractors reached 0.5 hour.



Nipping Corruption in the Bud and Being Incorruptible and Self-disciplined

In October 2020, the Company conducted anti-fraud and anti-corruption publicity campaign to promote the integrity culture at the Fosun themed training. In addition, staff of the Company's Anti-Corruption Inspection Department conducted trainings and publicity campaigns on the integrity inspection in member enterprises including Nanjing Iron & Steel, Hainan Mining, etc. during the year, to convey the value of zero tolerance for corruption.



Whistleblowing Management

We have set up a comprehensive whistleblowing mechanism. The Group released the [Global Whistleblowing Policy](#). The whistleblowing can be submitted in multiple anonymous whistleblowing channels. 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.

Fosun Global Whistleblowing Platform	<ul style="list-style-type: none"> • Whistleblowing e-mail: ethics@fosun.com • Whistleblowing portal: https://contact.fosun.com/ethics
Complaints to Fosun Anti-Corruption and Supervision Department	<ul style="list-style-type: none"> • Hotline: +86 21 23156625 • E-mail: lianzhengdc@fosun.com • WeChat Official Account: Fosun Anti-Corruption (「復星廉政」)
Complaints to Fosun Cost and Procurement	<ul style="list-style-type: none"> • Hotline: +86 21 23156633 • E-mail: fosuncgts@fosun.com
Whistleblowing Letter	<ul style="list-style-type: none"> • Anti-Corruption and Supervision Department of Fosun, 16/F, Building S1, No.600 Zhongshan No.2 Road (E), Shanghai 200010, China



During the Reporting Period, the Group and member companies have investigated a total of **36** cases of corruption and bribery cases, of which 11 cases have been transferred to judicial organs and concluded

A total of **108** employees were punished and dismissed

During the Reporting Period, the Group was not subject to external anti-corruption investigations or penalties

In strict compliance with the [Measures for the Protection and Reward of the Informants and Witnesses](#), we protect the informants and witnesses, and adhere to the principle of confidentiality in reporting and investigation. We keep strictly confidential of informants' and witnesses' personal information as well as all reporting documentations and evidences they provided in the process of acceptance, registration, storage, investigation, etc., so as to prevent any leakage and loss. We provide protection to whistleblowers and witnesses in accordance with relevant laws and regulations. The Group has set up the "Special Protection List of Informants and Witnesses" for real-name informants who provide real and valid evidence and witnesses who make honest testimony, and the list is reserved by the Anti-Corruption and Supervision Department. The Group strictly 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 each piece of the reported information. The report cases received by the Global Reporting Platform will be automatically copied to the Board Member who is responsible for the Group risk control business line, as well as to the heads of Audit Department and Anti-Corruption and Supervision Department. 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 who has committed fraud will be severely punished, and those suspected of having committed 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, endeavor to recover economic losses as much as possible while punishing the responsible persons and block the relevant anti-corruption and management loopholes.

Business Atmosphere

The Group actively cooperates with other enterprises to establish an ethical business environment. The Group actively participates in the activities of China Enterprise Anti-fraud Alliance and reports dishonest staff into the Alliance's blacklist, increasing the social costs of acts without a good faith. The Group is one of the China Enterprise Anti-fraud Alliance's initiators. Fosun and China Enterprise Anti-fraud Alliance jointly adhere to the vision of "Integrity in China and the World" and are committed to promoting certification of professional qualification, industry standard study and industry-wide blacklisting, so as to establish facilities and foundation for anti-fraud activities, and to provide solutions with Chinese wisdom for anti-fraud commitment worldwide.

1.3.2 Anti-Money Laundering

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

Peak Reinsurance

Peak Reinsurance strictly complies with laws and regulations of the anti-money laundering and anti-terrorist financing in the regions where it operates, and has formulated *the Group Anti-money Laundering and Counter-terrorist Financing (AML/CTF) Policy* as support and guidance to management and employees in their daily operations to manage AML and CTF risks. The policy is reviewed annually by the Board and the Risk Management and Compliance Committee of Peak Reinsurance.

Peak Reinsurance establishes a customer due diligence system, and regularly maintains and screens sanctions lists issued by the government and competent authorities. In addition, it regularly trains employees on anti-money laundering and other compliance matters.

1.3.3 Anti-Unfair Competition

The Group strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and other related laws and regulations of China and other countries or regions where the Group manages or invests in. We 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 its staff's *Code of Conduct*. During the Reporting Period, no material breach of anti-unfair competition laws and regulations occurred.

Challenges of Overseas Compliance and Responses

In October 2020, the Company invited third party professionals to deliver a themed training to share their insights about the compliance with anti-trust law and the compliance with competition law. Based on the business characteristics of the Group, requirements on anti-trust reporting and key points about compliance for cross-border transactions of Chinese enterprises were also discussed.



02

RESPONSIBILITIES

SELF-IMPROVEMENT,
TEAMWORK, PERFORMANCE AND
CONTRIBUTION TO SOCIETY



2.1 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 afterwards. They made public commitments that they would comply with standards released by the United Nations in areas such as environment, labor and anti-corruption. In 2020, the Company joined China ESG Leaders Association and became a member of the CBCSD.

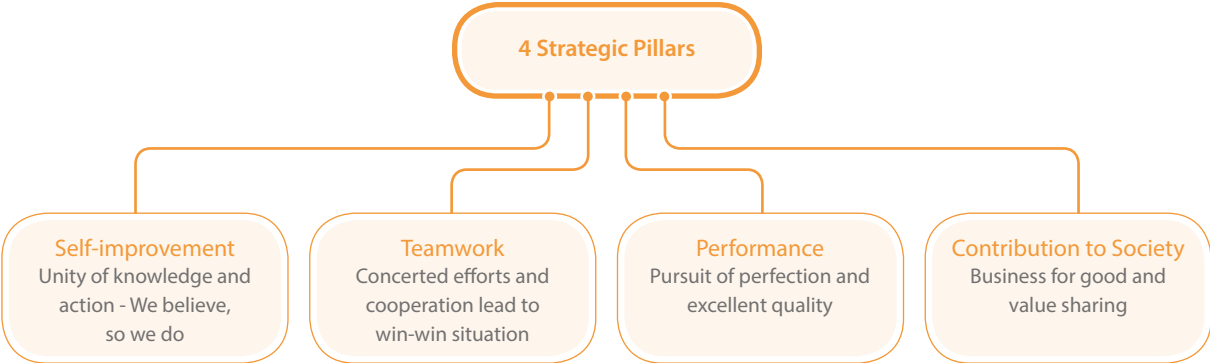
2.1.1 ESG Vision

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.

2.1.2 Strategies and Goals



Pillar	Objectives	Key issues	2020 progress and performance review
Unity of Knowledge and Action – We Believe, So We Do (Self-improvement)	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.	<ul style="list-style-type: none"> Employee learning and development Employee interests and caring Advanced corporate governance Risk and crisis management Business integrity and supervision Employee health and safety 	<ul style="list-style-type: none"> Average training hours per capita 28.1 hours Approximately 21,000 new employees The proportion of female board members increased The anti-corruption inspection covered all key member companies of the Group within the planned annual inspection scope There is no major ESG crisis incident
Concerted efforts and cooperation lead to win-win situation (Teamwork):	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.	<ul style="list-style-type: none"> Responsible investment Responsible procurement Responsible marketing 	<ul style="list-style-type: none"> The total investment in clean technology exceeds RMB5 billion, accounting for around 58.8% of the total investment in the primary market of the total investment of Energy Industrial and Utility Investment Department in primary market Code of conduct training for new supplier covers 100% Supplier integrity training covers 100%
Pursuit of perfection and excellent quality (Performance):	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.	<ul style="list-style-type: none"> Research development and innovation Diversified products and services Product quality and safety Protect intellectual property Customer service and satisfaction Customer privacy and data security 	<ul style="list-style-type: none"> R&D costs amounted to about RMB3,004.5 million in total, accounting for approximately 2.20% of operating income Obtained ISO10002 complaint management system certification Have not received any complaints due to violations of consumer privacy protection regulations and loss of consumer data Have not occurred any major incidents of data leakage
Business for Good and Value Sharing (Contribution to Society):	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.	<ul style="list-style-type: none"> Participate in social welfare Green products and clean technology Climate change mitigation and energy management Water resource management 	<ul style="list-style-type: none"> Formulate EHS management short, medium and long-term goals for 2020-2029 Donation of Fosun Foundation was over RMB 208,556,400

2.2 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.



2.2.1 ESG Committee

[Learn more about the functions of the 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 end of the Reporting Period, the Committee comprises 6 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.

During the Reporting Period, the ESG Committee of the Company held 2 meetings. In March, the ESG Committee reviewed ESG Report 2019 and debriefed the ESG working group to review the comprehensive ESG performance of the Group in 2019 and discussed the Group's latest ESG rating. In December, the ESG Committee reviewed the ESG achievements in 2020, made the ESG work plan in 2021 and discussed the ESG development trend in both international and domestic capital market.

2.2.2 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:



In 2020, the ESG working group held several joint team leader meetings and working group meetings to discuss the priorities, objectives and plans of ESG in 2020, and to plan the ESG Reporting for 2020. In addition, the ESG working group actively communicated with external ESG rating agencies and kept abreast of market concerns.



2.2.3 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 participate in ESG market seminars to learn about the latest industry trends and improve ESG capacity building.

In October 2020, the Group held ESG Culture Week to improve the ESG awareness and capacity. The mascot named "ESG Fosuners" was released and exhibited through various channels and in various places to promote the ESG culture among all employees. The ESG basic knowledge was conveyed through Fosun Morning Assembly, ESG knowledge competitions and other activities.

Themed training

According to the Group's key ESG issues, we held courses for popularizing ESG concepts, such as *Anti-Fraud Presentation*, *Supply Chain ESG Management Presentation* and *Transformation from Corporate Social Responsibility to Brand Social Responsibility*.



Let's support ESG

We publicized ESG information to all employees of the Group, so as to introduce hot issues such as UN SDGs, responsible investment, and ESG ratings. We also introduced the importance of ESG and how to participate in ESG work.





ESG Knowledge Competitions

We held the ESG Knowledge Competitions, which attracted staff anytime and anywhere through online channels, and promoted staff deep understanding of the Group's ESG culture and ESG highlights.



2.2.4 Performance Appraisal

In order to establish a top-down long-term mechanism for ESG improvement and continuously promote Fosun's sustainable development, the Group has set up relevant mechanism to link the Group's ESG performance with 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, quality and environment 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 endeavours 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.

During the Reporting Period, the Board conducted annual evaluation and supervision of the performance of the ESG working group, and conducted the evaluation and awarding of the outstanding departments and individuals of the ESG working group, thus promoting the establishment of a long-term working mechanism.

2.3 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 Results			
Governments and regulators	Product quality and safety	Policy seminars	Multiple times per month	The Group actively responds to 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. In 2020, during the global anti-COVID 19, the Group also carried out good communication with the government and regulatory agencies, and actively contributed to and obtained recognition for the prevention and control of the COVID 19 and the resumption of production. During the CIE, we also actively conducted good communication with government agencies to understand their concerns about us.			
	Protect intellectual property						
	Business integrity and supervision	Reporting to governments at all levels and other authorities in charge					
	Air pollutant emission management						
	Waste management	Government affairs reception					
	Water resource management						
Customers	Climate change mitigation and energy management	Regulators supervision and inspection	Multiple times per year	The Group positively establishes customer communication channels to promote sustainable consumption. In 2020, we held 515 Fosun Family Day, 920 Fosun Family Season and other activities. With Fosun taking the lead, 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.			
	Diversified products and services	Social media					
	Product quality and safety	Fosun official website					
	Customer service and satisfaction	Email and telephone communications					
	Customer privacy and data security						
Responsible marketing	515 Fosun Family Day						
Suppliers	Responsible procurement	Onelinkplus.com Email and telephone communications Work meetings Supplier conferences Supplier site audit Complaints hotline	Multiple times per month	The Group pays attention to communications with suppliers. In September 2020, we held the Fosun FC2M Conference and the Global Ecological Supply Chain Summit of "Global Expansion-Mutually Beneficial Cooperation within Businesses Ecosystem". More than 1,200 industry leaders and experts from more than 500 suppliers around the world participated in the conference and communicated well with us.			
	Non-governmental organizations	Participate in social welfare			Industry associations	Multiple times per quarter	In order to enhance the communication and cooperation, the Group frequently interacts with the CBCSD, China Population Welfare Foundation, China Foundation for Guangcai Program, Shanghai Fudan University Education Development Foundation, etc. In 2020, Fosun Foundation and other organizations co-hosted the first "Shanghai Summit of Philanthropy" to conduct in-depth discussions on the "Participation of Social Forces in the Construction of People's Cities".
		Business integrity and supervision			Fosun Foundation		
		Green products and clean technology			Cooperation and exchange meetings		
		Climate change mitigation and energy management			Seminars		
		Email and telephone communications					
		Work meetings					

Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Activities and Results
Communities and the public	Participate in social welfare	Social media	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. In addition, in response to the Group's hot topics such as global anti-COVID 19 and CIIIE, we are also proved with a good corporate image to the public through high-quality reports from mainstream authoritative media.
	Responsible marketing	Fosun official website		
		Email and telephone communications		
Media	Responsible marketing	Brand/product presentations	Multiple times per year	The Group adopts innovative ways to communicate with the media. In 2020, we invited the founders and chief editors of the media or KOL, including hsmrt.com, ishijie.com, huxiu.com, Lishi Business Review, and DAMO Finance, etc., visiting Fosun headquarters and Fosun member companies to further understand Fosun.
	Participate in social welfare	Annual and interim results conferences		
		Media roadshows		
		Social media		
Peers and industry associations	Research development and innovation	Fosun official website	From time to time	The Group actively participates in inter-industry exchanges to improve corporate transparency. In 2020, Guo Guangchang, Chairman of the Company, took part in the Fortune Global Forum online meeting and fully utilized the platform to engage in communications.
	Protect intellectual property	International forums		
	Responsible investment	Round-table conferences		
	Advanced corporate governance	Industry summits/ Association meetings		
Limited Partners (LP)	Responsible investment	Work meetings	Multiple times per quarter	The Group continues to strengthen exchanges with partners, through online LP meeting and regular exchanges with partners to communicate investment strategies to strengthen the mutual trust.
Shareholders and investors	Diversified products and services	Investment strategy meetings	Multiple times per year	The Group attaches great importance to information disclosure. In 2020, we not only held annual and interim results conferences, shareholders' meetings, Fosun Forum and Investor Open Day, but also organized multiple online and offline investor communication activities, including management luncheon sessions, analyst teleconferences, strategy meetings, roadshows, product and brand presentations, etc., promoting the enterprise value.
	Business integrity and supervision	Annual and interim results conferences		
	Advanced corporate governance	Investor meetings		
	Risk and crisis management	Shareholders' meetings		
	Green products and clean technology	Investor roadshows		
	Climate change mitigation and energy management	Email and telephone communications		
Employees and management	Employee health and safety	Workers and employees' congress	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. In 2020, the Company conducted employees' engagement survey, so as to understand employees' needs.
	Employment and labour standards	Health lectures		
	Employee learning and development	Online official account		
	Employee benefits and welfare	Fosun University push		
		Themed Training		
		Master lectures		
		Online platform hotline		
		Fosuners		
		Fosun 30 Minutes		

2.4 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 adopted constructive opinions and suggestions, and cooperated with stakeholders to improve the Group's operation management.

For the detailed process of materiality assessment, please refer to the [Group's 2019 ESG Report](#)

Review of materiality assessment process

1	2	3	4	5
Identify ESG Issues	Identify Stakeholders	Conduct Survey Activities	Formulating Materiality Assessment Matrix	Internal Confirmation
According to the group strategy, UN SDGs, international and domestic ESG information disclosure framework, ESG and related index rating agencies, 24 ESG issues were selected.	From the two perspectives, namely "Importance to stakeholder" and "Importance to business development of Fosun", relevant stakeholders are identified as the main research objects of materiality assessment.	Invited representatives of the internal and external stakeholders identified to participate in the materiality assessment of the ESG issues.	A total of 1,196 valid questionnaires were collected in this survey, and a materiality assessment matrix was generated through data analysis.	The results of the materiality assessment are reviewed and confirmed by the ESG working group and the ESG Committee.

During the Reporting Period, we re-examined the results of the Group's materiality assessment and continued to respond to key issues.

Re-examined 24 issues and confirmed that they have fully covered the Group's ESG practices during the Reporting Period.	Re-examine the stakeholders and confirm that their types have fully covered the Group's ESG practices during the Reporting Period.	Conduct interviews, meetings and email communications with important internal and external stakeholders to understand their level of concern for our ESG issues.	Based on communication and confirmation with various internal and external stakeholders, there has been no significant change in their materiality assessment of the 24 ESG issues of the Group.	After review and confirmation by the ESG working group and the ESG Committee, there has been no material change in the Group's materiality assessment matrix.
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Social

- Employee health and safety
- Employment and labour standards
- Employee learning and development
- Employee benefits and welfare
- Participate in social welfare



Economic

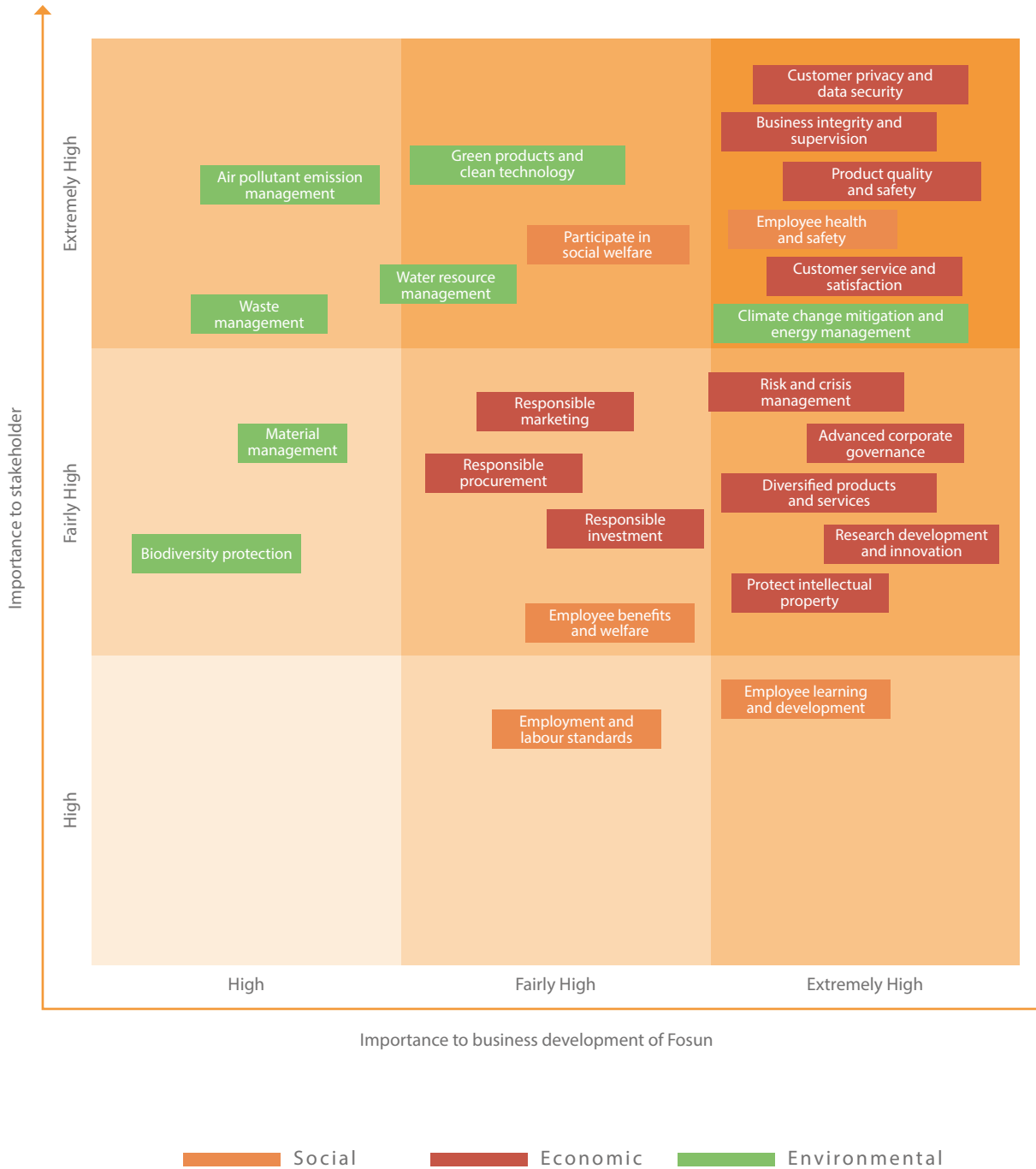
- Diversified products and services
- Product quality and safety
- Customer service and satisfaction
- Customer privacy and data security
- Responsible marketing
- Research development and innovation
- Protect intellectual property
- Responsible procurement
- Responsible investment
- Business integrity and supervision
- Advanced corporate governance
- Risk and crisis management



Environmental

- Air pollutant emission management
- Water resource management
- Waste management
- Climate change mitigation and energy management
- Material management
- Green products and clean technology
- Biodiversity protection

Materiality Assessment Matrix



2.5 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	<p>Business integrity and supervision</p> <p>Advanced corporate governance</p> <p>Risk and crisis management</p>	<p>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.</p>	
Industry Operations	<p>Diversified products and services</p> <p>Product quality and safety</p> <p>Customer service and satisfaction</p> <p>Customer privacy and data security</p> <p>Responsible marketing</p> <p>Research development and innovation</p> <p>Protect intellectual property</p>	<p>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 focus on the needs of family customers for "health, happiness, and wealth", and lay out the in-depth implementation and responsible industry operation. We positively guide consumers to establish healthy consumption concepts and strictly protect their information as well.</p>	  
Safety and Environmental Protection	<p>Employee health and safety</p> <p>Air pollutant emission management</p> <p>Water resource management</p> <p>Waste management</p> <p>Climate change mitigation and energy management</p> <p>Material management</p> <p>Green products and clean technology</p> <p>Biodiversity protection</p>	<p>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. We 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, wastewater and atmospheric pollutants, effectively utilizing resources, and at the same time seeking opportunities to recycle wastes.</p>	   

Title of sections	Issue	Section introduction	UN SDGs
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.	   
Cooperation	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.	   
Talent-oriented	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.	  
Care	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.	   



03

INDUSTRY OPERATIONS

A CREATOR OF
HAPPINESS ECOSYSTEM

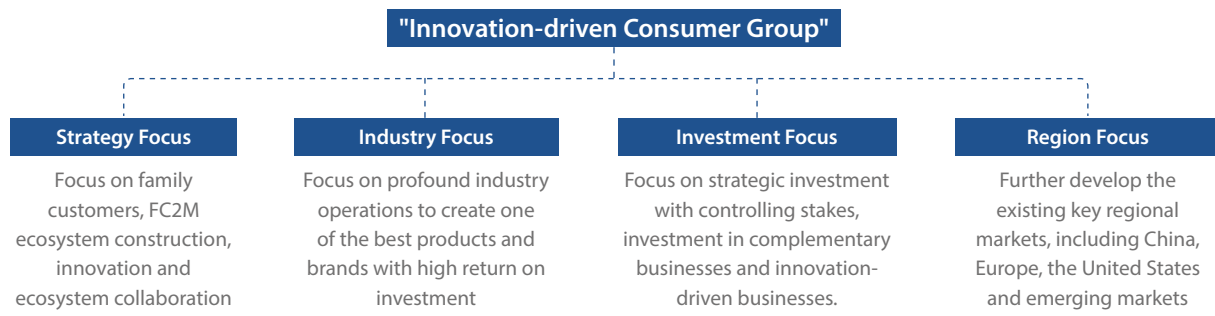
FOSUN INTERNATIONAL LIMITED
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2020



3.1 Creating Industrial Space

3.1.1 Innovation Driven

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 "Global + 2C (to Customer) + Innovation" industrial footprint. We gradually complete the transformation of "cross regional, cross industry, global industrial group", and clarify the new positioning of "Innovation-driven Consumer Group". In 2020, we developed a strategy of "focus" and formally entered the focus stage of the Group's development strategy, i.e. focusing on strategies, industries, investment and regions.



Link with the World - the Third CIIE

On 5 November 2020, Fosun, together with several member companies and partners, participated for the third time in the CIIE exhibition zones including medical equipment & healthcare, public health and pandemic prevention and consumer goods, showcasing leading new products related to the healthcare industry and quality of life:



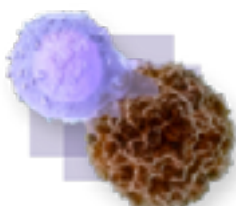
Butterfly iQ+, first palm ultrasound imaging system for full body in the world



The first imported vehicle mobile CT stroke-wound ambulance in China



The first robotic-assisted laparoscopic surgery system, the Da Vinci surgery system, approved by FDA



The first CAR-T cell drug, YESCARTA®, etc., approved by FDA for specific non-Hodgkin lymphoma



MRIDIAN® Linac, the world's leading precision radiation therapy system with real-time MRI imaging technology for soft tissue and oncology



BodyTom® Free Mobile Full-body CT

Fosun also exhibited a number of star products that played an important role in containing the pandemic, the industry-leading global cluster of technology innovation industries, and the unique FC2M system, which integrated industrial resources globally.

► Innovative Models

We continued to innovate through a variety of models, including R&D, incubation, investment, global business development, open innovation, etc., to create a multi-dimensional innovation system, focusing on home scenario units and taking the lead in the race of innovation in the globe. During the Reporting Period, the Group's research and development costs amounted to approximately RMB 3,004.5 million, accounting for approximately 2.20% of operating income.

Innovation Research and Development

Proprietary research and development, develop new products



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. In early 2020, Fosun Pharma established the Global Research Centre, which was responsible for the overall management of the Fosun Pharma's innovative R&D projects. With the focus on China, the United States and Europe, Fosun Pharma will strengthen the ability of pre-clinical research, clinical development and translational medicine. At present, Fosun Pharma has established an interactive and integrated R&D system in China, the United States, India, etc., and has created an international R&D platform for biopharmaceutical drugs, small molecule chemistry drugs, high-value generic drugs, new technological treatment, etc. During the Reporting Period, R&D expenses (including capitalized expenditure) of Fosun Pharma amounted to RMB4.003 billion, with an year-on-year growth of more than 15.59%.



As of the end of the Reporting Period, Fosun Pharma had **18** self-developed small molecule innovative drugs, **25** self-developed bio-innovative drugs, **13** in-licensing innovative drugs and **19** self-developed biosimilars

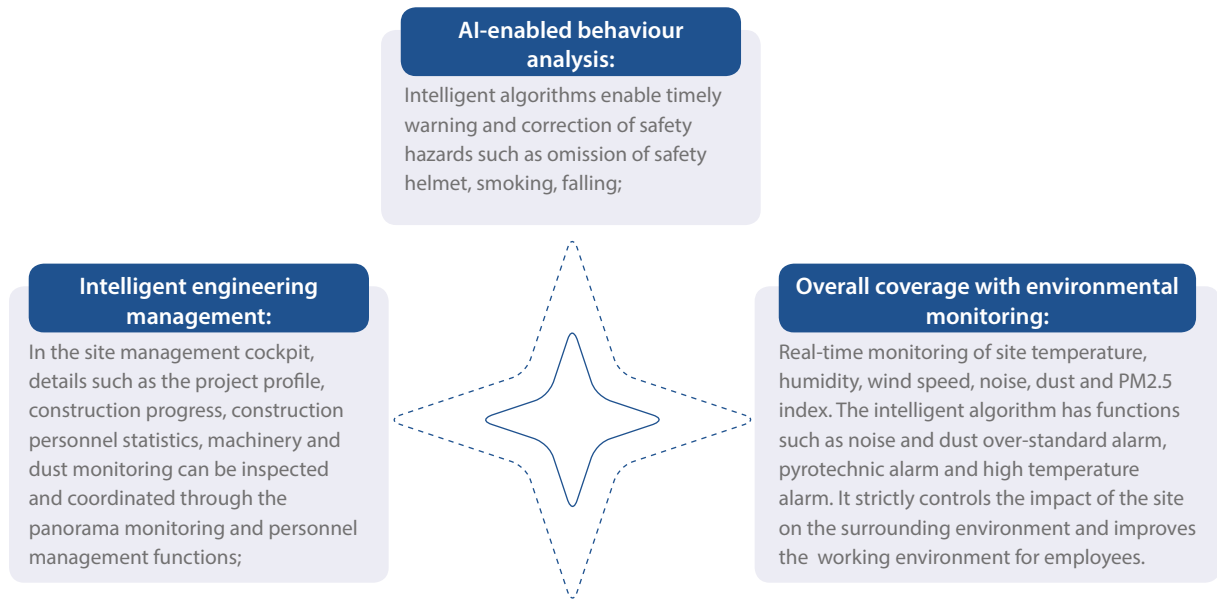


Forte

Open Innovation for a Smart Construction Site

Through the open innovation model, Forte has introduced cutting-edge technologies, set up seven intelligent scenarios based on an AI big data centre, maximized the advantages of remote construction management, and built an "Smart Site System", providing the industry with a practical solution for intelligent construction.

At the Changchun Kalun Lake Project site, a cloud monitoring centre integrating computers, network and communication technology has been set up based on AI big data, enabling real-time monitoring and management of the project progress and environmental monitoring of sub-projects:



► Protection of Intellectual Property Rights:

The Company established Intellectual Property Management Department. The department is responsible for the development, application, protection, usage, licensing, confidentiality, anti-infringement, anti-piracy, anti-unfair competition of the Group's Intellectual Property (IP). The Intellectual Property Management Department 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 such as industrial monopoly, counterfeiting and piracy 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 construction of Fosun brand ecosystem, 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 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.

During the Reporting Period, the Group had no material legal action in relation to IP infringement (including abuse of dominance, counterfeiting and piracy).

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.



As of the end of the Reporting Period, the headquarters of the Group directly manages **82** domain names

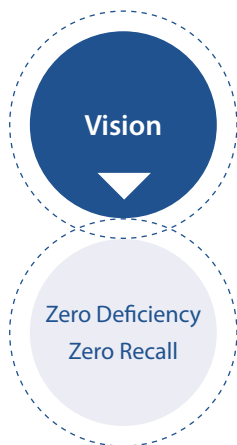
○-----
and owned **530** valid domestic trademarks, including 529 registered trademarks and 1 applied trademark

○-----
and owned **176** internationally registered trademarks



At the end of the Reporting Period, the headquarters of Yuyuan owns **347** registered trademarks

○-----
and **4** registered copyrights



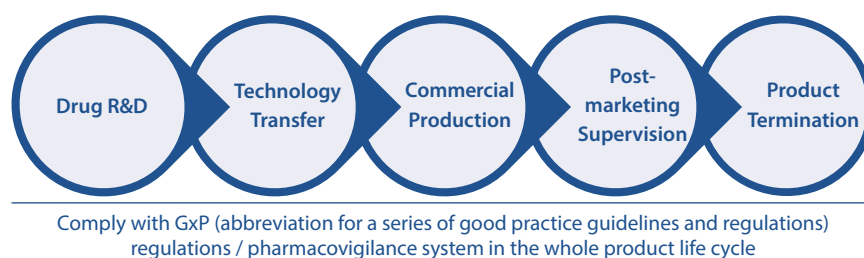
3.1.2 Quality Management

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 employee involvement. We establish high quality products and service, improve continuously, and pursue excellence. Setting up the EHSQ Department as the responsible department 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, Measures of Fosun on Handling Relevant Leaders of Units With Safety, Quality, Environmental Protection and Other Production and Operation Accidents and the Reporting Procedures of Major Safety, Quality and Environmental Accidents*.

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 research and 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 is 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 2020, Fosun Pharma carried out **6** quality audits of pharmaceutical member companies, with an excellent and good rate of **80%**

In 2020, Fosun Pharma carried out 6 quality audits of pharmaceutical member companies, with an excellent and good rate of 80%; 4 medical device member companies completed quality audit, of which 3 companies conducted the second audit evaluation, and their scores were improved. In addition, in 2020, Fosun Pharma's domestic pharmaceutical member enterprises received a total of 86 official inspections, all of which passed smoothly; 620 batches of official samples were accepted, all of which passed the inspection.

3. Certification of Quality System

In 2020, 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.

In April 2020, Henlius, a member company of Fosun Pharma, passed the EU GMP on-site verification of HLX02 Trastuzumab drug substance (DS) line and drug product (DP) line, and was officially awarded with two GMP certificates issued by the Chief Pharmaceutical Inspector of Polish Health Supervision Agency. The Henlius's Xuhui base has officially become the first GMP factory in China to obtain the EU GMP certification for the production of self-developed antibody biopharmaceuticals.

Production Line GMP Certification of Fosun Pharma's Domestic Pharmacy Member Companies in 2020:

Type	Authorities	Certified Items
Certification from China GMP	National & Provincial Supervision and Administration on Medical Products	67 Active Pharmaceutical Ingredients ("API") 34 Sterile Preparation Production Lines 38 Oral Dosage Production Lines
Certification from USA Food and Drug Administration ("FDA")	FDA	13 APIs 2 Production Lines of Oral Solid Formation
Certification from EU	Drug Administration of EU Members	3 APIs 2 Aseptic Production Lines
Certification from WHO	WHO	4 APIs 1 Production Lines of Oral Solid Formation 4 Injection Production Lines
Certification from Pharmaceuticals and Medical Devices Agency of Japan	Pharmaceuticals and Medical Devices Agency of Japan	3 APIs

International Certification of Domestic Fosun Pharma's Medical Device and Medical Diagnosis Member Companies in 2020:

Type	Authorities	Certified Items
ISO 13485: 2016	TÜV SÜD, TÜV Rheinland, DNV. GL, BSI	9 member companies certified
CE Product Certification	TÜV SÜD, TÜV Rheinland, DNV. GL	6 member companies certified
ISO9001: 2015	Shanghai Audit Center of Quality System, TÜV Rheinland, XQCC	3 member companies 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 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 existing in the period of the product's lifecycle subject to requirements of GMP and relevant regulations so that the product quality can 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 2020, 16 simulated recalling drills were conducted by Fosun Pharma member companies of pharmacy. No quality related adverse events or product recall occurred in the member companies of medical devices.

6. Construction of Quality Culture

Fosun Pharma implements the quality policy "Respect for Life, Focus on Quality, Commitment to Perfection, and Pursuit of Excellence", improves the quality risk awareness and quality management ability of all staff, and practices the quality culture of Fosun Pharma with quality first. From September to October 2020, Fosun Pharma continued to hold the quality management month activity of "implementing the main responsibility of the holder and strengthening the quality management of the whole life cycle", covering all the pharmaceutical and medical device member companies under Fosun Pharma, gathering the strength of the enterprise and the wisdom of the whole staff to promote the standardization of quality management.

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 2020, Fosun Pharma invited industry experts to hold quality technology forum, invited internal and external experts to continuously organize the training course of excellent production quality director class, and provided support for the internationalization needs of member companies.



In 2020, the annual per capita quality training hours of Fosun Pharma pharmaceutical member enterprises are more than **48** hours



and the annual per capita quality training hours of medical device and diagnostic member companies are

23.8 hours



Yuyuan

Yuyuan Jewelry and Fashion Group's testing center was founded in 1996, responsible for the inspection of the jewelry and jade classification and diamond grading of jewelry and the testing of precious metal inlaid ornaments in Shanghai area of Yuyuan Jewelry and Fashion Group. At present, there are 9 professional technicians in the testing center, all of whom have master degrees in gemstone and material technology, and have obtained professional and technical certificates such as national registered gemologist (CGC) certificates and senior technician certificates. The center is equipped with more than 10 sets of professional testing equipment such as Fourier transform infrared spectrometer, ultraviolet visible spectrometer, etc., and has more than 500 pieces of diamond colorimetric stones, national standard precious metals and all kinds of gem specimens.

Referring to the *Accreditation criteria for the competence of testing and calibration laboratories* (CNAS-CL01:2018) as well as the *Guidance on the Application of Laboratory Competence Accreditation Criteria in the Field of Gem and Precious Metal Testing* (CNAS-CL01-A015: 2018), the testing center has established a management system which has already been accredited by China National Accreditation Service for Conformity Assessment (CNAS). The testing center can now provide 17 testing items in three categories, namely diamond grading, jewellery testing and precious metals testing. In recent years, the testing center has participated in the preparation of a number of group standards and local standards, such as *Hard Pure Gold Accessories, Ancient Gold Ornaments, Operation and Service Standard of Gold Dealer*, and many of its employees had won the first prize, the third prize and the winner prize in the provincial and ministerial vocational skills competitions. In line with the quality policy of "science, justice, accuracy and efficiency", the testing center will spare no effort to pursue the excellence of product quality, and make a strong guarantee for the perfect experience of group consumers.

FTG

FTG always emphasizes the top priority of food safety. In order to enhance the management on food safety, the headquarters of FTG established EHSQ Department, and formulated the *FTG 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:

Formulating Standards	Specialist Serving Special Duty	Training	Special Audit
Establishing management standards in accordance with Hazard Analysis Critical Control Point("HACCP")	Setting up special staff to carry out special sampling inspection of food safety and making improvement plans	Actively holding internal and external staff trainings and other awareness advocacy work to build the food safety culture of the enterprise	Conducting unannounced visits with professional consultants to develop effective action plans

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 2020, in response to COVID-19, the EHSQ Department of FTG Headquarters formulated the *Guidelines on Prevention and Control of COVID-19* during the Resumption of FTG, which provided a guidance to regular prevention and control over COVID-19 for the affiliated companies, while strengthening the training on the COVID-19 prevention, food safety and protection knowledge training and hazard analysis and key control point (HACCP) training, to strictly safeguard the health and safety of visitors. At the same time, FTG's member companies have strengthened food safety control, including but not limited to disinfection of imported pre-packaged food, regular inspection of food contact surfaces, masks and gloves worn by all catering service personnel and extension of the catering time, so as to strictly guarantee food hygiene and safety.

During the COVID-19, Club Med joined hands with Ecolab to build the "Safe Together" project to further guarantee the clean and safe vacation environment and customers' health and safety through all-round hygiene and safety measures. Club Med cooperated with Cristal International Standards to establish THE PREVENTION OF THE SPREAD OF INFECTION (POSI) project worldwide. During the Reporting Period, 32 overseas operating resorts obtained POSI certification, and a total of 300 inspections were completed; the average score of our resorts in EMEA³ region was 92.8, which was much higher than the 80 points required by the standards. In China, Club Med cooperated with China Certification & Inspection Group Inspection Co., Ltd. in epidemic prevention and control and health inspection audit to ensure the implementation of epidemic prevention and control measures. During the Reporting Period, 7 resorts in China completed a total of 72 inspections, including food safety, drinking water sanitation, pandemic prevention and control, and room sanitation, with an average score of 93.

³EMEA is an acronym that stands for Europe, the Middle East, and Africa.

Fosun Integrated Care

In 2020, the Ningbo Sungin Garden Project operated by Fosun Integrated Care has become the first batch high-end retirement community to obtain the DNV-GL's International Infection Risk Management Standards Certification. DNV-GL is one of the leading certification authorities in the world. The infection risk maturity assessment standard developed by DNV-GL is the first domestic certification standard on infection control and public health protection, which may also known as the Oscar in the infection control sector because of its stringent requirements for public health prevention and monitoring in the course of project operation.

This certification for Ningbo Sungin Garden Project fully demonstrates Fosun Integrated Care's commitment to public health, and further guarantees a safe and secure life for households and employees. It also marks the professional development of community safety management.

In addition, during the outbreak of COVID-19 in early 2020, all Fosun Integrated Care institutions responded in a timely manner, achieving zero infection and fully demonstrating their ability of health management.



3.1.3 Responsible Operation

The Group seeks full implementation and responsible operation of the industrial development strategies according to the needs of the household customers - "health, happiness and wealth".

► Health accessibility

In recent years, centering on the vision of "Creating happier lives for families worldwide" and adhering to the value proposition of "high quality and affordable", Fosun places greater focus on patients' major unmet clinical needs in its health ecosystem, and constantly promotes the R&D and registration of innovative therapeutic drugs and treatment plans, providing patients and customers with more accessible and more affordable products and services of better quality.

In addition, we actively work with relevant stakeholders, including but not limited to governments, medical institutions and non-governmental organizations, to help solve health problems in developing countries via various patient care public welfare projects, such as Rural Doctors Programme, Aid to Africa in Fighting against Malaria, Assistance in Prevention and Treatment of Tuberculosis, and Tai Chi Adjuvant Therapy for Parkinson's Disease. For the details of the aforementioned public welfare projects, please refer to the [CARE](#) in the Report.

Fosun Pharma

Henlius, a member company of Fosun Pharma, is committed to providing more affordable high-quality biologic drugs for patients across the world with "offering biopharmaceutical drugs with high quality and competitive price to patients" as its corporate vision and strategic orientation.

A biosimilar is a biotherapeutic product which is similar to a biological drug in terms of quality, safety and efficacy with a lower price compared to that of the original drug. It can relieve patients' pressure in self-payment and medical insurance fund, and increase drug supply for patients during their full course of treatment.

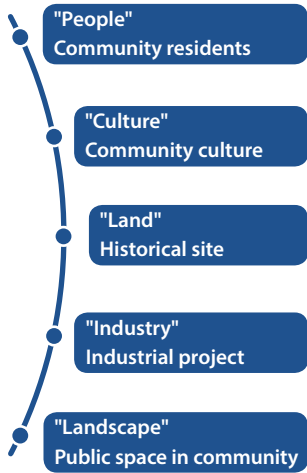
Currently, Henlius has become a leader in independent R&D and production of biosimilars with international quality among Chinese companies, and its products cover tumours, autoimmune diseases, ophthalmic diseases and other fields.

On 12 September 2020, *Know More about Biosimilars*, the first "popularisation manual of biosimilars" in China jointly released by Anti-lymphoma Union of Chinese Society of Clinical Oncology and house086.com and supported by Fosun Pharma, was released officially online. It aimed to further help patients to establish correct understanding of biosimilars, promote the widespread use of biosimilars in China and improve the availability of biopharmaceutical drugs.

As of the end of the Reporting Period, 3 biosimilars of Henlius, including Han Li Kang, were successfully marketed, mainly used for treating such diseases as lymphoma, HER2 positive breast cancer and stomach cancer. Among them, Zercepac® has obtained medical insurance access in some provinces and a unified national code for medical insurance drug, which greatly reduces patients' economic burden, provides more high-quality treatment options for Chinese and global markets, and considerably enhances the availability and affordability of high-quality biopharmaceutical drugs.

[Learn more about biosimilar](#) 





► Community Building

Relying on the industrial ecosystem of "health, happiness and wealth" and focusing on the five themes of "finance, health, tourism, culture, and wisdom", the Group actively participates in community building, pays attention to the demands of communities and cities, and actively promotes highly harmonious coexistence of people, culture, land, industry and landscape.

Driving Urban Regeneration

With focus on the needs of urban industrial upgrading, we propose an industry-city integration solution "Hive City", and create a fashion landmark and cultural card for a city based on respecting the characteristics of the city, to drive urban regeneration and build a new ecology for the city's sustainable urban development.

Best Urban Regeneration Project - Dahua 1935 in Xi'an

"Dahua 1935 in Xi'an", a benchmark of cultural hive ingeniously built by Fosun, is rebuilt from the original Chang'an Dahua Textile Factory, which introduces cultural flagship communities, a multi-functional interactive entertainment center and sentimental dining blocks while retaining its original Dahua Industrial Heritage Museum, small theatre clusters and other cultural venues. Combining heritage protection and urban development, it further stimulates the cultural influence and commercial vitality of the site, accelerates commercial transformation and upgrading, and creates a cultural card for the city.

On 18 November 2020, the award list of MIPIM Asia Awards 2020 was published, among which "Dahua 1935 in Xi'an" won the Best Urban Regeneration Project.



Creating Sustainable Communities

Centring on people’s demands for a healthy city and relying on its own industrial resources in the health industry, the Group builds health hive projects, such as Zhangjiang Science and Technology Innovation Centre of Fosun, Starcastle in Shanghai, and Health Town Complex of Foshan Chancheng Central Hospital, covering various urban healthcare industries.

[Learn more about WELL certification](#)

By reference to WELL’s standards for healthy buildings and communities, we create an intelligent, green and healthy "Glocal+" community construction system in an innovative way and actively build sustainable communities. "Glocal+" system comprehensively enhances the health level of cities and residences from the perspective of residency and soft services, and improves the health and well-being of communities:

Glo-Security
Build an intelligent contactless community to ensure individual health and safety by relying on AI intelligent system

Glo-Eco
Construct a forest sports garden, in which community members can enjoy green aerobic life

Glo-Space
Create a comfortable and transparent living space in the community

Glo-Pure
Foster an indoor ecological environment with "constant temperature, humidity and oxygen", pay attention to the comfort and transparency of the space, and create a pure and healthy air environment

Glo-Safe
Conduct dead-zone free disinfection and safety protection in the community and offer a multi-dimensional reassuring protection system to guard people’s health

Glo-Care
Provide basic health examinations, diagnosis and treatment for community families, and introduce high-end medical services and health care services for the elderly

Forte

In 2020, Wuhan BFC obtained the first international gold registration project qualification of WELL healthy community in Central China. The project would follow WELL’s standards for healthy buildings and healthy communities and implement the "Glocal+" system to make efforts in providing high-quality air and acoustic environment, ensuring high-quality drinking water, reducing light pollution, and improving traffic convenience.

▼ Wuhan BFC



Creating Seamless Transportation Connections

When designing and developing industrial projects, we fully consider the adaptability of the surrounding public transportation, striving to achieve seamless transportation connections. We actively practise the Transit-Oriented Development model, create a multi-functional community that meets the needs of people for living, work, shopping, entertainment, travel and rest, and achieve a highly harmonious and unified production, life and ecology.

Forte



- In terms of its geographical location, it is located in the geometric centre of the business district around Monument to the People's Liberation, the core of the city, and is only one lane away from the thousand-year-old Luohan Temple, with wide radiation;
- In terms of its transportation, it is the only project built above two metro lines in Yuzhong District, with diverse and abundant means of transportation. The office building of the project is directly connected to its shopping centre inside, integrating business and shopping visitors.

◀ Fosun International Centre in Chongqing
(opened in 2020)

Boosting the Construction of Barrier-free Facilities

We take fully into account the safety and convenience of the disabled, the elderly, pregnant women, children and other social members, and consider adding barrier-free facilities in new and existing industrial projects, including but not limited to blind walk way, ramps for wheelchairs, barrier-free elevators and restrooms.

Constructing Green Buildings

During the operation of self-owned commercial and office buildings, we actively conduct effective management on water and electricity, strive to save water and energy, and reduce energy consumption as much as possible to minimise energy consumption and environmental impact. In the architectural design process, we adopt the concept of green design, adjust measures to local conditions, implant the concept of environmental protection and health in the development and construction of each construction project. We try to make use of the natural environment and environmental protection materials to create a healthy, appropriate and efficient living environment for customers, reduce greenhouse gas emissions from buildings, and construct high-quality buildings that achieve harmony between man and nature as best as we can. As of the end of the Reporting Period, member companies within the scope of the Report obtained 29 green building certifications.

BFC

The BFC makes full use of its original energy-saving design, and has obtained LEED gold certification and three-star certification of domestic green building:

- Set up a complete energy consumption monitoring system to measure the power consumption of sockets, air conditioners and power equipment, and special power consumption by item to improve energy management efficiency;
- The green area in the roof reaches 4,000 m², accounting for around 70.9% of the total landscaping area in the roof;
- A total heat fresh-air exchanger (the total heat recovery efficiency in winter and summer is above 60%) is installed indoors, making full use of the exhaust air to pre-cool/pre-heat the fresh air.



FTG

FTG is committed to passing the internationally recognized green certification, continuously promoting the development of sustainable tourism. Driven by the strict green certification evaluation system, FTG continues to carry out technological innovation and management upgrading to improve its overall performance in green certification.

Club Med

83% resorts of Club Med under FTG obtained the certification of GREEN GLOBE, over 16 obtained Trip Advisor Resorts Green Leaders, and 4 resorts were certified with Building Research Establishment Environmental Assessment Method.

Atlantis Sanya

Atlantis Sanya got the building design and operation certification of Three Star Green Building Label by Chinese Society for Urban Studies, which is the top green building certification in China. In 2020, Atlantis Sanya acquired the LEED - Gold Building Design and Operation issued by U.S. Green Building Council, with its EarthCheck Bronze Certification upgraded to Silver Certification, becoming a new benchmark among domestic green buildings.

FOLIDAY Town

The FOLIDAY Town under FTG attaches great importance to the water ecology and environmental protection within the project area during its project design and development process. Adhering to the principles of "development under protection" and "protection under development" and following the retreat requirements of planning and design conditions, it constructs a green belt and protect it, forming an internal ecological landscape with rich and diversified ecological patches, such as grassland on the gentle slope, pastoral, rolling massifs and wetlands. During the Reporting Period, Lijiang Foliday Mediterranean International Resort obtained one certificate of China Green Building Design (2-star), and Taicang FOLIDAY Town obtained two certificates of China Green Building Design (2-star).

► Responsible Insurance

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

Peak Reinsurance

Peak Reinsurance, a signatory to the PSI of UN Environment Programme Finance Initiative (UNEP FI), is committed to implementing PSI throughout the full life cycle of insurance business.

Incorporating ESG Factors into Insurance Business Decision-making

Since signing the PSI in 2013, Peak Reinsurance has incorporated ESG standards and considerations into its reinsurance underwriting and asset management practices. The Board of Peak Reinsurance reviews risk reports every quarter to understand the management and control of ESG risks such as climate change and corporate governance. Peak Reinsurance has formulated the *Guidelines on Environmental and Social Risk Business Exclusion and Follow-up* and regularly reviewed and updated it to ensure that ESG risk management and control are incorporated into insurance business decision-making.

ESG Risk Identification and Management

Peak Reinsurance actively identifies, manages and controls ESG risks in its business. In order to strengthen the capabilities of monitoring and managing climate change risks (such as cyclones or rainfall), Peak Reinsurance continues to analyse such risks and actively develops leading analytic tools. In addition, Peak Reinsurance is also starting to study how to better understand physical risks and transition risks and analyse climate change scenarios, so as to better support underwriting and investment decision-making.


Responsible Insurance Products

Peak Reinsurance supports the sustainable development of the international community through a series of insurance products.

Lines of business	Products	Product introduction
Property insurance	Renewable energy insurance	Offering solutions to the solar energy and bio-energy sectors
	Farmers' house insurance	Insure farmers' property in China
Liability insurance	Environmental liability insurance	Covering environmental liability in China and South Korea
Health insurance	Critical illness insurance	Tailored product for autistic children

External Communication and Cooperation

Peak Reinsurance actively supports the exchanges and cooperation with governments, regulatory authorities, academics, research institutions and other stakeholders on sustainable insurance issues, and promotes further understanding of ESG and sustainable insurance from all walks of life.

[Learn more about our research achievement on climate](#) 

Peak Reinsurance actively maintains conversation and communication with customers and suppliers to understand relevant ESG risks, and integrates relevant results into insurance product development and risk identification. Peak Reinsurance regularly attends ESG forums and exchanges views on ESG-related issues with industry experts. At the same time, Peak Reinsurance publishes ESG risk research reports, expressing opinions on topics such as addressing climate risks and simulating natural disasters.

In 2015, Peak Reinsurance established a partnership with Shanghai Typhoon Institute (STI) to jointly study tropical cyclone activities in the Northwest Pacific Basin and South China Sea. In 2019, Shanghai Central Meteorological Office (SCMO) joined the partnership, providing daily rainfall forecast and data accumulation for landed cyclones.

Fosun Insurance Portugal

Fosun Insurance Portugal actively pays attention to ESG risks in the process of insurance business development. Fosun Insurance Portugal is committed to integrating ESG management into the internal culture of the enterprise, and has established an internal ESG management team to regularly evaluate and update its ESG substantive issues, so as to clarify the strategic direction of ESG.

In order to deal with and avoid potential ESG risks, Fosun Insurance Portugal has conducted the following activities:

<p>A quick response to Catastrophes, that aims to provide agile expert assessments in response to claims, its settlement, and a mobile unit that ensures almost immediate access to affected locations.</p>	<p>App Vistorias OK! which innovates the car inspection process through a digital tool, developed using AI algorithms, which allows customers to carry out the inspection of their own vehicle, where and when it is most convenient, through their smartphone.</p>
<p>We focus on the development of health services, strengthen online medical services, launch life and health protection and care programs, and cooperate with the Portuguese anti-cancer alliance to help customers improve their health status.</p>	<p>Aiming at the problem of aging population, Fosun Insurance Portugal has launched family assistance solutions and health monitoring programs for elderly customers living alone to maintain their safety when living alone.</p>



Fosun Insurance Portugal actively cooperates with all sectors of the society to cope with ESG challenges. In 2020, Fosun Insurance Portugal joined the *Lisbon European green capital commitment 2020* to respond to the EU's 2030 climate action, actively respond to climate change and help sustainable development.



3.2 Improving Customer Value

3.2.1 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*.

Fosun Pharma

Fosun Pharma has formulated the *Employee Compliance Manual* to regulate drug promotion behaviours of its marketing and sales team to ensure that accurate and true drug information is conveyed to medical professionals. In market promotion, Fosun Pharma strictly implemented the measures on compliance operation for marketing and sales team to ensure that it entered into compliance operation agreements with its business units and implemented the compliance operation responsibility system.

During the market promotion and publicity within the Reporting Period, no member companies of Fosun Pharma were reported and investigated by the regulatory authorities for illegal advertising nor promotion; no member companies had related violations in terms of product and service labelling.

Moreover, Fosun Pharma conducts online and offline compliance training for and regular compliance inspection on employees of its marketing and sales team.

In line with national laws and regulations, member companies of Fosun Pharma actively hold responsible marketing activities, take active actions in providing professional medical consultation, improving the level of doctors' diagnosis and treatment, expanding patients' knowledge on diagnosis and treatment, and promoting professional medical concepts, and organise online and offline marketing activities, marketing training, patient education, etc.



Compliance Training

On 12 March 2020, Wanbang Biopharma, a member company of Fosun Pharma, undertook a larger public welfare activity "Nephrologue Master - Patient Education e Live", through which authoritative experts from all over the country provided guidance on the diagnosis and treatment of kidney diseases through online live broadcast and publicised the prevention methods of kidney diseases. The live broadcast lasted for nearly two and a half hours, with more than 71,000 online participants.

FTG

FTG actively popularises sustainable consumption to consumers and practices the service concept of "sustainability". Atlantis Sanya under FTG posts a warm reminder suggesting the reuse of towels and other bathroom amenities in each hotel room.

Club Med conveys sustainable concepts, such as water saving, energy saving and natural environment protection, to customers by displaying information boards and information cards in each room. In the ecologically certified Club Med, a poster is put up in each room, summarising the actions in water use, energy, waste treatment and biodiversity conservation, and advising guests to protect the environment during their stay, such as sorting out plastic bottles, turning off lights, heating and air conditioners when they are not in use, and reusing bath towels.

3.2.2 Customer Care

In 2020, Fosun updated the C2M strategy and formally established the FC2M ecological strategy, dedicated to creating a vertical C2M model to grasp consumer needs from the industrial side.

Our data-empowered ecosystem provides each membership system with a basic framework and standard services, to maximise Fosun's synergistic values and harmonise Fosun's eco-resources. We provide part of products and services to customers in the forms of online benefits, which will improve customer experience and innovate more health and happiness options for a happy family lifestyle.

Fosun creates the activity brand "515 Fosun Family Day", aiming to integrally push forward the synergistic connection of C2M ecosystem and presentation of the ecological multiplier effect and build a connection between Fosun brand and happy family through the release of a series of new ecological science and technology innovation products and large online and offline marketing activities.

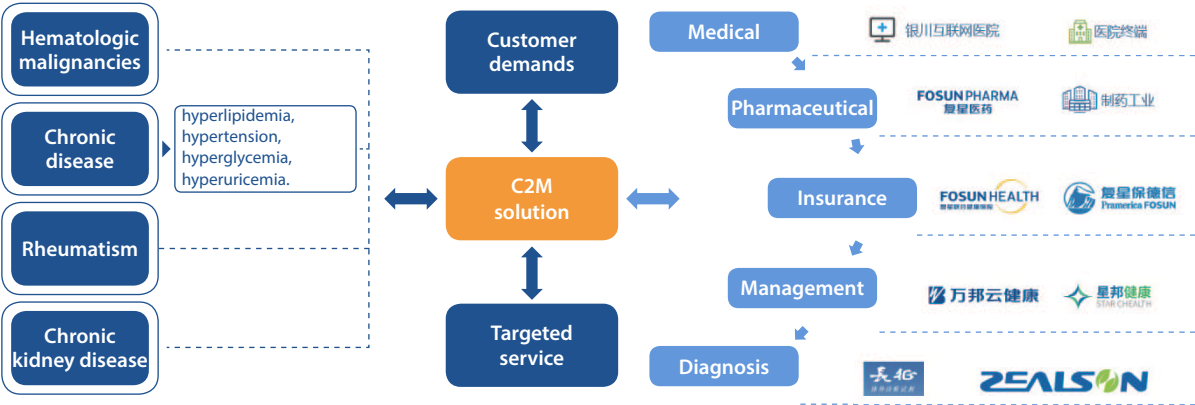


Fosun Pharma

The member companies of Fosun Pharma have established a complete Customer Relationship Management system according to the actual situation. Through professional medical support, they have introduced leading diagnosis and treatment programs and disease management models to help customers and benefit patients. Meanwhile, each member company conducts various customer satisfaction surveys through questionnaires, customer interviews, etc. and makes efforts to identify and analyse customer needs and expectations in order to provide differentiated services based on different customer needs.

Wanbang Biopharma, a member company of Fosun Pharma, has established an integrated C2M health management model, creating a new digital and intelligent ecological health management system covering online and offline "diagnosis + pharmaceutical + insurance + health management" for patients relying on its advantage in the field of chronic diseases from the demands of C-end customers.

In 2020, Fosun Pharma launched an online healthcare platform "Fosun Health +", which integrated domestic and global medical resources and gathered tens of thousands of doctors to provide online healthcare services for families, such as online inquiry and broadcasting of famous doctors.



Wanbang Biopharma C2M Integrated Health Management Model



FTG

FTG is customer-oriented, with the value of customer priority, listens to the needs of customers, adheres to provide high quality and high standard customer service, and creates a new leisure experience for customers. FTG has designed and established the Foliday-iCARE service management system, which includes five modules: service culture, service design, service authorization, service implementation and service evaluation.

FTG has formulated and issued *Regulations on Supervision and Management of Customer Service and Product Quality of FTG* to improve customer service quality, standardize and guarantee service etiquette standards, strengthen the quality of performance activities of FTG and enterprises, and standardize and guarantee the healthy development of performance activities.

FTG has listed "customer first" as one of the core values, gradually refined into the concept of service-oriented and attentive service, actively promoted and shaped the service concept and culture, and carried out the training of Foliday-iCARE service management system, covering all project companies in operation and preparation within the FTG.

Through the establishment of detailed authorization process and service standards, FTG delivers the peak experience to customers, and finally evaluates the service through customers' real feedback. Atlantis Sanya resort uses the third-party online evaluation software Brand Wisdom to continuously collect customer feedback, make monthly quality inspection report, send it to the main responsible persons of all departments in the hotel, and put forward improvement plans. Club Med uses intelligent data analysis software to display online evaluation data, customer satisfaction questionnaires, and online tourism information platform scores, so as to continuously improve, form improvement scheme and ensure service update iteration.

In 2020, FTG and its hotels won such awards as "2020 Best Tourist Destination Hotel", "Best Culture and Tourism Industry Group in China" and "TOP10 Glamorous Hotels of China", customer services of which were recognized by all walks of life.



Yuyuan

Adhering to the concept of happy fashion, Yuyuan continues to build the "1+1+1" strategy of "family entertainment and consumption industry + urban industry landmark + online and offline membership and service platform", gradually shaping an industrial cluster with unique competitive advantages for emerging major classes of consumers.

Guided by technology, FOYU iRETAIL under Yuyuan uses multiple methods such as big data and AI to build a smart retail ecosystem, creates smart online and offline all-round data flow scenarios, establishes a digitalized link connecting goods, spaces, supply chains and people, and builds a closed ecological consumption loop for C2M happy families. FOYU iRETAIL builds a smart retail membership system "FoMe Hub", which is committed to creating exclusive rights and lifestyles and bringing younger and smarter community life experience for hundreds of millions of family customers.

「1+1+1」



Family entertainment and consumption industry
+
Urban industry landmark
+
Online and offline membership and service platform



◀ FoMe Hub





As of the end of the Reporting Period, the Group's customer complaint platform of the headquarters received approximately

186 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 **95%**

3.2.3 Complaint Management

We have set up a Customer and Marketing Center 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, 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. As of the end of the Reporting Period, the Group's customer complaint platform of the headquarters received approximately 186 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 95%.

We have established a set of Fosun's complaint procedures 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 Assessment Form of Customer Service and Product Quality Supervision Department*, *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.

In 2020, in accordance with the requirements of the *Complaint Management System (ISO10002:2018)*, we established a complete customer complaint management system and passed the certification of ISO10002:2018. We compiled the *Complaint Management Manual* as the basis for the Group to organize complaint management business training, internal review and service quality assessment; we conducted a training on the *Complaint Management System (ISO10002:2018)* for relevant staff to effectively implement the Group's customer complaint management system.

Guidelines of Fosun on handling customer complaints

Active listening

Quick response

Compliance operation

Continuous improvement

Objective of handling customer complaints

- The transit rate and response rate shall be above 95%: a customer complaint should be transmitted within 48 hours after its reception, and the member company complained shall respond to the customer within 24 hours.
- Monthly satisfaction of dealing with customer complaints shall reach 80%.



Upholding the principle of "active listening, quick response, compliance operation and continuous improvement", we continue to improve the quality of products and services through multiple measures, such as daily supervision and inspection, internal review, management review and questionnaire of customer complaint satisfaction survey. We set goals on the transit rate, response rate and satisfaction of dealing with customer complaints, and continue to improve enterprise customer complaint accountability mechanism. We will hold the relevant persons accountable as appropriate 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.

In addition, 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.

<p>Yuyuan</p>	<ul style="list-style-type: none"> • Following national laws and regulations and relying on Fosun's regulations on global customer service and product quality supervision and management, it establishes a supervision and management system for Yuyuan's customer service and product quality, and sets a working group for monitoring and managing Yuyuan's customer service and product quality. • Unblocked and all-sided complaining channels, connected with Fosun's customer complaint platform and the media's monitoring information: open online official website/official weibo, offline customer service counter, offline complaint channel (QR code), 400/800 national customer service hotline, 12315 for citizen information processing and other feedback channels. • Agile and adequate information transfer: all internal complaining channels achieve a rapid closed loop within 48 hours; establish monthly and quarterly customer service management report system, propose customer service management requirements that meet the current situation according to the development stage of each industry sector. • Selecting customers of all ages to conduct customer service satisfaction survey and brand health survey for core brand. • In 2020, Yuyuan's customer complaint handling rate was 100%.
<p>Forte</p>	<ul style="list-style-type: none"> • Closely linking customer service satisfaction to the performance of member companies by issuing <i>Management Measures for Customer Satisfaction Assessment</i>, so as to promote member companies to attach more importance to and increase investment in customer satisfaction. • Issuing <i>Operation Guidelines 2.0 for House Repair and Maintenance Center</i> 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 can dynamically understand the sales progress and effect.
<p>FTG</p>	<ul style="list-style-type: none"> • 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 Thomas Cook Platform to ensure that each guest's complaint can be properly handled.
<p>Fosun Pharma</p>	<ul style="list-style-type: none"> • Fosun Pharma has established a customer complaint & consultation system. Its pharmaceutical member companies, medical device member companies, and medical diagnosis member companies have specially-assigned personnel responsible for handling customer complaints and providing responses to customers and properly resolving them in a timely manner; all complaint records and investigation information are collected and recorded for correction and prevention. • In 2020, domestic pharmaceutical member companies and medical device member companies received a total of 207 customer complaints, 100% of which were answered and resolved.

3.3 Ensuring Information Security

The Group strictly abides by the rules and regulations regarding privacy protection and information security of the countries/regions where we operate, such as *Administrative Measures for Internet Information Services* of China, *Cybersecurity Law of the People's Republic 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*. The Board is the highest responsible organization for privacy protection and information security of the Group, and the Fosun Tech+ Business Group is the responsible department and reports to the CEO of the Company regularly.

During the Reporting Period, to the best knowledge of the Directors, the Group has not received any complaints due to violation of consumer privacy regulations and loss of consumer data, nor has any major data breach accident occurred.



3.3.1 Safety Construction

In order to continuously promote the construction of network security and information security system for the Group and effectively implement China's national information security level protection standards, relevant systems and specifications have been established in information security scheme, information security system, information security risk assessment, network and information security incident emergency plan, information security training, etc. As of the end of the Reporting Period, "Fosun Cloud" system and "Fosun Mailbox" system have obtained the national classified protection of cybersecurity level 3 and level 2 respectively.

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. We provide operation guidelines for employees to deal with abnormal situations such as computer virus infection, data deletion and damage, and prevent intentional or unintentional damage to information security.

We have established a data security level management mechanism. According to the value, content sensitivity and contact scope of information, sensitive information is divided into three categories, namely most confidential, classified, and confidential, for hierarchical management and control to improve the overall information security level of the group. In addition, we provide training about data and network security to core managers of the Group and member companies by distributing security instruction and education materials covering all employees of the Group (for example, regularly sending the knowledge of network information safety to all employees on the mobile office platform), so as to strengthen the information security awareness of all employees and the construction of information security culture within the whole 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 have made corresponding standards and requirements for the enterprise management, system security, network security, application security, data security (including data recovery exercise at least once a year), personnel management, of member companies. According to the enterprise scale, the business side to arrange security requirements, such as industry classification dimension, members companies can be divided into three categories to meet different security requirements. In 2020, the Group summarized the classified network security protection of member companies on a quarterly basis, and assisted them to develop and implement classified protection certification projects. As of the end of the Reporting Period, the Group's major core companies started the construction of classified protection. Fosun Pharma obtained the ISO27001 Certification for its information security management system.

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. In 2020, the Group carried out cyber attack and defence drills on the core business systems of core member companies (such as Yuyuan, Forte), discovered and improved information security weaknesses in some business systems, enhancing the overall information security response and handling capabilities.

3.3.2 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. Rigorously following the requirements of laws and regulations in the areas where we operate, we have formulated the *Fosun Group User Privacy Policy*, which has been released on the Group's website.

Learn more about [Fosun Group User Privacy Policy](#)

Insisting on being transparent and open for personal data processing and the 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 nor disclosed to any other company, organization and 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 as much as we can.

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.



An aerial photograph of a tropical resort. In the foreground, there is a large, rectangular swimming pool with a blue tiled edge and several lounge chairs with blue and red cushions. The pool is surrounded by lush greenery, including palm trees and other tropical plants. In the middle ground, there is a long, curved row of buildings with traditional thatched roofs, situated on a sandy beach. The background shows the ocean and a distant island under a sky with soft, golden light, suggesting a sunset or sunrise.

04

SAFETY AND ENVIRONMENTAL PROTECTION

SUSTAINABLE INDUSTRIAL OPERATOR⁶

⁶Unless otherwise stated, the disclosure scope of data in this section includes Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, FTG, Fosun Insurance Portugal, Hainan Mining and Nanjing Iron & Steel.

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4.1 Strengthening Management System

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 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.

Based on environmental management system, occupational health & safety management system and national work safety standards, the Group launched the framework standards for Fosun EHS management system and established the management framework system of environmental protection, occupational health and work safety. We also made systematic and standardized arrangement on EHS work of member companies. We set up the short, medium- and long-term goals of overall EHS management.



[Learn more about Fosun Group Environment, Health, Safety & Quality Policy](#)

The Group formulated relevant policies like *Fosun Group Environment, Health, Safety & Quality Policy*, *Fosun Group EHS Management System Manual*, *Fosun Group's Measures for Penalizing Leaders of Units Involving Safety, Quality, Environment Accidents*, *Reporting Policy of Major Safety, Quality and Environment Accidents* to define the EHS management responsibility and performance appraisal reward/punishment mechanism for member companies and their management personnel. During the Reporting Period, no significant safety, quality and environment accidents occurred in the Group.

Meanwhile, we also encourage member companies to construct system and obtain corresponding certificates of the occupational health and safety management system, the environmental management system as well as the national work safety standardization.

As of the end of the Reporting Period, the certification practice of the Group's member companies was shown as followed.

Certifications	Number of member companies
Occupational health and safety management system (OHSAS18001/ISO450001) certification	20
Grade II national work safety standardization certificate	44
Grade III national work safety standardization certificate	17
Environmental management system certification (ISO 14001)	18
Energy management system certification (ISO 50001)	3

During the Reporting Period, we became a member of CBCSD and acted actively in fostering conversation, exchanges and cooperation in the field of sustainable development among enterprises, governments and social organizations. While sharing Fosun's concepts, information and practice in sustainable development, we actively learn from good practices of other companies to enhance our ability to meet various challenges, including environmental protection, health, safety, corporate social responsibility, and global climate change, etc., trying to achieve sustainable development through joint efforts.

4.1.1 Accountability

The Group sets clear and quantitative annual performance indicators to appraise CEOs and line management personnel of core member companies in terms of safety, environmental protection, energy conservation, etc. The appraisal results are linked with their remuneration, rewards and punishments.

We have an EHS accident follow-up investigation and punishment mechanism in place, under which "the top manager takes the primary responsibility of safety" 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(s) for the accident, and such punishments shall be strictly supervised by the EHSQ Department.

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

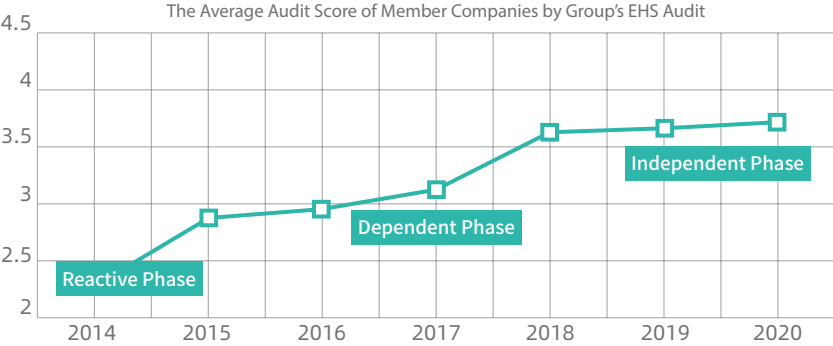
4.1.2 Intensifying Assessment

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.

During the Reporting Period, we comprehensively improved and refined the EHS checklist: we reclassify companies under inspection into manufacturing companies and non-manufacturing companies, assigned corresponding assessment indicators to each category and conducted inspections based on the refined checklist; meanwhile, we added some requirements for dangerous operation such as fire operation to the checklist of contractors, striving to avoid EHS risks to the greatest extent. We carried out comprehensive sorting and hierarchical control on EHS risks at different stages of project development and operation, and established Fosun EHS risk matrix.

With further 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 2020, among the member companies of the Group, 10 enterprises' audit scores exceeded 3.0, and 8 enterprises' audit scores reached 3.7 and above.



4.1.3 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 and all visitors to the site.

By organizing EHSQ Line Annual Meetings and regular EHS meetings, we share advanced management practices of member companies, discuss matters such as the development of EHS management system and the update on workplace hazards to promote the exchange of EHS matters and solve existing problems in time. At the same time, employees can give feedback regarding EHS issues to the management by e-mail and suggestion box, etc.



During the Reporting Period, the completion rate of EHS training plan is **100%** in the Company and member companies.

4.1.4 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. During the Reporting Period, the completion rate of EHS training plan is 100% in the Company and member companies. In addition, the Group conducts advanced EHS group and individual awards and recognition activities to encourage member companies and EHS practitioners.

Nanjing Iron & Steel

Nanjing Iron & Steel puts the health and safety of its employees first, builds up an EHS culture of "management's emphasis and employees' participation", established the Work Safety Committee composed of management and worker representatives, and formulated the *Safety Responsibility Policy for All Employees and the Measures for Economic Assessment and Investigation of Safety Management Responsibility* to define specific safety performance assessment.

In 2020, Nanjing Iron & Steel launched the activity of "The Battle for Safety", and set up the goals of "zero work related fatality accident, zero major production accident, zero major equipment accident, zero major traffic accident, zero major fire and explosion accident and zero major poisoning accident". Nanjing Iron & Steel actively carried out its work based on the four key points of intrinsic safety, contractor management, safety training, and smart safety.



4.2 Safety First and Health Protection

We strictly abided by the relevant laws and regulations in countries/regions where we operate or invest in such as *Work Safety Law of the People's Republic of China*, *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. We arrange annual physical examination and occupational disease physical examination for employees and always regard employees' health and workplace safety management as our top priority. We continuously carry out a series of measures, including optimizing management methods, improving work safety responsibility system, carrying out in-depth supervision and inspection, performing cultural education of safety, etc., and establish an online submission system to control work safety risks, to strengthen occupational disease prevention, to build a safe working environment and to protect the health and safety of employees.

In 2020, the detailed work safety KPIs are as follows:

Indicator	Female	Male	Total
The Number of Work-related Injury	18	37	55
Lost Day (days)	593	1,618	2,211
Lost Day Rate ⁷	12.49	24.82	19.63
Injury Rate ⁸	0.38	0.57	0.49
Incidence Rate of occupational Disease	0	0	0
The Number of Lost Days accidents	18	37	55

Note:

(1) Work safety data only includes statistics from Hainan Mining, Yuyuan, Nanjing Iron & Steel, Fosun Pharma, Fosun Insurance Portugal, Peak Reinsurance and Forte.

4.2.1 Work Safety

The Group implements the policy of "safety first, prevention dominated, comprehensive management" and insists on the principle of "the top manager takes the primary responsibility of safety" and "regional responsible system". In the EHS audit system, according to each industrial characteristic of the Group, 12 major safety indicators and safety precautions are stipulated, including special equipment, special equipment operators, mechanical protection, electrical safety, hoisting operation, fire operation, high-place operation and so on.

We have established a complete process for accident investigation, root causes and resolution. When a safety accident occurs, in addition to properly arranging injured employees, we will carry out in-depth investigation on basic situations of the accident, clarify exposure risks, trace its root causes, formulate and supervise the implementation of corresponding rectification plans to avoid recurrence of such accident. At the same time, we study and analyse the production accidents of enterprise within the same industry, carry out self-examinations and draw lessons from them.

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

⁷Lost day rate = Lost days *1,000,000 / Total working hours

⁸Injury rate = (The number of work-related injury + The number of work-related fatalities)*1,000,000 / Total working hours

Nanjing Iron & Steel

Nanjing Iron & Steel engaged in peer benchmarking. In December 2020, the senior management of Nanjing Iron & Steel visited a peer company for benchmarking through in-depth exchange on the subjects of safety culture, safety system and management concept.

Nanjing Iron & Steel promotes the construction of smart EHS and integrates smart measures into EHS management in all respects to raise the management quality and efficiency in an all-round way. The smart safety platform of Nanjing Iron & Steel integrates 14 modules, including hazard source management, hidden danger investigation and governance, occupational health, accidents and incidents, special equipment, smart construction sites, and safety training. It takes process safety and site safety as its cornerstone and ensuring intrinsic safety as its goal, so as to achieve integration and safety operation among staff, machine and environmental management in all respects.



► Intrinsic Safety

Nanjing Iron & Steel organised several internal and external professional third-party organizations to conduct risk assessment on posts and hereby formulated risk reduction and control measures to ensure that the safety hazards of high-risk operations and special equipment are eliminated. Robots are used to replace operators in hazardous areas for operations, lowering the risk of mechanical injury. Also, intelligent technology and IoT are applied to discover and eliminate employees' unsafe behaviors and the unsafe state of object. Via the smart safety platform, Nanjing Iron & Steel has constructed an accident model, which can derive corrective measures to avoid the accidents after inputting the direct cause of an accident. Through the visual display of dangerous operations on the smart safety platform, Nanjing Iron & Steel can monitor its on-site operation and implementation of safety measures in real time. With the aim to suppress risks in the bud as much as possible, the smart safety platform has also launched a function called "Snapshot", through which employees can report on-site abnormal risks in real time; those reported risks will then be reviewed and handle in a closed loop by specific responsible personnel.

In 2020, Nanjing Iron & Steel further improved its intrinsic safety through multiple measures, such as revising equipment protection specifications, completing energy source locking, and improving networking alarm systems and fire-fighting equipment.

► Safety Training

Through safety inspection and safety management assistance at all levels, Nanjing Iron & Steel vigorously deals with safety hazards and strictly supervises dangerous operations. It enhances all employees' participation and their safety awareness by involving them in various safety activities as well as safety drills. It pays attention to the safety training for employees, tests the learning effect of employees, and urges all employees to pass the safety examinations before starting daily work to ensure 100% certificate-taking rate and 100% safety training rate.

In 2020, Nanjing Iron & Steel's wide and heavy plate factory carried out safety training through VR technology, in which employees can actually feel various dangers and injuries in the virtual working environment and enhance their perceptual and rational perception of safety accidents via different means of multimedia, VR, AR simulation etc..



► Contractor Management

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 policies, such as the *Measures for Integrated Management of Labor Service and Outsourced Personnel and the Review on Dangerous Operation Scheme and Construction Permit Approval Policy*, which puts forward the same requirements as full-time employees for related parties in terms of appraisal and accountability, personnel management, technical training, operating standards, work requirements, safety activities, pre-work meetings, and violations punishment; meanwhile, it also requires to strengthen the review of the safety conditions before construction and prohibits any unqualified projects from construction. At the same time, it carries out safety trainings and examinations for related parties and evaluates their safety performance to conduct whole process management on related parties and to strengthen the fixed-point monitoring and inspections by regions and by specialties of dangerous operations; contract would not be renewed for those related party 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 regular drills.

In 2020, FTG further improved its EHS policy system and issued the management policies including the *FTG Hotel/Resort pre-open EHSQ Audit Program* base on the existing management policies. The *FTG Environmental Health and Safety Responsibility Policy* and *FTG Emergency Response Treatment and Report Management Policy* are updated, and EHSQ responsibilities and staff duties as well as EHSQ emergency reporting and disposal process therein are clarified and refined in accordance with laws, regulations and policies as well as changes in risks during actual operations.

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 holds 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, 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 remind 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.

In 2020, the EHSQ team of FTG conducted a total of 26 EHSQ inspections on its member companies, including Atlantis Sanya and Club Med. Based on the risks found in the inspection, FTG prepared a series of training materials and delivered 14 sessions of training, covering such topics as hazardous chemicals management, recreational water treatment technology and water quality safety, public health and sanitation, fire safety and safety incident reporting and management, etc. Through those trainings, the professional skills of EHS-related staff from member companies have been improved.





During the Reporting Period, a total of RMB

36.82 million

was invested in the improvement and transformation in work safety



Hainan Mining strengthened EHS training and

7,992

participants were trained throughout the year

Hainan Mining

► Goals of Work Safety

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 six aspects": 100% of the accidents reporting rate, 100% of qualified testing rate of special equipment, 100% of special equipment operators with certificates, 100% of three-level safety training, 100% of the rectification rate of hazards, and 100% of the employees' occupational physical examination rate.

► System Build-up

Firmly establishing the concept of "people-oriented, safe development and green mines", Hainan Mining strictly implements the work safety standardisation system and EHS management system based on the ISO management system, establishes and improves 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.

In 2020, Hainan Mining integrated the standard requirements of ISO45001 occupational health and safety management system and ISO14001 environmental management system, sorted out its original safety and environmental management practices, and successfully obtained the system certification. During the Reporting Period, a total of RMB36.82 million was invested in the improvement and transformation in work safety.

► Specified Responsibilities

Within Hainan Mining, the work safety responsibility system "applies to everybody at anytime and anywhere without exception". *Work Safety Responsibility Letter* is signed. Safety assessment indicators are refined, and persons responsible for work safety are specified; rewards and punishments for safety are linked with the assessment results of responsible persons; those who fail to follow the rules would be vetoed for any selective competitions.

Hainan Mining strictly implements the work safety inspection and hazard investigation and governance system, and carries out weekly special inspections and ad hoc safety inspections, quarterly inspections, seasonal and temporary inspections.

► Cultural Development

In 2020, Hainan Mining launched activities namely "Work Safety Month", "Three-Year Special Campaign of Work Safety" and "Safety Knowledge Competition", and actively pushed forward major special safety rectification tasks. Meanwhile, Hainan Mining strengthened EHS training and 7,992 participants were trained throughout the year, creating a good atmosphere and long-term mechanism for work safety.



4.2.2 Occupational Health

Strictly abiding by the relevant laws and regulations in countries/regions where we operate on labor protection, our member companies stipulate 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 classify 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 as much as possible.

Fosun Pharma

Fosun Pharma attaches importance to occupational health and safety management, integrating occupational health and safety management into the whole life process of product development, design, production and manufacturing, and service. Focusing on the core strategy of "creating a healthier and safer work and office environment for employees and pursuing an intrinsically safe and healthy workplace", Fosun Pharma has set its occupational health and safety goals: reducing the frequency and severity of safety accidents and providing employees with a safe working environment. It accelerates the automation of the pharmaceutical process and improves its working conditions to reduce the exposure of operators to harmful elements.

The member companies of Fosun Pharma regularly assess occupational disease hazards of in-service facilities in accordance with the requirements of the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and inform their employees about the results. Based on the assessment results of occupational hazard factors, each member company strictly organises employees' pre-job, on-the-job and off-job physical examinations. During the Reporting Period, Fosun Pharma had no occupational disease cases.



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*. Nanjing Iron & Steel performed the "three simultaneities" 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.

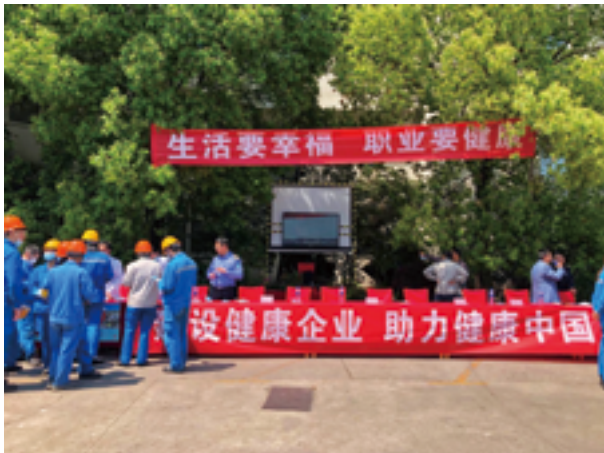
Nanjing Iron & Steel formulates policies including the *Standard of the Distribution of the Personal Protective Equipment for Employees* to further standardize the management of personal protective equipment. The allocation and standard notification form of personal protective equipment was distributed to each post. For example, anti-PM2.5 KN95 respirators were distributed to the employees with prolonged or frequent exposure to dusts and flame retardant clothing, heat - resistant shoes were distributed to employees worked in high temperature. All personal protective equipment, such as safety shoes, work clothes, emergency facilities is guaranteed to be qualified.



A total of **6,203** full-time employees and **16,020** employees of related parties underwent occupational health examinations, with an examination rate of **100%**

The occupational health evaluations of the current situation and the workplace occupational disease hazard factor detections in the member companies were completed in 2020. The occupational health examinations among all member companies' workers exposed to occupational hazard were completed. A total of 6,203 full-time employees and 16,020 employees of related parties underwent occupational health examinations, with an examination rate of 100%; 27 employees with occupational contraindications were adjusted to other positions. At the same time, the physical examination of 219 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 trainings and obtain certificates through examinations. Each plant conducted trainings for employees, and thus a total of 7,200 full-time employees and 16,020 employees of related parties were trained. In April 2020, Nanjing Iron & Steel and Management Committee of Jiangbei District, Nanjing City jointly organized a campaign to propaganda *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*.



4.2.3 Fire Safety

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

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. It built 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.

In 2020, in order to conduct fire safety management more intelligently, Yuyuan has specially incorporated fire emergency plans into the overall management process of "Smart Yuyuan", and set up a mini-sized fire station in the command centre to assess the fire safety environment in the core area at any time and monitor dynamic fire hazards.



After the launch of the "Smart Fire Fighting" platform, Yuyuan's fire safety management has been implemented more intelligently, which not only improves the fire prevention capabilities of the business district, but also enables the mini-sized fire station to comprehensively monitor the fire alarm system, water system, purging system, gas leakage monitoring system, electrical fire monitoring system etc. of the buildings in the core area in real time via the platform; moreover, the information push on the mobile phone brings a quantitative leap to the response and handling speed of the mini-sized fire station.



During the Reporting Period, Yuyuan's mini-sized fire station was awarded the 5th National 119 Advanced Group of Fire Fighting by the Ministry of Emergency Management of PRC, in recognition of Yuyuan's efforts in fire safety.

In the Forte Vanke Vitality City project, by utilizing the IoT, FOYU iRetail, a subsidiary of Yuyuan, installed various sensing devices on the original fire protection equipment to facilitate real-time monitoring of the status and parameters of each fire fighting system. Through data statistical analysis and research, the fire risks of the building could be found out to formulate timely solutions. The instructions will be issued immediately if a fire alarm occurs, and the fire alarm will be handled promptly according to the emergency plan process to effectively reduce the risk of accidents and improve the efficiency of operation and maintenance.

BFC

In November 2020, in order to ensure the safety of tenants and employees of the property management company and enhance their awareness of fire safety, BFC organised a fire drill in the southern office buildings S1 & S2. In this fire drill, BFC carried out linkage testing for the fire-fighting facilities and equipment in southern office buildings, informed tenant and employees of evacuation routes, explained how to operate fire extinguishers, and carried out on-site fire extinguisher drills to enhance tenants' safety awareness.



4.3 Climate Change and the Energy

[Learn more about Climate Change and Energy Policy](#)



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 set a target and establish the corresponding system of green and low-carbon from the perspectives of low-carbon operation and management, carbon emission compliance control, etc.

We make a solemn commitment and write it into our *Climate Change and Energy Policy*, and actively encourage all relevant parties to work with us to fulfil energy and climate change commitments. The Group attaches great importance to climate change risk and management. The Group's member companies, including Nanjing Iron & Steel, Hainan Mining, Fosun Pharma, Yuyuan and FTG all have planned and implemented energy-saving and GHG reduction initiatives based on their own business characteristics, and conducted self-audit and Group audit on GHG emission and energy consumption.

4.3.1 Tackle Climate Change

EHSQ Department of the Group, referring to Task Force for Climate-related Financial Disclosure framework and taking Fosun's characteristics into consideration, has long been focusing on trend of climate change and the impact brought by regulation change domestically and abroad on insurance, construction, pharmaceutical, iron and steel, catering, tourism and other industries. The Department also reports climate-related risks and opportunities faced by the Group and the ideal response measures to the Board.

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

4.3.2 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, the Group endeavours to protect natural resources and save social resources during the manufacturing and operation process. We positively make efforts on improving the energy structure, promoting 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 to reduce GHG emission.

In order to enhance the awareness of climate change risks in member companies, EHSQ Department includes energy conservation and GHG reduction into the scope of EHS audits. The audit results would directly influence the EHS scores and rankings of member companies and are linked to the performance and bonuses of persons in charge. The Group's member companies planned and implemented initiatives to cut GHG emission based on their characteristics.

Energy Use	2019	2020
Direct Energy (MWh)	48,687,267.0	50,608,952.4
Indirect Energy (MWh)	4,248,902.7	4,347,599.1
Total Energy Consumption (MWh) ⁽²⁾	52,936,169.7	54,956,551.5
Energy Consumption Intensity (MWh/ RMB Million of Revenue) ⁽³⁾	311.6	324.4

Notes:

(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 default 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).

(2) During the Reporting Period, total energy consumption contains 39,700.0 MWh renewable energy mainly generated by FTG and Nanjing Iron & Steel.

(3) During the Reporting Period, some member companies of the Group were impacted by the COVID-19 pandemic, hence their revenue fluctuated, resulting in a slight increase in the energy consumption intensity.

GHG	2019	2020
Scope 1: Direct GHG Emissions (tonnes)	18,685,636.5	19,602,119.6
Scope 2: Energy Indirect GHG Emissions (tonnes)	2,824,580.6	2,528,344.6
Scope 3: Other indirect GHG emissions(tonnes) ⁽³⁾	/	1,138.6
Total GHG Emissions (tonnes)	21,510,217.1	22,131,602.8
GHG Emissions Intensity (tonnes / RMB Million of Revenue) ⁽⁴⁾	126.6	130.7

Notes:

(1) Based on the member companies' characteristics and statistical data, 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.

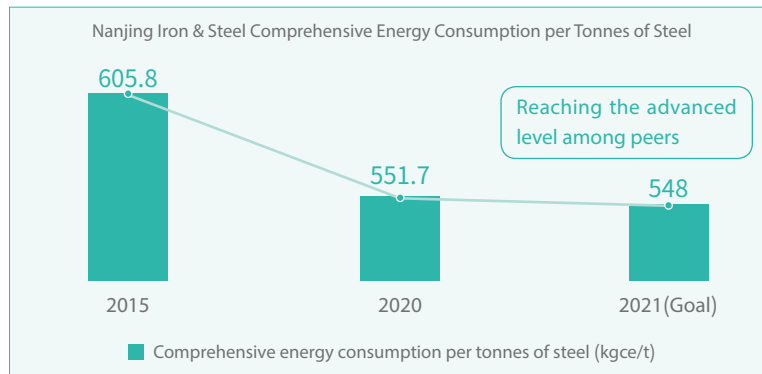
(2) The GHG only covers CO₂ and presented as CO₂ equivalent, calculated using the Global Warming Potential value of 1 from the *Intergovernmental Panel on Climate Change Fifth Assessment Report*. According to the member companies' industrial characteristics, GHG emissions are calculated based on the Guide of Accounting and Report of Greenhouse Gas Emissions released by the NDRC, the average CO₂e emission factors of grid in China or the IEA 2017 database.

(3) Other indirect GHG emissions (Scope 3) mainly include the GHG emissions produced by the air travelling purchased by the headquarters of the Group and Yuyuan through the corporate airline agents (997.9 tonnes) and other indirect greenhouse gas emissions caused by the commuter buses of the headquarters of the Group from the subway stations to and from the BFC (140.7 tonnes).

(4) During the Reporting Period, some member companies of the Group were impacted by the COVID-19 pandemic, hence their revenue fluctuated, resulting in a slight increase in the GHG emissions intensity.

Nanjing Iron & Steel

With national requirements and actual operation conditions, Nanjing Iron & Steel actively implement energy saving and emission reduction. Since the 13th Five-Year Plan (2016-2020), main energy indicators of Nanjing Iron & Steel have been significantly improved through high-quality development and the application and transformation of energy-saving technologies. For energy work in the future, Nanjing Iron & Steel will continue to practice the development concept of green, recycling, low-carbon and innovative, and regard the green development concept as an important engine to promote the high-quality development of Nanjing Iron & Steel, striving to build an ecological and green steel enterprise in an all-round way and becoming a global leader in green steel.



► Product Lifecycle Management

Nanjing Iron & Steel actively introduces advanced product R&D and management concepts and focuses on product lifecycle management to constantly provides high-quality products and services for our customers.

With reference to life cycle assessment (LCA) concept, Nanjing Iron & Steel constantly promotes green production processes, energy conservation and consumption reduction, low-carbon consumption, ultra-low environmental emissions, and solid waste recycling, striving to minimize the resource consumption throughout product lifecycle, to reduce the generation and discharge of pollutants as well as to minimize the impact of resource use on the environment.

Nanjing Iron & Steel has established a value-added service and tracking mechanism for the entire life cycle of pipeline steel products, and successfully developed a full range of high-strength, long-life, and reduced-quantity green products, achieving full coverage of pipeline steel products worldwide.

In 2020, the Ministry of Industry and Information Technology of the People's Republic of China announced the fifth batch of green manufacturing list, and the pipeline steel products manufactured by Nanjing Iron & Steel were successfully selected as national green design products. The pipeline steel products manufactured by Nanjing Iron & Steel also won the "Golden Cup Award for National Metallurgical Product Physical Quality" and "Jiangsu Famous Brand Product" and other titles. Nanjing Iron & Steel continues to provide downstream users with green steel solutions to achieve a green and recycling economic model of coordinated development of economic, social and environmental benefits.



► Carbon Trading

Nanjing Iron & Steel signed a carbon emission reduction purchase agreement with the World Bank, which is the first clean development mechanism project in the steel industry of the World Bank's "Carbon Financing". The contract period of the converter gas recovery power generation project is from 2010 to 2019. During the Reporting Period, the comprehensive verification and transaction have been completed, and the cumulative emission reduction reached 1,344,643 tonnes, playing a leading role in the energy-saving and low-carbon development of the steel industry.



► Photovoltaic Power Generation

Nanjing Iron & Steel uses the existing roof to build a photovoltaic power generating unit with approximately 700,000 square meters and a total installed capacity of 40 MW. The project is expected to generate 846 million kWh of electricity in 25 years during the contract period and reduce carbon dioxide emissions by 680,000 tonnes.



► Intelligent Equipment

In October 2020, the "Nanjing Iron & Steel" new intelligent rail electric locomotive jointly developed by Nanjing Iron & Steel, State Grid Jiangsu Integrated Energy Service Co., Ltd. and the New Energy Research Centre of China Electric Power Research Institute was officially put into operation. This is the first new type of intelligent rail electric locomotive in China, inaugurating a new era of clean energy for the dispatching locomotives of large industrial and mining enterprises. Compared with diesel locomotives, each intelligent electric locomotive reduces carbon dioxide emissions by approximately 637 tonnes per year, which will effectively promote the green and low-carbon development of Nanjing Iron & Steel.

► Energy-saving Transformation

Nanjing Iron & Steel has promoted a variety of energy-saving projects at high speed, and the effect of the projects put into production is obvious. In 2020, Nanjing Iron & Steel carried out the steam recovery transformation of the electric furnace gasification flue, and the waste heat steam recovery has achieved remarkable results, creating conditions for the high-load operation of saturated steam generator sets. The electric generator was upgraded to improve the efficiency and the benefits are obvious. The coke stove project of 1# and 2# blast furnace were completed.

In 2020, Nanjing Iron & Steel was listed as the "Green Development Benchmark Enterprise" again, being a "leader" of energy-efficient converter process in iron and steel industry. In the 13th "National Key Large-scale Energy-consuming Steel Production Equipment Energy Conservation and Consumption Reduction Competition", 5#120t converter manufactured by Nanjing Iron & Steel won the "Champion Furnace", and the 1#2000m³ blast furnace and 360m² sintering machine won the "Pioneering Furnace". It was the first time that the three processes of converter, blast furnace, and sintering machine have been awarded at the same time, which reflected that the various processes of Nanjing Iron & Steel have gone hand in hand in energy conservation and consumption reduction. Among them, the converter has won the championship for three consecutive years and continues to take the lead among peers.

FTG

FTG attaches importance to the climate change risk management and monitoring. Due to the vulnerability of some of its businesses to extreme weather, it is also included in operational safety risk management. For example, Atlantis Sanya and Club Med Sanya resorts, which are located along the coast, have formulated typhoon emergency plans. FTG has upgraded its technical equipment to improve the energy efficiency of buildings; during the Reporting Period, it has implemented a number of modifications in terms of lighting, refrigeration, water supply and heating, elevators, etc., and reasonably adjusted the existing systems, including boilers and refrigerators, to ensure the best energy-saving performance of the system.

FTG's Atlantis Sanya Project fully integrates the concept of "green and sustainable" into the whole life cycle of buildings, and strives to create a green, ecological, environmental and sustainable top hotel in the new era.

In addition, Atlantis Sanya has established the best energy-saving standards and carried out refined management. It divides the holiday resorts into 53 areas, and assigns relevant responsible personnel to each area. In 2020, Atlantis Sanya replaced the 48 metal halide lamps above the water surface of the Ambassador Lagoon with LEDs, which is expected to save about 60,000 kWh of electricity each year. What's more, Atlantis Sanya carried out energy-saving transformation for its hot-water boiler by gradually replacing hot-water boilers with air heat pumps, and it is estimated to save about 800 cubic meters of natural gas every day.

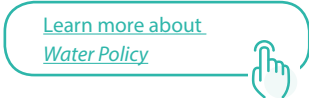
Since its operation, Atlantis Sanya's hotel business has been actively improving energy efficiency and has achieved good performance.

	Total energy consumption (MWh)	Water consumption (m ³)	GHG emissions - Scope 1 (tonnes)	GHG emissions - Scope 2 (tonnes)	Total GHG emissions (tonnes)	GHG Emission Intensity (by bed capacity)
2020	109,014.1	1,523,557.0	3,130.7	46,436.4	49,567.1	0.15
2019	115,849.5	1,864,070.0	3,175.5	49,309.5	52,485.0	0.16
Year-over-year rate	-6%	-18%	-1%	-6%	-6%	-6%



4.4 Water Resource and Material Management

The Group attaches importance to environmental protection and insists sustainable development to supervise and guide the member companies to effectively take advantage of water resources and materials so as to reduce influences brought by production and operation activities to the environment and human beings as well as to develop a green cycle economy.



4.4.1 Water Resource Management

Fosun attaches great importance to the impact of water resource consumption on the environment and remains committed to the protection of water resource. We carry on efforts in innovating, applying and popularizing water-saving techniques. 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 illegal water use incident occurred in the Group .

We make a solemn commitment and write it into the *Water Policy*, and actively encourage all relevant parties to work with us to fulfil water resources commitments.

Water	2019	2020
Total Water Consumption (ten thousand tonnes)	5,426.9	4,951.2
Water Consumption Intensity (tonnes / RMB Million of Revenue)	319.4	292.3

Notes:

(1) Each member company's water resources mainly come from municipal water supply. Apart from that source, FTG also sources water from ground water, surface water, seawater, drinking water, purchased recycled water, etc.; and Nanjing Iron & Steel also sources water from surface water, etc.

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

Nanjing Iron & Steel

Nanjing Iron & Steel actively manages water withdrawal to improve the efficiency of water usage. As a key industrial enterprise in Jiangsu Province, Nanjing Iron & Steel proactively cooperates with the government to carry out water withdrawal surveys. At present, Nanjing Iron & Steel's usage of surface water has obtained water withdrawal permits. During the Reporting Period, Nanjing Iron & Steel's water consumption totaled 22.9615 million m³ and the water recycling rate reached 98.06%. Nanjing Iron & Steel set up the 2021 goal of "2.5 tonnes water consumption per tonne of steel".

In 2020, Nanjing Iron & Steel continued to carry out water-saving transformation. The Public Auxiliary Business Department of Nanjing Iron & Steel completed the transformation of a steelmaking plant's 2#RH turbid circulating water frequency conversion, reducing water consumption by 3.4202 million m³ annually. In addition, Nanjing Iron & Steel renovated the underground pipeline overhead, reducing losses from leakage of the pipeline network by 1.75 million m³. The Public Auxiliary Business Department of Nanjing Iron & Steel also insisted on patrol inspection and control of leaks in the pipeline network to timely detect and handle hidden leaks, reducing losses from pipeline network leakage by 3 million m³. At the same time, the Plate Business Department of Nanjing Iron & Steel has reduced water consumption by 4.16 million m³ year-on-year through measures such as equipment improvement, pipeline renovation, optimization of quenching process, and improvement of control accuracy, etc.

Fosun Pharma

Fosun Pharma requires its member companies to formulate corresponding management plans after confirming management objectives, to assign responsible persons according to the assessment of the target indicators, to review the progress on time and to formulate corrective measures and plans in time. The water used by Fosun Pharma is all sourced from municipal water supply system.

During the Reporting Period, Fosun Pharma invested approximately RMB1.74 million in special funds to save 282,923 m³ water (3.1% of the total annual water consumption) through a series of measures, such as source control, equipment upgrading, application of water circulation system, optimization of internal water use frequency, etc., achieving the five-year strategic goal of water consumption intensity.

FTG

FTG follows the "sustainable" service concept and hopes to provide customers with a happy and relaxing vacation experience while also enabling the local natural environment to benefit from our sustainable business activity model. Before investment and during the entire life cycle of asset development and design and business operations, environmental factors have been taken into consideration, and we have passed independent third-party green certification in an effort to promote our sustainable performance in construction and business operations.

Bye-Bye Plastics

Club Med, a subsidiary of FTG, launched the "Bye-Bye Plastics" plan in 2018, aiming to eliminate disposable plastic products in all Club Med resort bars, restaurants and guest rooms by 2021.

2019	66% of resorts worldwide have stopped using disposable straws, cups, mugs, dinner plates, tableware and plastic plates (except tableware in Brazil); and shower gels, shampoos and skin creams supplied in the bathrooms are all filled in non-plastic containers (except collections provided by luxury resorts and those in Brazil).
2020	Resorts in China no longer supply disposable plastic accessories and packaging in guest rooms.
2021	Club Med plans to gradually replace plastic water bottles supplied in restaurants and guest rooms and achieve the goal of all resorts being certified by Green Globe.



Yuyuan

Yuyuan actively responds to the national strategy. It checks and reviews the plastic products in its catering stores, and clarifies the types of plastic products that need to be prohibited, restricted or stop being provided for free, and also specifies the implementation measures in line with the actual situation. Yuyuan also provides training and coaching on plastic restriction orders for relevant personnel and its catering stores.

[Learn more about
Environmental Pollutants
Management Policy](#)



4.5 Compliance Emissions

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 comply with relevant laws and regulations in countries/regions where we operate, such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, etc., aiming to establish a valid and compliance emission policy and system. Moreover, we actively construct and improve various environmental protection facilities and waste treatment facilities. During the Reporting Period, no significant environmental pollution events occurred in the Group.

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

4.5.1 Wastewater and Waste Gas

Apart from complying with the relevant laws and regulations of wastewater discharge, we perform a strict control over the wastewater discharge to minimize its impact on the environment by requiring that the wastewater should only be discharged after up-to-standard treatment has been done and discharging standards have been met. Some of our member companies invite qualified third parties to inspect their discharge 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.

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.

Wastewater	2019	2020
Total Amount of Wastewater (ten thousand tonnes)	2,885.1	2,157.2
Chemical Oxygen Demand (COD) (tonnes)	1,364.5	1,316.2
Ammonia Nitrogen (NH ₃ -N) (tonnes)	160.9	132.0
Suspended Solids (tonnes)	280.1	276.6

The Group is committed to reducing air pollution. 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.

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.

Waste gas	2019	2020
Nitrogen Oxides (NOx) (tonnes)	6,168.9	3,235.6
Sulfur Oxides (SOx) (tonnes)	3,168.3	1,619.1
Particulate Matter (tonnes)	84.1	68.4

Nanjing Iron & Steel

Nanjing Iron & Steel strictly abides by the national and local environmental protection laws and regulations, consciously performs its social responsibility and implements its policy of sustainable development. Since the 13th Five-Year Plan (2016-2020), Nanjing Iron & Steel has been increasing investment in environmental protection. It actively controls emissions, and achieves the governance goal of "Mines and coal are used and transported without being exposed to the open environment and no dust beheld in production". The environmental quality of the plant is significantly improved.

Meanwhile, Nanjing Iron & Steel sent employee representatives in several batches to investigate European advanced steel plants for ultra-low emission benchmarking and invited domestic industry experts to conduct research and exchanges, which pointed out the direction for Nanjing Iron & Steel to implement ultra-low emissions.

With the goal of "creating a green steel mill as a beautiful city", by the end of the Reporting Period, Nanjing Iron & Steel has completed the transformation of ultra-low emission of particulate matter as well as the transformation of desulfurisation and denitrification of sintering, coking, pelletizing and power plants, and significantly reduced its pollutant emissions. The new image of clean factory, beautiful environment and fresh air is presented to the public, and a beautiful scene is formed of "ecological harmony, integration of society and enterprise" between enterprise and the surrounding communities. Nanjing Iron & Steel has established an environmental monitoring system and equipped with equipments to monitor various indicators for air pollutants, wastewater, and ambient air quality throughout the plant in real time.

Project name	Project introduction	Project goals
Green coke oven	More than RMB300 million was invested to take the lead in equipping with ground dust removal station and acid making system with desulfurized waste liquid from coke oven gas; microbial treatment technology was adopted for treatment of biochemical water on standard; and the collection and treatment of VOCs was conducted.	Dust collector process meet the ultra-low emission requirements. Meet all VOCs emission standards.
Desulfurisation and denitrification of coal gas power generation, and desulfurisation and denitrification of sintering and pelletizing	The desulfurisation and denitrification of flue gas from five coal gas generator sets was conducted. All equipments of desulfurisation and denitrification for sintering and pelletizing were renovated.	All devices meet ultra-low emission requirements
Ultra-low emission transformation of dust collector	The existing bag filter of various processes was replaced with high-efficiency film or ultra-fine fibre filter bags, and bag-type dust collector with high filtration wind speeds in sintering, blast furnace, steelmaking and other processes was replaced with pleated filter bags or high-efficiency filter cartridges.	The emission concentration has been reduced from 30mg/m ³ to 10mg/m ³ .



Fosun Pharma

Strategic indicator (base year: 2016)	2020 Target Value	2020 Actual Value
Reduce ammonia nitrogen emission intensity by 30% in 2020	0.039 kg/ RMB ten thousand of Revenue	0.03 kg/ RMB ten thousand of Revenue
Reduce COD emission intensity by 30% in 2020	0.25 kg/ RMB ten thousand of Revenue	0.22 kg/ RMB ten thousand of Revenue
Reduce wastewater emission intensity by 30% in 2020	3.25 tonnes/ RMB ten thousand of Revenue	2.15 tonnes/ RMB ten thousand of Revenue
Full coverage of terminal treatment equipment for volatile organic compounds (VOCs) in 2020	100% coverage	100% coverage

In 2020, all member companies of Fosun Pharma actively reduced emissions through process improvements and upgrades.

Guilin Pharma



Actively carried out VOCs treatment through the process improvement of "sodium hypochlorite washing + alkali spraying + activated carbon adsorption + high-altitude discharge". At the same time, the regional pipelines were collected, renovated and improved, the layout of the treatment system was adjusted, the collection of waste gas emission points was improved, and fugitive emissions of VOCs was reduced, thereby reducing the environmental pollution of exhaust gas.

Xuzhou Wanbang Jinqiao Pharmaceutical Co., Ltd.

Replaced the sewage treatment aeration tank and contact oxidation tank aeration system, and replaced the aeration device from a non-liftable bottom disc aerator to a liftable microporous aerator, which increased the sewage treatment efficiency of the sewage station, enhanced the impact resistance of active strains, effectively reduced the output of biochemical sludge in sewage stations, while increased the service life of treatment equipment.



Suzhou Erye Pharmaceutical Co., Ltd.

Transformed the aerobic tank aeration, and replaced the original bottom aerator with vertical pipeline aerator. After the transformation, the aerobic tank aeration is evenly distributed, the aeration is sufficient and the activity of activated sludge is increased, which effectively increases the oxygen supply and processing efficiency.

Hainan Mining

Hainan Mining makes commitment of all pollutants are discharged up to standard and formulated pollutant control objectives 2025 and corresponding measures based on its own actual situation.

Main Objectives:

- Wastewater: reduce the total amount of suspended solids and COD emissions by 2% -5%
- Waste Gas: the organized particulate matter emission reaches $10\text{mg}/\text{m}^3$, which is the strictest requirements in *Emission Standard of Pollutants for Mining and Mineral Processing Industry (GB28661-2012)*

In view of the above objectives, Hainan Mining will comprehensively upgrade the dust removal facilities, and continue to strengthen the management and control of unorganized dust, so as to ensure that the organized waste gas emissions fully meet the ultra-low emission standards of the industry. At the same time, Hainan Mining plans to complete the tailings pond backwater system and underground mining gushing water recovery system, and accelerate the comprehensive utilization of bulk solid waste.

4.5.2 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 non-hazardous 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. In 2020, in response to the revision of the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution from Solid Wastes* and changes in relevant regulations, the Group developed a compliance inspection template and required each member company to conduct self-inspection and take improvement measures, and to conduct education and awareness-raising activities on the update of laws and regulations.

Through source control, we strengthen daily management of solid waste treatment equipment, and reasonably extend the replacement cycle to reduce the general solid waste and hazardous waste; through terminal use, we properly treat the solid waste generated and reclaim the resource solid waste to lower the volume of the solid waste to be disposed.

Solid Waste	2019	2020
Non-hazardous Waste (tonnes)	9,252,135.7	11,032,456.5
Non-hazardous Waste Intensity (tonnes/ RMB Million of Revenue)	54.5	65.1
Hazardous Waste (tonnes)	27,917.7	26,799.8
Hazardous Waste Intensity (tonnes/ RMB Million of Revenue)	0.2	0.2
Total Solid Waste (tonnes)	9,280,053.4	11,059,256.3
Total Solid Waste Intensity (tonnes/ RMB Million of Revenue)	54.6	65.3

Notes:

(1) The solid waste arising from operation of Peak Reinsurance, Fosun Insurance Portugal and Forte is limited, mainly includes small amount of domestic waste, and has no material impact on the ESG aspect of their business 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.

(2) During the Reporting Period, the output of Hainan Mining increased and, due to the COVID-19 pandemic, the revenue of some member companies fluctuated, resulting in a slight increase in the solid waste intensity.



Hainan Mining

Hainan Mining is committed to promoting and improving the storage and disposal of hazardous wastes. In 2020, Hainan Mining built a 400m² hazardous waste warehouse in accordance with the latest regulatory standards, meeting the technical requirements for windproof, rainproof, sunscreen, leakproof, anti-corrosion, and explosion proof. Hazardous wastes are stored by area in the warehouse, and the warehouse is equipped with sufficient fire protection equipment, monitoring equipment, and two doors for double-person double-locking management, to ensure the safe storage of hazardous wastes.

Nanjing Iron & Steel

Nanjing Iron & Steel makes internal and external comprehensive utilization of general solid wastes. 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.

In 2020, Nanjing Iron & Steel addressed the problem of comprehensive utilisation of sintered desulfurisation residues. While ensuring the stable operation of the desulfurisation system and meeting the standards of discharge, it reduced the consumption of desulfurisation agent in the sintering plant and the production of desulfurisation residues.

Steel slags generated from converter and electric furnace during production are subject to crushing, magnetic separation and screening. Metal scraps are reclaimed to the feedstock plant for recycling, refining slags are processed by drip irrigation and pulverisation system and subject to magnetic separation, while steel slags are returned to steelmaking process and tailings are sold outside.

Solid wastes including precipitator dust, most of the oxidized iron and sludge are reclaimed to the feedstock plant for comprehensive utilisation where the mixture of them with other mineral powder is put into sintering machines and reused in production; blast furnace slag and dust, dry ash, desulfurisation residues and desulfurisation gypsum, etc. are sold to external parties for comprehensive utilisation.



In 2020, Nanjing Iron & Steel reclaimed an aggregate

6.2904 million

tonnes of general solid waste for comprehensive utilization, a year-on-year decrease of 9.6%.

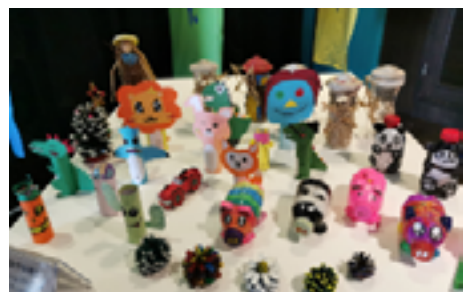
Its safe disposal rate of hazardous waste reaches

100%



FTG

Mini Club of Club Med Guilin Resort organised children to use recyclable wastes such as paper roll and waste paper to make animal crafts, so as to achieve reuse of waste paper and popularise animal science knowledge among children.



4.6 Biodiversity and Animal Welfare

4.6.1 Biodiversity Protection

Biodiversity, as the prerequisite of mankind existence, is the foundation of the sustainable development of the economy and society. The Group does not have any significant impacts on the environment and natural resources in the context of our business operation. We highly value the protection of biodiversity and try our best to reduce our impact on biodiversity and biological system. We make a solemn commitment and include it into the *Biodiversity Policy*, and actively encourage all relevant parties to work with us to fulfil the commitments.

[Learn more about Biodiversity Policy](#)



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 process of operation, it formulates related procurement policies to promote the purchase of organic food and eco-certified products.

Care for Ocean

At the World Oceans Day in June 2020, Atlantis Sanya placed turtle display boards at the entrance of its aquarium. Visitors pasted discarded cans and plastic bottle caps into the shape of turtles and discussed "Care for Marine Animals and Protection of the Marine Environment". The activity was well received with active participation and comments by visitors.

In addition, Atlantis Sanya has participated in several sea turtle rescue activities, and during the Reporting Period, 19 sea turtles were rescued by Atlantis Sanya. Sea turtles rescued by Atlantis Sanya are first examined and treated in the medical pool, and will then be transferred to our large group swimming pool when they stay in health, so that they can gradually adapt to the natural environment. Once the sea turtles are fully recovered, Atlantis Sanya will release them into the sea.



During the Reporting Period,

19 sea turtles were rescued by Atlantis Sanya

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 order to protect the water and soil resources and safeguard the ecological environment of mining area and build green mines, Hainan Mining executes reclamation plans in reclaimable mining area in combination with actual situations of mines, and has set its land reclamation targets in the *2020 Land Reclamation Programme of Shilu Iron Mine Branch of Hainan Mining Co., Ltd.*

In 2020, Hainan Mining actively carried out mine reclamation and ecological restoration in an orderly manner, completed land levelling and earth covering 100 thousand m² of land under reclamation as planned, with about 340 thousand trees planted, inputting a total input of about RMB1.916 million. At the same time, Hainan Mining completed mine geological disaster treatment for approximately 17,100 m² (equivalent to 25.65 mu), with a capital investment of approximately RMB1.2 million, in an effort to create a favourable mine environment and promote the sustainable development of mines.



Nanjing Iron & Steel

Nanjing Iron & Steel has embarked on high-quality development represented by "Green" "Intelligence" "High-tech" and has been recognized as "Green Factory" demonstration enterprise by the Ministry of Industry and Information Technology of the PRC.

Nanjing Iron & Steel attaches great importance to ecological conservation, and makes efforts on improving biodiversity and land use efficiency, create environment-friendly factories and reduce environmental impact. Nanjing Iron & Steel has been actively building industrial culture tourism zone, for which, it has opened up the cultural exchange core area, steel craft tour area, and other scenic areas, and established visitor centre, ecological wetland park and other attractions. In addition, Nanjing Iron & Steel has established a platform of "Smart Tourism", so that tourists can visit the whole scenic area with just a smartphone. Nanjing Iron & Steel has invested hundreds of millions to build "urbanized + ecological" avenues, green belts and sceneries, forming a well-arranged and colourful landscape with flowers in three seasons and evergreen in four seasons.



4.6.2 Animal Welfare

Fosun's member companies think highly of animal welfare throughout the construction and operation process, including, but not limited to, treating research animals in a humane manner, participating in public welfare projects relating to animal protection, and caring for and protecting animal health.

Fosun Pharma

Each of Fosun Pharma's member companies respects research ethics. The R&D centre and member companies have developed systematic new product R&D management standards and standard operating manuals in accordance with industry standards. All tests in the research and development process of pharmaceutical products comply with the relevant national standards; clinical trials involving human beings comply with the standards for quality management of drug clinical trials, and are reviewed by the Ethics Committee; and researches involving animals comply with relevant regulations on laboratory animal management.

Henlius, a member company of Fosun Pharma, has established Institutional Animal Care and Use Committee to manage and review the compliance of animal experiments. In addition, the R&D centre Henlius upholds the spirit of "3R" (Replacement, Reduction and Refinement) during the design of animal experiments, giving priority to animal welfare and making commitment to ethical standards in animal experiments.

Furthermore, YaoPharma Co., Ltd., a member enterprise of Fosun Pharma, actively fulfils the social responsibility of wildlife conservation. In 2020, Yao Pharma participated in the public welfare programme of "Kind-hearted Pharmacists Committed to Protection of Endangered Species" initiated by World Animal Protection, and signed the "Wildlife-friendly" Pharmaceutical Enterprise Statement, promising not to use ingredients derived from endangered wild animals during production, R&D and sales of raw materials and preparations and calling on consumers to reject drugs and health care products containing ingredients derived from endangered wild animals.



FTG

Dolphin Cay workers of Atlantis Sanya under FTG insist on spending sufficient time in accompanying animals, maintaining daily monitoring and inspection frequency, carrying out comprehensive health check on animals, and conducting B-ultrasound examination on pulmonary function and daily body temperature check to ensure suitable environment and animal health.

In 2020, Dolphin Cay of Atlantis Sanya engaged domestic famous veterinary consultants to conduct health assessment on animals and provide in-depth training for medical personnel. Atlantis Sanya has applied a special "animal health care system" to ensure animal health. Domesticators of marine animals receive regular trainings on ATLANTIS marine animals domestication standards and policies.

Club Med under FTG has released the *Animal Welfare Policy* and committed to improving animal welfare together with all stakeholders.



05

INVESTMENT

**PRUDENT AND RESPONSIBLE
INVESTORS WITH HIGH
EFFICIENCY**



5.1 Strengthening Responsibility

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 in Fosun.

The Group established top-bottom organization structure for responsible investment to promote the application of responsible investment in all types of 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 industry 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.

According to the core concept of "value investing", Fosun has established asset allocation principles. The asset was allocated on strategic investment targets which pursue long-term return. Fosun has formulated the *Fosun Investment Work Manual and Measures of Responsible Investment Management (for Trial Implementation)* 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 teams consider ESG responsible investment factors in evaluation of company and industry, including but not limited to:

[Learn more about Measures of Responsible Investment Management \(for Trial Implementation\)](#)



- **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**

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 October 2020, we held the training session "Practicing ESG Concept and Making Responsible Investment", at which we discussed the current trend of ESG and responsible investment at home and abroad, and shared advanced practices of investors on how to implement the principle of responsible investment.




5.2 Investment Strategies

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

<p>During the project screening stage</p>	<p>Fosun actively analyzes the potential impact of responsible investment factors. In addition to business considerations such as company fundamentals, financial performance, strategic significance and synergy value, a qualitative analysis regarding ESG of potential investment targets is also conducted.</p>
<p>During the course of investment</p>	<p>The investment team shall, in combination with business, technology, finance, law, tax, IT, EHSQ and other parts, complete the <i>ESG Responsible Investment Due Diligence Checklist</i>. The investment decisions are made according to corporate governance, human right, EHSQ, fair operating practices, product responsibility and community investment theme of the invested enterprises. The <i>ESG Responsible Investment Due Diligence Checklist</i> assessment results of material investment project need to be discussed during meetings of the Investment Committee.</p>
<p>During the post-investment management and industry operation stage</p>	<p>Fosun encourages 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 significant invested enterprise dynamically and regularly.</p>

[Learn more about ESG Responsible Investment Due Diligence Checklist](#)



Peak Reinsurance

Peak Reinsurance, our member company, is a signatory to the PSI of UNEP FI. Peak Reinsurance is committed to promoting the integration of PSI and investment decisions, and excluding companies that have a negative impact on the climate from the investment portfolio. Peak Reinsurance has formulated relevant ESG management policies and investment strategies.

[Learn more about PSI Report of Peak Reinsurance](#)



Exclusion list:

Peak Reinsurance identifies sensitive industries including weapons and ammunition, alcohol, tobacco, gambling, drift fishing, forestry and logging, etc., and considers possible environmental and social impact of such industries, so as to develop an ESG exclusion and tracking list. Based on the involvement of the underlying production and trading activities of investments in sensitive industries, Peak Reinsurance sets up different thresholds to control the environmental and social risks of investment activities.

5.3 Communication

Proxy Voting

Fosun establishes a "responsible director" system, and encourages the accredited responsible directors to fully communicate with the board 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 the invested enterprise at an early stage and try to resolve the divergences. If necessary, further exchange of views shall be conducted with the consultants and/or independent directors of the invested enterprise. If such communication is still invalid, the accredited directors shall consider abstaining or voting against at the general meeting, or even require an extraordinary general meeting of shareholders to enable all investors to vote on the disputed matters.

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

Response to International Initiatives

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

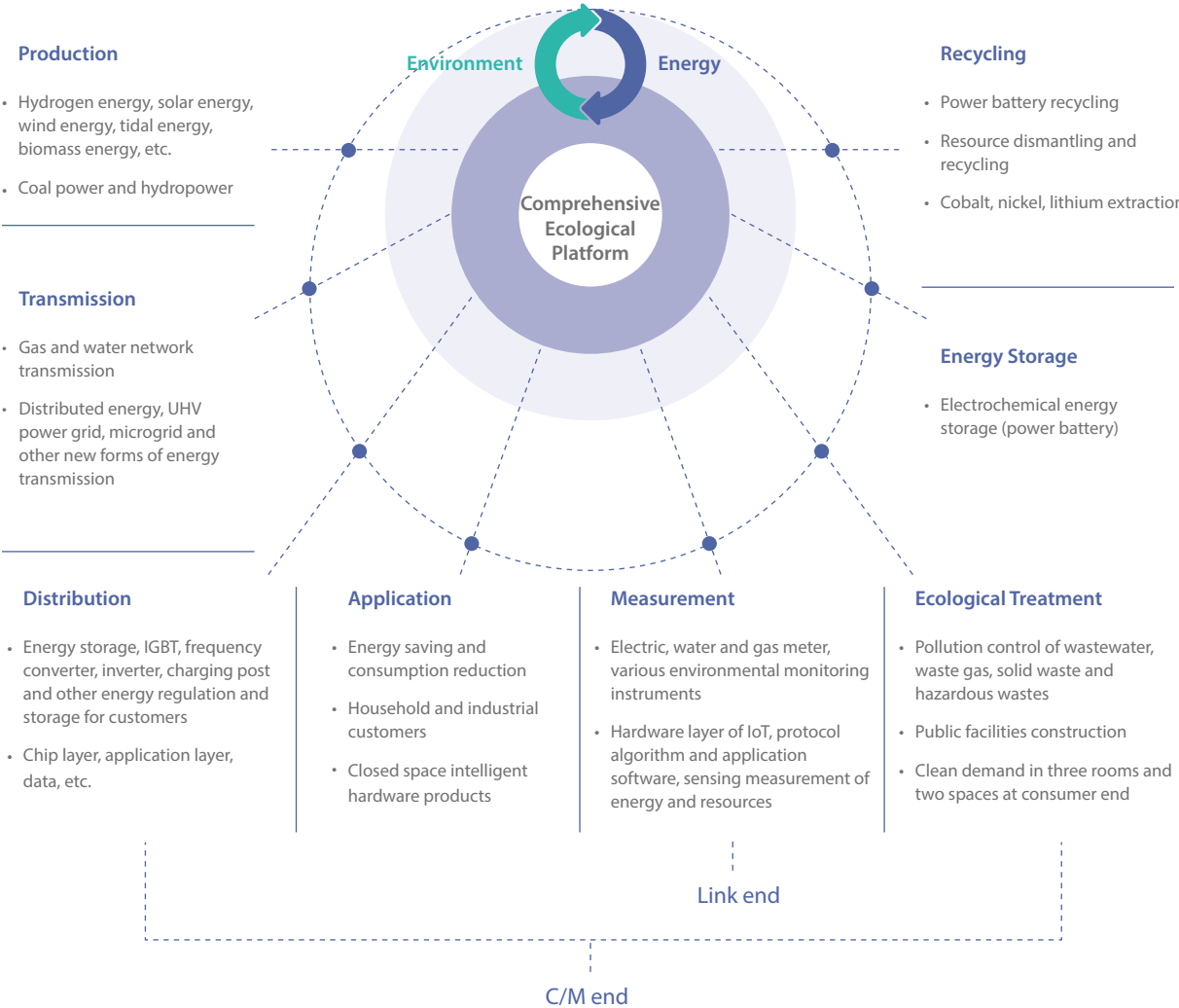
To boost contribution to responsible investment, H&A, our member company, signed the United Nations-Supported Principles for Responsible Investment ("PRI"). It is also a member of the European Sustainable Investment Forum. H&A embedded ESG factors into the entire responsible investment process, set up all kinds of responsible investment decision-making process and built responsible investment governance group and talent team. 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.

[Learn more about
H&A PRI Report in 2020](#)



5.4 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 utilization). At the same time, we will also expand our customer coverage beyond government and companies to cover end consumers.

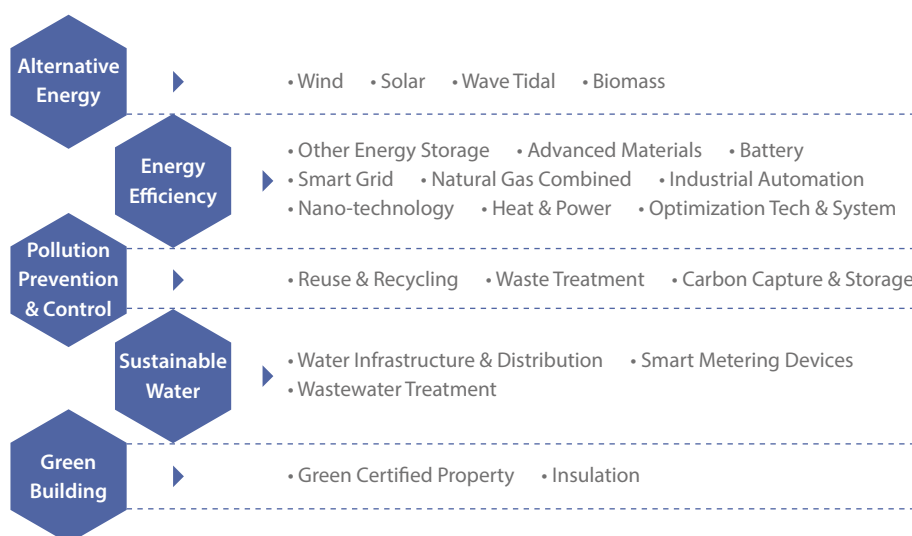
Objective:

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 wastes to provide pollution treatment services.	<ul style="list-style-type: none"> • 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. • Actively developing and applying related technologies to further improve the level and standard of environmental treatment. • Further increasing sewage and waste treatment capacity and pollutant reduction.
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"> • 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.
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"> • 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.

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 and the followed business areas were involved:



As of the end of the Reporting Period, for the Energy Industrial and Utility investment Department, with a total investment of more than RMB **5 billion**, accounting for about **58.8%** of the total investment of Energy Industrial and Utility Investment Department in primary market.



Some Clean Technology Investment Projects Introduction

► Hong Sheng New Materials

As the one of world's largest production supplier of inorganic fibres used for filter bags and a leading enterprise in domestic filter bag market, Zhejiang Hong Sheng New Materials Technology Group Co., Ltd. ("Hong Sheng New Materials") mainly serves six major industries, including coal-fired power, cement, steel, chemical, waste incineration and biomass. Hong Sheng New Materials currently holds 125 patents (including 33 invention patents), develops and possesses many of the world's leading treatment technologies, such as perlite 6µm ultrafine fibre production technology and acid-resistance treatment technology for inorganic fibres, among them, the mass production technology of high-silica (modified) membrane filter materials, that is unique technology in the world, achieves the ultra-clean boiler emission standard below 5mg/Nm³ which is in international leading.



► 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 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.

In 2020, Besino Environment won the bid for the Public-Private Partnership project of Hebei Renqiu West City Sewage Treatment Plant with total investment about RMB228 million. Engineering facilities for the sewage treatment plant include deodorisation system and sludge composting system. After the completion of the project, it is estimated to reduce the emissions of COD, ammonia nitrogen, total phosphorus and total nitrogen by 6,169 tonnes, 719 tonnes, 107 tonnes and 986 tonnes respectively each year.



► Spring

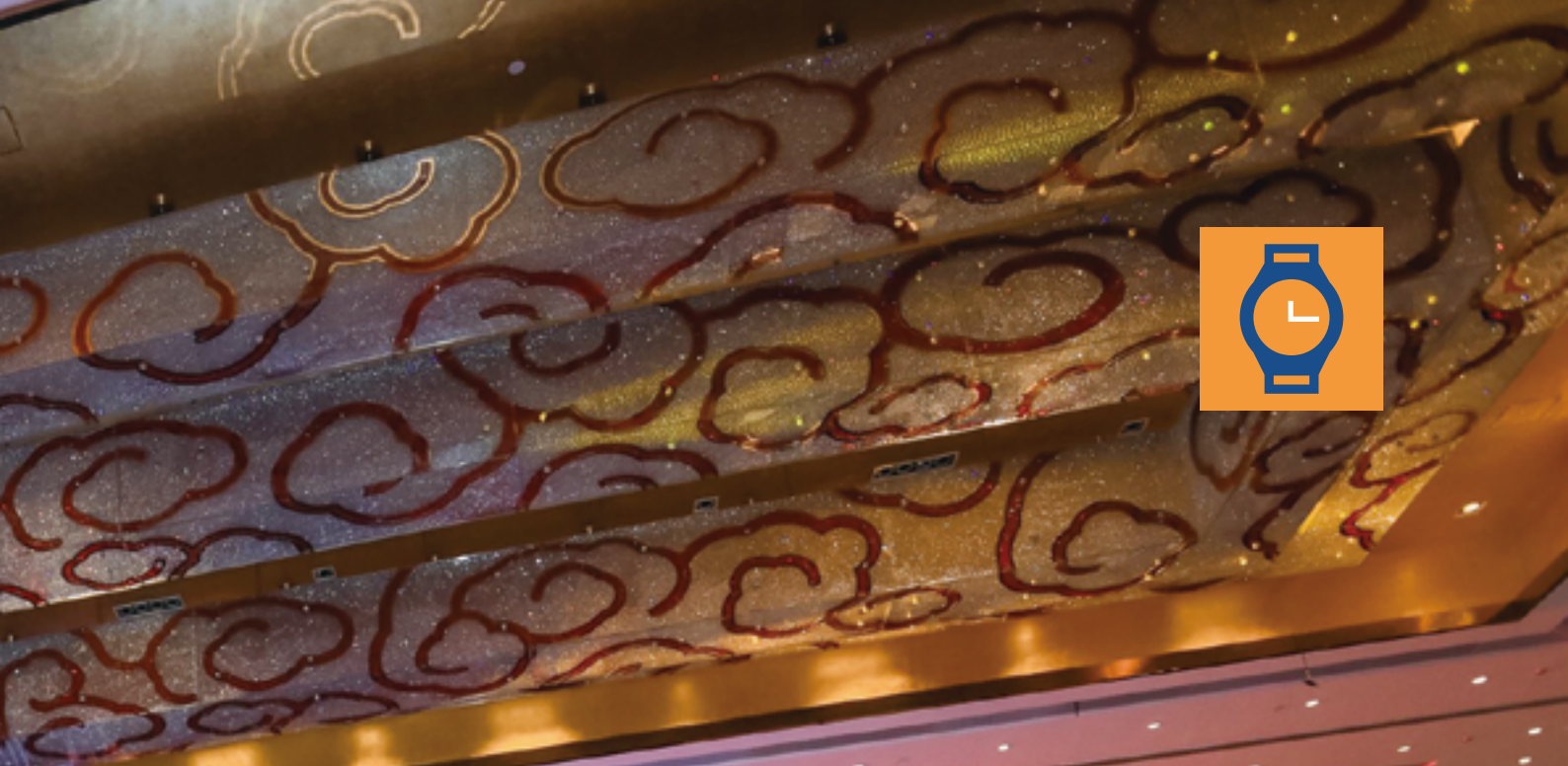
Qingdao SPRING Water Treatment Co., Ltd. ("Spring") has applied Moving-Bed Biofilm Reactor ("MBBR"), a biochemical technology, to sewage treatment and continuously improved it in projects. By combining practice with new sewage treatment theories, Spring developed MBBR-based autotrophic nitrogen removal techniques, including MBBR nitrification, anaerobic ammonium oxidation and Completely Autotrophic Nitrogen Removal Over Nitrite (CANON). By the end of the Reporting Period, Spring completed nearly 200 projects, with nearly 15 million tonnes processed per day.





06

COOPERATION EXCELLENT BUSINESS PARTNERS



FOSUN 复星

6.1 Optimizing Management

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

Overall strategy for procurement management	Basic principles for procurement practices	Objective
Transparent procurement, cost reduction and efficiency enhancement	Openness, fairness and impartiality	To build a world-class procurement risk control management system by 2028

[Learn more about Procurement Policies & Practices of Fosun Group](#)

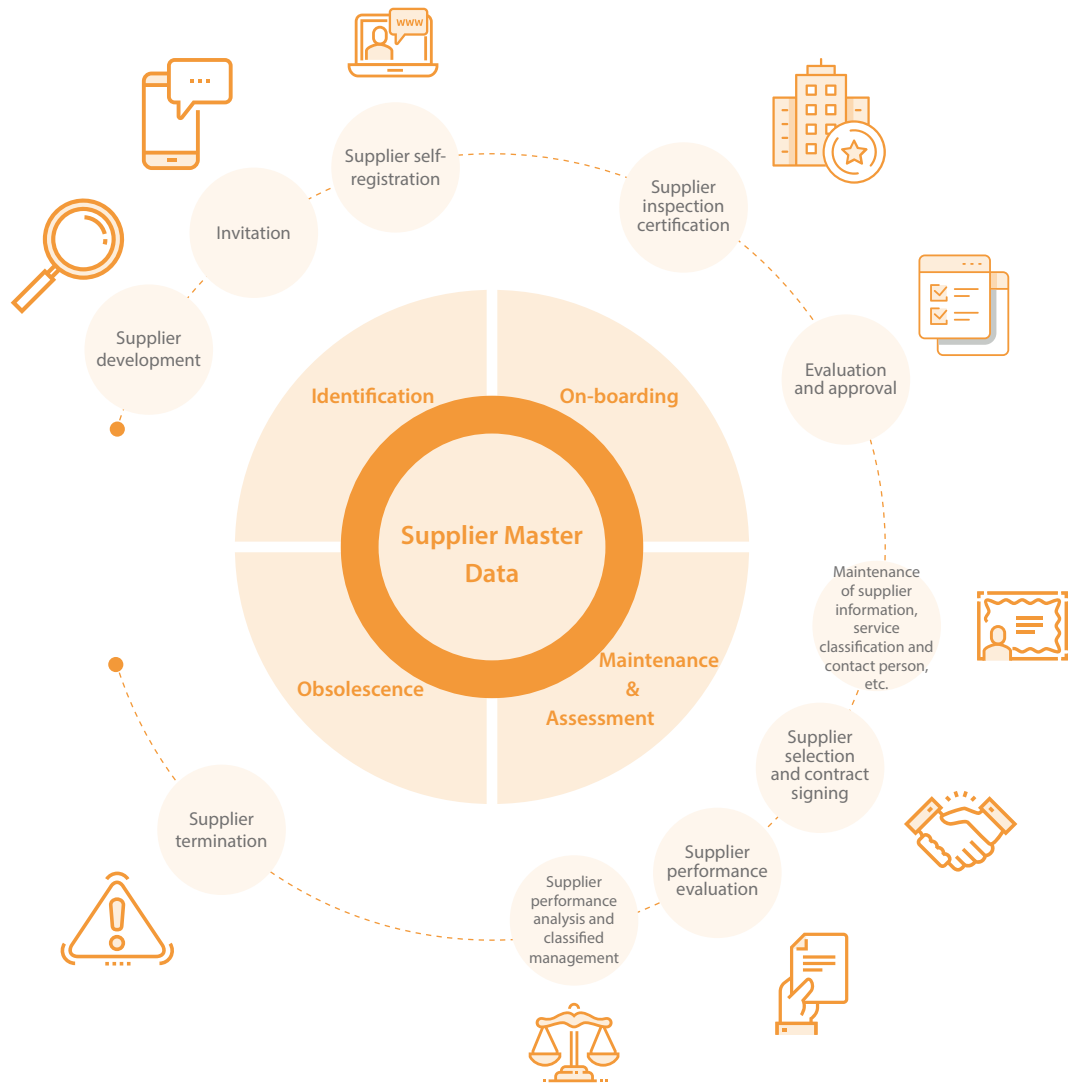


Strictly abiding by relevant national and local laws and regulations where we operate, and aiming to build a world-class procurement risk control management system by 2028, we reduce procurement risks, save procurement costs, and enhance management efficiency to create the core value of procurement through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

Global Supply Chain Centre is responsible for the supply chain management of the Group. Focusing on the *Procurement Policies & Practices of Fosun Group*, we have formulated a comprehensive system, including *Management Measures for Procurement and Bidding*, *Basic Guidelines for Procurement Management*, *Basic Guidelines for Supplier Management*, *Management Measures for Strategic Procurement*, etc., to fully regulate procurement management.

The core member companies of the Group have established a whole-process supplier management mechanism to standardize and systematize the supplier management system, clarify management functions.

	Admission and Registration	Maintenance and Assessment	Elimination and Punishment
Global Supply Chain Centre	Before a supplier registers as a supplier of Fosun, we not only request it to provide basic qualification documents and third-party credit investigation report, but also require it to sign the <i>Letter of Commitment Relating to Supplier Integrity and Self-discipline</i> and learn the <i>Supplier Code of Conduct</i> .	We have established the supplier roster and conducted differentiated management, and have institutionalised supplier assessment. Moreover, according to the <i>Procurement Management Assessment and Red, Yellow and Green Light Management Measures</i> , we carry out performance assessment at least once a year, while high-risk suppliers are assessed on a quarterly, monthly and contract basis.	Based on assessment results, we develop a qualified supplier base, identify strategic suppliers, and produce supplier "blacklist" to eliminate unqualified suppliers.
Fosun Pharma	During admission process, audit the supplier's qualification, quality system, product process, site production operation, etc., and conduct quality inspection, process verification and stability inspection on samples.	Continuously strengthen the risk control system of supplier management, evaluate and grade suppliers in terms of qualification, quality, EHS, etc., and conduct differentiated management according to the degree of risk of the suppliers' materials affecting the quality of the products.	Push suppliers to make necessary quality improvements, and if necessary, carry out special on-site audits verification and rectification; implement measures such as downgrading and rejecting suppliers which do not meet the quality requirements.
Yuyuan	During admission process, the supplier is subject to evaluations including preliminary review of enterprise material, double check via TianYanCha.com, site inspection, etc.	Conduct classified management on suppliers based on the assessment of their quality risks, track their businesses through annual supplier audit, supplier risk investigation, etc., and evaluate suppliers' performance.	Add non-compliant suppliers to the "blacklist" from time to time.
FTG	Have strict supplier admission management standards, and exercise strict control over supplier admission risks via inspection, approval and other processes.	Evaluate the contract performance process of suppliers on a semi-annual basis and grade suppliers on an annual basis based on the evaluation results.	If a supplier is determined as unqualified for two consecutive years, or has cheated in the procurement and cooperation process, or has breached relevant terms of the letter of a good faith, it will be blacklisted and prohibited from participating in any bidding of FTG for two years.



Onelinkplus, established in 2017, serves as the supplier management and service platform of Fosun Group and the procurement and bidding management platform of Fosun's member companies. It provides services such as supplier sourcing, procurement tendering, procurement sharing, mutually beneficial ecosystem of suppliers, credit reporting, etc., and enables a streamlined, informationized and digitalised procurement supply chain. By the end of 2020, Onelinkplus had managed more than 6,000 online bidding projects. Over 400 purchasers have settled in and total online users have exceeded 50,000.

[Learn more about Onelinkplus](#)

By the end of the Reporting Period, the number of the Group's qualified suppliers managed by Global Supply Chain Centre is 13,303.

Number of suppliers by geographical region



6.2 Sustainable Supply Chain

Learn more about
[FOSUN GROUP Supplier
Code of Conduct](#)



In order to strengthen the ESG performance management of the Group's suppliers and create responsible sustainable supply chain, 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 following areas and all new suppliers are required to sign a e-letters of commitment in the *FOSUN GROUP Supplier Code of Conduct*. Meanwhile, we deliver the requirements with suppliers by irregularly e-mail publicity and training activities, 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.

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.

In 2020, we delivered relevant requirements of the *FOSUN GROUP Supplier Code of Conduct* to existing and new contractors and suppliers through on-site training and live network broadcast, and defined the ESG performance requirements for suppliers, with emphasis on anti-corruption, anti-discrimination, respect for human rights, prohibition of child labour, environment, health, safety and quality management, etc.

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.

The member companies of the Group also establish a supplier responsibility management mechanism according to the corresponding business types and pay attention to suppliers' ESG performance.



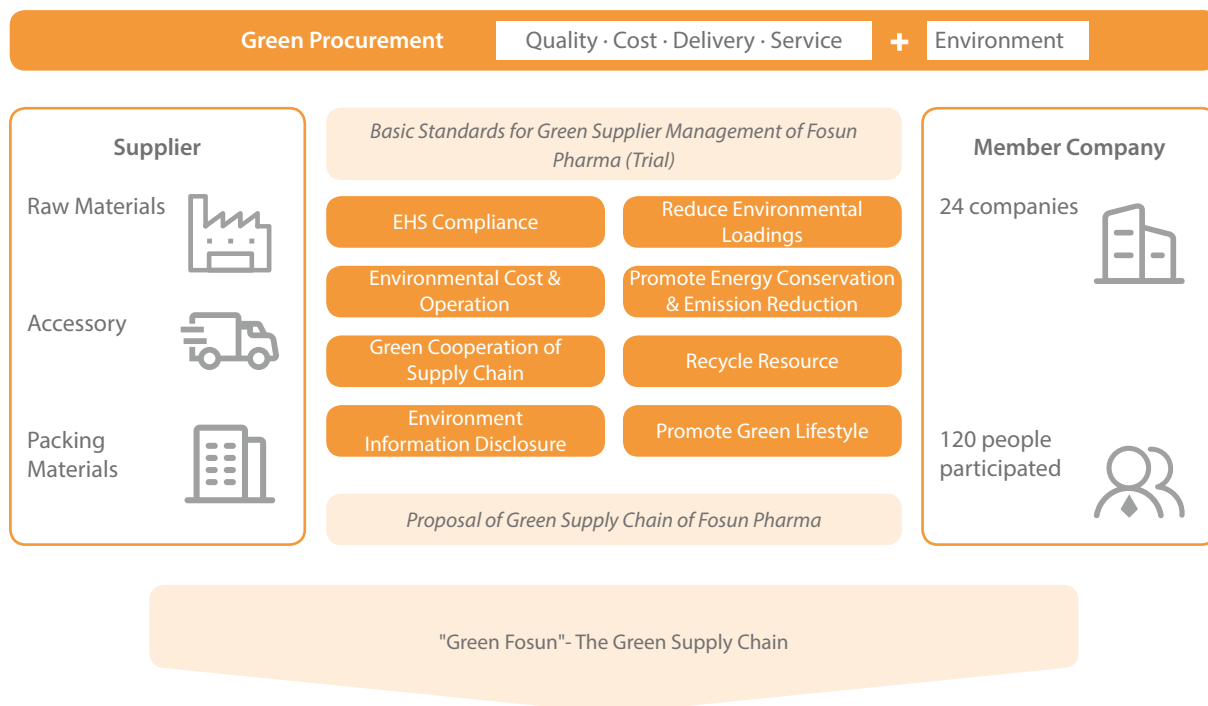
Fosun Pharma

In 2016, Shanghai Municipal Bureau of Ecology and Environment⁹ launched the "Green Supply Chain" initiative, and encouraged Shanghai enterprises to participate. In March 2016, Fosun Pharma jointly launched the green supply chain project called "Green Fosun" together with its subsidiaries and suppliers immediately, 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.

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 the Reporting Period, a total of 6,683 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.

Based on the green supplier assessment system, Fosun Pharma includes all existing and potential suppliers involved in the production and operation of major procurement categories in the annual green supplier assessment; reviews and scores the green supply chain of suppliers by considering 25 indicators in environmental protection & sustainable development, safety & accident prevention and system management, and conducts differentiated management based on the scoring from one stars to five stars (five stars representing the most excellent); and conducts document audit and on-site EHS audit, and provides improvement suggestions. In addition, Fosun Pharma conducts trainings on green supplier assessment system for member companies, in order to continuously improve the green supply chain management capability of member companies.

By the end of the Reporting Period, Fosun Pharma carried out 398 green supply chain audits to their suppliers which were at higher EHS risks and covered 10% of supplier in total. In 2020, 40 raw materials, ingredients and packing materials suppliers completed green supply chain audits conducted by the member companies of Fosun Pharma. 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.



⁹Formally known as Shanghai Municipal Bureau of Environment Protection.

[Learn more about
Club Med's Supplier
Website](#)



FTG

Club Med under FTG is committed to working with its global partners to create a sustainable supply chain. Club Med has released a series of written purchasing Charters, including *Wood Charter and Seafood Charter*, committing that certified purchases are prioritized, such as certified cleaning products, use of "green" energy, FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) certified paper, vegetable-based inks, etc. Club Med has released the *Animal Welfare Policy*, which requires suppliers of animals to attach importance to the living environment of animals and practising the basic principle of protecting animal welfare. Club Med has promised to pay continuous attention to animal welfare-related practices of its suppliers and to conduct audit as appropriate.

6.3 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 performance 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. By the end of the Reporting Period, 378 suppliers of the Group were blacklisted for their misbehaviors and there were 6 business terminated or not renewed cases due to corruption-related violations.

In order to supervise suppliers' behaviors, we have opened our complaint channels and formulated the *Complaints Management Measures for Procurement and Bidding (trial implementation)*, hoping that more stakeholders can participate in the supervision and create good business practices with us. Please refer to the section of [Practising Business Ethics](#) in the Report for the reporting channels and protection measures.



6.4 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.

Fosun Ecological Supply Chain Summit

On 7 September 2020, the Fosun FC2M Conference - Global Ecological Supply Chain Summit in the theme of "Global Expansion·Mutually Beneficial Cooperation within Businesses Ecosystem" were held, in the form of "1 main forum + 5 sub-forums for offline communication + livestreaming", in Atlantis Sanya, Hainan, and more than 1,200 industry leaders and experts from over 500 partners around the world and participating enterprises from various industries including medical, retail, engineering, steel, real estate, manufacturing, IT, etc., attended the Summit.

At the Summit, Guo Guangchang (Chairman of the Company), Wang Qunbin (Co-Chairman of the Company), Chen Qiyu (Co-CEO of the Company), Xu Xiaoliang (Co-CEO of the Company) and over 20 global partners of Fosun had extensive discussions with the participants on the unique advantages of the FC2M ecosystem, and demonstrated Fosun's determination to actively promote high-quality cooperation with its supply chain partners for sustainable development.

Sub-forums were hosted at the Summit by several member companies of the Fosun Group, including Fosun Pharma, Nanjing Iron & Steel, FTG and Yuyuan, for customers, suppliers and other cooperative partners to enhance business relationship, promote industrial development and build ecological supply chain.

In addition, 50 core suppliers and cooperative partners of the Fosun Group were honoured multiple awards at the Summit, including the 2020 Distinguished FC2M Supply Chain Partner Award, 2020 Most Valuable FC2M Partner Award, 2020 Excellent FC2M Supply Chain Partner Award and Outstanding Contribution Award for Global Anti-epidemic Cooperation, to extend special appreciation to industry chain partners for their outstanding contributions to Fosun FC2M ecosystem.



- ① "Built An Intelligent Ecosystem, Unleash the Power of New Leisure Tourism", FTG explored new market opportunities and new business forms in Holiday Sub-forum
- ② "Explore Synergy, Develop Together", Yuyuan discussed the constant optimization and extension of its ecological industrial chain in the Jewellery & Fashion Group Sub-forum
- ③ "Open Cooperation, Develop Together", Fosun Pharma shared its pharmaceutical supply chain strategy to promote the construction of green supply chain in a sub-forum
- ④ "Promote Industrial Synergy, Bridge Future Development", Nanjing Iron & Steel discussed with cooperative partners about intelligent manufacturing and high-quality development in a sub-forum

07

TALENT-ORIENTED RESPONSIBLE AND EXCELLENT EMPLOYER



7.1 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 the 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 "2020 Best Employer" by Zhaopin.com, the "2020 Best Employer among Private Enterprises" by 51Job.com and the "2020 Best Employer" by Liepin.com.



By the end of 2020, the number of employees of the Group was approximately

76,000

And the number of employees of the Company and 6 member companies¹⁰ within the scope of the Report was around

64,000

Employee Indicator	2020	2019	
The total number of employees within the scope of the Report	approximately 64,000	approximately 58,000	
Percentage of employees by gender			
	Female (%)	47.2	45.8
	Male (%)	52.8	54.2
Percentage of employees by position			
	Senior executive (%)	7.8	8.3
	Middle management (%)	17.4	26.8
	General staff (%)	74.8	64.9
Percentage of employees by age			
	<30 (%)	27.6	32.4
	30-39 (%)	36.5	33.8
	40-49 (%)	22.3	21.6
	≥50 (%)	13.6	12.2

¹⁰In this section, the disclosure scope of data is the Company, Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, FTG, Fosun Insurance Portugal.

Employee Indicator	2020	2019
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Percentage of employees by region



Asia (%)	79.81	72.49
Europe (%)	13.14	15.07
Africa (%)	2.08	5.20
North America (%)	3.45	4.89
South America (%)	1.47	2.31
Oceania (%)	0.05	0.04

Percentage of employees by employment type



Full-time (%)	97.3	98.3
Part-time (%)	2.7	1.7

During the Reporting Period, the total number of new employee hires of the Company and 6 member companies within the scope of the Report was around 21,000.

New Employee Indicator	2020	2019
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The total number of new employee hires within the scope of the Report	approximately 21,000	approximately 19,000
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Percentage of new employee hires by gender



Female (%)	44.3	40.9
Male (%)	55.7	59.1

Percentage of new employee hires by age



<30 (%)	41.3	40.8
30-39 (%)	33.4	36.4
40-49 (%)	16.4	15.8
≥50 (%)	8.9	7.0

Percentage of new employee hires by region



Asia (%)	65.01	65.77
Europe (%)	24.73	21.13
Africa (%)	0.87	5.35
North America (%)	7.51	6.19
South America (%)	1.85	1.53
Oceania (%)	0.03	0.03

7.1.1 Attracting People with Development

We concentrate on the global talent layout, and strive to build up an elite talent acquisition 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 force 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 top talents and student leaders in universities and colleges, we assemble excellent graduates and undergraduates with entrepreneurship, passion and dreams. Through Star Gathering Creation Camp and subsequent training programs, we find and train top talents, join hands with them to embrace the future and realize dreams on one hand, and to reserve future management talents for the Group on the other hand.
SeeStar Actin	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	MoveStar program aims to encourage the transfer of internal staff and talent flow, so as to help employees to find a more suitable career path and optimize 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 rotation, 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.
Beacon Programme	A customised talent introduction and cooperation programme with more attractive collaboration and incentive policies were launched to attract high-level, specialized, leading and critically needed talents. The programme was mainly carried out in the form of "hunting for high-potential talents from beacon enterprises" and "recruiting and cooperating with talents who can serve as beacons for Fosun", to bring in talents specialized in management, science and technology, industry operation and investment via establishment of external think tanks, beacon-type talent network expansion, cutting-edge technology summits and relationship network of government and other cooperative institutions.

During the Reporting Period, Fosun launched a "Thousand Talents Programme" in the fight against COVID-19 to recruit outstanding fresh graduates from home and abroad, in which new joiners are primarily assigned to industry operation posts, and career opportunities are provided for front-line posts, with a focus on talent reserve and allocation regarding industry operations.

► 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 various job markets of the countries and regions where we operate. We regulate the working hours and minimize the extra working hours as far as possible to ensure that employees enjoy reasonable and adequate rest. In special cases of work overtime, employees are required to communicate in advance and obtain permission from the person in charge of the department, then they can be entitled to compensatory leave. Employees enjoy a variety of holidays such as national holidays, statutory annual leave, 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 we operate.

► Termination

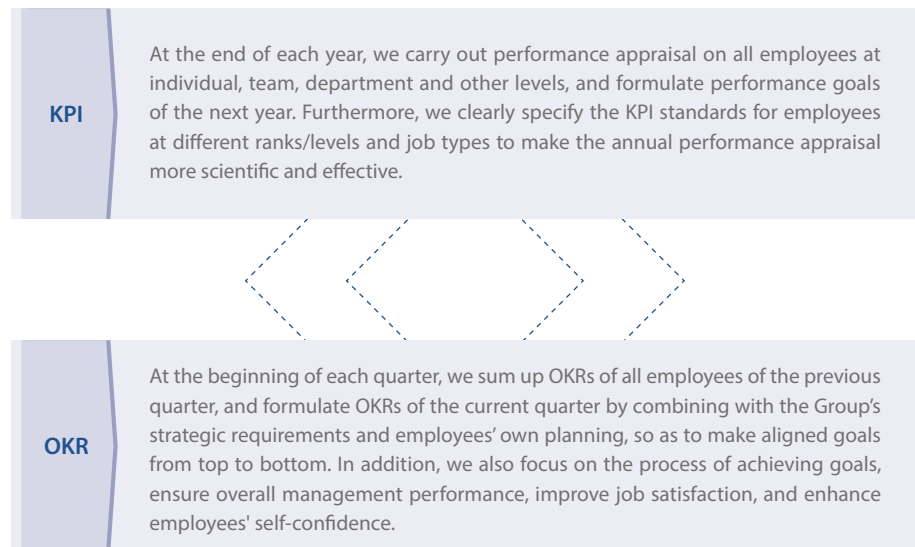
We strictly follow the labor contracts and the relevant laws and regulations of each workplace of the country/region where we operate to establish termination (including resignation and dismissal) procedures to protect the interests of employees and the Group from infringement. When an employee leaves, we will conduct an interview with him/her to understand the reason for leaving and his/her suggestions for the Group.

Employee Turnover Indicator	2020 (%)	2019 (%)	
Turnover rate within the scope of the Report	18.6	18.7	
Turnover rate by gender			
	Female	17.7	18.0
	Male	19.4	19.3
Turnover rate by age			
	<30	25.1	26.5
	30-39	18.1	19.1
	40-49	14.0	15.9
	≥50	12.4	16.3
Turnover rate by region			
	Asia	17.3	19.8
	Europe	13.2	12.3
	Africa	8.5	10.7
	North America	46.3	21.9
	South America	41.1	29.5
	Oceania	18.9	17.2




7.1.2 Appraising People with Performance

All employees of the Group subject to regular and 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 method, so as to create a fair and impartial, performance-oriented and efficiency-valued 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.



In 2020, in an effort to combat the pandemic, we promoted our incentive policies and launched a special appraisal mechanism of "Incentive and Protection based on Anti-Pandemic Wartime Performance". In the principle of "Wartime Assessment, Team Orientation and Prompt Incentive", performance appraisal was linked to daily KPIs to encourage employees to actively participate in the Group's "Anti-Pandemic Campaigns". Special appraisals were performed primarily based on team performance and 360-degree feedback, with personal performance taken into consideration. And employees with good performance were appraised, awarded or promoted according to the results of monthly/periodic evaluation. In addition, a special incentive pool was set for anti-pandemic performance to motivate talents in a timely manner with bountiful incentive measures.

Team performance	360-degree feedback	Personal performance
 <ul style="list-style-type: none"> • Based on the achievement of overall anti-pandemic target and sub-modular performance target • Aim at encouraging teamwork 	 <ul style="list-style-type: none"> • Based on feedback from employees at the same level • Make an all-round assessment on agility 	 <ul style="list-style-type: none"> • Based on individual OKR • Focus on individual contributions to the team

7.1.3 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), financing 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 relevant remuneration policies in countries/regions where we operate, we provide competitive compensation, which in general exceeds the minimum pay requirements of these localities, and incentive mechanism and scheme to our employees. 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 <i>Management Measures for Corporate Value Sharing Plan (e.g. Carry Incentive)</i> 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	Key personnel of executive general manager and above meeting the performance requirements, or other outstanding high-potential personnel approved by the board can participate in the Group's stock incentive plan. Meanwhile, in order to attract more talents in the new economy and internet industries, outstanding talents from leading enterprises in these industries have been specially included in 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 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 2020 Annual Report for details.

► Risk Protection Mechanism

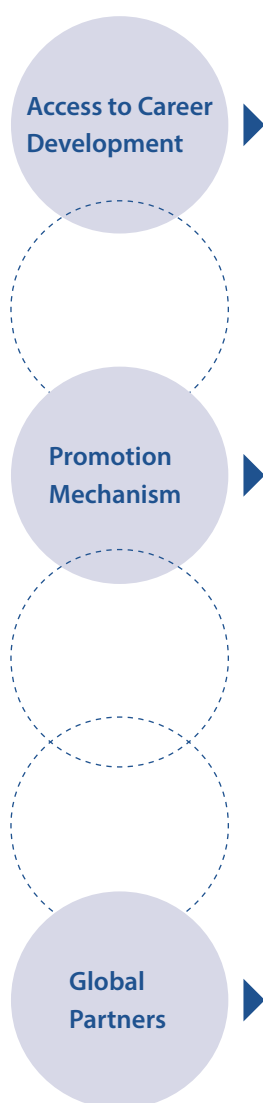
In addition to employee incentives, we have also adopted a series of measures to safeguard the fundamental interests of the Group and the safety of funds and properties.

Clawback Mechanism	Risk Pool Setting	Deferred Mechanism
In the <i>Management Measures for Corporate Value Growth Award (Carry Incentive) of Fosun Group and the Management Regulations for Reward and Punishment of Fosun Group</i> , 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.	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.	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.

7.1.4 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.



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.

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

The promotion assessment process can be initiated by employee's self-recommendation or department recommendation. The department to which the employee belongs and human resources department jointly conduct a complete promotion assessment, the result of which would be reported to the board for final decision.

Meanwhile, in combination with the special appraisal mechanism of "Incentive and Protection based on Campaigns Performance", employees with outstanding performance in Fosun's various "Campaigns" can get quick promotion.

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 issue date of the Report, Fosun's global partners have reached more than 110 from China, Japan, India, Germany, France, the United Kingdom, Portugal, the United States, Israel, etc.

7.1.5 Diversity and Equal Opportunities

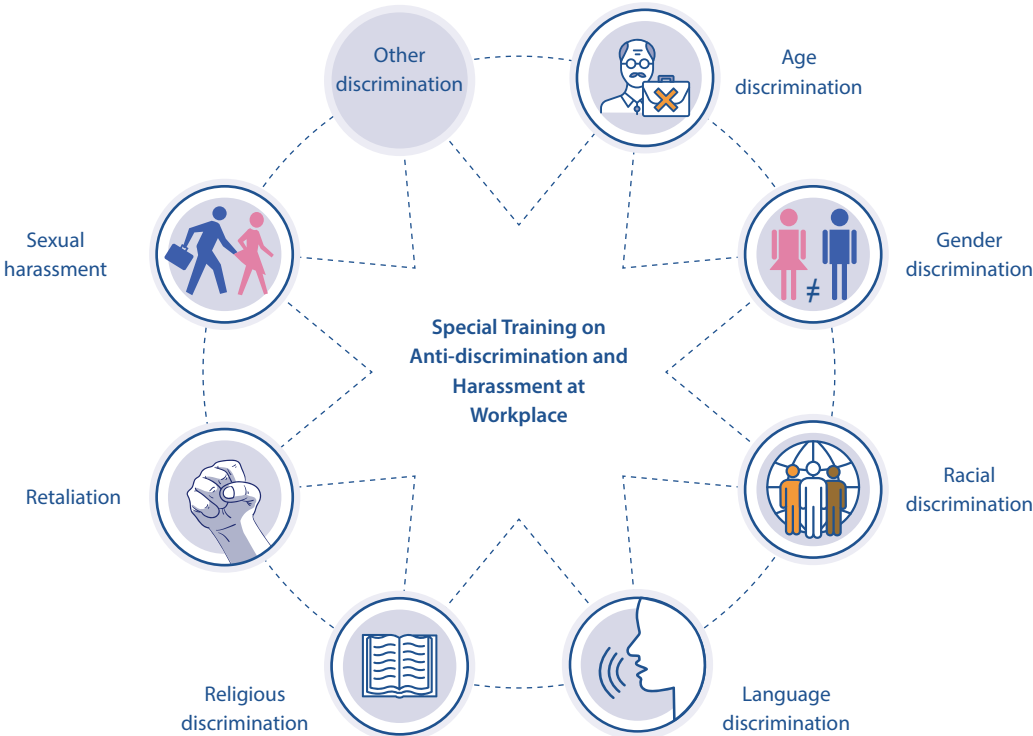
► Diversity

We respect any physical or mental discrepancies of our staff, and all employees and job applicants are not confined by factors such as gender, age, race and ethnicity, colour, religious belief, nationality, sexual orientation, physical conditions, etc. Moreover, we are concerned about employment equality for women, safeguard their rights and interests in job market, provide them with equal compensations and opportunities for career development, and actively promote gender diversity in workplace. During the Reporting Period, the percentage of employees with a disability of the Company and 6 member companies within the scope of Report was around 0.42%.

► Equal opportunities

We advocate fair competition, anti-discrimination and anti-harassment. 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. 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. Anti-discrimination training is actively carried out in the Group and all member companies, especially for employees dealing with discrimination-related complaints, guiding employees to take a respectful, equal and fair attitude toward others. As of the end of the Reporting Period, to the best knowledge of the Directors, the Company has received no complaints related to discrimination and harassment.



7.2 Creating Happy Work Environment

We focus on human rights, respect the basic interests of employees, and advocate that all men are created equal. Meanwhile, we have created a big data platform to utilize the Group's own resources so that employees and their families can access 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.



7.2.1 Basic Rights Protection

► Key Human Rights Protection

Fosun strictly abides by the *Universal Declaration of Human Rights* and actively safeguards the basic rights and interests of its employees, practices the principle of equality for all, and respects life and human rights. The Group strictly complies with relevant laws and regulations of the countries/regions in which it operates. Key human rights matters, such as respecting political rights, prohibition of hiring child labor and forced labor, and providing compliance compensation are included in the *Fosun Group Human Rights Statement*, to ensure that employees from each business segment and in every workplace are fully informed.

Employees of the Group can report any violations of human rights through the complaints reporting e-mail. As of the end of the Reporting Period, there was no complaint on human rights within the Company.

► Respect for Political Rights and Right to Freedom of Association

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

► Preventing Child and Forced Labor

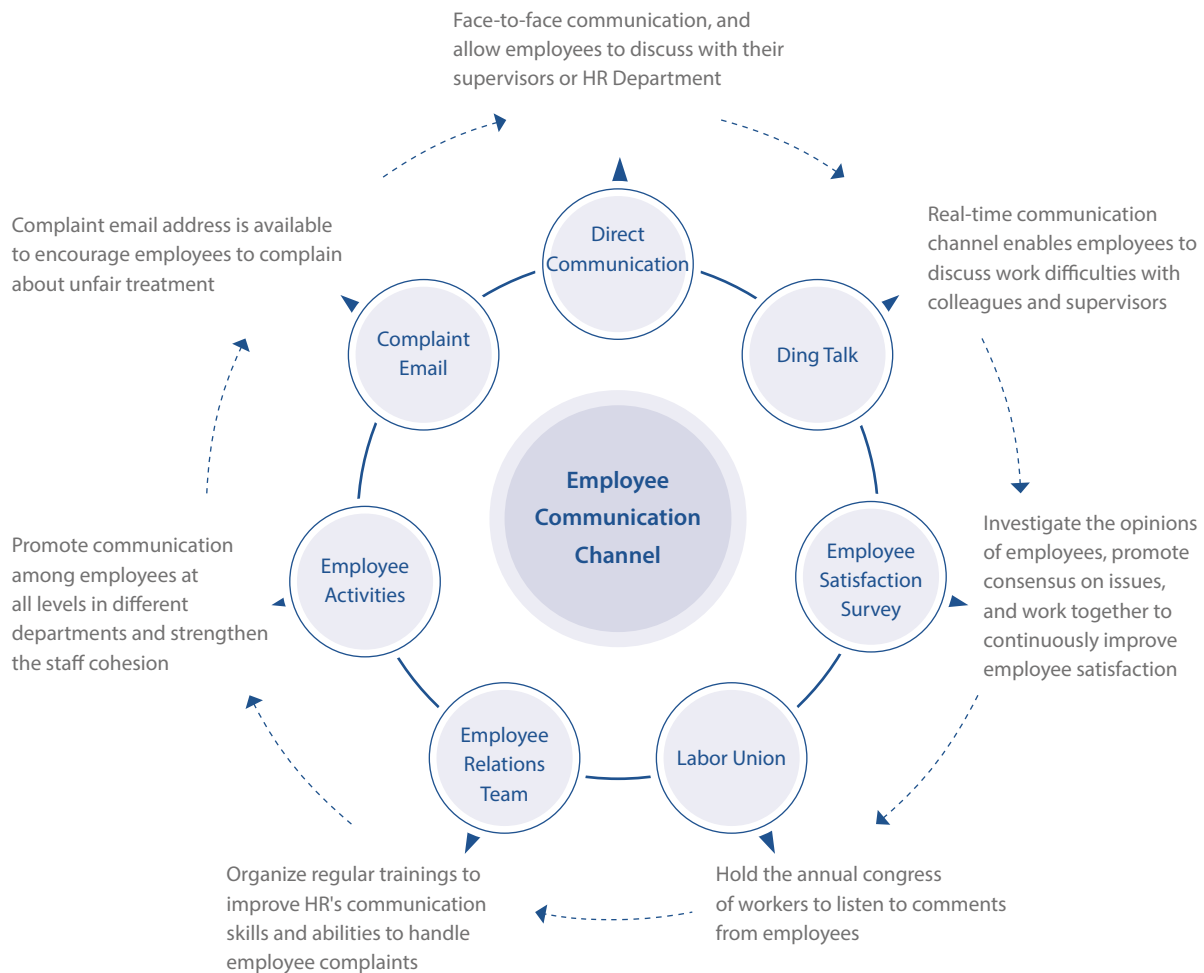
We strictly abide by laws and regulations of various countries and regions. All employees of the Group meet the minimum age requirements stipulated by relevant laws and regulations of the countries/regions where we operate, which is stipulated expressively in the *Employee Manual* and the *Fosun Group Human Rights Statement* 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. During the Reporting Period, to the best knowledge of the Directors, there was no material violation of labor standards in any form in the Group.

► Ensuring Full Benefits Coverage

We ensure that, 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.

► Equal Communication

Having established various employee feedback and complaint channels, including Employee Satisfaction Survey, Fosun Morning Assembly, Fosun Luncheon Session, HR Hotline "A La Ding", and their performance review and feedback from management heads in different tiers, etc., we advocate frank communication between the Group and employees and among employees with a view to creating an open and transparent communication environment.



During the Reporting Period, the Company conducted employee satisfaction survey, with a feedback rate of 83.2%. Based on the survey data and the "Triangle Theory" model proposed, we found that the Company's employee satisfaction and recognition of Fosun's core values, codes of conduct and ethical standards were significantly higher than those in the external conventional model. Based on the results of the survey, we also identified 5 core challenges faced now, formulated targeted action plans to make improvements, and continuously tracked their implementation to create a better working place.

7.2.2 A Culture of Sharing

We strive to create positive, flexible, warm and closed "family" atmosphere for our employees. No matter how far we go, we will maintain our "One Fosun" corporate culture in the process of growing stronger with shared values. The year 2020 is a year for dissemination of corporate cultural values. Based on our mission, vision and values, we updated "8 disciplines of Fosun's corporate cultural values", and propagated our corporate cultural values via multiple dimensions, such as visualisation, online promotion, cultural IP, lecturer training and corporate cultural activities, to let each employee understand Fosun's corporate cultural values.

► Corporate Cultural Activities

In 2020, we held series of activities themed "Fosun Youth - Cultural Lounge - Join in One Fosun", and invited these "Fosun Youth" to visit our member companies to make cultural exchanges through cultural micro-interviews, friendly cultural and sport contests, "painting" competitions and other activities, conveying Fosun's cultural values, supporting the development of young employees and strengthening their cultural identities.

- ① Corporate cultural activities in Nanjing Iron & Steel
- ② Corporate cultural activities in Hainan Mining
- ③ Corporate cultural activities in Guilin Pharma
- ④ "Cultural Teach-in" in FTG
- ⑤ "Corporate Culture Month" activities in Fosun Pharma



► IP-based Corporate Culture

We released a PPT containing "8 disciplines of Fosun's corporate cultural values", creative cultural stickers, cultural shirts and cultural emojis in online platform, and created series of cultural products for Fosuner, continually internalize our cultural values in the hearts of our employees through visualization and online promotion of our corporate culture and creation of cultural IP.



7.2.3 Attentive Services and Caring Activities

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.

In addition, 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.

► Healthy Lifestyle

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.

Tai Chi Club

In 2020, we established an Employee Tai Chi Club together with "Fosun Tai Chi" to provide Tai Chi courses for all employees on a weekly basis, in an effort to strengthen the health of our employees.



► Entertainment Activities

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



Competition for Fosun's King of KTV

In February 2020, Fosun Labor Union and Fosun University organised the "Competition for Fosun's King of KTV" in the theme of "Music Makes People Younger" (the more you sing, the younger you become) to express support for and cheer for Wuhan via "Online KTV". Over 130 Fosun employees were actively involved in this activity.

► Women Care Activities

Fosun also cares about both the physical and mental health of female employees, extending special regards to them. Every year during 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.

► Parent-child Interactions

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.

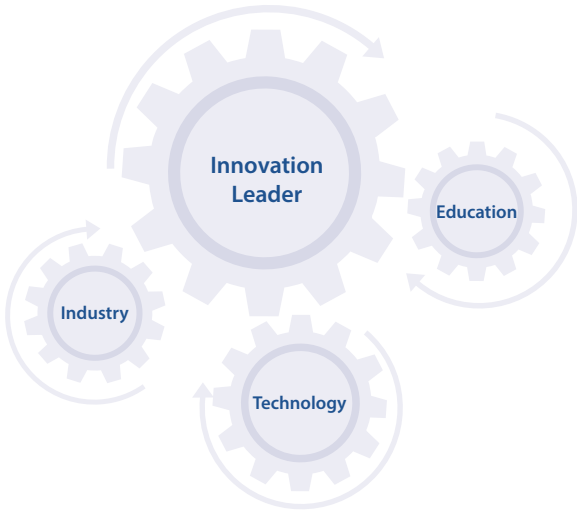
We prepare gifts for "Children of Fosun Employees" on Children's Day every year, organize various activities from time to time and invite employees and their families to participate, hoping to help our employees and their families enjoy a happy life.



7.3 Building a Learning-Oriented Organization

7.3.1 Fosun University¹¹ -- Accelerators to Enhance the Leadership of Excellent Entrepreneurs

We have built a comprehensive learning and development system, formulated, 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 for the Group.

During the Reporting Period, the Group's staff training rate of the Company and 6 member companies within the scope of disclosure was around 74.4%. The accumulated training time was around 1,349,476.1 hours, and the training hours per capita was around 28.1 hours (around 3.51 days).

Employee Training Indicator	Proportion of trainees (%)	Training hours per capita (h)
2020	74.4	28.1
2019	72.8	22.6

	Percentage of employees trained by gender (%)		Percentage of employees trained by position (%)		
	Female	Male	Senior executive	Middle management	General staff
2020	78.6	70.7	46.8	70.4	78.2
2019	75.5	70.6	45.7	68.2	78.2

	Average training hours completed per employee by gender (h)		Average training hours completed per employee by position (h)		
	Female	Male	Senior executive	Middle management	General staff
2020	28.5	27.7	23.4	31.7	27.6
2019	24.8	20.7	13.2	21.6	24.2

¹¹Fosun University is an internal training department.

7.3.2 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 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 workflow 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.



Training Activities

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 120 excellent high-potential talents.



CXO 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 conduct activities such as team development and learning workshops to cultivate CXO talents who recognize Fosun's strategic vision and cultural values, and have innovation awareness, strategic influence and entrepreneurial spirit. As of the end of the Reporting Period, we have a total of 129 CXO reserve talents who were selected from the Group's headquarters and core member companies and trained for our talent pool.



Chairman and CEO class

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



► 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.

Cases of Cultural Promotion

Training by internal lecturers on enabling industry development

We formed an internal lecturer team, with outstanding employees from various segments and member companies, to provide diverse courses and enhancement trainings for member companies, aiming at improving their work efficiency, disseminating corporate culture and promoting stable, healthy and sustainable development of these enterprises.



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.

Cases of Diversified Forms of Learning

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, the platform has attracted at least 10 core enterprises to contribute course content and published a total of 1,269 excellent courses, with 16,892 users registered and over 40,000 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.

Boss/Concise Talk

To build a learning-oriented organization, we launched Boss Talk in 2019 and opened Concise Talk in 2020 to create industry value via novel thinking and cutting-edge technologies around the world. Boss Talk shares business insights through in-person lectures, with focus on interactions between lecturees and lecturers; while Concise Talk explores practical experience in the form of "recorded broadcast and live streaming" to share practical work experience with all Fosun staff, and were simultaneously broadcast on internet University platform for reference and study by others. Both are held 2 to 3 times a month. As of November 2020, 27 high-quality sharing sessions were organised, with 256 on-site participants and over 14,000 online viewers, receiving a view rate of 35%, higher than that in 2019 and covering all key enterprises of Fosun Group.



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. During the Reporting Period, we held 32 luncheon sessions with over 2,560 participants.



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.

08

CARE

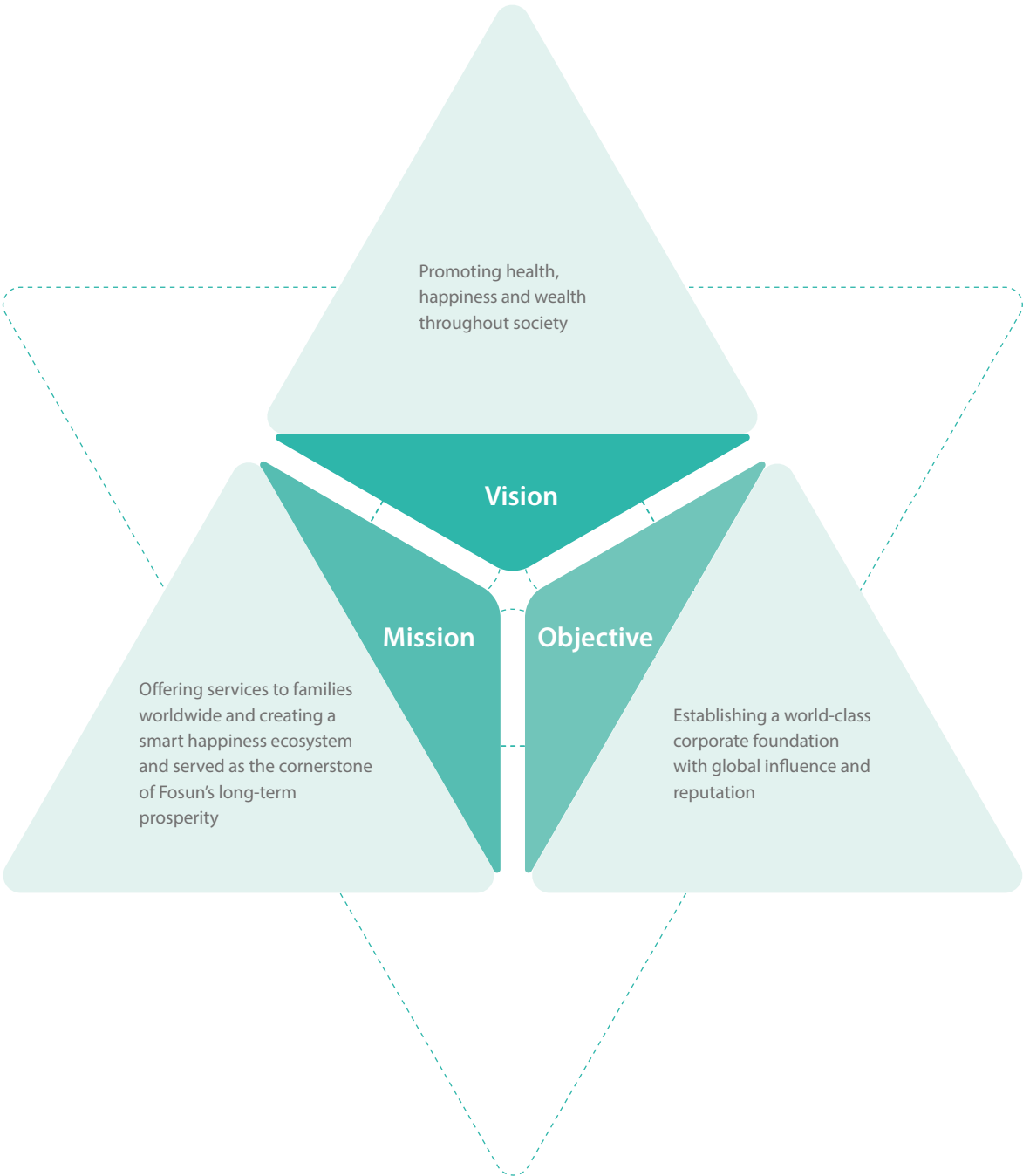
GLOBAL CORPORATE CITIZEN
WITH DEDICATION TO SERVE
THE SOCIETY



8.1 Fosun for Good

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 society, the people and the nation better.

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 poverty alleviation, healthcare, community, care for children, young entrepreneurs, education, culture and art, etc., in multiple countries and regions around the world, aiming to spread the value of Fosun and pay back to the society 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. Focusing on areas of poverty alleviation, healthcare, community, care for children, young entrepreneurs, education, culture and art, etc., we carry out relevant public welfare activities in many countries and regions around the world.

In 2020, the donation of Fosun Foundation was over RMB **208,556,400**
 including public welfare donation of RMB **197,648,500**
 and community investment of RMB **10,907,900**



8.2 Poverty Alleviation

Fosun actively responds to the national call of "eliminating absolute poverty by the end of 2020", and is committed to relieving rural areas from worries about food and clothing and guaranteeing compulsory education, basic medical services and safe housing. 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, healthcare, etc.

Rural Doctors Programme

By the end of 2020, the programme covered 70 national poverty-stricken counties in 15 provinces (districts and cities) in central and western China (including 13 counties in Three Regions and Three Prefectures¹² in abject poverty);

more than **12,545** village clinics were assisted and **22,192** rural doctors were guarded.

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 1.44 million rural doctors, we launched the Rural Doctors Programme that would last at least 10 years at the end of 2017. Through active and effective exploration, we carried on with the "Five One Plan" plus on-site Poverty Alleviation model in three core directions of "Protection, Empowerment and Motivation". We introduced the internet, AI, big data and other advanced technologies to build a network for health protection and improve medical and healthcare service capacity and accessibility at the grass-root level, thereby reducing the rate of poverty reoccurrence and preventing people from slipping back into poverty due to illness. The programme aims not only to contribute to realizing the national poverty alleviation target in 2020, but also to ensure the sustainability of healthy rural areas and prosperous China in the long run.



¹²Three Regions refers to the Tibet Autonomous Region, the Tibetan areas of Qinghai, Sichuan, Gansu, and Yunnan provinces, as well as Hetian, Aksu, Kashi, Kizilsu Kyrgyz in the south of Xinjiang Autonomous Region. Three Prefectures refers to Liangshan prefecture in Sichuan, Nujiang prefecture in Yunnan and Linxia prefecture in Gansu.

Five "One" Plans



On-site Poverty Alleviation

Operation concept	In 2020, we:
Carrying out one rural doctor guarantee project	<ul style="list-style-type: none"> provided accident and health insurances for rural doctors in the project county with an accumulated premium of over RMB2.5 billion; and gave out RMB6.372 million in total to 32 counties as the incentive fund to encourage rural doctors to do chronic disease contracting management for the rural residents;
Launching one capacity improvement project for rural doctors	<ul style="list-style-type: none"> delivered 6 offline trainings to 872 rural doctors and online trainings, through online platform, to 3,265 rural doctors; and implemented the "Longmen Dream Plan" to reward rural doctors who have obtained the qualification certificate of rural assistant general practitioner; in 2020, the registration rate of the qualification examination in project counties increased by 203.8% compared with that in 2019;
Curing one batch of impoverished patients of serious illness	<ul style="list-style-type: none"> helped 77 patients with serious illness via on-site workers and rural doctors in cooperation with China's Social Support Platform for Serious Illness; total fund-raising amount exceeds RMB1.67 million;
Awarding one batch of excellent rural doctors	<ul style="list-style-type: none"> awarded the title of "Warm-hearted Rural Doctors" and "Warm-hearted Township Hospital Directors" to 20 people;
Updating one batch of rural clinics	<ul style="list-style-type: none"> upgraded 298 rural clinics and donated over RMB10 million worth of equipment, medicines and other supplies; piloted 6 "Future Clinics" in Dongxiang County of Gansu Province, Jiangcheng County of Yunnan Province and Pingbian County of Yunnan Province;
Assigning workers for on-site poverty alleviation in national poverty-stricken counties	<ul style="list-style-type: none"> arranged 57 Global Partners of Fosun to paired up with at least one poverty-stricken county. Among them, 22 partners visited the cooperative counties 25 times in total; recruited, in cooperation with the "University Students Volunteer Plan in Western" sponsored by the Central Committee of the Communist Youth League of China, 43 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 volunteers.



In October 2020, the first small class training base of Rural Doctors Project launched in Jinzhai County



On 17 October, 2020, the "Rural Doctors Project" special train was launched in Shanghai, spreading the warm stories of rural doctors to all parts of the country

Medical Experts of Wanbang Biopharma go to Rural Areas

In August 2018, Fosun Foundation and Wanbang Biopharma, the member company of Fosun Pharma, jointly launched the "Medical Experts go to Rural Areas -- Rural Doctors Programme", as a derivative programme of the Rural Doctors Programme, aiming to expand the service radius of high-quality medical resources, extend medical services in rural areas, improve the level of diagnosis and treatment at the primary hospitals, as well as to promote "critical diseases to be treated within counties; "minor diseases within towns" in rural areas. Since the launch of the programme, we extended spot-to-spot support to 11 impoverished counties, organized more than 20 online and offline trainings for over 6,600 participants of primary-level and rural doctors, and provided free consultation and treatment for nearly 2,500 patients. In addition, this programme has set up a communication platform for interactions between primary hospitals and Grade III Level A hospitals across the country, earning vast recognition and praise from the social public, including rural patients, rural doctors, township-level health clinics, county hospitals, local health departments, county-level governments, etc.

In 2020, despite the outbreak of the COVID-19 pandemic, the programme was launched online to provide free consultation and treatment. National experts specialized in cardiovascular and cerebrovascular diseases were specially invited to provide online remote medical consultation, chronic disease training courses, and online medical services, with participants of more than 15,000 local doctors and over 2,000 patients.

In November 2020, the programme invited 3 medical experts from Nanfang Hospital of Southern Medical University, Qilu Hospital of Shandong University and the Third People's Hospital of Dongguan to participate in medical activities, such as free medical services for public benefit, teaching ward round and training lectures for doctors in counties and villages, in Midu County People's Hospital in Yunnan Province.

Rural Doctors Inspired by Futuristic Technologies

On 7 November 2020, Fosun Foundation and Fosun Pharma jointly invited 4 medical doctors, including outstanding rural doctors and presidents of health clinics in towns and townships, from Yunnan, Jiangxi and Shanxi Provinces to the third CIIE to visit Fosun's showcase in Medical Equipment and Healthcare Products exhibition area, Public Health and Epidemic Prevention exhibition area and Consumer Goods exhibition area, and to have close interactions with the world's leading medical technologies.

Staff is introducing the 1st global palm-top ultrasonic imaging system to rural doctors



In addition, we positively updated and enriched the mode of the programme, optimized our support services, mobilized our employees, member companies and other social forces to take an active part in the Rural Doctors Programme:

- We took village doctors as liaisons for direct procurement of local agricultural products and supported the development of rural communities via "launching programmes to boost the consumption of products from poor areas". As of the end of the Reporting Period, we have selected 58 agricultural products with local characteristics for sale within Fosun, with sales exceeding RMB1 million;
- We encouraged our member companies to make donations, both monetary and in-kind, to poverty-stricken areas through "Party Building + Public Welfare" and other activities. In the past two years, Fosun donated more than RMB25 million of medicines, computers, nutrition products, books, clothes and other supplies, to poor villages through the village medical system in 70 poor counties, further promoting the construction of harmonious rural communities;
- Furthermore, we worked together with Wolverhampton Wanderers to initiate the "Fosun Vision • Medical 2nd Generation" Plan, a football education poverty alleviation programme targeted at children of rural doctors, who are excellent both in studies and behaviour and gifted in football playing, to provide support for rural doctor families in the localities where the Rural Doctors Programme was carried out;
- We have built the Rural Doctors Programme into an open and co-constructed public welfare platform that embraces all social forces to join us at any time, forming grand force to support rural doctors. We joined hands with organizations including Zhejiang Chamber of Commerce and Yabuli China Entrepreneurs Forum to launch the "Rural Doctors Guardian Alliance". Led by the alliance, more than 30 private entrepreneurs participated in providing rural health and poverty alleviation services; China Development Bank, Industrial and Commercial Bank of China and other companies donated a total of over RMB8.15 million to the Rural Doctors Programme, and replicated the "Five One Plan" to their targeted poverty alleviation counties, jointly contributing to poverty alleviation through health support.



"Rural Doctors Guardian Alliance" was launched during Yabuli China Entrepreneurs Forum in Heilongjiang on 18 February 2019.

At the critical time of the fight against COVID-19 in 2020, the Rural Doctors Programme joined the aid teams to Hubei immediately. The programme gave assistance primarily to 6 impoverished counties in Hubei, providing epidemic prevention and control trainings to 2,492 grassroots health workers that serve nearly 300,000 villagers, and issuing 100,000 health packages with a total value of RMB5.1 million to help resume work and production. Soon after the epidemic has been basically controlled, the programme carried out Community Health Volunteer Service Programmes to contribute to grassroots health and poverty alleviation and the decisive efforts to fight against COVID-19.

8.3 Health Promotion

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 the Artesun® (Artesunate for Injection), a proprietary innovative drug with full intellectual property, which is now the international gold standard for the treatment of severe malaria. According to incomplete statistics, by the end of 2020, over 120 million doses of Artesun® (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 11th consecutive time, Pharmaceutical Quality Management for Developing Countries for 6th consecutive time and Minister-level on Pharmaceutical Supervision and Management for Developing Countries for 4th consecutive time, covering more than 50 countries or regions, and completed 167 batches of foreign aid projects. At the same time, the Artesun® (Artesunate for Injection) as well as Artesun-Plus® (Artesunate-Amodiaquine Tablets), etc. have long been the key innovative drugs in the Chinese government's assistance programmes to Africa.



Fosun Pharma holds the 9th eCME Malaria Webinar for 14 countries in Africa

On 19 November 2020, Fosun Pharma, together with two internationally renowned malaria experts held the 9th eCME Malaria Webinar for 14 countries in Africa to share the latest trends in maternal and infant malaria chemoprevention so as to promote medical progress in Africa. 700 doctors, pharmacists, officials of the Ministry of Health and non-governmental organizations representatives from 14 countries in Africa participated in this webinar and discussed how the new malaria prevention programme can be implemented in Africa.

In November 2020, the Dihydroartemisinin/Piperaquine Phosphate Tablets (30mg/240mg), developed by Guilin Pharmaceutical, a member company of Fosun Pharma, passed WHO medicines prequalification (WHO-PQ); so far, all six types of antimalarial drugs from dihydroartemisinin-piperaquine phosphate series have passed WHO-PQ certification. The Dihydroartemisinin/Piperaquine Phosphate Tablets is the world's first dihydroartemisinin-piperaquine phosphate medicine suitable for children, and its easy-to-take dosage form greatly improves children's medication compliance and becomes another triumph in the fight against malaria in Africa. The quality certification 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, therapy innovation will continue".

Assistance in Prevention and Treatment of Tuberculosis

In active response to the goal of "Ending Tuberculosis by 2035" proposed by the World Health Organization and the plan of "Healthy China 2030" put forward by the Chinese government, Fosun unites all sectors of society to optimize the allocation of medical resources, assisting in tuberculosis prevention and treatment.

Fosun Foundation, Fosun Pharma and its subsidiary Shenyang Hongqi Pharmaceutical Co. Ltd., joined hands with China Antituberculosis Association to launch the China antituberculosis fund - "Double Thousand Action" programme targeted at tuberculosis patients in poverty, to ensure that all tuberculosis patients can receive timely assistance and care. The "Double Thousand Action" programme has been in operation for five years starting from 2016 to 2020, which is expected to help at least 1,000 tuberculosis patients in poverty each year, and provide each patient with a relief fund of no less than RMB1,000. By the end of the Reporting Period, the programme had donated 5 million yuan to help 5,400 poor tuberculosis patients, covering 31 provinces in China, and carried out more than 10 large-scale patient education activities and visits to the countryside. It has been well approved by all levels of anti-tuberculosis institutions, and has been highly recognized by the relevant leaders of the Chinese Center for Disease Control and Prevention and China Antituberculosis Association.

At the same time, the "Bringing Warmth with Health - Rural Doctors Programme" of Fosun Foundation bridged with the "Aid to Lungs - Stop Tuberculosis" of JF Charity to provide needy counties with tuberculosis AI screening software as well as medical image diagnosis and evaluation services of high-quality, low-cost, wide-coverage and high-efficiency, in an effort to improve the efficiency, accuracy and coverage of local tuberculosis screening and contribute to the grassroots tuberculosis prevention and treatment. On 20 November 2020, Fosun Foundation and JF Charity donated 26 sets of tuberculosis AI screening software to Health Committee of Jinzhai County, and Fosun launched the first "Aid to Lungs-Demonstration Base for Technology Empowered Grassroots Healthcare" in Jinzhai County.



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 with Parkinson's disease. In 2020, we launched both online and offline "Tai Chi Adjuvant Therapy for Parkinson's Disease" courses, bringing benefits to more Parkinson's patients.

Practising Tai Chi without Leaving Home

During the global COVID-19 outbreak in 2020, we developed an online free course on "Tai Chi Anti-Parkinson's Disease", which enables "Pariends" to practice Tai Chi without leaving home and ensures uninterrupted Tai Chi training. In addition, after the resumption of offline classes in June, we took initiatives to learn about the psychological needs of "Pariends", for which, we created the "Pariends" community communication platform, and held a variety of Pariends salon activities. From June to November 2020, we held a total of 66 online courses, visited by 3,706 "Pariends".

8.4 Community Revitalization

Fosun works to build healthy, happy and prosperous communities. We call for community engagement and encourage member companies, stakeholders and the general public to build vibrant and resilient communities with us.

Fenglin Community Rooting in "Last Mile"

Fosun Integrated Care sets up Fenglin community business as the important charity channel for the Group. It rehabilitates old communities and creates five kinds of star products - day care centre, elderly care home, home care station, comprehensive community service centre for the elderly and citizen station to provide community families with a full range of health care services. As of the end of the Reporting Period, Fenglin Community already operated 30 projects, covering all main streets in Shanghai's urban areas.

In addition, Fenglin Community was the first to propose the mechanism of volunteer point accumulation & redemption, aiming to construct community-based sustainability volunteer teams and encourage community engagement of the society. In 2020, Shanghai Xiaodongmen Street established a mechanism for volunteers to redeem Shopping Card with volunteer service time, and a total of 267 Shopping Cards were issued.



Diversified Life and Social Services

Fenglin Community is committed to providing community residents with comfortable and heart-warming health and elderly care services that chime with people's expectations. It supports "Indigenous Living for the Elderly" of Shanghai old city area and has been well received by residents, forming an elderly service model featuring government-led, professional mobilisation, and social participation.

Huangpu District (Shanghai, PRC) is an area where residents of the old community are centralized. However, due to limited living conditions, many residents do not have bathing facilities in their homes while a small number of residents even have no kitchen. To solve the problem, with the support of street governments of Xiaodongmen Street, East Nanjing Road, etc., Fenglin Community tries to help address the living needs of communities by operating community life convenience service centers where life convenience services are provided, including bathing, laundry, shared kitchen, and auxiliary equipment borrowing service, etc. Among those services provided, for life services alone, the Xiaodongmen Centre has provided 18,009 rounds of life services.

In addition, Fenglin Community also takes advantage of profession and resource integration and conducts diversified community activities and interest courses for the elderly to form a happy, healthy, and engaging community atmosphere. Taking Shanghai Guangzhong Road Station as an example, Fenglin has built 8 "Guangyue" series of senior activity teams, and provides long-term regular interest courses such as painting, calligraphy and dancing for the elderly in communities.

The Green Farmers Program

Since 2008, Club Med, in partnership with Agrisud International, launched "The Green Farmers Program". The partnership aims to support local communities by promoting local extensive agriculture and agro-ecology among very small businesses/farms nearby Club Med sites and by purchasing local agricultural products from those farms. Local producers are trained to apply the principles of environment-friendly agriculture and benefit from support and training in the management of their production. Producers can access new markets, such as Club Med, and look to the future with greater confidence. With 312 small businesses supported in 2020 and more than 1,600 beneficiaries, cumulative financial support of €787,000, and over 276 tonnes of products delivered by the end of 2019, Club Med is Agrisud International's largest partner in the tourism sector.

As of the end of the Reporting Period, the projects embodied in Brazil, Senegal, Morocco, Tunisia and Indonesia have shown many advantages: reinforcing local purchasing, agroecological practices, fresh and local quality products, consolidating the growers' economic independence, reducing the carbon footprint, etc. This program also began to promote in the Club Med Village in Guilin, PRC. "The Green Farmers Program" is vastly recognized for its successful sustainable management practices within the tourism sector and is one of the selected case studies which was presented during the One Planet Sustainable Tourism Summit of United Nations in 2019.



Blue Station for Delivery Workers

On 23 October 2020, BFC and Ele.me launched the "Blue Station for Delivery Workers", the first rest station for delivery workers in Shanghai's commercial complex. The station is open to delivery workers from all delivery platforms and provides free rest areas, water and food supplies for them from 10 a.m. to 10 p.m. every day, aiming to bring care to the delivery workers and pass warmth among the city.

- ① On 23 November 2020, BFC collaborated with merchants in the mall to send out free coffee, bread and winter equipment to 100 delivery workers.
- ② On 15 December 2020, BFC invited 100 delivery workers to dinner for free.
- ③ "Blue Station for Delivery Workers", provides mobile phone charging station, exhibition space, reading space, etc.



8.5 Child Welfare

Fosun Foundation casts great concerns and care on children and teenagers. Fosun is committed to protecting and realizing children's rights, caring for the child's healthy growth and development, and helping children in need constantly.

"Star Bud" Special Fund for Children with Rare Diseases

To help those children with rare diseases solve their pain points and grow up healthily, Fosun Foundation, together with Fosun Pharma, has established the "Star Bud" special fund. The fund aims to provide full life cycle care and rescue more children with rare diseases by means of popularization and promotion funding, patient funding, database construction and research input. At present, Fosun Pharma has more than ten rare disease treatment products under clinical research in the fields of oncology, ophthalmology, respiratory system, blood system, etc. By means including self-development, authorised introduction, etc., Fosun Pharma is committed to improving the accessibility of approved innovative drugs among rare disease patients.



On 23 December 2020, Fosun Foundation and the Children's Hospital of Fudan University jointly launched the "Star Bud" special fund for children with rare diseases

Baseball Angels Assistance Programme

Fosun Foundation reached a cooperation agreement with the "Baseball Angels Assistance Programme" of Beijing Qi Ai Charity Foundation in 2018 to jointly promote the "Baseball Angels Assistance Programme" and the construction of more caring baseball bases. This programme is targeted at children in special needs aged 7 to 9 from poor families. Through long-term education and financial assistance, we help children acquire professional baseball ability and form sound and independent character while providing them with basic life needs. As of December 2020, the programme has funded 78 children in need, 10 of whom left midway for various reasons. All of the rest 68 children have participated in training camp in Tongzhou (Beijing) base, including 42 boys and 26 girls aged from 6 to 14, and 75% of them are ethnic minorities.

In 2020, the documentary film "Tough Out" a true story based on the "Baseball Angels Assistance Programme" was released. The film received the "Best Documentary" and "Audience Choice" awards at the 14th FIRST International Film Festival. Through the narration, the film calls on more social attention to the "Baseball Angels Assistance Programme" and the growth of children in need.



The caring baseball base is equipped with library, activity room and various other functional facilities, as well as professional nutritionists and sports therapists.

Protecting Children's Rights

Club Med is committing to improving the living conditions and education of disadvantaged children in the vicinity of Club Med's sites. Club Med Foundation launched "education programmes" to support long-term initiatives in local schools and orphanages: renovating buildings, providing facilities, school kits, and constructing sports schools, etc. From January to March 2020, Club Med has built six sports schools, including tennis, swimming and golf, in Mauritius, Morocco, Senegal and other countries to provide sports facilities and guidance for local children.

In addition, Club Med Resorts often welcome seriously sick children identified by Petits Princes Association and Make-A-Wish Association to fulfill their dreams, such as to ski or to go to the beach, to meet Santa.

Club Med proactively protects children's rights and supports in situ non-governmental organizations which help homeless children (social and family reinsertion). Also, Club Med prevents child from sexual exploitation and abuse in collaboration with ECPAT. Since 2008, the *Responsible Traveler's Charter* is displayed and given out to customers in Resorts of Club Med to invite them to discover and respect nature, culture and locals, especially local children.



International Campaign to End Child Prostitution in Asian Tourism (ECPAT) is an international organization with a presence in over 70 countries worldwide. Its aim is to fight against child prostitution, child pornography, and the trafficking of children for sexual purposes. It encourages the world to work together to protect children from commercial sexual exploitation.

8.6 Youth Entrepreneurship

Protecting Startup Accelerator Programme

The Protecting Startup Accelerator Programme is jointly initiated and organized by Fosun and its member companies aiming to develop 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, insurtech 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, big data, etc., 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.

On 5 June 2020, the global final of the 4th "Protecting Startup Accelerator Programme" was held online. A total of nine projects from insurance, medical and other sectors participated in the roadshow, and three projects won the final awards, namely NEVARO, a digital health tool for phobia treatment; ALFREDO, a tool for real estate insight and automatic valuation; and SKYLAB, an AI-based earth observation tool. By the end of the Reporting Period, the Protecting Startup Accelerator Programme had given support to 887 start-up projects covering 42 countries and regions.

8.7 Education Support

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 2020, we had helped nearly 5,500 students from low-income families and donated more than RMB12 million.



Fosun Hainan Guangcai Education Award Fund

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 provided 4,720 rounds of support to those students in need. The proportion of students admitted to undergraduate colleges and universities reached 97%, and those admitted to key universities reached 70%.



Pramerica-Fosun Spirit of Community Awards

Pramerica-Fosun Spirit of Community Awards aims to reward 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 to help with development of Chinese youth community service culture.

Over the past 20 years, Pramerica Community Awards, have carried out in the United States, South Korea, Ireland, India, Brazil, Poland and other countries, and have awarded nearly 100 thousand global excellent young volunteers. In 2014, Fosun introduced this award to China. In 2020, the Pramerica-Fosun Spirit of Community Awards was launched nationwide for the first time, receiving more than 1,000 valid applications submitted by individuals and societies from 137 schools in Shanghai, Beijing, Shandong, Sichuan, Zhejiang, Heilongjiang, etc. It awarded 2 "Charity Ambassadors", 15 "Outstanding Volunteers", 30 "Excellent Volunteers", 2 groups of "Outstanding Charity Societies" and 5 groups of "Excellent Charity Societies" .

8.8 Culture & Art

Fosun Foundation Art Center (Shanghai)- a "Dancing House"

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

In 2020, Fosun Foundation Art Centre (Shanghai), saw its fourth anniversary of operation since its commencement. As a new landmark of Shanghai's culture and art, Fosun Foundation Art Centre (Shanghai) maintained its original intentions to pass on art and love, and held 5 themed exhibitions including "Dialogue: 130 Years of LANVIN", "Alex Katz", "Zhang Ding: Control Club", "Inkscape" and "You are my guest", attracting 240,000 visits.

Fosun Foundation Art Centre (Shanghai) is committing to extending art from personal space to public space. It drove forward the holding of "One Water Art World" Fosun Foundation Collection Exhibition in Nanjing, "Alex Katz Special Exhibition" in Wuhan, and "Thomas Saraceno" Public artworks in Chengdu, to provide the audience with an intuitive experience to appreciate and understand contemporary art.

Fosun Foundation Art Centre (Shanghai) adheres to the social responsibility of art education. It has launched 19 "Art Online" live broadcast and 72 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; and it made crossover cooperation with 21 international brands from luxury, fashion, cosmetics and other fields, committing to presenting the public with wonderful events integrating art, culture and fashion.

Fosun Foundation Art Centre (Shanghai) also carries out exchanges and cooperation with all parties in the industry to jointly promote the development of the art ecology. It joined the Shanghai Art Museum Association to help the development of the Shanghai art museum industry; set up an advisory committee to provide continuous professional advice; held seminars on the development of private art institutions in China to discuss the development trend of private art institutions with industrial peers and scholars; and joined hands with the School of Philosophy of Fudan University in art education and practice, which pioneered the exploration of the "museum-school cooperation" model.

- 5 exhibitions
- 246,172 visits
- 19 online livestreaming
- 72 public education activities
- 4,950 participants in public education activities
- 126 volunteers
- 140 public guided tours
- 68 nights and aesthetics tours in Fosun Foundation Art Centre (Shanghai)
- Crossover cooperation with 21 international brands
- 301,279 WeChat views
- 364,022 official website views



Promotion of Kunqu Culture

We attach great importance to the protection, inheritance and promotion of Kunqu culture. Fosun Foundation supported the development of Shanghai Kunqu Development Foundation and donated RMB500,000 to set up a special fund, which will be used for the monthly performance of Kunqu, Kunqu Enthusiast Gathering, development of cultural and creative derivatives, etc. In addition, Fosun Foundation plans to create the Kunqu in Yuyuan Garden as one of the benchmark cultural brands in Shanghai, attracting more public attention and love to Kunqu, a treasure of Chinese culture and art.

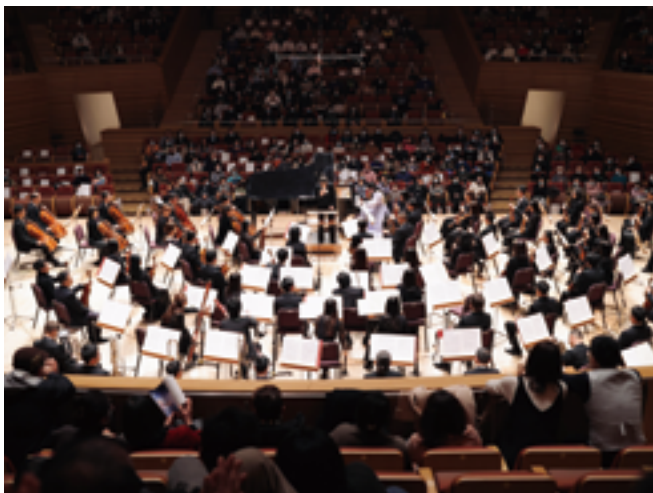


The Sound of 600-year-old Kunqu Flute Heard in 400-year-old Yuyuan Garden

On 29 September 2020, the "Mid-Autumn Kunqu Banquet 2020" hosted by the Shanghai Kunqu Development Foundation and Fosun Foundation kicked off in Hanbilou Plaza of Yuyuan Garden. The Kunqu culture with a history of more than 600 years was staged in Shanghai's most iconic Jiangnan-style classical garden-Yuyuan Garden in a unique way. A number of well-known Kunqu performing artists attended and performed on stage. The Mid-Autumn Kunqu Banquet exemplifies a good beginning for the inheritance of Kunqu culture in Yuyuan Garden, and aims to further enhance the position of "Kunqu", the intangible cultural heritage card, in the cultural world.

Support to Shanghai Symphony Orchestra

As the board member of Shanghai Symphony Orchestra, we have supported the performance activities of Shanghai Symphony Foundation in Shanghai and around the world for many years to promote the development and dissemination of symphony art.



Fosun for Love Fosun Community Night

In December 2020, we held the third "ONE FOSUN Community Service Week" with the theme of "Fosun for Love" and launched a series of activities themed by "I'm by Your Side". During the week, Fosun innovatively launched the online marketing model of "Cause Marketing" for the first time, mobilizing nearly 50,000 Fosun employees around the world to participate in the activity and raising nearly RMB 800,000 in charity donations. Also, we held a special concert named "Fosun for Love Fosun Community Night" in Shanghai Symphony Orchestra Concert Hall. Various performance activities were held from time to time to provide high-end music appreciation opportunities for partners, customers and employees.

In addition, we actively explore new models of public welfare, intensifying public welfare from regular work to daily work. We are committed to exploring the development path of public welfare and charity with Chinese characteristics by engaging the industry.

During the "99 Giving Day" in 2020, Fosun Global Partners spontaneously "Donate Together" and actively formed charity teams, leading 24,145 Fosun employees and caring people to participate in the "Village TCM Centre Construction Plan" and "Tai Chi Treatment for Parkinson" programme, with total funds raised exceeding RMB920,000.

On 6 September 2020, under the guidance of the Shanghai Civil Affairs Bureau, the Fosun Foundation, together with 13 foundations, jointly organized the first "Shanghai Summit of Philanthropy" at Fosun Foundation Art Centre (Shanghai), during which the first "Shanghai Philanthropy Consensus" was released. As the sponsor and organizer of this summit, Fosun shared the experience in topics such as "participation of social forces in people's urban construction", "participation of social organizations in anti-epidemic and post epidemic reconstruction", "participation of social organizations in poverty alleviation and Rural Revitalization", etc., demonstrating private enterprises' commitment to urban public welfare.



GLOSSARY

ABBREVIATIONS	FULL NAMES
AI	Artificial Intelligence
Atlantis Sanya	Fosun Tourism Group's tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC
Besino Environment	Besino Environment Ltd.
BFC	Bund Finance Center
Board	The Board of Directors
CBCSD	China Business Council for Sustainable Development
China or PRC	The People's Republic of China
CIIE	China International Import Expo
Club Med	Club Med SAS
Company	Fosun International Limited
COVID-19, pandemic	Coronavirus disease (COVID-19) pandemic
C2M	Customer to Maker
Director(s)	The director(s) of the Company
EHS	Environment, Health and Safety
EHSQ, EHS&Q	Environment, Health, Safety & Quality
ESG	Environmental, Social and Governance
ESG Report, the Report	Environmental, Social and Governance Report
ESG Reporting Guide	<i>Environmental, Social and Governance Reporting Guide</i> in Appendix 27 to the Listing Rules of Hong Kong Exchange
FC2M	Family/Fosun Customer to Maker
Forte	Shanghai Forte Land Co., Ltd.
Fosun Foundation	Shanghai Fosun Foundation
Fosun High Technology	Shanghai Fosun High Technology(Group)Co.,Ltd.
Fosun Insurance Portugal	Fidelidade – Companhia de Seguros, S.A., Multicare – Seguros de Saúde, S.A. and Fidelidade Assistência – Companhia de Seguros, S.A.
Fosun Integrated Care	Brand hold by Shanghai Zhuli Investment Co., Ltd., a fully owned subsidiary of the Group

ABBREVIATIONS	FULL NAMES
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
FOYU iRETAIL	Smart retail sector under the control of Yuyuan, the flagship platform of Fosun's Happiness Ecosystem
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
Guilin Pharma	Guilin Pharmaceutical Co., Ltd.
H&A	Hauck & Aufhäuser Privatbankiers AG
Hainan Mining	Hainan Mining Co., Ltd.
Henlius	Shanghai Henlius Biotech Inc.
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IoT	Internet of Things
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
Pramerica Fosun	Pramerica Fosun Life Insurance Co., Ltd.
PSI	Principles for Sustainable Insurance
Reporting Period	The year ended 31 December 2020
RMB	Renminbi, the official currency of the PRC
UN SDGs	United Nations Sustainable Development Goals
UNGC	The United Nations Global Compact
Wanbang Biopharma	Jiangsu Wanbang Biopharmaceuticals Co., Ltd.
WHO	World Health Organization
Yuyuan	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.

GRI STANDARDS INDEX

GRI Standards	Disclosure Title	Section(s)	Pages
Organizational profile	102-1 Name of the organization	Cover	Cover
	102-2 Activities, brands, products, and services	About Fosun	19
	102-3 Location of headquarters	About Fosun	19
	102-4 Location of operations	About Fosun	19
	102-5 Ownership and legal form	/	/
	102-6 Markets served	About Fosun	19
	102-7 Scale of the organization	About Fosun	19
	102-8 Information on employees and other workers	Talent Development Strategy	119
	102-9 Supply chain	Optimizing Management	112
	102-10 Significant changes to the organization and its supply chain	No Significant Change	/
	102-11 Precautionary Principle or approach	Regulating Corporate Governance	25
	102-12 External initiatives	About Fosun, Response to UN SDGs, Communication	20, 45, 105
	102-13 Membership of associations	About Fosun, Communication	20, 105
Strategy	102-14 Statement from senior decision-maker	Chairman's Statement	5
	102-15 Key impacts, risks, and opportunities	Materiality Assessment, Climate Change and the Energy	43, 85
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	Practising Business Ethics, Business Integrity Management	28, 115
	102-17 Mechanisms for advice and concerns about ethics	Practising Business Ethics, Business Integrity Management	28, 115
Governance	102-18 Governance structure	Regulating Corporate Governance	23
	102-19 Delegating authority	ESG Governance	37
	102-20 Executive-level responsibility for economic, environmental, and social topics	ESG Governance	37
	102-21 Consulting stakeholders on economic, environmental and social topics	Stakeholder Engagement	41
	102-22 Composition of the highest governance body and its committees	Regulating Corporate Governance	23
	102-23 Chair of the highest governance body	Regulating Corporate Governance	23
	102-24 Nominating and selecting the highest governance body	Regulating Corporate Governance	24
	102-25 Conflicts of interest	/	/
	102-26 Role of highest governance body in setting purpose, values, and strategy	Regulating Corporate Governance, ESG Governance	23, 37

GRI Standards	Disclosure Title	Section(s)	Pages
Governance	102-27 Collective knowledge of highest governance body	Regulating Corporate Governance, ESG Governance	23, 37
	102-28 Evaluating the highest governance body's performance	Regulating Corporate Governance, ESG Governance	24, 37
	102-29 Identifying and managing economic, environmental, and social impacts	ESG Governance, Stakeholder Engagement, Materiality Assessment	37, 41, 43
	102-30 Effectiveness of risk management processes	ESG Governance	37
	102-31 Review of economic, environmental, and social topics	Materiality Assessment	43
	102-32 Highest governance body's role in sustainability reporting	ESG Governance	37
	102-33 Communicating critical concerns	ESG Governance, Materiality Assessment	37, 43
	102-34 Nature and total number of critical concerns	ESG Governance	37
	102-35 Remuneration policies	Regulating Corporate Governance, ESG Governance, Talent Development Strategy	24, 40, 124
	102-36 Process for determining remuneration	/	/
	102-37 Stakeholders' involvement in remuneration	/	/
	102-38 Annual total compensation ratio	/	/
	102-39 Percentage increase in annual total compensation ratio	/	/
Stakeholder engagement	102-40 List of stakeholder groups	Stakeholder Engagement	41
	102-41 Collective bargaining agreements	Creating Happy Work Environment	127
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement, Materiality Assessment	41, 43
	102-43 Approach to stakeholder engagement	Stakeholder Engagement	41
	102-44 Key topics and concerns raised	Materiality Assessment	43
Reporting practice	102-45 Entities included in the consolidated financial statements	About this Report	4
	102-46 Defining report content and topic boundaries	About this Report	4
	102-47 List of material topics	Materiality Assessment	43
	102-48 Restatements of information	No Significant Change	/
	102-49 Changes in reporting	About this Report	4
	102-50 Reporting period	About this Report	4
	102-51 Date of most recent report	About this Report	4
	102-52 Reporting cycle	About this Report	4
	102-53 Contact point for questions regarding the report	About this Report	4

GRI Standards	Disclosure Title	Section(s)	Pages
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	102-55 GRI content index	GRI Standards Index	157
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	103-2 The management approach and its components	ESG Strategies, Materiality Assessment	35, 43
	103-3 Evaluation of the management approach	Materiality Assessment	43
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Key Performance of 2020	3
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change and the Energy	85
	201-3 Defined benefit plan obligations and other retirement plans	Creating Happy Work Environment	127
	201-4 Financial assistance received from government	/	/
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/	/
	202-2 Proportion of senior management hired from the local community	/	/
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Care	139
	203-2 Significant indirect economic impacts	Poverty Alleviation	141
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	/	/
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Practising Business Ethics	28
	205-2 Communication and training about anti-corruption policies and procedures	Practising Business Ethics, Business Integrity Management	30, 115
	205-3 Confirmed incidents of corruption and actions taken	Practising Business Ethics, Business Integrity Management	31, 115
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Practising Business Ethics	32
GRI 301: Materials	301-1 Materials used by weight or volume	Water Resource and Material Management	91
	301-2 Recycled input materials used	/	/
	301-3 Reclaimed products and their packaging materials	/	/

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 302: Energy	302-1 Energy consumption within the organization	Climate Change and the Energy	86
	302-2 Energy consumption outside of the organization	Climate Change and the Energy	86
	302-3 Energy intensity	Climate Change and the Energy	86
	302-4 Reduction of energy consumption	Climate Change and the Energy	86
	302-5 Reductions in energy requirements of products and services	Climate Change and the Energy	86
GRI 303: Water	303-1 Water withdrawal by source	Water Resource and Material Management	90
	303-2 Water sources significantly affected by withdrawal of water	Not related	/
	303-3 Water recycled and reused	Water Resource and Material Management	90
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	Biodiversity and Animal Welfare	99
	304-2 Significant impacts of activities, products, and services on biodiversity	No significant impacts	/
	304-3 Habitats protected or restored	Biodiversity and Animal Welfare	99
	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	Not related	/
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Climate Change and the Energy	86
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and the Energy	86
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change and the Energy	86
	305-4 GHG emissions intensity	Climate Change and the Energy	86
	305-5 Reduction of GHG emissions	Climate Change and the Energy	86
	305-6 Emissions of ozone-depleting substances (ODS)	Not related	/
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Compliance Emissions	93
GRI 306: Effluents and Waste	306-1 Water discharge by quality and destination	Compliance Emissions	93
	306-2 Waste by type and disposal method	Compliance Emissions	96
	306-3 Significant spills	No related matters occur	/
	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 Supply Chain	113
	308-2 Negative environmental impacts in the supply chain and actions taken	Optimizing Management	111
GRI 401: Employment	401-1 New employee hires and employee turnover	Talent Development Strategy	120
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Creating Happy Work Environment	127
	401-3 Parental leave	/	/
GRI 402: Labor/ Management Relations	402-1 Minimum notice periods regarding operational changes	Strictly follow Countries/Regions Related laws and Regulations	/
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management-worker health and safety committees	/	/
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety First and Health Protection	78
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Safety First and Health Protection	78
	403-4 Health and safety topics covered in formal agreements with trade unions	/	/
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Building a Learning-Oriented Organization	132
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development Strategy, Building a Learning-Oriented Organization	121, 132
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development Strategy	123
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Regulating Corporate Governance, Talent Development Strategy	24, 119
	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	Talent Development Strategy	126
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	127
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainable Supply Chain, Creating Happy Work Environment	113, 127

GRI Standards	Disclosure Title	Section(s)	Pages
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainable Supply Chain, Creating Happy Work Environment	113, 127
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	/	/
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 Supply Chain, Creating Happy Work Environment	113, 127
	412-2 Employee training on human rights policies or procedures	Creating Happy Work Environment	127
	412-3 Significant investment agreements and contracts that	Strengthening Responsibility	103
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Care	139
	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 Supply Chain	113
	414-2 Negative social impacts in the supply chain and actions taken	Practising Business Ethics, Sustainable Supply Chain	31, 113
GRI 415: Public Policy	415-1 Political contributions	No political contributions	/
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Creating Industrial Space	53
	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	Improving Customer Value	65
	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	No incidents of non-compliance	/
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 INDEX

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	Climate Change and the Energy, Compliance Emissions	85, 93
A1.1	The types of emissions and respective emissions data	Compliance Emissions	93
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity	Climate Change and the Energy	86
A1.3	Total hazardous waste produced and, where appropriate, intensity	Compliance Emissions	96
A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Compliance Emissions	96
A1.5	Description of emissions target(s) set and steps taken to achieve them	Climate Change and the Energy, Compliance Emissions	85, 93
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Compliance Emissions	96
A2	Use of Resource		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Climate Change and the Energy, Water Resource and Material Management	86, 90
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Climate Change and the Energy	86
A2.2	Water consumption in total and intensity.	Water Resource and Material Management	90
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate Change and the Energy	86
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resource and Material Management	90
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Water Resource and Material Management	91
A3	The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Biodiversity and Animal Welfare	98
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Biodiversity and Animal Welfare	98

KPI	Description	Section(s)	Pages
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change and the Energy	85
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change and the Energy	85
B1 Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent Development Strategy, Creating Happy Work Environment	119, 127
B1.1	Total workforce by gender, employment type, age group and geographical region.	Talent Development Strategy	119
B1.2	Employee turnover rate by gender, age group and geographical region.	Talent Development Strategy	122
B2 Health and Safety			
General Disclosure	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	75, 78
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	/	/
B2.2	Lost days due to work injury.	Safety First and Health Protection	78
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Strengthening Management System, Safety First and Health Protection	75, 78
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	132
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Building a Learning-Oriented Organization	132
B3.2	The average training hours completed per employee by gender and employee category.	Building a Learning-Oriented Organization	132
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	127
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Creating Happy Work Environment	127
B4.2	Description of steps taken to eliminate such practices when discovered.	No such incidents.	/

KPI	Description	Section(s)	Pages
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Optimizing Management, Sustainable Supply Chain, Business Integrity Management	111, 113, 115
B5.1	Number of suppliers by geographical region.	Optimizing Management	112
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Optimizing Management	111
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Sustainable Supply Chain	113
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain	113
B6 Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and	Industry Operations	49
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Creating Industrial Space	55
B6.2	Number of products and service related complaints received and how they are dealt with.	Improving Customer Value	69
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Creating Industrial Space	52
B6.4	Description of quality assurance process and recall procedures.	Creating Industrial Space	53
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ensuring Information Security	71
B7 Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Practising Business Ethics	28
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.	Practising Business Ethics	31
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Practising Business Ethics	31
B7.3	Description of anti-corruption training provided to directors and staff.	Practising Business Ethics	30
B8 Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Care	139
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Care	139
B8.2	Resources contributed (e.g. money or time) to the focus area.	Care	139

READERS FEEDBACK FORM

Thank you for reading the Group's 2020 ESG Report. In order to provide more valuable information to the Group's stakeholders and improve its ability and level of fulfilling social responsibilities, the Group would welcome any feedback or suggestions you might have about this Report.

You can send this form to any of the following:

E-mail address: esg@fosun.com

How would you rate the Group's 2020 ESG Report?

Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

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

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

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

Excellent Good Fair Poor Terrible

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

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

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

Yes Neutral No

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



FOSUN 复星