

# **2022** ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



















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# Key Performance Highlights<sup>1</sup>

Aspects	KPIs	2022	2021	2020	Unit
Economy	Total assets	823,146.1	806,277.6	767,720.2	RMB Million
	Revenue	175,393.4	161,291.2	136,741.6	RMB Million
	Profit before tax	12,535.6	24,643.8	16,958.0	RMB Million
	Net profit	538.7	10,084.5	7,999.6	RMB Million
	Тах	7,922.7	7,564.7	5,875.8	RMB Million
	Research and development costs	4,911.7	4,193.1	3,004.5	RMB Million
	Research and development costs/ Sales ratio	2.80	2.60	2.20	%
Environmental	Number of member companies obtained the environmental management system certification	22	20	18	Companies
	Number of member companies obtained the energy management system certification	11	6	3	Companies
	EHS inspection times	19,413	20,529	16,812	Times
	EHS training completion rate	100	100	100	%
	Energy consumption intensity	239.0	274.4	324.4	MWh/ RMB Million of Revenue
	GHG emission intensity	95.6	103.9	130.7	Tonnes/ RMB Million of Revenue
	Water consumption intensity	219.1	263.0	292.3	Tonnes/ RMB Million of Revenue
	Green Building Certifications	43	35	29	Certificates

 $^{\rm 1}{\rm It}$  is different from the legal concept of "partner" in partnership enterprises.

<sup>2</sup>Data on the total time of public welfare participation of all employees was first counted in 2022. The total time counted for 2021 and 2020 reflect only those employees working on-site for the Rural Doctors Program.

<sup>1</sup>For detailed disclosure scope of data in environmental and social key performance highlights, please refer to relevant sections in the Report.

# ABOUT THIS REPORT

The Company hereby issues the Environmental, Social and Governance Report 2022 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

The Report is the seventh annual ESG Report released by the Company. The *Environmental, Social and Governance Report 2021* for the previous Reporting Period was released on 27 April 2022.

# 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 2022 to 31 December 2022. Description in some parts of the Report goes beyond the above period.

In accordance with the relevant definition regarding the significant member company in the Listing Rules and the principle of above 2/3 accumulated equity attributable to owners of the parent of the Group, we selected 6 subsidiaries besides the Company to be included in the reporting scope as principle ESG KPIs in this report in all ESG aspects; part of the description is beyond the above-stated reporting scope. The 2022 revenue of subsidiaries finally included in the disclosure scope of this report accounted for more than 81% of the Company's revenue.



In addition, considering that Hainan Mining and Nanjing Iron & Steel have relatively high risk exposure in EHS, the Group also included them into the scope of EHS related contents in this Report.

# Standards of the Report

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

# Principles of the Report

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

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

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

"Consistency": The statistical and KPIs methods used in the Report is consistent with those used in the *Environmental, Social* and *Governance Report 2021*.

"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 2022, which have been independently audited by Ernst & Young, while other data is sourced from internal statistical reports and official documents of the Group. Unless otherwise specified, 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 (<u>https://en.fosun.com/development/</u>), and the Hong Kong Stock Exchange's website (<u>http://www.hkexnews.hk</u>).

# 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\_



Chairman

2022 marked the 30<sup>th</sup> anniversary of Fosun's founding. Looking back on the past and looking forward to the future, we have and always will adhere to our original aspiration of "Self-improvement, Teamwork, Performance, and Contribution to Society". We are committed to making the world a better place because of the presence of Fosun, and proving to the world that good can transcend time and national boundaries.

# Thirty years' cultivation, we doing good.

Fosun, which is rooted in China, has been developing globally. It is one of the few domestic companies that is equipped with global operation and investment capabilities, and has accumulated profound technology and innovation capabilities. The global operation journey of Fosun started in 2007 when Fosun International was listed in Hong Kong. After nearly 16 years, Fosun has continued to deepen and expand the coverage of its global operation strategy. Since 2022, Fosun's global operation strategy has entered the third stage of "global organization + local operations" to foster cross-regional, cross-cultural, and cross-organizational operation capabilities of Fosun's global business ecosystem, thereby providing new impetus for the improvement and expansion of Fosun's industry operations.

After years of hard work and accumulation, Fosun has grown into a global innovation-driven consumer group with a focus on Health, Happiness, Wealth and other business segments in more than 35<sup>1</sup> countries and regions, building a strong development base and accumulating profound development potential. At the same time, we actively undertake corporate social responsibility. Leveraging Fosun's global industrial ecosystem to achieve "multiplying growth", we are dedicated to creating a better world.

As a responsible global citizen, we continue to strengthen sustainable development management, implement and monitor Fosun's ESG strategies and targets. We joined the UN Global Compact in 2014 and are committed to the global commitment of sustainable development. We fully support the ten principles of the UN Global Compact in the fields of human rights, labor, environment, anti-corruption, etc., continuously promote their close integration with our own ESG strategies and actively engage our member companies in the implementation of ESG strategies. Adhering to the principle of "Fosun for Good", we established Fosun Foundation in 2012 and have been continuously devoting ourselves to public welfare by combining our industrial advantages. In addition, we made a formal commitment to society in 2021, that is to "strive to peak carbon emissions by 2028 and achieve carbon neutrality by 2050", supporting the 1.5°C target of the *Paris Agreement* by developing effective climate change mitigation and adaptation strategies.

# Thirty years' standing, we gathering good.

In 2022, despite the difficulties in global development, we still firmly focused on the development of our core businesses and leveraged Fosun's "global operations" and "technology innovation" capabilities to gather good for the world. We continue to follow the innovation-led strategy, build a platform that empowered by technology innovation and global ecosystem, thereby promoting the Group's businesses to achieve innovative results, and delivering Fosun's products and services to more people through our global operating network.

In 2022, we ushered in the "second year" of Fosun carbon neutrality. Facing the increasingly severe challenges of global climate change, we have taken an important step to strengthen Fosun's climate resilience by compiling the TCFD Report, which will be formally published in 2023 to demonstrate our commitment of climate action to international community, and call on all sectors to work together to promote carbon neutrality.

2022 also marked the 10th anniversary of Fosun Foundation. We have put forward a public welfare strategy of "Together for A Better Life". In addition to continuously support emergency and disaster relief, rural revitalization, health promotion, community construction, care for children and youth, education, culture and art and other public welfare actions, we further link Fosun's industrial ecosystem at home and abroad, so that ONE Fosun can gather love and contribute to society.

In 2022, our ESG management work has been widely recognized. During the Reporting Period, Fosun received an AA MSCI ESG Rating and was the only conglomerate in Greater China with such AA rating, and was selected as a constituent of the MSCI CHINA ESG LEADERS 10-40 Index again. Fosun also received a rating of A in the Hang Seng Sustainability Index and has been selected as a constituent stock of the Hang Seng ESG 50 Index for two consecutive years and a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index for three consecutive years; it was selected as one of the constituents of FTSE4Good Index Series for the first time; its S&P CSA ESG score has risen significantly, overperformed 91% of its peers around the world.

<sup>1</sup>Refers to the enterprise whose annual revenue exceeds RMB100 million.

# Thirty years' future, we heading to good.

Thirty years have passed. Standing at a new starting point, we look forward to next better thirty years. In the future, we will use the power of perseverance to overcome all kinds of uncertainties, meet future opportunities and challenges, help more families around the world to achieve Health, Happiness and Wealth, and make China, the world and Fosun better together!

My 7. Y



# **BOARD STATEMENT**

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

## **Governance Framework**

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

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

# Management Approach and Strategy

The Group regularly carries out materiality assessment, conducts extensive and in-depth communication with all stakeholders through various channels, and analyzes, identifies, evaluates and ranks material ESG issues (including risks to the Group's business) of concern to all stakeholders. In 2022, the Group reviewed the materiality assessment results of the previous year and confirmed the impact of the 24 ESG key issues and continued to respond.

Our Board, ESG Board Committee, ESG Executive Committee and ESG Management Committee have conducted active management on a range of material issues, including customer privacy and data security, business integrity and supervision, product quality and safety, climate change mitigation and energy management, employee health and safety, employee interests and caring, customer service and satisfaction, etc. and management approaches to those material issues aforementioned are discussed in detail in the Report. For detailed information about the Company's management approach and strategy, please refer to the sections 2.1 *ESG Strategies* and 2.4 *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 Management Committee conducts periodic reviews on ESG strategies and goals, the progress made against ESG-related goals and achievements. For detailed information about the Company's performance review, please refer to the section 2.1 *ESG Strategies* in the Report.

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





# **Campaign:** Global Layout for A Better Life

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022 / 012

# **Overview of Fosun Global Operation 3.0**

Fosun was founded in 1992. After more than 30 years of development, Fosun has become a global innovation-driven consumer group. Adhering to the mission of creating happier lives for families worldwide, Fosun is committed to creating a global happiness ecosystem fulfilling the needs of one billion families in health, happiness and wealth.

Rooted in China, Fosun has been developing globally. It is one of the few domestic companies that is equipped with global operation and investment capabilities, and has accumulated profound technology and innovation capabilities. The globalization journey of Fosun started in 2007 when Fosun International was listed in Hong Kong. After nearly 16 years, Fosun has continued to deepen and expand the coverage of its global operation strategy. As at the end of the Reporting Period, the Group has established businesses in more than 35<sup>1</sup> countries and regions, and had 43 overseas brand enterprises. Since 2022, Fosun's global operation strategy has entered the third stage of "global organization + local operations" to foster cross-regional, cross-cultural, and cross-organizational operation capabilities of Fosun's global business ecosystem, thereby providing new impetus for the improvement and expansion of Fosun's industry operations.

Compared to the previous model of "mutual empowerment between China and the world" that aimed to complement each other's strengths, Fosun's Global Operation 3.0 strategy takes a holistic approach to the world. Through deepening its global business presence and building a diverse talent pool, Fosun aims to use the most suitable resources to deeply cultivate key areas, accumulate industrial knowledge, attract the highest quality funds, partners, technologies, and talents to create the most competitive products and services. The strategy also aims to achieve mutual empowerment and multiplying growth within the ecosystem.



countries and regions across the world

overseas countries or regions

Fosun Global Organization and Global Operations

internationalization capability

# <sup>1</sup>Refers to the enterprise whose annual revenue exceeds RMB100 million.

 HEALTH + HAPPINESS + ILIEALTH + INTELLIGENT MANUEL • Europet

The year of 2022 marked the 30th anniversary of Fosun's founding. Fosun has been always adhering to the original aspiration of "Self-improvement, Teamwork, Performance, and Contribution to Society". In the course of continuous development, we have leveraged our increasingly sophisticated industrial ecosystem to actively contribute to people's livelihood and public welfare worldwide.

Fosun has incorporated "Business for Good" into the "global organization + local operations" business model. As a result, "Business for Good" has been tightly combined with the cross-regional, cross-cultural and cross-organizational operational capability in Fosun's global industrial ecosystem. On the one hand, Fosun has introduced overseas enterprises with excellent ESG practices into China. With the localization operation capability accumulated over years, Fosun reenergized sustainable products and services and promoted the ecological transition and the replacement of sustainable consumption and production patterns in China. On the other hand, relying on the global operation capability, Fosun has also bring the world with innovative technologies, quality products and best ESG practices of various countries, including China, with a view to creating happier lives for families worldwide.

Fosun cooperates sincerely and works hand in hand with global stakeholders. Fosun has formulated a global business footprint, which shows the mutual connection and transformation between Fosun and the world based on the power of "Business for Good". On the occasion of our 30th anniversary, we would like to share the beautiful ESG ecosystem at Fosun with the readers of the Report and our global stakeholders.



Global Partners



# ESG Stories of Fosun Overseas Ecosystem

Focusing on Sustainable Fashion, Sustainable Tourism and Sustainable Finance, we picked 3 representative overseas member companies that are ESG leaders in their industries respectively with great sustainable impact to share their ESG stories by introducing their ESG strategies, management, as well as their actions under the most talked about ESG issues.



# ) ESG highlights

# Pioneering Sustainable Fashion to a New Mode of Consumption

# Member Tom Tailor

company

Company profile

Tom Tailor is a fashion and lifestyle brand, born and raised in Hamburg, Germany. With more than 13,000 points-of-sale(POS) in 45 countries, Tom Tailor has grown into a brand family. The collections of TOM TAILOR, DENIM TOM TAILOR and TOM TAILOR Kids are inspired by the vision of a modern, casual ease.

# Sustainable development strategy

# **BE PART**

In 2021, Tom Tailor developed a 360° sustainability strategy BE PART. With BE PART, Tom Tailor committed to contribute to a conscious fashion era. To ensure an on-going improvement, the strategy approach, goals and actions are continuously evolved. The BE PART strategy is increasingly important and became the basis of Tom Tailor's corporate strategy. The strategy is built on 7 focus areas.



In 2022, Tom Tailor published its second TOM TAILOR Sustainability Report

# Culture of Consciousness

Change starts with awareness. For Tom Tailor, a culture of consciousness is characterized by awareness, a sustainable mindset, willingness for change for something better, less self-interest and more oriented towards the common good. Initiatives such as the integration of BE PART updates in the monthly townhalls and #TTeam events like clean-ups have been rolled out.

# Fair and Equal Workings Conditions

Even though Tom Tailor doesn't own the factories where the products are produced, but strive to ensure a safe, fair and equal working environment for the people who work there.

• Code of conduct: As a member of amfori, Tom Tailor's suppliers should commit to the amfori BSCI (Business Social Compliance Initiative) code of conduct. Specifically, suppliers are required to accept internal and external audits on their social & environmental impacts. Besides, a "score card" has been developed for Tier 1 suppliers to help them target on performance tracking and improvement.

• Wages: In 2022, Tom Tailor made a wage survey with it's strategic & core suppliers. The goal: transparency about actual paid wages in comparison to legal minimum wages and living wages. The survey result indicates that 24% of the workforce at Tom Tailor's strategic and core suppliers are being paid with living wages.

• Supply chain traceability: Tom Tailor publishes Tier 1 & 2 suppliers already since 2020. Now the aim is to gain even more transparency. By implementing the platform RETRACED, Tom Tailor aims for 100% transparency for every product down to the raw material level by 2025.

# Mindful Product Design

Mindfully designed products mean much more than the use of more sustainable materials. Additionally, the treatments, dyeing processes, trims and the labels are part of designing a product. Tom Tailor aims to continuously improve the environmental impact of its products. E.g. from 2023 onwards brand hangtags won't be used anymore to avoid unnecessary waste.

# **Responsibly Sourced Products**

In 2022, 83% of all products were produced as "more sustainable".

• Material classification: Tom Tailor's material guidelines have been developed based on international standards such as the Higg Materials Sustainability Index (Higg MSI) to define the criteria for "more sustainable materials" and external certification standards must be fulfilled to tag a product with BE PART.

• **3**<sup>rd</sup> **party certification standards**: Authoritative third-party certification is adopted to ensure that products and materials meet "more sustainable" standards. Tom Tailor has set different standard operating procedures for different materials. The precise sustainable information will be communicated to consumers after verification.

• Animal welfare: Tom Tailor has set a 2025 target of "sourcing only wool and other animal fibers that meet strict certification standards. e.g., Responsible Wool Standard (RWS)"

• Green denim material: Suppliers of Tom Tailor are required to evaluate denim jeans in accordance with Jeanologia's environmental impact measurement standards (EIM Score) since 2021. Besides, it has set the target of "100% use of green denim material by 2025." In 2022, 56% of all denim jeans have been evaluated as "green" (low impact).

# Way to Circularity

In 2022, Tom Tailor has started its circularity journey, and organized workshops with <u>circular.fashion</u> to ensure that a basic knowledge about circularity is established. Tom Tailor aims to launch its first circular capsule in autumn/winter 2024.

# Green value chain

In 2021, Tom Tailor evaluated its carbon footprint for the first time (2019 has been determined as the baseline year). In 2022, Tom Tailor committed itself to the science-based target initiative and setting up related goals.

# **Transparent Communication**

For Tom Tailor, transparency is an enabler for being more sustainable. The rule: 'Do what you say and say what you do'.



# Leading Sustainable Tourism, Co-wining with Nature

# Member Club Med company

Company profile

Founded in 1950 in France, Club Med is a world-renowned experiential and one-stop all-inclusive leisure and vacation services provider centered around family, with sales and marketing operations in more than 40 countries and territories on six continents, and operates nearly 70 resorts.



# ESG highlights

# **Green Operation**

28% of the Club Med resorts' total area is located next to nature reserves such as virgin forest and coast, with another 25% located less than 3 km from a reserve. Therefore, Club Med believes that protecting the natural ecosystem is an indispensable responsibility.

• Eco-certification: 97% of eligible resorts have obtained Green Globe certification, with the commitment to promoting the development of sustainable tourism.

• Green catering: Club Med aims to gradually reduce meat supply in the resorts. Club Med is committed to levelling up all resorts in line with the level of food waste at the bestperforming resorts by 2030. From 2025, 50% of resorts will proactively monitor waste reduction (including Winnow-type approach, audit, etc.), and this percentage should reach 100% by 2030.

• Climate action: In 2006, Club Med conducted the firstever Life Cycle Assessment (LCA) of a holiday resort.. In 2018, based on the Science Based Target method, it began researching and developing implementation pathways for reducing CO2 emissions to support the objectives of the Paris Agreement. In 2021 and 2022, Club Med improved its carbon footprint calculation tool and developed a simulator to test different scenarios. In 2022, with the audit and support from EDF (Électricité de France), Club Med began to define the methods for bringing French villages into compliance with the Tertiary Sector Decree of France (-40% energy by 2030, -50% by 2040 and -60% by 2050). These studies will also feed into the work of refining an operational definition of a



# Happy to Care

Since 2005 Club Med set out successive sustainable development roadmaps, the most recent one - "Happy to Care", being launched in 2017 and aiming at integrating the concept of sustainable development into all aspects of resorts operation from social issues to community building and to nature conservation. As of the end of the Reporting Period, 97% of Club Med's eligible<sup>1</sup> resorts have received Green Globe eco-certifications. Club Med has built greener and healthier resort environment by reducing plastic products and food waste. Besides, it has been improving the lives of local residents by accelerating local procurement and implementing the "Green Farmers Project", so as to build a harmonious community.

<sup>1</sup>Eligible resorts include all resorts that have been open for one year or have been closed for no more than two years.



# **Rooted in Community**

Club Med is dedicated to making a positive contribution to the development of countries and regions where it operates. With due respect to local customs, Club Med is keen on promoting local economic and social development, and supporting local production.

• Protecting children with ECPAT: Since 2005, Club Med has signed a partnership agreement with ECPAT, a nongovernmental organization, and has jointly published leaflets or digital information on the anti-sexual exploitation of children, which are regularly made accessible to guests visiting resorts in high-risk areas.

• Club Med Foundation: Founded in 1978, Club Med Foundation mobilizes its people and resources to support public welfare programs where the resorts operate. The foundation is committed to protecting vulnerable children and takes also biodiversity protection as a priority. decarbonisation trajectory (scope 1+2) for Club Med, which was initiated in 2022 and will be continued in 2023. In addition, all French sites (offices and villages) have submitted their plans to reduce energy consumption for the winter of 2022-23, in accordance with the target set for companies by the French government.

• "Bye-Bye Plastic" program: Club Med launched the "Byebye Plastic" project since 2018. This project aims to reduce single-use plastic products in resort bars, restaurants and hotel rooms. Club Med is committed to eliminating 100% of the single-use plastic products in its resorts, and replacing them with reusable and plastic-free alternatives.

• Animal welfare: Based on its *Animal Welfare Policy*, Club Med has been working with external experts and suppliers to fulfill its commitment of animal caring by cancelling animal shows, evaluating suppliers, educating guests, etc.

• Environmental awareness improvement: 49% of Club Med resorts have been running various activities to raise tourists' awareness of environmental protection (including educational garden, jungle and underwater trail tours, animal and plant themed excursions hiking, and handicraft classes).

• Local employment: Club Med provides practical trainings for local employees, helping them to improve occupational skills and increasing the proportion of local employees involved in trainings every year.

• Local procurement: The vast majority of goods purchased by the resorts are sourced from local suppliers. Moreover, Club Med is moving ahead with the "Green Farmers Program". Based on the principles of agroecology, Club Med helps developing small-farm business around its resorts and purchases agricultural products from these farms to promote local economic and social development.



# **WeCare**

To drive ecological and just transition, Fosun Insurance Portugal has defined a new 2025 sustainable development strategy -"WeCare", and put forward the ESG vision of "preparing for the future, strengthening social resilience, and influenced stakeholders positively". The ESG strategy involves 3 key aspects:

### Inclusive society

Create value for all stakeholders to build a fairer and more inclusive society.

### Swift ecological transition

Consider the climate crisis as the core challenge for products, investments, processes, and management of activities.

### Positive business impact

Integrate social and environmental criteria in the investment policy to address social challenges and positively impact the decisions of supply chain.

### Fosun Insurance Portugal has established the sustainable development principles below:

Combining economic prosperity with proactive sustainability measures in business development process;
 Adjusting products to address societal challenges and opportunities;

- Internal inclusion and ecological transformation;
- Building a highly transparent corporate governance structure that values sustainable development and enables the long-lasting environmental and social benefits for its stakeholders.

# Responsible Product

Fosun Insurance Portugal is intent on positively impacting stakeholders through its products and services to enhance social resilience.'

• Health products: "Multicare" provides patients with services such as 24x7 online medical consultation, free medicine delivery, psychological consultation, and COVID-19 vaccination shuttles. Besides, a "multi-caring space" has been set up in Angola to provide local residents with primary healthcare consultations, micro-credit, low-cost insurance, etc.

• Finance products: Fosun Insurance Portugal encourages savings by providing simple savings and investment solutions

# ESG highlights

# **Responsible Investment**

With growing emphasis on ESG considerations in its investment strategy, Fosun Insurance Portugal has assessed the general sustainable development level of the targeted investees, identified their ESG policies, and conducted longterm supervision on the ESG performance of its investment portfolio. Fosun Insurance Portugal has launched several financial products that comply with the UN SDGs and the Principles for Responsible Investment. Those products exclude industries that are controversial, have a negative impact on environment, or do not comply with UN Global Compact principles relating to human rights, work, environment, and corruption.

Fosun Insurance Portugal's responsible investment targets include: Completing ESG standards review of all products and asset portfolios by 2025.

# **Responsible Operation**

Fosun Insurance Portugal has made a commitment to achieve carbon neutrality in operations by 2025 (including Scope 1 & 2 GHG emissions and part of Scope 3 GHG emissions). Therefore, it takes strong measures to reduce GHG emissions. and sets emission reduction targets with 2019 as the base year;

Fosun Insurance Portugal led the establishment of the Portugal Forest Fund and invested in quality forests in Portugal. Fosun Insurance Portugal employs professional and experienced organizations to assist in forest management, which not only generates stable economic benefits from forest products, but also obtains high-quality carbon sink points.

for clients through the "MySavings" app. It has invested heavily in ESG-related assets, and raised clients' awareness of responsible investment, so as to enhance social resilience.

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

# ESG Stars of Fosun Global Ecosystem

ESG stars are those exerting positive ESG impact. A number of Fosun's overseas member companies have industry-leading ESG practices. Based on 4 industrial dimensions of "Health, Happiness, Wealth, and Intelligent Manufacturing", we explore how enterprises can create happiness in various aspects, finding and lighting Fosun ESG starlight globally through SDGs "labeling".

Member company	GUILIN Pharma	Guilin Pharma was founded in 1958. Over the years, it has focused on the research and development, production, and sales of artemisinin-based drugs and antimalarial products, radiating in the fields of anti-infection, cardiovascular, and digestive systems.
Located in	China	As of the end of Reporting Period, Guilin Pharma has had 30 antimalarial pharmaceutical products prequalified for production by the WHO (WHOPQ), and became an antimalarial product manufacturer which received the most such certification. Guilin Pharma has the Artesun <sup>®</sup> (Artesunate for
ESG highlights	Building a "malaria-free world"	<ul> <li>Injection), a proprietary innovative drug with full intellectual property, which has been recommended by WHO for the treatment of severe malaria and has now become the international gold standard for the treatment of severe malaria and is known as the "malaria fighter". Guilin Pharma has introduced</li> <li>international advanced technology and equipment in accordance with the current GMP requirements of the US FDA, the EU, and the WHO, to build an</li> </ul>
SDG addressed	3 GOOD HEALTH 	artemisinin industry base that meets international standards. According to dosage calculations, the injectable Artesun® produced by Guilin Pharma has saved the lives of over 56 million African malaria patients, most of whom are children under 5 years old.
Member company	Gland Pharma	Established in 1978, Gland Pharma mainly engages in the production and manufacturing of injectable drugs, which is the first US FDA-approved injection drug manufacturing company in India.
	Gland Pharma India	manufacturing of injectable drugs, which is the first US FDA-approved injection drug manufacturing company in India. As one of the largest and fastest growing generic injection manufacturing companies in India, Gland Pharma has consistent compliance track record, and production facilities certified by multiple regulators worldwide. Gland
company		manufacturing of injectable drugs, which is the first US FDA-approved injection drug manufacturing company in India. As one of the largest and fastest growing generic injection manufacturing companies in India, Gland Pharma has consistent compliance track record,

# Happiness Member St Hubert company Located in France ESG Organic food highlights materials. SDG addressed consumers Member Wolford brand. company Located in Austria ESG "Cradle to Cradle" highlights SDG addressed technologically recyclable".

St Hubert is a health food brand founded in 1904. It mainly produces and sells all kinds of healthy plant-based products and has long been in a leading position in French and Italian markets.

At least 95% of St Hubert's products are organically planted. It is a pioneer in innovative healthy food, with strong technology R&D and innovation capabilities. In recent years, St Hubert has been launching products free from palm oil and additives. Additionally, it has partnered with local small and medium-sized suppliers to create a 100% certified and traceable organic supply chain, aiming at continuously bringing more nutritious and healthy food to consumers. Meanwhile, St Hubert has shouldered environmental and social responsibilities by actively adopting certificated recyclable packing

Since joining Fosun in 2018, St Hubert has accelerated the expansion of the international market, especially the Chinese market with great potential. So far, it has launched a series of healthy plant milk, with plans to offer more quality options to meet strong demand for healthy food among Chinese

Founded in 1950, Wolford is a market leader as an Austrian luxury skin wear

Wolford has the leading production standards and manufacturing techniques in Europe and even the world, focusing on fabric R&D and seamless knitting. Furthermore, it is the world's first company in the textile industry to obtain the "Cradle to Cradle Certified®" gold certification for both the biological and technical circle. Wolford focuses on the sustainability of raw materials and selects suppliers in strict accordance with OEKO-TEX® and REACH that fully meet ecological and social standards. Moreover Wolford is a bluesign system partner since 2015. Through this partnership Wolford increases the sustainability performance of the products and minimizes negative impacts on people and the environment. Wolford uses materials that are safe for humans and the environment, and can be safely recycled. Besides, it has taken renewable energies, water conservation and social responsibility into consideration during producing. Wolford's current sustainable strategic target is "50% of products to be recyclable by 2025, either biodegradable or technologically recyclable".

# 😡 Wealth

Member company	Fosun Hive	Fosun Hive focuses on the needs for industrial upgrading in urban development, and relies on Fosun's global industrial layout to provide diversified, multi-form and multi-level customized industrial development solutions.	
Located in	China	With "Hive City + Global Layout" as its core strategy, Fosun Hive committed to becoming the world's leading hive city practitioner. Combining Fosun's outstanding full-chain property development capability and abundant industrial resources, the "Hive City" creatively provides a more practical	
ESG highlights	Smart city	<ul> <li>city-industry integration upgrade solution and high-quality products and services, and integrates Fosun's "Health, Happiness, Wealth and Intelligent Manufacturing" ecosystem. As of now, Fosun Hive has formed a wide rage, multi-format and full-strategy global layout with platforms and assets in nearly 40 gateway cities across 4 continents (Asia, Europe, North America and Courth America). In the control is presented (wared partly 170).</li> </ul>	
SDG addressed	11 SUSTAINABLE CITIES	and South America). In this context, it has managed/owned nearly projects. Besides, Fosun Hive has set up a number of local platform te with industrial investment and asset management capabilities in first cities around the world such as New York, Tokyo, and London.	
Member company	HAL	HAL is a German private bank founded in 1852, whose business covers wealth management, asset management and provision of personalized banking solutions for private, institutional and corporate clients.	
	HAL Germany	management, asset management and provision of personalized banking solutions for private, institutional and corporate clients. HAL sees "SHEconomy" as an absolute prerequisite for creativity, innovation and courage. In this regard, it empowers female employees in all aspects, and promotes the financial self-determination of female employees in	
company		management, asset management and provision of personalized banking solutions for private, institutional and corporate clients. HAL sees "SHEconomy" as an absolute prerequisite for creativity, innovation and courage. In this regard, it empowers female employees in all aspects,	

# 的 Intelligent Manufacturing

Member company	JEVE	Established in 200 and is one of the f industry for new er
Located in	China Green, safe and	To become a first JEVE built a team of traditional aut technologies. With has helped JEVE fi
ESG highlights	intelligent new energy solutions	development capa battery system, au capabilities can mu plug-in hybrid ele technologies, JEV
SDG addressed	13 climate	platform and the s and verification re from raw materials 9001, IATF 16949, has established a OEMs at home and
Member company	FFT	
	FFT Germany	With a history of n FFT is a model enter automated produ
company		Founded in 1974, I largest industrial a With a history of m FFT is a model ente automated produ smart factory sol States, and China automotive custo Sweden and Germa
company Located in ESG	Germany Promoting industrial	With a history of m FFT is a model enter automated produ smart factory sol States, and China automotive custo

009, JEVE focuses on new energy power and energy storage, e first Chinese enterprises to enter the power lithium battery energy passenger vehicles.

t-class global green energy system solution provider, that deeply integrates the operation and management to parts companies and the emerging electrochemical th the experience of the manufacturing industry, the team firmly embrace the new energy industry. JEVE has complete ability of unit cell, battery management system (BMS) and and simulation capability of whole product system. These neet the needs of battery electric vehicles, hybrid vehicles, ectric vehicles, energy storage, etc. With in-house core VE has established fully functional trial production test software platform. These platforms can meet the design requirements of the whole product development process s, batteries, BMS to system. Moreover, JEVE has passed ISO , ISO 14001, ISO 45001 and other system certifications, and a good supporting relationship with a number of well-known d abroad.

4, Eason Technology's member company FFT is one of the l automation solution providers in the world.

f more than 50 years, Eason Technology's member company nterprise in Germany's Industry 4.0 initiative, providing flexible duction lines, customized engineering design and various colutions to first-tier auto makers in Germany, the United na. Additionally, it provides automation solutions for nontomers from many countries, including the United States, many.

need continuous transformation and upgrading since joining Except maintaining a strong connection with traditional ers, it has successfully opened up the self-owned auto brand ield of automation, it has expanded business in emerging as general assembly, construction machinery and electric or new energy batteries, and further developed its digital twin a.

# Listen to Fosuners' Good Hopes

# Group Overall Guidance

# Wang Qunbin

Executive Director and Co-Chairman of Fosun International

Fosun International's ESG efforts have been recognized by globally renowned institutions, for example, Fosun has received an ESG rating of AA from MSCI, we are the only conglomerate in Greater China to receive a double-A rating from the rating agency to date. We will continue to implement our "global organization + local operations" strategy, combining the core values of overseas brands with Chinese culture through our excellent localized operations, so as to provide unique experiences for domestic consumers. At the same time, we will use our global operation capability to bring more high quality Chinese products and services to the world, thereby promoting more positive values and ESG concepts worldwide. In the future, Fosun will continue to prioritize ESG management, embodying our original entrepreneurial spirit of "Selfimprovement, Teamwork, Performance, and Contribution to Society," and assuming more social responsibilities in corporate development.



# Chen Qiyu

Executive Director and Co-CEO of Fosun International

In order to promote the sustainable development of Fosun, the Group has established a top-down, long-term ESG improvement mechanism aimed at further enhancing the ESG performance of the Group and its subsidiaries. Fosun considers ESG management performance as one of the evaluation factors in the performance and remuneration assessment process of executive directors, continues to benchmark itself with various international companies with good ESG practices, and communicates timely and transparently with rating agencies. In the future, Fosun will adhere to its strategic focus, leveraging Fosun's advantages to deepen its core businesses with global competitiveness, so as to drive faster and better development of the Group. Fosun will also join hands with customers, partners, investors, and all parties in the society to create a happiness ecosystem and share happiness and the value of Fosun, endeavouring to extend human's life expectancy to 121 years.



### Xu Xiaoliang Executive Director and Co-CEO of Fosun International

Fosun started early in its work on ESG, which is related to the Group's genes and culture. From the beginning of its foundation, Fosun has clearly defined its original aspiration of "Contribution to Society", aiming not only to create commercial value but also more social value, with a view to pursuing business for good. As a global enterprise, Fosun attaches great importance to evaluating its own development against global standards, among which ESG is an important criterion. Fosun joined the United Nations Global Compact and the China ESG Leaders Association long ago, actively promoting the development of ESG throughout the Group. In the future, Fosun will further solidify its global operation capability, deeply develop the oriental lifestyle aesthetics, so as to create more healthy, happy and wealthy products for global families. Fosun will continue to focus on issues such as carbon neutrality, biodiversity, energy conservation, and emission reduction, assuming its responsibilities as a global enterprise using its global influence.



### Lee Kai-Fu

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

Today, more and more companies are taking ESG into consideration and implementing related measures, demonstrating that ESG are globally recognized as central to corporate success. Under the current development trend of ESG expectations and requirements, Fosun has the courage to innovate and actively meet new challenges in the future, and set foot on the journey of ESG together with Fosun enterprises within its ecosystem at home and abroad. We will continue to promote industry transformation and upgrading, optimize the professional training system, link the global innovation force, and serve the global family with higher efficiency and accuracy, so as to deliver health and happiness.

# Li Haifeng

Chairman of Shanghai Fosun Foundation

Fosun's whole industrial ecosystem is the cornerstone of Fosun's public welfare undertakings. Since its establishment ten years ago, Fosun Foundation has made steady progress in the fields of global emergency assistance, health, rural revitalization, youth entrepreneurship, education and other philanthropic activities, fulfilling its commitment to public welfare. Through Fosun Trade, we also help worldwide middle and small-sized enterprises to have the opportunity and ability to integrate global resources, so as to fully meet the needs of global family customers. In the future, we will continue to rely on Fosun's industrial advantages to carry out global and innovative public welfare activities, so that more Fosun employees and partners can participate in and share good with the whole society.





# Listen to Fosuners' Good Hopes

# **Global Ecosystem Response**

Agnès Weil

Director of Sustainability and Philanthropy at Club Med

Club Med is Fosun's first global brand, operating more than 70 resorts and covering customers in over 35 countries and regions. We are a pioneer for establishing the Club Med Foundation in 1978 to mobilize our employees and resources to develop the areas where our resorts operate. In 2022, our employees were involved in nearly 250 projects of the Foundation in 20 countries.

# **Club Med**<sup></sup>

Juliane Nowakowski

Head of Sustainability & Corporate Responsibility at Tom Tailor

It's the #TTEAM, people across all departments, that drives sustainability in our organization. We inspire each other. We are here to make a difference. Everyone of us is supposed to acts as a role model with respect to sustainable actions. Actions which have an impact on our PEOPLE, the PLANET and the PROGRESS, while maximizing transparency and traceability.

We launched our sustainability strategy in 2021. We set the base, we made successful first steps, we went for lasting changes. Now, with a specialized team, we can accelerate our actions.

Faster. Further. For a better future. For 2023, we as a #TTEAM concentrate on three major commitments:

- TRANSPARENCY because we want know who is contributing to make our clothes down to the raw material
- PLANET in order to reduce our environmental impact caused by our business

• CIRCULARITY to make an impact on our consumption behaviour

**TOM TAILOR** 

Oykü Kurtoqlu

Director of ESG & Sustainable Development at PAREF

"Create MORE" represents PAREF's ESG vision to be a responsible and committed company that contributes more to society. As real estate industry is responsible for 39% of carbon emissions on a global scale, its role in climate change is crucial. Meanwhile, as stakeholders, including investors, have huge interest in the real estate sector, we are facing more and more sustainability requirements from the real estate and financial sectors in Europe. To this end, we will closely follow up the development trend of sustainable finance and ESG, and will continue to pay attention to sustainable living environment and sustainable financial products in the future.

As the greatest environmental and social challenges require a "collective" response, PAREF is an active member of national and international commissions and working groups. PAREF is a signatory to the United Nations Global Compact initiatives and the Principles for Responsible Investment (PRI) as part of our ongoing efforts to foster sustainable investment across the Group.



Patricia Georgi Director of ESG at HAL

One of our advantages in ESG management compared to our peers is governance. With the strong support of the Board, we have developed a clear ESG strategic path, defining key elements from the market, regulatory, and organizational dimensions. We will focus on business and direct financial flows to support the transition to a sustainable economy; meet regulatory requirements to avoid relevant management risks; work with ESG related organizations to continuously increase impact. Our latest ESG initiative is calculating Scope 1, 2 and 3 GHG emissions, and will continue to work on reducing GHG emissions from operations.

# João Andre Dias Mestre

Director of the Sustainable Development Office at Fosun Insurance Portugal

As one of the oldest insurance companies in Europe, we not only provide our customers with the best insurance services, but also actively undertake our social responsibility to protect customers' assets, maintain social stability, and provide customers with innovative products. In the future, we will continue to work around the three ESG pillars, with "S" - Social as our primary axis, to support overall social resilience to meet the most urgent social needs, such as health precautions, financial resilience, social inclusion, etc.









# O1 An Introduction to Fosun -Celebrating the 30th Anniversary and Sharing Happiness



# 11 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

Throughout its three decades of development, the Group has remained true to its original aspiration of "Contribution to Society". In response to the macroeconomic situation and opportunities arisen from industries, the Group has grown together with the Chinese and global economies into a global innovation driven consumer group that focuses on the development of business segments such as Health, Happiness and Wealth. The Group has accumulated profound experience and built up capabilities in the fields of global operations, technology and innovation, business ecosystem and FES<sup>1</sup> management system. The Group has also built up its core asset base that could bring stable, synergistic and sustainable growth. The Group presses ahead with the "profound industry operations + industrial investment" strategy to continuously accelerate its strategic focus, continue to lay a solid foundation for its business development, and provide high-quality products and services to families around the world while enhancing its global competitiveness.

# HEALTH SEGMENT

The Health segment of the Group focuses on the ecosystem of pharmaceutical, devices & diagnosis, healthcare services and products, and adheres to the "4IN" strategy (Innovation, Internationalization, Integration, Intelligentization) to continuously improve its product competitiveness and brand values.

# HAPPINESS SEGMENT

The Group targets the consumption needs of family customers in the happiness aspect. Through the twin-driver strategy of "profound industry operations + industrial investment", the Group builds a globalized happiness ecosystem covering the whole value chain of the industry. Centering on brand consumption and tourism and leisure, the Group actively organizes teams of people, creates goods and arranges venues to meet customer needs directly. The platforms for brand consumption business include Yuyuan, Lanvin Group and Fosun Sports, which engage in businesses such as jewelry and fashion, liquor and spirits, C-end platforms, fashion brands, food, catering, beauty and health, sports, cultural business and pet care. Meanwhile, FTG is the platform for the tourism and leisure business, engaging in businesses such as the operation of tourism destinations, resort and hotels, services and solutions in tourism and leisure settings.

# WEALTH SEGMENT

The Group's Wealth segment mainly consists of financial services with insurance as the core business. On the basis of achieving synergy between insurance and industrial asset allocation, it leverages the Group's profound industry operations capability and global investment capability to build an ecosystem of its global asset management businesses, to help the Group's Health, Happiness and Intelligent Manufacturing segments achieve industrial enhancement.

# ■ INTELLIGENT MANUFACTURING SEGMENT

The Group's Intelligent Manufacturing segment mainly focus on mineral oil and gas resources and intelligent manufacturing, and actively expand relevant industries with high added value of technology, such as fields of new materials and smart mobility. The Group's mineral oil and gas resources business, represented by Hainan Mining, continues to maintain rapid growth under the cycle of continuous global commodity boom. At the same time, with the vigorous development of intelligent manufacturing services represented by Easun Technology, other companies under the Group's Intelligent Manufacturing segment are expected to benefit of the growth of rapid development of the industry.

Please refer to the 2022 Annual Report for detailed business performance and prospects.

<sup>1</sup>Fosun Entrepreneurship/Ecosystem System ("FES") is a business management system that has evolved in practice to build the core competitiveness of a century-old company and to develop talents with Fosun's entrepreneurial spirit.

# 1.1.3 Industry Associations

The Company and member companies respond 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 one of the leaders in ESG development and practice in the industry.

- The United Nations Global Compact
- China Business Council for Sustainable Development
- China ESG Leaders Association

### China Pharmaceutical Industry Association

- China Pharmaceutical Enterprises Association
- China Medical Pharmaceutical Material Association
- China Nonprescription Medicines Association

### • Human Phenome Consortium of China

# Wealth segment

Health

segment

- APS (Associação Portuguesa de Seguradores)
- Insurance Association of China
- International Mathematical Union



### Fosun International

- Enterprise Anti-Fraud Alliance
- China Institute of Internal Audit
- Sino Israel Technology Innovations
- Shanghai Artificial Intelligence Technology Association



# 1.1.4 Awards & Accolades

Name of award	Awarding party	Prize winner
Ranked third in the "Best ESG" buy side vote in the "2022 All - Asia Executive Team ".	Institutional Investor	Fosun International
Listed in "2022 China ESG 50"	Forbes	Fosun International
The 12th Asian Excellence Award - Asia's Best CSR	Corporate Governance Asia	Fosun International
ESG & Sustainable Award - Best Sustainable Development Company Asia 2022	Global Banking and Finance Review	Fosun International
Corporate Social Responsibility Award - Best CSR Company Asia 2022	Global Banking and Finance Review	Fosun International
ESG Leading Enterprise Award - Market Capitalization over HK\$20 Billion and ESG Leading Social Initiative Award	Bloomberg Businessweek / Chinese version	Fosun International
2022 Best Annual Reports Award - Excellence Award in Environmental, Social and Governance Reporting	The Hong Kong Management Association (HKMA)	Fosun International
ESG Benchmark Awards – The ESG Leader Silver Award	Institute of ESG & Benchmark (IESGB)	Fosun International
Top 10 Private Corporations in China CSR Development Index 2022	Blue Book of Corporate Social Responsibility (2022)	Fosun International
Shanghai Charity Award - Charity Project and Charity Trust Award	Shanghai Municipal Government	Rural Doctors Project
Shanghai Brand Social Organization Project	Shanghai Social Organization Service Center	Rural Doctors Project
Annual Contribution to Rural Revitalization	Southern Weekend	Shanghai Fosun Foundation

# 1.2 Regulating Corporate Governance

# 1.2.1 Optimizing Governance

The Group is committed to safeguarding shareholders' interests, enhance corporate value, and practice corporate responsibility through high-standard corporate governance and ethical business operations.

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

8 Q<sup>7</sup>Q As of the issue date of the Report, there were 15 directors on the Board of the Company, of whom 7 are executive directors, **3** are non-executive directors and 5 are independent non-executive

directors.



The Audit Committee, Remuneration Committee, Nomination Committee and ESG Board Committee of the Company are all composed of the Independent Non-Executive Directors. The committee members all have relevant industry experience and background and are regularly trained to maintain their competency. In addition, each committee member is entitled with sufficient resources when performing his/her duties and can seek independent professional advice when appropriate. Since listed, the Company's Independent Auditor's Report has been issued by external audit firm Ernst & Young for 16 years. The Company sets out the requirement of the rotation of the audit engagement partner for independence in the Policy for the Selection, Appointment and Rotation of External Auditors, requiring the audit engagement partner to rotate at least every seven years. Selection criteria and procedures are in place for candidates for the position of the Company's external auditor to ensure, to the extent possible, that external auditors with appropriate expertise, knowledge and experience are appointed.



# Diversified Governance

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

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

During the Reporting Period, the Nomination Committee reviewed the implementation of the *Eosun International Limited Board Diversity Policy*, and believed that the existing Board composition provided the Company with balanced and diversified skills and experience catering for the Company's businesses. As of the end of the Reporting Period, the Board appointed 1 female Director.

# Performance and Remuneration

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

To continuously drive Fosun's sustainable development, the Company established ESG performance-related remuneration assessment mechanism to link the Board and senior management's remuneration to their ESG performance. For Executive Directors, "ESG performance indicators" account for 10% of overall indicators in the performance appraisal. The "ESG performance indicators" include ESG rating, responsible investment management, carbon neutrality management, and ESG risk management, which are updated based on industry characteristics.

The Company has established a scientific short-, medium-, and long-term incentive mechanism for the CEO and senior management. At the same time, the Company properly controls the remuneration risks of the Board and senior management with the aid of a series of mid-term and long-term payment deferral mechanisms and clawback mechanisms. The Group specifies punitive measures on violations in relevant policies. In case of embezzlement, bribery, corruption, dereliction of duty and other acts that cause losses to Fosun's interests or damage the reputation of Fosun, violators will no longer be entitled to any bonus, and shall pay compensation for the losses herein and be held liable as and when necessary. We also manage unknown risks through other remuneration policies, for instance, reserving 10% of the incentives to the risk pool, deferring excess incentive bonus (over three years) and offering restricted stock with long-term vesting. Please refer to section 7. *Cathering Talents to Achieve Excellence* in this Report for detailed information.

# Tax Transparency

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

# 1.2.2 Enterprise Risk Management

The Group has established risk management and internal monitoring systems targeted for risk control. With reference to relevant international risk management frameworks, we have established a sound comprehensive risk management system. In this regard, we have formulated and issued the *Fosun Group Guidance on Enterprise Risk Management*. During the Reporting Period, we revised the *Fosun Group Risk Reporting Policy* to improve the risk management of the member companies. Besides, we added a number of management guidelines based on the original polices to improve the risk management system of the Group's member companies.

# Risk Framework

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

The Audit Department of the Company is responsible for monitoring the stable and proper operation and real-time improvement of the risk management and internal control systems. Based on the audit strategy and annual audit plan of the Company, the Audit Department conducts independent



# Risk Management Framework

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

### The First Line of Defense - Business Departments

The first line of defense is the business units and departments, which identify, assess, respond to, monitor and report risks at the business front end.

# The Second Line of Defense - Functional Departments

The second line of defense is the Legal, Compliance, Finance, Human Resources, Quality, Safety, Risk Management and other functional departments. These departments assist business units and departments in fulfilling risk control functions, namely, ex-ante assessment, in-process management and ex-post alignment. review, and assesses the adequacy and effectiveness of the current risk management and internal control systems on an annual basis. Moreover, the Audit Department reports the results of the review and assessment to the Audit Committee.

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

### The Third Line of Defense - Audit Department

The third line of defense is the Audit Department, which monitors the risk management systems and processes of the Group, as well as control procedures and activities of various risks. The Audit Department also regularly reports to the Audit Committee.

# The Fourth Line of Defense - Anti-Corruption and Supervision Department

The Anti-Corruption and Supervision Department is established to specialize in investigation and handling of cases of malpractices (i.e., employee corruption, abuse of power or dereliction of duty) among staff in an independent, impartial and keen manner. Please refer to the section 1.3.1 <u>Anti-Corruption and Supervision</u> in this Report for detailed information.

# Risk Management Mechanism

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



PDCA cycle	Progress made in 2022
Plan: Risk identification and assessment	In 2022, we identified and included ESG risks (such as climate risks) and emerging risks in the Group's risk assessment.
Do: Risk audit	During the Reporting Period, the Group's Audit Line completed 426 audit projects and identified 470 major risks, mainly in areas of procurement management, project management and compliance risk.
Check: Risk communication and improvement	In response to major common problems found in the audit, the Audit Line works with the management to review and formulate management improvement measures, and supervises the rectification of internal control deficiencies.
Act: Risk management optimization	Further optimize the risk framework and risk matrix. Include sustainability factors, ESG risks and emerging risks in the <u>Fosun Group Guidance on Enterprise</u> <u>Risk Management</u> . Formulate and revise other risk management guidelines.

# Risk Culture Building

The Group organizes appropriate risk management training for staff at all levels to enhance their risk management awareness and capability. Meanwhile, we aim to cultivate risk control experts by enhancing their capabilities of risk analysis and assessment through those trainings.

Risk assessment and responsibility mechanism	<ul> <li>Link risk management to the perform</li> <li>Require all employees to implement for Reward and Punishment of Fosur</li> <li>Cultivate risk culture with financial in for Motivating the Risk Control Line of</li> </ul>
Risk awareness enhancement	<ul> <li>Organize appropriate risk managem</li> <li>Organize diversified risk and complia and risk quizzes</li> <li>Set up the "Loss Recovery Award excellent performers to recognize the</li> </ul>
	<ul> <li>In addition to our <u>Global Whistleb</u> <u>Hotline</u></li> <li>This hotline is anonymous and av suppliers and others in a business potential risk control deficiencies or</li> </ul>
Risk management capabilities improvement	<ul> <li>Take technical measures to carry of database for business risk control a special risk audits (e.g. IT audits and</li> <li>Establish a regular on-site meeting from core finance member companie</li> </ul>

# Compliance Culture Week

The Group has continued to enhance the risk and compliance awareness of employees through various creative compliance culture activities such as orientation training, themed training on compliance, irregular update of compliance FAQ and upgrading of the i-compliance platform on the mobile Ding Talk app.

In November 2022, the Company held a week-long compliance culture event for all employees, which featured a variety of compliance and risk awareness-raising activities, including morning assembly, compliance tips, compliance practices Q&A, lunchtime sharing sessions and compliance quizzes challenge. This "Compliance Culture Week" successfully sparked employees' interest in learning and participating in risk control knowledge activities, and effectively reinforced the risk culture within the Group.



"Compliance Culture Week" Poster



ormance appraisal for senior management

nent risk management based on *the Management Regulations* sun Group

al incentives based on the *Reward and Punishment Mechanism ne to Recover Losses of Fosun Group* 

ement training for staff at all levels

pliance education activities, such as compliance culture weeks

ard for the Best Risk Control Line" in the annual selection of e the team that excels in risk control and loss recovery

leblowing Platform, we have launched a Risks & Compliance

I available to all employees, as well as clients, contractors, ss relationship with Fosun. By doing so, we proactively identify s or misconduct

y out comprehensive risk analysis and assessment, establish ol and response, and enhance the capabilities and methods of and fraud audits)

ing mechanism that involves the risk management backbones anies and the Group's Risk Management Department

# Emerging Risk Identification

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

During the Reporting Period, we conducted a new round of assessment and analysis based on the identification results of emerging risks in 2021. The identification results were the risk relating to inadequate climate actions and the risk of changes in consumer behavior in the post-pandemic era.

### Risk relating to inadequate climate actions

As global warming continues to worsen, both physical and transition risks associated with climate change will have a detrimental effect on the Group's business operations and financial value. Being a global enterprise, Fosun is actively engaged in climate risk identification, and climate change mitigation and adaptation. Please refer to the Fosun International 2022 TCFD Report. for further details.

### Risk of changes in consumer behaviors in post-pandemic era

### Risk profile:

As the COVID-19-related risks decrease, the post-pandemic era has arrived. However, the economic and social impact of the pandemic in the past three years will not disappear in the short run. For example, the spending habits have changed for consumption as a result of the pandemic will continue for a long time to come and shape consumption habits in the long-run, such as relying more on online consumption, and focusing on health products, as well as saving and financial management.

### Risk impact:

1. Due to the closure of shopping malls and consumers' concerns about the spread of the virus during the pandemic, shopping channels such as livestreaming sales and community group buying were gaining ground. In the post-pandemic era, such emerging channels remain important in consumption. Failure to leverage these channels may affect the diversity of the Group's marketing channels, resulting in a decline in product awareness and sales.

2. Consumers have shown long-standing concern for their health due to the pandemic, and become accustomed to storing up common medicines and basic medical equipment at home. Moreover, they tend to spend more on healthy lifestyle products and services.

3. With the rising awareness of green consumption, consumers are preferring green products as they tend to consider the impact of products on ecological environment.

4. Given concerns about potential major uncertainties in the post-pandemic era, consumers remain cautious about their consumption, for example, making more efforts to manage savings and finance. If we fail to provide healthy, green, or financial products that meet consumer needs, our brand reputation and product sales may be affected, which has a negative impact on our revenue.

## **Risk mitigation**:

The Group keeps a close eye on changes in consumer behaviors in the post-pandemic era. We analyze and evaluate the trends of consumer behavior changes through consumer interviews, customer feedback, big data analysis, peer research. etc. Then, we formulate strategies based on the evaluation results, and take tailored measures to respond to changing consumer behaviors. We also regularly review our action plans to assess the effectiveness of measures to comprehensively and effectively manage relevant risks associated with changes in consumer behavior in the postpandemic era.

In recent years, Fosun has continuously explored digital empowerment in its industry operations. During the Reporting Period, the Group established a Digital Intelligence Committee to integrate and upgrade the digital achievements of various member companies, and effectively manage both online and offline business operations. The Group also has a proactive and forward-looking approach towards making the Fosun industrial ecosystem more efficient and agile.

# **Fosun Pharma**

• As of the end of the Reporting Period, Fosun Health has obtained 10 Internet hospitals licenses. Some key member hospitals have launched the digital cloud HIS and dual SaaS platforms for Internet hospitals.

• Through digital infrastructure, the online and offline scenes inside and outside the hospital are connected, focusing on professional medical capabilities to provide services such as specialized disease treatment and insurance empowerment.

# Yuyuan

• Continuously building the "1+1+1" strategy of "family happiness consumption industry + urban industry landmarks + online and offline membership and service platforms".

# ESG Risk Management

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

We use risk management tools like sensitivity analysis, scenario analysis and stress testing to effectively identify, assess and manage specific ESG risks. For more information about the Group's practices for addressing climate change risks, please refer to the Fosun International 2022 TCFD Report.

# 1.2.3 Public Opinion Management

To forestall various potential crisis and address various emergencies, the Group has established a crisis and public opinion management system to comprehensively enhance Fosun's crisis management capability. We have formulated the Guidelines on Crisis Management, clarifying the types of crisis, assessment and classification, management principles and procedures, management evolution direction and working mechanism of Management Committee etc., and standardizing the crisis management of the Group and member companies.

The Company has established a Crisis Management Committee. The Committee is responsible for coordinating Fosun's overall crisis management. The Secretariat is set up under the Crisis Management Committee, being responsible for the daily operation of the committee. Specifically, the Secretariat guides member companies to establish corresponding crisis management institutions as well as sets up special management teams for different sectors to promote the investigation, resolution and external disclosure of the crisis. Meanwhile, the Secretariat reviews its past initiatives and proposes enhancement procedures and formulates effective measures to prevent the crisis.

We actively urge various business groups and core member companies to establish crisis management systems. Meanwhile, we have sharpened up the ability to prevent crisis events by means of risk-based self-inspection, potential crisis monitoring, crisis reporting/forecasting within Fosun's member companies. We have also 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.

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





# 1.3 Practicing Business Ethics

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

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

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

Guo Guangchang, Chairman

# 1.3.1 Anti-Corruption and Supervision

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

# Anti-Corruption and Supervision System

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

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

The Group regularly conducts risk assessments and reviews by way of traffic lights. Main businesses of industrial groups and enterprises are classified by the industry operation committees to identify fraud risk points in each type of enterprises, with the frequency of occurrence and possible losses classified based on the classification principle of 3 different colors, that is, red light for high-frequency and highloss risk points, green light for low-frequency and low-loss risk points, and amber light for other scenarios. For the high-

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

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

In 2022, the Anti-Corruption and Supervision Department had conducted anti-corruption work in both targeted and comprehensive ways. In addition to comprehensive examination and random inspections of risk points, we delved deeper into fraud clues and fully tapped into internal and external investigation resources to investigate open cases. During the Reporting Period, the anti-corruption inspection covered all key member companies of the Group within the planned annual inspection scope. All cases have currently had their investigations concluded. For personnel involved in criminal offenses, the Group has handed over all of them to judicial authorities; and for those who have committed serious disciplinary violations, the Group has terminated their labor contracts or imposed other penalties.

During the Reporting Period, through internal investigations, the Company and its member companies handled a total of 14 cases transferred to the judiciary involving corruption, bribery and fraud, amongst which, none of such cases have been concluded, and a total of 18 cases in which employees of the Company and its member companies were dismissed or disciplined for violating the Company's anti-corruption policy, with 93 employees being punished and dismissed. During the Reporting Period, the Group was not subject to any external anti-corruption investigations or penalties.

# Code of Conduct

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

To further regulate the ethical behaviors of employees, the Group has formulated the *Fosun Group Code of Business Ethics* applicable to all staff of the Group. The Group's Disciplinary Committee and the Business Ethics Working Group, composed of the Company's divisional leaders and other senior executives, bear full responsibility for ethical management and conduct yearly reviews of the effectiveness of the *Fosun Group Code of Business Ethics*. We have established a performance appraisal mechanism for ethical management, where the effectiveness of ethical management is taken into account when evaluating employee performance. Also, the obligations of employees to report and avoid conflicts of interest are clearly defined therein. We strictly prohibit the act of seeking illegitimate benefits in the form of offering business entertainment expenses, office expenses and facilitation payments in operating activities, nor do we permit the making of any political donations. During the Reporting Period, the Group made no political lobbying or political donations

The Group has developed the *Regulations on the Administration of Reporting on Conflicts of Interest for Leaders in Major Posts of Fosun Group* to strengthen management and supervision over the integrity and performance of leaders in key positions. During the Reporting Period, the Group issued the *Regulations on the Administration of Conflicts of Interest for Employees of Fosun Group* applicable to all employees of the Group to further avoid potential conflicts of interest, inappropriate related party transactions, insider information transactions or other activities that may damage the interest of the enterprise.

We have set up relevant reward and punishment mechanism, where the staff's performance results are linked with their ethical practices in business. Violators are subject to criticism, admonition, return of illegal benefits, economic compensation, bonus deduction, demotion, dismissal, administrative penalties or termination of labor contract in line with the relevant rules.

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



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

"Fosun 30 Minutes", the weekly warning education and case sharing activities held during "Integrity Awareness Month" for the second consecutive year

Intensive anti-corruption training for personnel in key positions and targeted special training at the request of enterprises in Fosun (eg: presenting anti-corruption cases in the investment field)



As of the end of the Reporting Period,

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

During the Reporting Period, the Company and the 6 member companies within the scope of the Report achieved 100% coverage of anti-corruption training for suppliers and contractors, with approximately 0.5 hour of anti-corruption training for each representative from both suppliers and contractors.

In addition, the signing rate of supplier and contractor integrity pledges also reached 100%.





# Whistleblowing Management

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

Fosun Global Whistleblowing Platform	<ul> <li>Whistleblowing e-mail: <u>ethics@fosun.com</u></li> <li>Whistleblowing portal: <u>https://contact.fosun.com/ethics</u></li> </ul>
Complaints to Fosun Anti- Corruption and Supervision Department	<ul> <li>Hotline: +86 21 23156625</li> <li>E-mail: <u>lianzhengdc@fosun.com</u></li> <li>WeChat Official Account: Fosun Anti-Corruption (「复星廉政」)</li> </ul>
Complaints to Fosun Cost and Procurement	<ul> <li>Hotline: +86 21 23156633</li> <li>E-mail: <u>fosuncgts@fosun.com</u></li> </ul>
Whistleblowing Letter	<ul> <li>Anti-Corruption and Supervision Department of Fosun, 16/F, Building S1, No.600 Zhongshan No.2 Road (E), Shanghai 200010, China</li> </ul>

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

In strict compliance with the *Fosun Group Measures for the Protection and Reward of the Informants and Witnesses*, we protect the informants and witnesses, and adhere to the principle of confidentiality in reporting and investigation.

## Business Atmosphere

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

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

During the Reporting Period, the Group and member companies received **34** non-compliance complaints (concerning corruption, etc.) from all whistleblowing channels. All complaints had been handled completely.

During the Reporting Period, the Group actively engaged in the "Integrity Awareness Month" campaign initiated by China Enterprise Anti-fraud Alliance with the theme of "Integrity Makes Life Better". In response, we actively promoted corporate anti-fraud awareness and International Anti-Corruption Day by producing and organizing the viewing of educational videos and conducting integrity-themed training, in an endeavor to infiltrate the culture of integrity into every aspect of the work and life of our employees and partners.

# 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 *Fosun Group Guidance on Anti-Money Laundering (Trial Version)* to provide comprehensive and operational guidance on anti-money laundering, endeavoring to establish a robust internal control system for anti-money laundering, prevent money laundering activities and maintain the financial order. During the Reporting Period, no material breach of anti-money laundering laws and regulations occurred.

In 2022, the Group's Risk Management Department, along with the risk control and compliance departments of the Group's finance member companies, conducted a total of 7 sharing activities related to anti-money laundering. During these activities, they summarized the key regulatory policies and priorities for anti-money laundering at home and abroad as well as the compliance management practices in the insurance, payment, securities, funds, futures, capital management and other businesses of the financial sector. The Risk Management Department also carried out specific investigations into the Group's payment member companies with a high risk of money laundering, with no major violation discovered.

# Fosun Insurance Portugal

Fosun Insurance Portugal continues to improve its *Anti-Money Laundering Policy*, and related management mechanisms and measures to prevent anti-money laundering. Besides, Fosun Insurance Portugal has developed 2 *Handbooks for Anti-Money Laundering Procedures*, detailing the business domains of Fosun Insurance Portugal and relevant procedures for controlling and reporting activities.

Fosun Insurance Portugal makes use of the information system, including anti-money laundering software, to perform automatic online and batch detection for Politically Exposed Persons (PEPs) and "Sanctioned" persons and entities prior to the establishment of the contractual relationship. This measure has been applied to any transaction related to new premiums, underwriting of new products, claims and redemptions in all business channels.

Meanwhile, Fosun Insurance Portugal, has the means to, in an automated and systematic way, monitor transaction activities and analyze customer behavior, and monitor acts with potential money laundering risks, i.e., high-value transactions, an unusual number of transactions from the same customer, redemptions made during the first two years of the policy, payments of premiums made in cash, so as to prevent money laundering risks.

# 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 proactively safeguard the healthy economic development, advocate and protect fair competition and combat unfair competition. During the Reporting Period, the Group did not have any material breach of anti-unfair competition laws and regulations.

# Anti-unfair Competition Training

On 22 November 2022, the Group held an online training session themed "Normalized Regulation and Anti-trust Issues in Equity Investment and Financing". The major training targets are staff from the Legal Department, the Intellectual Property (IP) Department and the Capital Investment Team. The training course is also available online through "Fosun Academy" for our employees to watch and learn. The training is 1.5 hours in length.

In early 2022, Peak Reinsurance launched the Code of Conduct online course which includes topics related to anticompetitive conduct, for all employees and directors, and all participants are required to pass the "Score Test".

In 2022, Fosun Insurance Portugal put its "Anti-Trust Compliance Program" into effect, which included anti-unfair competition training.





Reinforcing Responsibility with Concerted Effort



# 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 UN Global Compact and is devoted to the global commitment to sustainable development. Two member companies, namely Fidelidade - Companhia de Seguros, S.A. and IDERA Capital Management Ltd., also joined the UN Global Compact in 2019 afterwards and 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.

As of the end of the Reporting Period, the Company received an "AA" ESG rating from MSCI and was selected as a constituent of the MSCI CHINA ESG LEADERS 10-40, etc. The Company was also selected as a constituent of the Hang Seng Corporate Sustainability Benchmark (HSSUSB) Index and Hang Seng ESG50 Index, with a rate of "A". Besides, the Company's ESG scores by FTSE Russell were consistently higher than the industry average, and it has been selected as a constituent of the FTSE4Good Index Series for the first time in 2022. Its S&P Corporate Sustainability Assessment (CSA) ranking outperformed 91% of global peers and was significantly above the industry average score.

# 2.1.1 ESG Vision

Fosun always adheres to "Business for Good" and the ESG vision of "Self-improvement, Teamwork, Performance and Contribution to Society," undertaking social responsibilities, continuously creating value and giving back to society.

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



# 2.1.2 ESG Strategies and Objectives

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

The Group continues to increase the investment of resources (including physical resources, information resources, human/expert skill resources, etc.) 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, so as to ensure the achievement of the Group's ESG strategies and goals.

		4 Strategic Pillars		
Strategies	Self-improvement: Unity of knowledge and action - We believe, so we do	Teamwork: Concerted efforts and cooperation leading to win- win situation	Performance: Pursuit of perfection and excellent quality	Contribution to society Share the value of Business for good
Objectives	Through continuous self- reflection, we comprehensively review our strengths and weaknesses, objectively evaluate ourselves and ultimately achieve self-improvement upon repeated revisions and continuous enhancement. Keep a strong passion for learning, develop excellent learning ability, strive to build a learning organization and push beyond limits to achieve a higher level of success.	To establish a Fosun team with entrepreneurial spirit and status and to build a harmonious partnership and an endurable business ecosystem, through complementary advantages and sharing mutual benefit to achieve win-win situation.	Leveraging on innovations and services in "Health, Happiness, Wealth and Intelligent Manufacturing" to deliver more products and services with excellent user experiences to families across the world, bringing happiness to every family.	To make use of and to integrate the existing resources with the advantage in knowledge and technolog to contribute to green plane 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.
	Employee learning and	Responsible investment	Research & development	Participation in social welfare
	development Employee interests and caring	Responsible procurement	and innovation Diversified products and	Green products and clean technology
	Regulating corporate governance	Responsible marketing	services Product quality and safety	Climate change mitigation and energy management
key issues	Risk and crisis management		Protection of intellectual	Water resource management
·	Business integrity and supervision		property Customer service and	C C
	Employee health and safety		satisfaction	
			Customer privacy and data security	
	1. The average training hours per person was 53.6 hours.	1. More than 42 participating and holding companies in the	1. The Group invested nearly RMB10.4 billion	1. Under the goal of "striving to peak carbon emissions
	2. Around 27,000 employees were newly hired.	energy and environmental protection sector, of which 3 were listed on the Main	in total to improve technology and innovation capabilities (including	by 2028 and achieve carbon neutrality by 2050", the carbon neutrality route has
	3.The anti-corruption and integrity inspection work has achieved a coverage rate of 100% for the key core member	Board. The total investment in energy and environmental protection exceeded RMB20 billion, accounting for over	scientific research investment expensed and capitalized, but excluding digitalization expenses).	been officially established, a Carbon Neutrality Committe has been established, and the first TCFD report has bee
	companies within the annual inspection plan of the Group.	50% of the total investment in primary market in the energy,	In particular, the R&D expenses amounted to	compiled. 2. Continued to work on EHS
2022	4. The integrity education has been provided to 100% of the Company's employees, with approximately one hour of	environment and smart equipment investment segment.	approximately RMB4,911.7 million, accounting for	management short, mediur and long-term goals for 202 2031 with the short-term go achieved already.
progress review		2. All registered and new suppliers have signed the <i>Eosun</i> .	approximately 2.80% of revenue. A total of 1,771 authorized invention	
	integrity training per employee.	<u>Group Supplier Code of Conduct</u> .	patents have been acquired.	3. Fosun Foundation donate
	5. No major ESG crisis or incident occurred.	3. ESG risk assessments have been conducted on cooperative suppliers managed through the digital supply chain platform.	2. The short-term, medium-term, and long- term goals of quality	more than RMB11,310,000.
		4. The average anti-corruption training hours per person for the Company's suppliers and contractors was approximately 0.5 hour.	management for 2022- 2031 continued to be pushed forward, with the short-term goals having already been achieved.	

# 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 to manage ESG policy and performance.

Guidance and	Governance Body:	Decision-Making Body:			
oversight	Board ESG Board Committee	ESG Executive Committee			
Coordination	Executive Body:				
and monitoring	ESG Management Committee				
Diffusion	Executive Body:				
	ESG Working Group:				
	Technology Innovation Center, F Department, Risk Management & Innovation Committee, Anti Communications Department, Co Human Resources Line, Audit D Management Department, Invest	ent, EHSQ Department, Finance Management Department,Product & Party and Union Affairs Department, Office of Board Secretary, Legal Department, Public Affairs Department, Science and Technology -Corruption And Supervision Department, Brand and Corporate proprate Social Responsibility Department, Global Supply Chain Center, Department, Marketing Center, Digital Intelligence Committee, Tax tment Management Department, Investor Relations Department, User perty Management Department, Treasury Management Department			

Implementation All staff of the Company and member companies

# 2.2.1 Governance Body

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

The Group's ESG Board Committee regularly reports the results of ESG risk assessment and relevant performance to the Board for continuous monitoring. As of the issue date of the Report, the Committee comprises 5 members of the Board, with an independent non-executive Director serving as the chairman.

During the Reporting Period, the ESG Board Committee of the Company held 1 meeting. In March 2022, the ESG Board Committee reviewed ESG Report 2021 and considered the debrief of ESG Management Committee on the progress of ESG initiatives and annual work plan, and also discussed the Group's latest ESG developments.

# 2.2.2 Decision-Making Body

In order to promote the implementation of the ESG strategy of the Board, in March 2022, the Company established an ESG Executive Committee at the management and decision-making level with involvement of executive directors of the Company. The ESG Executive Committee is responsible for making decisions on the ESG matters of the Group, and has an ESG Management Committee under it. The ESG Executive Committee aims at assisting the ESG Board Committee in making comprehensive decisions on Fosun's ESG matters, guiding and monitoring the implementation of ESG work of the ESG Management Committee and ESG Working Group, and comprehensively promoting the effective implementation of Fosun's ESG strategies and actions. In May 2022, the ESG Decision Committee held its first meeting to listen to the report of the ESG Management Committee on cutting-edge ESG issues and work plans, and made decisions on specific work arrangements such as ESG rating responses.

Learn more about the

Committee

functions of the ESG Board

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

2.2.3 Executive Body

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

# ESG Management Committee's main responsibilities include:



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

In 2022, the Company's ESG Management Committee and ESG Working Group held several meetings to discuss the priorities, objectives and plans of ESG in 2022, and to determine the ESG Report framework for 2022. In addition, the ESG Working Group actively communicated with external ESG rating agencies and kept abreast of market concerns.

tion of Fosun's ESG strategic vision, objectives and strategies, ns to the ESG Board Committee and ESG Executive Committee on
ends and risk and opportunity issues regularly, and make GG Board Committee and ESG Executive Committee.
s and practices periodically to ensure that they remain up-to-date liance with the applicable laws and regulatory requirements and
led by member companies, affiliates and other portfolio companies at setting targets to appraise their working performance.
al feedback on Fosun's ESG initiatives, and provide suggestions on
vironmental and social impacts of Fosun's businesses.
ne ESG expenditure of member companies, associates and other the ESG Executive Committee in providing suggestions to the ESG penditure of Fosun's ESG work.
communication policy to ensure its effectiveness and recommend G Board Committee and ESG Executive Committee.
hannels and means between Fosun and its related stakeholders priate communication policies are in place and work effectively to ip with its related stakeholders and protect its reputation.
mental, Social and Governance Report of the Company.
ESG Working Group and other matters authorized by ESG Board ive Committee.

# 2.2.4 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 buildina.

In December 2022, we collaborated with major member

companies to hold the 3rd ESG Culture Week to improve the

awareness of ESG within the headquarters of the Group and

member companies, so as to gain further support from all

the staff for ESG work. To promote the ESG culture among all employees, ESG basic knowledge was conveyed through

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During the Reporting Period, we launched the ESG application on the "Fosun DingTalk" mini-program so that employees can access ESG-related information. learn about ESG hot topics and understand the Company's ESG strategy and relevant rules and regulations at any time.

Fosun Morning Assembly, themed training on ESG, information 气候应对 ESG必须知 ( X publicization of "Get to Know our ESG People" and ESG 碳中和 ESG行业/编订 knowledge competitions and many other activities. 复星碳中和2器 FROM THE C 必须知 (1) ✓ 复星集团碳中和战略 什么是ESG? ESG为何重要 **ESG WORKING GROUP** FEGARE ( 集团为何需要积极 应对ESG评级? ESG-8/3930 (3) 责任投资是什么? 集团的《责任投资政策》 育什么要求? ESGA STE Be a ESG Fosuner N SDGs是什么? 🚟 应对气候变化与碳市场建设 ESG Application Interface ESG Culture Week Poster

# ESG Knowledge Popularization

We encourage all staff of the Group to tune into the "Get to Know our ESG People" series offered by outstanding member companies, where the Fosuners introduce ESG concepts and share their ESG experiences. We also present ESG knowledge and hot topics through the popularization, not only setting up ESG exemplary models for employees but also highlighting the Group and its member companies' highlights in practicing ESG.



# ESG Quiz

We continuously held ESG Quiz through the online channel to facilitate participation by our staff who can join the event anytime and anywhere. The initiative further enhanced the understanding of ESG issues among our staff so that they can practice ESG concepts in their daily lives and work.



# ESG-Themed Training

According to the Group's key ESG issues, we launched a variety of courses like Sharing of Cuttingedge Trends to discuss the hot topics and development status of ESG, responsible investment, climate change, diversity and antidiscrimination, biodiversity and other topics. In addition, we also shared themed skits to make the ESG concept and knowledge more engaging for our staff.

# 12/12 2022 内容概要

•复星ESG最新动态 ● • 责任投资 蓄力共赢 · 气候变化 积极应对 • 平等多元 共荣共享 • 生态文明 保护共建

# 2.2.5 Performance Appraisal

In order to establish a top-down long-term mechanism for ESG improvement and continuously promote Fosun's sustainable development, the Group has set up relevant mechanism to link the Group's ESG performance with the performance appraisal of the Board. We have specified the "ESG assessment indicators" for Executive Directors in the Executive Director Performance Assessment of Fosun, which include ESG rating, ESG system building, responsible investment management, carbon neutralization management and ESG risk management, accounting for 15% of the overall performance appraisal. The "ESG assessment indicators" will evolve over time to reflect the characteristics of the industry.

To further implement the ESG management system within the Group, we have extended the ESG management performance



appraisal mechanism and "ESG assessment indicators" to the CEOs of the Group and the personnel in charge of each business group, with an aim to enhance the management of important ESG issues and promote close integration with business operation.

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

2.3 Sta	keholder Er	ngagemer	nt		Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Activities and Results
future. We activ well as their vie enables us to m	vely conduct communicat ws on Fosun's performan	tions with stakeholde ce, especially their op rust with all stakehold	rs to understand th inions on our susta ders. It helps us imp	le development plan and our business policy in the heir priorities and expectations for ESG issues, as ainable development. Stakeholder communication plement ESG work around their considerations and <i>re</i> them accordingly.	and the	Participation in social welfare Responsible marketing	Social media Fosun official website Email and telephone communications	Multiple times per month	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, LinkedIn and YouTube. In addition, in response to the hot topics such as global anti-COVID 19 and CIIE, we have also presented a good corporate image to the public through high quality reporting by mainstream authoritative media.
Stakeholders Governments and regulators	Focus Areas Product quality and safety Protection of intellectual property Business integrity and supervision Emissions management Water resource management Climate change mitigation and energy management Participation in social welfare	Communication Channels Policy seminars Reporting to governments at all levels and other authorities in charge Government affairs reception Regulator supervisions and inspections	Communication Frequencies Multiple times per month	Communication Activities and Results The Group actively responds to governments and regulators. In 2022, the Group continued to maintain sound communication and exchanges with governments and regulators and contribute to the epidemic prevention and control and resumption of work. During the CIIE, we also actively carried out good exchanges with government agencies to understand their concerns about us.	Media	Responsible marketing Participation in social welfare	Brand/product presentations Annual and interim results conferences Media roadshows Social media Fosun official website	Multiple times per quarter	The Group adopts multiple ways to communicate with the media. In 2022, we invited a number of media and KOLs visiting Fosun headquarters and Fosun subsidiaries to maintain good communication with them. We also invited the media to attend Fosun's annual and interim results conferences, as well as regular public events such as CIIE and Yuyuan Lantern Festival organized/participated in by the Group. In addition, the Group regularly arranges interviews for the senior management with domestic and foreign media, and issues official press releases about major project updates, business progress, ESG-related news and events through domestic and foreign media and social platforms, so as to help the media and the market better understand Fosun.
Customers	Diversified products and services Product quality and safety Customer service and satisfaction Customer privacy and data security	Social media Fosun official website Email and telephone communications Consumer education lectures	Multiple times per month	The Group positively establishes customer communication channels to promote sustainable consumption. In 2022, we continued to hold "515 Fosun Family Day", "920 Fosun Family Season", consumer experience and education lectures and other activities, focusing on the needs of terminal customers and linking with Fosun's ecosystem brands, so as to meet the consumption needs for family health, happiness and wealth, and creating a better online and offline	Peers and association	Research & development and innovation Protection of intellectual property Responsible investment Advanced corporate governance	International forums Round-table conferences Industry summits/ Association meetings	From time to time	The Group actively participates in inter-industry exchanges. In December 2022, Fosun attended the "2022 Science Technology and Innovation Conference and Conference on the List of Top 100 Chinese Enterprises with Science and Technology Innovation Capacity" hosted by Southern Weekend and discussed with peer companies on the evaluation index system of sci-tech innovation capacity.
	Responsible marketing	Onelinkplus.com Email and telephone communication		happiness experience for families. The Group pays attention to communications with suppliers. In 2022, we conducted specific communication on strategic cooperation with suppliers such as Staples, M&G, Lenovo, HP, PwC, Huawei, SF Express, Haier, and JD.com.	Limited Partner (LP)	Responsible investment	Work meetings Investment strategy meetings Email and telephone communications	Multiple times per quarter	The Group continues to strengthen communication with its partners. In December 2022, we held an online Worldwide Partner Conference to exchange and discuss with partners from around the world on the Group's investment business. Also, we discuss investment strategies with our partners on a regular basis to further build trust.
Suppliers	Responsible procurement	Working meetings Responsible procurement seminar Supplier site audit Complaints hotline	Multiple times per month	In November 2022, a seminar on responsible procurement was held in Shanghai, China by Fosun Global Supply Chain Center. With the theme of "Ecosystem Synergy and Responsible Multiplier Growth", the seminar brought together Fosun Pharma, Yuyuan and FTG under the Group to discuss with eco-partners about how to promote responsible procurement and create a sustainable supply chain	Shareholders and investors		Brand/product presentations Annual and interim results conferences Investor meetings Shareholders' meetings	Multiple times per year	The Group attaches great importance to information disclosure. We organize the Investor Open Day event with one listed company within Fosun ecosystem on a monthly basis. These events bring our business closer to investors and enable them to experience and understand our business. In addition, our senior management team visited overseas financial institutions on a number of occasions. During the overseas visits, we held more than 100 overseas
		Industry associations	associations	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. The Group held the "Shanghai Summit of Philanthropy"		Green products and clean technology Climate change mitigation and energy management	Investor roadshows Email and telephone communications Industry seminars		roadshows and other activities covering Hong Kong, China and European countries (Germany, UK, Portugal, France, Sweden, etc.); we also actively discussed with domestic and overseas investment institutions about Fosun's strategy, external communication, sustainable development and other feedback and suggestions.
Non- governmental organizations	Participation in social welfare Business integrity and supervision Green products and clean technology Climate change mitigation and energy management	Fosun Foundation Cooperation and exchange meetings Seminars Email and telephone communications Work meetings	Multiple times per quarter	for three consecutive years. This Summit is guided by the Shanghai Civil Affairs Bureau (Shanghai Municipal Administration of Social Organizations) and co-hosted by the Shanghai Fosun Foundation and a number of other foundations. In 2022, guided by the Shanghai Civil Affairs Bureau (Shanghai Municipal Administration of Social Organizations) and co-hosted by the Shanghai Fosun Foundation and a number of other foundations, the summit held an in-depth discussion on "Converging Charitable Forces for Common Prosperity", and launched a joint initiative that various charitable forces, such as caring enterprises, charitable organizations and citizens, should unite together to help the needy and promote common prosperity through the power of charity.	Employees and management	Employee health and safety Employment and labor standards Employee learning and development Employee benefits and welfare	Workers and employees' congress Online official account Fosun DingTalk App Themed Training Fosun Global Chief Communication Officers The "Focuth" Community Fosuners Fosun 30 Minutes	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 2022, the Company conducted employee engagement survey, so as to understand employees' needs.

# 2.4 Materiality Assessment

The Group regards the expectations and demands of stakeholders as an important factor in formulating its ESG strategy. We regularly review the relevance of ESG issues to our business and the importance of ESG issues to our ESG work and assess their dual material impact on the society and environment. In 2021, the Group re-assessed the key issues concerned by various stakeholders. We conducted extensive and in-depth communication with stakeholders through various channels, and identified the ESG issues most relevant to our business and most concerned by stakeholders through the following 4 steps.

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

We identified potential major issues for disclosure, taking into consideration the major ESG trends, the Group's ESG strategic goals, the UN SDGs, GRI Standards, the ESG *Reporting Guide* issued by the Hong Kong Stock Exchange, as well as the issues focused by mainstream international ESG ratings (including MSCI rating, S&P CSA ESG Rating, Hang Seng sustainability rating, etc.).

# Step 2: Identify Stakeholders

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

# Step 3: Conduct Survey Activities

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

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# Step 4: Determine Priority and Formulate Materiality Assessment Matrix

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

During the Reporting Period, we reviewed the results of the latest materiality assessment. After the assessment, the 24 ESG issues identified in 2021 were still relevant to the Group's businesses and still identified as the Company's material ESG issues in 2022. The materiality assessment matrix is shown below.





# 2.5 Response to UN SDGs

In 2015, the United Nations officially released 17 sustainable development goals (UN SDGs), aiming to comprehensively and thoroughly solve the social, economic and environmental development issues from 2015 to 2030, and lead all countries 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	Issues
AN INTRODUCTION TO FOSUN -	Business integrity and supervision
CELEBRATING THE 30TH ANNIVERSARY	Advanced corporate governance
AND SHARING HAPPINESS	Risk and crisis management

Section Introduction

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.

Research & development and innovation Diversified products and

services Responsible marketing

DRIVING LEAN **OPERATION WITH** TECHNOLOGY INNOVATION

SAFETY,

ENVIRONMENTAL

AND RESILIENCE

PROTECTION

BUILDING

Protection of intellectual property Product quality and safety Customer service and

satisfaction Customer privacy and data security

Employee health and safety Gas emission management Water resource management Waste management Climate change mitigation and energy management Material management Green products and clean technology Biodiversity protection

technology and innovation, the Group strengthens the global partnership for sustainable development through its global operation layout, and 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.

Leading the industry development with

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. Besides, we reduce the impact of production and business activities on the environment and people, and develop a green circular economy.













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efforts and cooperation lead to win-win situation", Fosun persists in jointly building a harmonious partnership and an endurable business ecosystem through complementary advantages and sharing mutual benefit to achieve win-win situation. We are also committed to creating sustainable supply chains that are resilient, transparent and fair, constantly increasing the responsible impact.

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**GOOD HEALTH** 

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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, and strive to create a harmonious and friendly work environment, so as to gather leading talents from various industries.

Fosun Foundation, with an aim to disseminate Fosun's values and give back to society with practical actions, has launched more than 40 projects such as health, culture, education, art and youth entrepreneurship, covering multiple countries and regions worldwide.

# Section Introduction

In addition to enhancing its corporate sustainability practices, Fosun also implements the concept of responsible investment in its investment activities to fulfill its commitment to sustainable development. We also focus on the investment in environmental protection industry and clean technology, committed to boosting sustainable development.

### Issues

**Title of Sections** 

Responsible investment

Green products and clean technology

RESPONSIBLE INVESTMENT AND VALUE CO-CREATION

Under the development strategy of "Concerted

Responsible procurement Sustainable

Supply Chain

ECOSYSTEM SYNERGY AND DEVELOPMENT SHARING

Employment and labor standards

Employee learning and development

Employee benefits and welfare

GATHERING TALENTS TO ACHIEVE EXCELLENCE

Participation in social welfare

STAYING TRUE -**TOGETHER FOR** A BETTER LIFE



# 03

# Driving Lean Operation with Technology Innovation

From the very beginning, Fosun has always attached great importance to technology innovation. Through continuous accumulation and R&D investment in the past 30 years, we have built profound technology innovation capabilities and deeply embedded the culture of innovation. Despite many challenges in our operations last year, Fosun remained committed to increasing our investment in scientific and technological development. With the continuous improvement of our core businesses, Fosun will strive to improve our technology innovation capabilities in the future and build stronger technical barriers, laying a solid foundation for the Company's future development.



# 3.1 Lean Industrial Space

# 3.1.1 Technology Innovation Driven

The Group has always placed significant emphasis on technology innovation. We have established a Science and Technology Innovation Committee to coordinate the resources of the Group. Our layout for advanced technologies is developed from 4 dimensions, namely "enhancing technological innovation for a greater international influence, establishing a closer partnership with governments to support technological innovation and projects, improving capabilities, organizations and policies of technological innovation, and building technology-enabled platforms as well as a sound global ecosystem", empowering business with technological innovation and driving multiplier growth of the industry. During the Reporting Period, we deeply integrated industrial layout and market demand to push forward the implementation of numerous technology innovation center projects in various fields, and help more quality products and technologies emerge.

# Further Developing Business Presence in the Technology Innovation Field

Yuyuan is continuing to build the technology innovation system. After the establishment of Fosun Jinmei Global Technology Innovation Center in the cosmetics field in 2021, Yuyuan established technology innovation centers in the three consumer fields of food, tea, and liquor in 2022 and put them into operation. Among them, the Technology Innovation Center of Yuyuan Cultural

Catering Group, as the first technology innovation center focusing on technological innovation of food in China, is committed to the industrialization of traditional Chinese ready-made catering and the innovation of healthy leisure food. During the Reporting Period, the technology innovation center developed 120 products, with 100 products launched. The Tea Technology Innovation Center of Tonghanchuntang aims to connect the traditional health preserving prescriptions to young consumers. During the Reporting Period, the Tea Technology Innovation Center developed more than 40 innovative prescriptions and launched more than 30 new products. In addition to setting up the Fosun Global Liquor Technology Innovation Research Institute, Shede Spirits under Yuyuan also established 3 professional research platforms for the liquor industry during the Reporting Period, supporting the scientific and technological innovation layout and green development of the liquor industry in multiple aspects.



# Diversified Innovation Models

Through independent research and development, investment incubation, VC investment, institutional cooperation, patent licensing, innovative product cooperation and introduction, etc., we intend to create a multi-dimensional global innovation system, focusing on home scenario units and taking the global innovation leadership, and we are committed to developing excellent Fosun products with attraction and competitiveness. During the Reporting Period, Fosun's R&D investment<sup>1</sup> reached RMB10.4 billion, representing a year-on-year increase of 17%, accounting for approximately 5.93% of revenue. In particular, the R&D expenses amounted to about RMB4,911.7 million, accounting for approximately 2.80% of revenue. As at the end of the Reporting Period, the Group has a total of 1,771 patents for invention, which will continue to be transformed into productivity with the support of Fosun's global operations and continuous innovation capability.





<sup>1</sup>It includes scientific research investment (expensed and capitalized), but excludes digitalization expenses.

# Health Segment

Under the guidance of the "4 IN" strategy, Fosun Pharma has continuously improved its product attraction, brand awareness, innovation ability, the ability of resource integration and internationalization ability to achieve highly-efficient operation. During the Reporting Period, R&D expenses (including capitalized expenditure) of Fosun Pharma amounted to RMB5.885 billion, with a year-on-year growth of more than 18.22%. In the 2nd Conference on Innovation in Science Technology held by Southern Weekend in 2022, Fosun Pharma ranked 64th in the List of Top 100 Chinese Enterprises with Science and Technology Innovation Capacity, and 3rd in the special list for the pharmaceutical industry.

## >Product Development

Adhering to the "patient-centered, clinical demand-oriented and high-tech-driven" policy for R&D, Fosun Pharma constantly improves the 4 technological platforms for biosimilars, innovative small molecule drugs, high-value generic drugs, and new technology-based therapy, and actively explores cutting-edge technologies such as RNA, gene therapy, ADC and targeted protein degradation. During the Reporting Period, Han Si Zhuang (serplulimab injection), the first innovative monoclonal antibody selfdeveloped by Shanghai Henlius (a member company of Fosun Pharma), was officially approved for commercialization in March 2022, becoming the first batch of PD-1 inhibitors for the "pantumor" treatment of microsatellite instability-high solid tumor (MSI-H) in China. At present, it can be used for the treatment of MSI-H and squamous non-small cell lung cancer. It has benefitted over 8,200 patients since its launch in March 2022. In January 2023, the new drug application for the first-line treatment of small cell lung cancer in extensive stage (ES-SCLC) and esophageal squamous cell carcinoma (ESCC) of Han Si Zhuang in combination of chemotherapy has been accepted by National Medical Products Administration (NMPA), expecting to become the first anti-PD-1 antibody for the first-line treatment of SCLC in the world to fill the clinical gap of PD-1 inhibitor for the first-line treatment of small cell lung cancer in the coming five years. With complete R&D, production and marketing platforms, and high-quality innovative R&D results, Shanghai Henlius was once again listed in the first tier of "2022 Top 100 Chinese Pharmaceutical Innovation Enterprises (CPIE 100)", and was rated as the "Top 10 Innovative Pharmaceutical Companies in 2022". As of the end of the Reporting Period, Fosun Pharma had more than 260 projects on the research and innovation of new drugs, biopharmaceutical drugs, generic drugs and consistency evaluation, including 63 research and innovation new drugs, 14 independently-developed biological analogues, 118 generic drugs and 21 consistency evaluation projects.

## >Technology Innovation

Fosun Pharma also places a high value on innovating pharmaceutical processes and technology and strives to increase productivity and product quality by replacing outdated machinery and technology. During the Reporting Period, Hu'nan Dongting Pharmaceutical Co., Ltd. a member company of Fosun Pharma, optimized the production process of quetiapine fumarate API products, which could reduce the demand for phosphorus oxychloride reagents from the source, lower the cost of subsequent processing and ultimately enable green production. At the same time, this project saved the labor cost of sewage treatment and reduced the exposure time of employees to occupational hazards.



# >Open Innovation

While improving its core competence in independent R&D, Fosun Pharma has been refining its global layout and actively absorbing external innovation forces with multi-dimensional and multi-layered open innovation models, such as co-development, license introduction, in-depth incubation, in an attempt to support the coordinated development of the healthcare industry.

• Since 2020, Fosun Pharma and BioNTech (Germany) have been working together to develop Comirnaty (mRNA COVID-19 Vaccine) and published the first Phase II clinical data of mRNA COVID-19 Vaccine in the Chinese population during the Reporting Period. As of the end of the Reporting Period, both Comirnaty BNT162b2 and Comirnaty Bivalent Vaccine have been officially registered as drugs/products (bioproducts) in Hong Kong, China, and approved as regular imported vaccines in Macau, China.

### • In 2017, Fosun Kite, a joint venture of Fosun Pharma and U.S. Kite Pharma, was established to source Kite Pharma's cancer treatment technology and products for industrialization and commercialization in China. Fosun Kite's first product, Yi Kai Da (ejilunsai injection), is the first CAR-T cell therapy product approved for marketing in the Chinese Mainland, and has been included in the urban customized commercial health insurance in more than 70 provinces and municipalities; Its second product, FKC889, was also approved for clinical trials during, the Reporting Period.

Joint Venture Licensing and introduction

R&D

• During the Reporting Period, Fosun Pharma and Genuine Biotech jointly developed the first oral medication for COVID-19 in China, Azvudine, and obtained its exclusive commercialization license. Azvudine tablets were then included in the National Health Commission's Diagnosis and Treatment Protocol for COVID-19 and covered by the national medical insurance scheme. As of the end of 2022, Azvudine tablets have completed medical insurance registration in 31 provinces and cities across the country, with medical insurance prices reduced by about 35%.

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

 During the Reporting Period, Fosun Pharma joined hands with Insilico Medicine to advance the Aldriven R&D on multi-target drugs and the codeveloped glutaminyl-peptide cyclotransferaselike protein (QPCTL) project. Besides, Fosun Pharma made an equity investment in Insilico Medicine.

## Investment

ncubation

• Fosun Aitrox is the first Al-assisted diagnosis enterprise incubated by Fosun Pharma, dedicated to solving different clinical pain points and public health challenges with Al integration. As of the end of the Reporting Period, Aitrox had amassed more than 40 Al disease models and established partnerships with more than 500 medical institutions nationwide. At the BEYOND International Technology Innovation Expo in 2022, Aitrox displayed a number of innovative products, such as Xinying and PYXIS. PYXIS brings an integrated pathology solution, and its digital microscopic scanning system allows doctors to analyze medical images in a more efficient and accurate manner, which solves the

shortage of pathologists.

# Happiness Segment

Leveraging the Group's global platform and resource empowerment system, Yuyuan is gradually focusing its strategic vision on family customers, and continues to develop the "1+1+1" strategy (i.e. running "family happiness consumption industry + urban industry landmarks + online and offline membership and service platforms"). At present, Yuyuan takes the promotion of "oriental lifestyle aesthetics" as its top priority, adheres to the strategy of developing business with the twin-driver of "industry operations and industrial investment", and owns 17 Chinese time-honored brands and a number of leading brands. Yuyuan will continue to accelerate the process of building up its global business presence, popularize the concepts of "oriental lifestyle aesthetics", and aspires to develop itself into a world-class group in the family happiness and consumption industry.

# >R&D-empowered Beauty

Fosun Jinmei Global Technology Innovation Center is an innovation center of cosmetic research and development under Yuyuan, engaged in practicing the distinctive concepts of "smart beauty lab" and the FC2M ecosystem, satisfying the needs of oriental consumers with formulas suitable for their skin and empowering the smart beauty lab with digital and intelligent solutions. Adhering to the concept of "continuous innovation for beauty", Fosun Jinmei Global Technology Innovation Center develops core raw materials and technologies by utilizing its own advantageous resources, and provides technical services of research and development for the major brands within the Group, which includes formula development, product safety, consumer preference research, etc. At the same time, Fosun Cosmetics Innovation Center strengthens its cooperation with global research and development centers, domestic and overseas well-known universities and international suppliers, so as to improve the special research and development capabilities in the field of raw material and formulation technology for high-end functional cosmetics.

During the Reporting Period, we launched our first fully independently developed and incubated skincare brand, "YOGAN", which is convincing proof of Fosun's increasing presence in the field of cosmetic innovation. As of the end of the Reporting Period, the Innovation Center has developed 26 new products and put them on the market, while reserving 170 R&D products in hand. Also, it has applied for 6 invention patents, been granted 7 appearance patents and 3 utility model patents, and published 4 papers in the core journals of China and 1 paper in the international journal.

### >Design-empowered Jewelry

Yuyuan Jewelry Fashion Group designer platform aims to provide fair and free creation environment for designers, integrating various resources, including domestic and overseas jewelry design associations, jewelry designers, design colleges, etc., and providing original design products and services throughout the industrial chain for the brands, platforms and franchisees under the Group. The platform adopts the main operation mode through which both customers and designers can respectively place and accept orders on an independent basis, and designers are encouraged to submit their designs independently to explore more excellent products and empower existing branded products. Meanwhile, the platform has established a complete designer training system, organized designers to participate in industry forums and jewelry exhibitions, helped hold new product launch events, and provided media channels for promotion to achieve win-win results for the platform and designers.

During the Reporting Period, combining years of successful experience of the gold jewelry brand "Laomiao" under Yuyuan and the research and analysis of the consumer market, the designer platform invited an international jewelry design master to integrate modern and trendy western design elements into Chinese ancient gold craftsmanship based on the concept of "Safe and Sound", and launched the popular "Lucky Gold Jewelry" series of new products of Laomiao Guyun.

As of the end of the Reporting Period, the designer platform has attracted

**30** domestic and foreign jewelry, fashion and crossover designers,

**200** independent designers and their jewelry studios, and

**800** designers and design students to join the platform.



# Intelligent Manufacturing Segment

Supported by China's manufacturing applications market, Fosun's Intelligent Manufacturing segment is deploying digital intelligence technologies globally to empower industrial manufacturing, being devoted to creating a flexible digital supply chain.

# > Technological Breakthroughs to Reduce Costs and Increase Efficiency

As a national high-tech enterprise, JEVE is constantly developing an advanced technology development platform + product design and verification platform + engineering development and verification platform, striving to provide green and safe smart new energy solutions for the entire world.

Upholding the value of "innovation is the first driving force for development", JEVE has pioneered a modular design for the power industry adaptive to different system requirements, which can improve the capacity of the battery system and reduce the cost. In response to the issues with thermal safety and crash safety in the industry, JEVE has innovatively launched the "sponge system", which can enhance the thermal conductivity of the system and lower the overall cost. With this technology, JEVE won the 2022 Gaogong Lithium Golden Globe Award.

### >Design Innovation to Lead the Industry

Fusionride continuously strives for independent R&D and the application of intelligent driving technology. During the Reporting Period, it established a Sino-German-British global software and hardware R&D team led by China and carried out multiple leading innovations in product design. It successfully lit up the first high-performance millimeter-wave radar and became one of the first companies in China to be equipped with a new generation of radar chips and successfully lit up. At the same time, the team collaborated with the Fosun Starcastle team to design and develop the first healthcare radar product for the elderly care market, utilizing innovative technologies to achieve non-contact respiratory and heartbeat detection monitoring and fall detection alarm functions, which have attracted the attention of multiple governments and elderly service institutions. In addition, Fusionride has participated in constructing government-side vehicle networking demonstration zones in numerous cities, actively promoting the integration of vehicles, roads, and clouds.

# > Digital Empowerment to Achieve Win-win Cooperation

As part of its ongoing "Smart Reform and Digital Transformation" initiative, Nanjing Iron & Steel continues to practice its "Industrial Internet Platforms + Data Governance" strategy. It has made numerous innovations in intelligent production, intelligent operation, intelligent interconnection and digital services, including 5G drone inspection, blockchain-based e-bidding, steel carbon footprint system and other cutting-edge applications. To support intelligent industrialization, Nanjing Iron & Steel has built the first industrial Internet platform in Jiangsu Province. As of the end of the Reporting Period, it had developed 7 different types of products and solutions, serving more than 20 industries and 10,000 enterprise customers. Relying on its existing industrial Internet platform, Nanjing Iron & Steel built the first "Intelligent, Operational and Ecological" cluster-based integration center covering the widest range of businesses in the steel industry, taking the lead in the industry to advance data governance.



As of the end of the Reporting Period,

JEVE has applied for **1**, **301** patents, including **499** invention patents, and undertaken **16** national projects and **11** local projects.

# Strengthened Communication for Mutual Development

During the Reporting Period, we staged a series of sci-tech innovation activities themed "Expert Talk", "Broad Vision" and "Showground", and actively organized and took part in exchange projects. We follow up on cutting-edge technologies, gain insight into industrial development trends, strengthen resource exchange, and implement projects to transform R&D achievements.



# Protection of Intellectual Property

The Company has established Intellectual Property Management Department, which is responsible for the management and risk prevention of IP rights (such as trademarks, patents, copyrights, commercial (technical) secrets, domain names and data rights) at the group level.

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 do our best efforts to protect IP, pursuing legal liabilities for any infringements that have been identified and signing relevant legal agreements for IP authorized for use by third parties.

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

During the Reporting Period, we released the *Notice on the Regulation of the Application of Trademarks Containing the Core Logo of "復星" or "Fosun"* to precisely control the ownership of the Group's core trademarks and provide operational guidance for the application of core trademarks. Meanwhile, we filed 8 trademark opposition applications with

China National Intellectual Property Administration (CNIPA) and 1 opposition application with the Thailand Intellectual Property Administration against a third party's preemptive registration of the trademark "復星FOSUN" in Thailand. The registration was eventually successfully revoked.

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

As of the end of the Reporting Period, the headquarters of the Group directly managed **123** domain names, possessed **562** domestically-registered valid trademarks, **43** trademarks under application, **177** internationally-registered trademark, **32** trademarks under application, and **2** artwork copyrights.

We pay close attention to the amendment of the laws and regulations related to IP and the trend of industrial policies, and actively participate in external training exchanges with respect to the amendment of the Copyright Law, the implementation of the Personal Information Protection Law and the copyright issues related to the film and television entertainment industry, and are committed to continuously improving the awareness of corporate property rights protection.

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

# FTG

FTG comprehensively promotes the construction of innovation and IP protection, and set up Intellectual Property Management Department during the Reporting Period, which is responsible for the management and risk prevention of IP of trademarks, patents, copyrights, business (technology) secrets, domain names, data rights and interests, and brand names at the group level, and provides support and supervision for IP management of member companies. FTG has formulated and issued the Fosun Tourism Group Measures for the Management of Intellectual Property Rights to provide normative guidance and suggestions for the comprehensive protection of the Group's intangible assets. In the actual operation, through measures such as the trademark electronic management and promoting the member companies' brands to participate in Shanghai key trademark application, FTG constantly optimizes the overall management of the Group's trademarks and continues to optimize the FTG ecosystem. FTG conducts intellectual property legal training for all new employees, and organizes employees to attend intellectual property business training.

# Fosun Pharma

Fosun Pharma has established, improved and continued to implement the "High Priority IP strategy", implemented the national standard of *Specifications for the Administration of Intellectual Property Rights of Enterprises*, improved patent quality with high standards, and comprehensively applied IP systems such as patents, technical secrets and trademarks to build an IP moat for innovative achievements in pharmaceutical research and development. Fosun Pharma combines IP operation with the whole process of new product project approval, R&D and marketing, dynamically analyzes, identifies and warns IP risks related to the project in the project approval and the whole R&D process, uses independent R&D, cooperative R&D and permission to introduce and other modes to develop heavy products. Fosun Pharma establishes an IP portfolio, including a patent portfolio for key products to prolong the life cycle, and ensures the realization of the economic and social value of R&D investment.



As of the end of the Report Period, FTG owned **2,460** trademarks and copyrights in total.

During the Reporting Period, the pharmaceutical sector of Fosun Pharma had **249** patent applications, including 16 U.S. patent applications and 17 PCT applications, and 48 invention patents were authorized.

As of the end of the Reporting Period, the pharmaceutical segment of Fosun Pharma had **656** valid patents, including 507 invention patents, 84 utility model patents and 65 design patents.
## 3.1.2 Quality Management

The Group strictly abides by laws, rules as well as regulations related to the health and safety of products supplied in the countries/ regions where our businesses operate, including the Product Quality Law of the People's Republic of China, the Food Safety Law of the People's Republic of China, the General European Union Food Law Regulation, etc. In accordance with such laws and regulations, the Group is required to establish a management and supervision system to ensure the quality, health and safety of our product and service. The Group has set up a quality culture centered around customers with all employees involvement. We provide highquality products and services, improve continuously, and pursue excellence. We encourage member companies to establish quality management systems and pass the certification. As of the end of the Reporting Period, 10 member companies of the Group had obtained the quality or food safety management system (ISO 9001 or HACCP) certification.

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

According to ISO 9000:2015 quality management system standard, we formulated the Quality Manual of Fosun Group, which provided the guidance and approach for the establishment of the guality management system, guality management activities and continuous improvement on quality management behaviors of member companies, and we also defined the responsibilities and authorities of relevant personnel for quality-related issues to ensure that they are held accountable for such responsibilities. At the same time, we have defined the quality system audit requirements for each major segment in the Quality Manual of Fosun Group and developed the Fosun Group Quality Audit Form for member companies to conduct audits and self-audits with uniform standards on the same quality platform.

During the Reporting Period, we conducted a total of 5 guality system audits of a number of key member companies, including Nanjing Iron & Steel, Fosun Pharma and Hainan Mining, and all of them passed the audits. Quality investigations and unannounced inspections are conducted to drive member companies to improve their quality management system. Measures taken include but are not limited to incoming stock examination of raw and auxiliary materials, production process control, finished product check, storage and logistics monitoring. Key quality indicators of each company are established after taking into account the characteristics of that company and are tracked on a monthly basis. We also provide special quality training for some key member companies, such as Fosun Pharma, Shede Spirits and JEVE, to encourage their establishment of quality systems in line with domestic and international standards and constantly raise compliance levels.

We have maintained the recall system in relation to its products, which defined conditions of recall and recall procedures, so that defective products will be disposed of effectively and properly in order to contain any resulting damages. At the same time, we ensure that customers will be sufficiently informed of products features and operating instruction.

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

	Short term: 2022	Medium-term: 2023-2024	Long-term: 2025-2031	
Current Progress	Achieved	Planning	Planning	
Strategic Priority	Implement pilot projects for quality audit in member companies of each	Promote EHSQ quality improvement projects to cover all member companies in each segment;	Help member companies to continuously improve	
Steel, Fosun Pha and JEVE; Draft and issue 1	segment, namely Nanjing Iron & Steel, Fosun Pharma, Hainan Mining and JEVE:	Continuously promote quality management and audit of all segments and the entire product cycle;	their quality management and push member companies to achieve the goal of "zero defect, zero passive recall".	
	Draft and issue the quality manual, system policies and procedures, and	Establish and perfect product quality standards for each segment;		
	organize training accordingly;	Push core member companies to establish exemplary		
	Implement pilot projects for EHSQ quality improvement in member	lines and exemplary factories of quality management within their respective groups;		
	Companies of each segment, namely Nanjing Iron & Steel, Fosun Pharma, Hainan Mining, JEVE, Yuyuan and Fosun Care Group. Improve the quality indicators of member companies in each segment to continuously promote international quality management and enhance overseas organizations.			
	Conduct at least 5 quality system audits.	Establish and perfect product quality standards for each segment;	80% of the target companies achieve "zero defect, zero passive recall".	
		Exemplary companies in different business lines achieve "zero defect, zero passive recall".		

#### **Fosun Pharma**

Fosun Pharma regards quality as the lifeline of the company, and is committed to establishing a "domestic-leading quality operating system that satisfies mainstream international regulated markets and is competitive in international markets", and honoring its quality policy of "respecting life, prioritizing quality, surpassing perfection and pursuing excellence".

#### > Whole Lifecycle Management

Fosun Pharma has built up an improving management system throughout the whole lifecycle of products<sup>1</sup> (medicine R&D, technology transfer, commercial production, post-marketing surveillance and product termination) with the establishment of prepublishing R&D system, supply chain management system in production, post-marketing service system of products. Fosun Pharma complies with GXP regulations throughout the product lifecycle, and has also established a pharmacovigilance system throughout the entire life cycle, providing comprehensive and effective assurance of product quality and safety.





profits from competing drugs.

<sup>1</sup>In a broad sense, the life cycle of a drug refers to the whole process from the research and development of the drug to the registration evaluation, marketing use, re-evaluation, and withdrawal from the market due to other reasons. In a narrow sense, it refers to the development and marketing of the first dosage form and indication, in order to maintain and increase the sales and profits of the drug. And all measures taken to protect sales and

#### >Quality System Audit

Adopting a four-level quality architectural system (quality policy, group standard management procedures/GMP guidelines/work instructions, enterprise management procedures/work instructions, documents/records based on management procedures), Fosun Pharma leads and helps member companies to enhance and improve their quality system from top to bottom. As of the end of the Reporting Period, Fosun Pharma has issued a total of 19 GMP technical guidelines, with the process of key quality elements increasingly standardized.

In 2022, Fosun Pharma continued to carry out the quantitative evaluation of the quality system of each member company, According to GMP requirements, comprehensive evaluations are conducted on six systems, namely, quality, production, documents, materials, laboratories, and equipment and facilities, to quickly identify weaknesses in the enterprise's quality system and urge the enterprise to improve itself. At the same time, Fosun Pharma continued to improve the professional level of the internal audit team members, and has organized several domestic and foreign audit special training.

In 2022, Fosun Pharma carried out two quality system evaluations of its pharmaceutical member companies, and promoted its member companies to establish quality systems in line with domestic and international requirements through gap analysis, flight inspection and other forms, and constantly improved the compliance level. In 2022, 100% of Fosun Pharma's domestic pharmaceutical member companies have passed various kinds of official sampling and official inspections at home and abroad.

#### Certification of Quality System

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 to improve GMP quality system construction as well as steadily averaging up the quality management.

In 2022, all the member companies of Fosun Pharm met the GMP requirements of the 2010 edition, and actively went through international (such as the United States, the European Union and WHO) quality systems; the member companies of medical devices are all in compliance with the *Medical Device Production Quality Management Practice*; in addition, 7 member companies have passed the international ISO 13485:2016 certification, 2 member companies have passed the ISO 9001:2015 certification, and many products of 3 member companies have passed the CE product certification. Fosun Diagnostic Medical Laboratory has passed the CNAS laboratory recertification.

#### >Quality Risk Management

Fosun Pharma attaches great importance to the medication safety of patients. It formulates quality risk management procedures, identifies quality risks and potential hazards, and conducts scientific assessment and analysis of quality risks in accordance with the requirements of GMP (2010 version), WHO and ICH Q9 and other regulations. At the same time, Fosun Pharma puts a high priority on the summary, communication and review of quality risk management to ensure that the management of product quality risks complies with GMP and relevant regulatory requirements.

In 2022, Fosun Pharma announced and implemented the *Reporting Policy of Safety, Quality and Environmental Accidents*, which put forward higher requirements for the reporting of potential quality risk events and quality accidents within the enterprise. At the same time, through the "quality management review quarterly meeting", "post-listing product risk management Forum" and other forms to organize enterprises to conduct special reports and discussions.

#### >Product Recalls

The pharmaceutical member companies of Fosun Pharma abide by the *Administrative Measures for Drug Recalls* and other relevant national regulations to create their own *Rules of Management on Product Recalls*, as well as conduct simulation recall drills regularly. During the Reporting Period, the pharmaceutical member companies of Fosun Pharma in China conducted 9 simulation recall drills, and no actual recall occurred. During the Reporting Period, no product recall occurred in medical diagnosis and medical device member companies of Fosun Pharma.

#### > Digital Transformation

In addition, Fosun Pharma leverages digital technologies and information tools to empower quality management. During the Reporting Period, Fosun Kite, a member company of Fosun Pharma, built the "digital quality supervision system for the autologous CAR-T therapy supply chain management," covering two-way traceability of the whole process of the collection of leukocytes, blood specimen transportation, centralized therapy manufacturing and transportation of processed CAR-T cells to the patient. Through real-time data collection and lifecycle management of the whole process of production, transportation and use of autologous CAR-T cell drugs, the cold chain transportation of Yi Kai Da (ejilunsai injection). has been "error-free" since its launch more than a year ago. This project was listed in the "Excellent Cases of 2022 Digital Transformation in Shanghai Enterprise Quality Management".

## 3.1.3 Responsible Operation

After the development of 30 years, Fosun has become a global innovation-driven consumer group. Regarding industry operations as the core of our business, we are committed to providing high-quality products and services to global family customers through responsible operations.

#### Health Accessibility

Centering on the vision of "make every family healthier" and adhering to the value proposition of "high quality and affordable", Fosun Health places greater focus on patients' major unmet clinical needs in its health ecosystem worldwide, and constantly promotes its capabilities of research, development and innovation, providing patients with more accessible and more affordable products and services of better quality.

We focus on the fields of severe malaria, tuberculosis, chronic diseases and rare diseases, and take advantage of our product research and development to serve global patients and families. We are committed to improving the availability of medicines and medical care in grass-roots and underdeveloped areas, and actively work with relevant stakeholders, including but not limited to governments, medical institutions and non-governmental organizations, to run public welfare campaigns with a theme of caring patients to help address health problems in developing countries. For the details of the above projects, please refer to the section 8. *Staying True - Together for A Better Life* in this report.





#### Fosun Pharma

Fosun Pharma continues to increase investment in the R&D of innovative drugs and biosimilars, actively promotes the introduction and registration of drug licenses and the consistent evaluation of generic drugs, and continuously strengthens the exploration in the fields of cutting-edge innovations and rare diseases to satisfy the clinical demands.

As of the end of Reporting Period, Fosun Pharma has deployed rare disease drugs in the fields of infantile spasms, idiopathic pulmonary fibrosis, and pulmonary hypertension; a number of innovative drugs and new indications under Fosun Pharma have been included in the National Drugs Catalogue of Basic Medical Insurance, Work Injury Insurance and Maternity Insurance (2022), which will further increase the accessibility and affordability of these drugs and make world-leading innovative drugs available to more Chinese patients at a faster pace.

Innovative drugs included in the new edition of the national reimbursement drug list through negotiation for the first time

- Azvudine, China's first small-molecule oral drug for Covid-19 with Complete IPRs
- Akyanzeo (Netupitant and Palonosetron Hydrochloride Capsules), the world's first- and only approved fixed-dose combination oral agent that can simultaneously block NK-1 receptor and 5-HT3 receptor
- Otezla (Apremilast Tablets), the world's first oral small molecule targeted drug approved for the treatment of psoriasis

Indications added and products renewed in the adjusted national reimbursement drug list

- A new indication of HANLIKANG (Rituximab Injection), the first biosimilar medicine in China, was approved for rheumatoid arthritis
- Doptelet (Avatrombopag Tablets), the world's first FDA-approved oral thrombopoietin receptor agonist (TPO-RA) for CLD-related thrombocytopenia, has its contract renewed

Fosun Pharma is also committed to improving the accessibility of drugs in developing countries and underdeveloped areas. Three regional distribution centers have been established by Fosun Pharma in emerging markets such as Africa, equipped with front-line sales teams of about 800 employees. Fosun Pharma continuously promotes healthy medicine products from "Use in Africa" to "Made in Africa and Use in Africa". In November 2022, Fosun Pharma officially started a park project in Cote d'Ivoire, which was expected to create nearly 1,000 jobs in the Grand Bassam and significantly stimulate the development of the country's pharmacy sector. In the future, the antimalarials and antibiotic products made by the factory in Cote d'Ivoire will be distributed through the distribution network of Tridem Pharma, a member company of Fosun Pharma, to help localize the supply of conventional drugs in Cote d'Ivoire and West Africa. We expect that this project can reduce the risk of drug shortage and enable the nations in the region to activate the emergency response immediately in the event of various public health crises.

During the Reporting Period, Fosun Pharmaceutical Industrial Development, one of Fosun Pharma's member companies, signed agreements with MPP to manufacture and supply COVID-19 antiviral medication Molnupiravir and generic versions of Pfizer's oral COVID-19 treatment Nirmatrelvir in combination with Ritonavir to low-and-middle-income countries in global agreed areas, and the scope of production includes drug substances and drug products.



Agreement signing ceremony of Cote d'Ivoire park project

#### Responsible Insurance

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

#### Peak Reinsurance

Peak Reinsurance is an early signatory to the Principles for Sustainable Insurance (PSI) of the UN Environment Programme Finance Initiative (UNEP FI). Based on its commitment to PSI, Peak Reinsurance has integrated ESG throughout the life cycles of the reinsurance business and worked closely with stakeholders to promote ESG and sustainable insurance.

#### >ESG Risk Management

Based on the International Finance Corporation's (IFC) Sustainability Framework, Peak Reinsurance's ESG strategy is integrated with the company's risk management framework and reflected in both its underwriting and investment activities. As part of its standard operations, Peak Reinsurance maintains initiatives to improve its understanding of emerging and evolving risks in the markets where it operates. The governance framework aims to mitigate and protect against negative impacts from business operations. There are policies in place around all major decision-making processes, and works are continuing to strengthen the governance framework taking into consideration macro challenges and the rising frequency and severity of natural disasters.

The 2020 implementation of the Own Risk and Solvency Assessment (ORSA) is one example of how a fully integrated ESG analysis informs operational decisions. ORSA is a review process that tests risk management and solvency adequacy under normal and severe stress scenarios, such as with increasing instances of natural disasters. Under ORSA, Peak Reinsurance analyses risks to underwriting, market and operational liquidity to ensure the company can meet its reinsurance obligations.





#### >Active Actions

#### Renewable energy

Peak Reinsurance continues to provide support to its business partners to foster faster adoption of renewable energy, including solar, bioenergy and wind energy, in different markets. This included support on environmental assessment and loss control, risk management and mitigation associated with pollution, and support for innovative projects such as energy from waste.

#### Climate risks

Peak Reinsurance supports parametric flood-risk insurance under the Southeast Asia Disaster Risk Insurance Facility (SEADRIF). This is a key regional facility for providing climate and disaster risk financing and insurance solutions through a partnership between ASEAN+3 (Japan, China and South Korea) and the World Bank. Through pre-disaster planning and funding of post-disaster relief and reconstruction, SEADRIF protects people and their livelihoods, reinforces ongoing economic development and contributes to poverty reduction.

#### Trade credit

A landmark achievement for Peak Reinsurance has been its support of Pakistan's first trade credit insurance scheme. Trade credit insurance plays an important role in facilitating trade in emerging economies by protecting businesses from losses related to credit risks, such as defaults, insolvency or bankruptcy. Peak Reinsurance developed a bespoke trade credit partnership scheme to empower medium-sized local insurers in emerging markets. The reinsurance scheme supports sustainable development for local businesses while enabling local insurers to deliver better customer experiences and build a knowledge base for future growth opportunities.

#### • Farm insurance and farm loans

Flooding and typhoons pose a significant threat to farm livelihoods in Asia's emerging markets. To safeguard those incomes in the event of crop destruction, Peak Reinsurance works with the Thailand Rice Insurance Scheme, the Government of India Agriculture Scheme (PMFBY) and area banks to provide loans and insurance protection to farmers against potential crop losses from natural disasters.

#### • Critical illness products with wellness components

Reliable data to support actuarial decisions about discounted premiums or increased benefits in the healthcare and wellness industries may not be readily available. In view of this, Peak Reinsurance engaged with a Chinese insurance company to structure approaches so that incentives are meaningful, uncertainties are minimised, and profitability is likely to be stable. A resulting concept of using daily step-counts as a metric for computing discounts or benefit improvements is now becoming an established methodology within China's Critical Illness insurance market.

#### >External Cooperation

Peak Reinsurance actively supports the communication and cooperation with governments, regulators, academia, research institutions and other stakeholders on issues related to climate change and sustainable insurance. Apart from its own research, Peak Reinsurance also collaborate with external parties to further the insurance and reinsurance industry's knowledge and preparedness towards climate change and sustainable development.

#### Partnership with Shanghai Typhoon Institute

Since 2015, Peak Reinsurance has cooperated with the Shanghai Typhoon Institute (STI) and the Shanghai Central Meteorological Observatory (SCMO) to carry out research projects on tropical cyclones in the Northwest Pacific Basin and the South China Sea. This aims to help provide better, more accurate and up-to-date forecasts of typhoons, ultimately helping societies to mitigate risks from climate events. STI and Peak Reinsurance release their pre-season cyclone forecast in May and seasonal reviews and forecast adjustments in August on an annual basis.

#### Industry support and knowledge sharing

During the Reporting Period, Peak Reinsurance continued to hold webinars and other learning and knowledge-sharing activities. It conducted a series of seminars on topical insurance issues for its clients in China. Key spokespersons from Peak Re also spoke at industry events to promote the development of the insurance industry while strengthening social resilience.

#### Fosun Insurance Portugal

Fosun Insurance Portugal closely aligns its business development with ESG factors. During the Reporting Period, Fosun Insurance Portugal defined its new 2025 sustainability strategy "WeCare" with an ESG vision of "preparing the future, contributing for society resilience, and positively impacting all stakeholders". It is committed to enhancing sustainability performance in three areas, namely inclusive society, urgent ecological transition, and business with positive impact.

Besides, Fosun Insurance Portugal continues to advance responsible operations and promise to achieve operational carbon neutrality by 2025. Fosun Insurance Portugal actively promotes responsible investment by introducing ESG financial products, and is committed to increasing social resilience via a range of health, wealth management, and inclusion-related products. For more details, please refer to the chapter on *ESG Stories of Fosun Overseas Ecosystem* in this Report.

## 3.2 Improving Customer Experience

## 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 the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Advertising Law of the People's Republic of China*, the *French Consumer Code*. In accordance with these laws and regulations, the Group is required to establish a marketing management system to ensure our sales and marketing practices that comply with laws, regulations, social norms and ethical standards. We formulated and released the *Fosun Group Responsible Marketing Policy*, making commitments with respect to compliance marketing and sustainable consumption, and encouraging member companies and partners to jointly implement responsible marketing.

#### Compliance Marketing

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

#### **Fosun Pharma**

Fosun Pharma has formulated the *Employee Compliance Manual* to regulate drug promotion behaviors 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 the marketing and sales team to ensure that it entered into compliance operation agreements with its business units and implemented the compliance operation responsibility policy. In order to implement responsible marketing, Fosun Pharma regularly conducts professional training on product knowledge and marketing training for all members of the marketing and sales team to enhance their awareness of products, and supervise responsible marketing, with regular assessment on the training contents.

Fosun Pharma continues to strengthen distributor management and motivates distributors with incentive policies such as appropriate discounts based on actual sales targets. In addition, Fosun Pharma has also established the systems of the internal control self-assessment and internal control audit of pharmaceutical sales, and a dedicated department is responsible for the relevant audit of distributors/agents.



The audit mainly focuses on distributors' channel control, distributors' terminal prices, etc. During the Reporting Period, Fosun Pharma's member companies, such as Guilin Pharma and Hongqi Pharma, positively responded to the request and supervised the quality compliance of distributors by using a series of quality tools, including qualification management, quality audits and quality assurance agreements.

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

#### Sustainable Consumption

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

#### BFC

During the Reporting Period, BFC Bund Fengjing and Mio announced long-term cooperation, and brought together dozens of sustainable eco-brands to establish a low-carbon alliance to convey sustainable lifestyles and low-carbon concepts to consumers in an easy-to-understand manner.

• In August 2022, through the signing of joint statements online, activity participation and provision of chances to try out green products, a low-carbon interactive flash mob themed "Green Planet Qi 'Mio' Night" was held to call on the public to practice green and low-carbon living.



• In December 2022, Shanghai's first "zero carbon and zero waste" market was opened, where the sustainable lifestyle was represented by 9 interesting low-carbon tasks. Visitors to the market could engage in a variety of participatory activities to experience low-carbon living, including bringing their own cups, trash running, recycling old clothes, guizzes, and parent-child colored sculptures. The standard booths provided to brands were reused, and Certified Emission Reductions (CERs) were purchased after the event. A Carbon Neutral Certification was obtained after being approved by the Shanghai Environment and Energy Exchange.



#### Yuyuan

Yuyuan regards "responsible marketing" as an important issue of its ESG management, and actively organizes activities of responsible marketing with its industries.

During the Reporting Period, Tonghanchuntang, a brand under Yuyuan, held the 37th "Ointment Festival" and invited more than 80 senior Chinese medicine experts to provide personalized healthcare services for different consumers and offer free clinic services for the subdistrict community to benefit people with traditional Chinese medicine. At the same time, a "Photo Spot for Ointment Festival" was set up, and qualified medical professionals were invited to help the general public conduct self-diagnosis and learn about cream formula and health information so they could feel the allure of traditional Chinese medicine and the magic of ointment.

Huabao Mansion focuses on blending traditional culture with modern beauty. It offers various forms of business, such as exhibitions, auctions and live streaming, and brings together artwork collectors, professional institutions and local craftsmen to create an excellent offline experience of oriental lifestyle aesthetics. During the Reporting Period, Huabao Mansion held several culture and art appreciation meetings, where consumers got to see the elegance of famous artists up close. During the meetings, the knowledge of art appreciation was also popularized so that consumers may avoid "blind spots" during consumption.

In addition, Songhelou, a catering enterprise under Yuyuan, encouraged consumers to avoid food waste and make sustainable consumption by posting relevant placards in its restaurants.

#### Distributor Management

We review our marketing and sales business regularly to ensure legal compliance of sales and marketing practices related to products and services. We continuously improve and empower distributor management, and collaborated with partners to constantly create high value for consumers and society.

#### Yuyuan

Shede Spirits under Yuyuan keeps on building a scientific distributor management system. It has formulated systems such as the *Administrative Measures for the Signing and Approval of New Dealership Contract* and established a comprehensive and complete management system in terms of distributor selection, renewal, adjustment and termination, which are managed by different responsible persons. In addition to maintaining sufficient and transparent communication with distributors on key matters, including product receipt, returns, exchanges and rework, Shede Spirits also issued the management implementation details and annual planning agreements, and optimizes system management documents year by year to ensure that the cooperation is in accordance with rules and regulations.

Moreover, Shede Spirits implements the *Administrative Measures for Distributors' Evaluation and Rating* to conduct standardized and data-based quarterly evaluation and rating of its distributors' daily operations, so as to fully evaluate their strength, market operation, and service capabilities. Using the *Field Visit Evaluation Questionnaire of Distributor*, the relevant department pays visits to the distributors and performs interview evaluation on a quarterly basis, the results of which are served as a supplement and amendment to the quarterly distributor rating results. During the Reporting Period, Shede Spirits conducted a total of 4 distributor evaluations, covering all distributors.

#### 3.2.2 Customer Care

In order to create a FC2M happy family ecosystem, we always regard customers (the "C-end") as a top priority of FC2M. We are dedicated to creating value for users and ecosystem value through the continuous acquisition and operation of users through methods such as the internet platform and digitalization, as well as a combination of online and offline scenarios. During the Reporting Period, a total of 50.8 million new members<sup>1</sup> have been added.

Fosun builds up the reputation of "Fosun Family Season", aiming to integrally push forward the synergistic connection of C2M ecosystem and the realization of ecosystem multiplier effect through the release of a series of scientific and innovative new products and large-scale online and offline marketing activities. In 2022, we hosted the "920 Fosun Family Season", revolving around the theme of "creating a happier life with Fosun". We coordinated 80 industries in the Fosun ecosystem to deliver the concept of "family" both domestically and internationally, and launched more than 300 key products to create a scene of "food, joy and beauty". More than hundreds of millions of people viewed the event online, during which core consumer industries sold nearly RMB6.5 billion.



<sup>1</sup>Customers agreed to official member terms of the brand and authorized privacy right, provided personal information, including mobile phone numbers in any channels, and who are identifiable, accessible and traceable, are defined as registered members, i.e. operational members.

#### Customer Satisfaction Management

The Group has gradually established a multi-angle and multi-mode customer satisfaction system, consisting of customer feedback monitoring, internal self-inspection of mystery shoppers, customer feedback from customer service centers, and so on, to enhance the product and service capability of the industry and improve customer satisfaction.



The headquarters of the Group established the "Customer Satisfaction Team" to monitor the status of customer satisfaction of various segments and member companies, and to provide feedback and guidance for the establishment and operation of the customer satisfaction management system in various industries. Each member company designates responsible persons for direct connections to continuously improve the product power and serviceability of the industry. During the Reporting Period, the customer satisfaction BI (business intelligence) system went live, allowing for fully-automated online viewing and downloading of 48 industries' satisfaction monitoring data. This can help member companies gain a deeper understanding of the dynamic differences between their products and those of their competitors, strengthen functional staff management efficiency and empower such industries to conduct independent monitoring.

During the Reporting Period, the customer satisfaction rate increased by 2% compared with that of the previous year. In the future, we will continue to optimize products and services in various fields through refined industry operations, systematic testing and management, and utilization of digital tools to enhance the overall business capabilities of Fosun.

#### Group Level

During the Reporting Period, Fosun organized two "Offline Workshops for Satisfaction Enhancement" in response to member companies' inadequacies in their OTAs and social media that were identified through ongoing online monitoring. By inviting professional instructors to give lectures and arranging group discussions and special topic sharing, Fosun gave member companies the opportunity to learn from each other. This allowed them to dig deeper into operational pain points and expand the toolbox. More than 60 people participated in the two activities, covering more than 20 member companies in various fields such as catering and cultural tourism





Customer satisfaction rate Indicator 2022 80% Medium-term goal (until 2024)82% Long-term goal (until 2031) 85%

#### FTG

FTG has established a Customer Experience Department. FTG listened closely to customer feedback through active or passive reach, expert perspectives, and mystery shoppers' objective opinions. Meanwhile, based on the feedback pain points of key customers, FTG actively cooperated with various industries to take rapid action to form an effective optimization solution.

#### Improve service quality

- provide them with extraordinary experience. During the Reporting Period, 12 workshops of totally 87 hours were

organized, outputting 23 types of customer profiles.

#### Thomas Cook Lifestyle Platform

92.5% and a customer satisfaction rate of over 92.4%

#### Member loyalty programs

members from various brands in the FTG ecosystem, and as of the end of the Reporting Period, it has accumulated about 5.72 million members.

#### Yuyuan

Yuyuan implements the industry C2M annual KPI (Key Performance Indicator) management system in marketing management, and assesses the stability and improvement of business capabilities of various industries in different dimensions under the C2M strategy. The CRM (Client Relationship Management) system has been adopted by Yuyuan for customer management. A series of excellent "one-to-one relationships" with customers and business partners were established and maintained through the system's enhanced tracking services and information analysis capability, enhancing customer development and care.

For the purpose of fully ensuring quality customer services, Yuyuan has established a supervision and management working group led by the board members to lead the supervision and management of customer services and product quality. Besides, it has clearly defined the management responsibilities of each department and business line, and continuously improves the mechanisms for customer feedback, complaint handling and quick response. Yuyuan actively conducted an all-around survey of customer satisfaction through various forms, such as customer feedback from each platform (NSR monitoring platform), satisfaction survey questionnaires and mystery shopper projects, and identified problems and formulated solutions according to the feedback results to further improve user experience. During the Reporting Period, Yuyuan iterated the customer satisfaction strategy, increased brand monitoring, in-depth analysis of standard products and built a customer satisfaction center in management, and monitored various industries and dimensions through the digital platform. At the same time, Yuyuan added the net sentiment rate (NSR), industry benchmarks, and other management indicators, and continued to evolve the management assessment mechanism through special meetings, communication mechanisms, ranking, and other methods.

• In 2022, FTG launched and steadily conducted audits on customer experience management system, including cultivating cultural value, sorting out the organizational structure, sorting out the work standards and rules, establishing measurable satisfactory indicators management system, and building customer voice management and extraordinary experience design system. During the Reporting Period, FTG reviewed its customer experience management systems for 7 industries to identify and correct the deficiencies of such systems, with relevant reports prepared. Moreover, FTG also plans to carry out in-depth inspections and complete correction accordingly in 2023.

• In addition, the Customer Experience Department continued to hold creation workshops and trainings to empower the FTG's business in various industries. Customer's profiles and their touch points in travel are collected from the perspective of customers, and then FTG seeks opportunities in the pain points and expectations identified to

• Based on the C2M ecosystem, it will directly reach the C-end entrance of consumers, so as to enrich diversified core products and high-quality membership rights services, and meet the full-scene demand of "vacation+life" of family users. At the same time, it provides customers with multi-directional interactive communication channels, establishes a customer service center, and interacts with pre-sales and after-sales consultation and feedback in many aspects. During the Reporting Period, the customer service center received a total of nearly 580,000 inquiries, with an average response speed of less than 30 seconds, including nearly 13,000 calls, with a connection rate of

• Including the global Club Med exclusive membership program, as well as Foryou Club. Foryou Club has gathered

## 3.2.3 Complaint Management

We have set up the User Operation Center as the responsible department for complaint management of the Group, and established the Group's standard management mechanism for the customer service and product quality supervision system of member companies to continuously enhance the customer service management mechanism and improve customer satisfaction.

In accordance with the requirements of the *Complaint Management System* (ISO 10002:2018), we have established a complete customer complaint management system and passed ISO 10002:2018 certification. 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 training on the Complaint Management System (ISO 10002:2018) for relevant staff to effectively implement the Group's customer complaint management system. During the Reporting Period, we completed the annual review of ISO 10002:2018.

Fosun has launched a "Global Customer Complaint Platform" with the Group's customer service mailbox (groupcst@fosun.com), and joined hands with our member 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 83 customer complaints, and all customer complaints were guaranteed to be responded within 24 hours, with a response rate of 100% and a resolution rate of 98%.

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





#### Yuyuan

Yuyuan continuously improves the customer complaint service management mechanism of its member companies to maintain sound internal communication channels. Through information exchange and resource integration, it establishes a collaborative response mechanism with the risk control line, marketing line, and strategic empowerment line to jointly respond to the requirements of customers in various supply chains, and improve the quality of customer services.

Yuyuan has developed a complete customer service system network, including the official website, mails, QR Code questionnaire, customer service hotline and other customer complaint channels as well as the customer service digital platform. All complaints are required to be closed within 48 hours. During the Reporting Period, Yuyuan completed the upgrading of the customer complaint platform, improved customer complaint handling speed and efficiency, and solved consumer complaints as soon as possible. During the Reporting Period, Yuyuan received 2,227 customer complaints, and the completion rate of customer complaints was 99.5%.



#### FTG

FTG focuses on communication with customers and is committed to providing customers with diversified communication channels. FTG has opened multiple customer complaint feedback portals such as mailbox(<u>folidayts@</u><u>fosunholiday.com</u>) and the official website to ensure that each customer's complaint is properly handled.



## 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 the Administrative Measures for Internet Information Services of China. the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and the European Union's General Data Protection Regulation. In accordance with these laws and regulations, the Group is required to establish a management system to ensure the cybersecurity, data security and privacy protection of our operations. The Board is the highest responsible organization for privacy protection and information security of the Group, and the Digital Intelligence Committee is the responsible department and regularly reports to the co-CEO in charge of information security of the Company.

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

## 3.3.1 Information Security

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

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. In accordance with this policy, we incorporate information security protection in the assessment of employee performance. In addition, it has stipulated that the headquarters of the Group and our member companies should conduct publicity and training on information security awareness for employees every year and conduct cybersecurity tests or cybersecurity scenario drills at least every six months. We have also formulated guidelines for operation to guide employees in dealing with abnormal situations such as computer virus infection, data deletion and damage, etc., so as to prevent intentional or unintentional damage to information safety.

We established a data security level management mechanism to improve the Group's information security comprehensively. 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. During the Reporting Period, we added security approval nodes to the integration process of the Group's core business management systems and adopted the "long-arm" principle, mandating that all third-party systems integrated with the core systems be audited by the security team of the Digital Intelligence Committee to make sure that they will not pose security risks to the core systems before they can be accessed.

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

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

We strengthen the construction of website security capabilities, fill high-risk vulnerabilities, and improve operational capabilities by conducting information security inspections and penetration testing on member companies regularly. In September 2022, the security team of the Digital Intelligence Committee conducted the cybersecurity attack and defense drill and emergency response drill, simulating the emergency response process when website applications were under attack. The weak links in information security were identified and rectified, enhancing the overall capabilities to respond to and handle information security issues.

#### Information Security Certification

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

## 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 for privacy protection in the areas where we operate. In accordance with these laws and regulations, the Group is required to established a management system for privacy protection. We have formulated the *Fosun Group User Privacy Policy*, which is applicable to the whole Group and its direct or indirect member companies and branches and has been released on the Group's website.

#### Fosun's Principles of Privacy Protection

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

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

Principle of Confidentiality

Without permission, we will not share, transfer or disclose users' personal information to any other company, organization or individual. We will take reasonable and feasible security measures in line with industry standards to protect users' privacy information from unauthorized access, disclosure, use, modification, damage or loss.

We formulated the *Guidelines for the Self-Assessment of Personal Information Privacy Protection of Fosun Group* for its product lines and service systems to conduct self-assessment and improve relevant measures for user privacy protection. As of the end of the Reporting Period, member companies, including FTG, Yuyuan, Forte, Fosun Pharma, Fosun Insurance Portugal, and Peak Reinsurance, had formulated user privacy protection policies and related guidelines applicable to their respective business operations in accordance with the *Fosun Group User Privacy Policy*.

#### Security Culture Construction

The Group enhances all employees' awareness of information security by strengthening the construction of an information security culture across the Group. We regularly release security warning education materials to all employees of the Group, train the core leaders of the Group and member companies in data security and cybersecurity, and inspect, supervise and guide member companies on their information security at regular intervals. During the Reporting Period, we distributed training materials like *Personal Privacy Protection* and Office Security to all employees in the Information Security Week and organized sharing activities at the morning assembly of "Fosun 30 Minutes". Beyond that, we also carried out several special training sessions on information security for the Group and our member companies and provided them with ongoing guidance and supervision via the mobile office platform "Fosun DingTalk app".



# 04

Safety, Environmental Protection and Resilience Building<sup>1</sup>

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. The EHSQ Department reports to the Board on a regular basis.

<sup>1</sup>Unless otherwise stated, the data disclosure scope of this section includes Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, FTG, Fosun Insurance Portugal, Hainan Mining and Nanjing Iron & Steel.



## 4.1 Enhancing Management System

Based on the international environmental management system, occupational health & safety management system, quality management system and national work safety standards, the Group launched the Fosun EHSQ management framework standards and established the management framework of environmental protection, occupational health, work safety and quality management. We also made systematic and standardized arrangement on EHSQ work of member companies. During the Reporting Period, we kept optimizing Fosun's EHSQ management strategy and further refined the core work. We have also set the following short, medium and long-term goals with an emphasis on overall EHS management (for quality management, please refer to the section 31.2 *Quality Management* of this report for details):

Timeline	Short-term: 2022	Medium-term: 2023~2024	Long-term: 2025~2031
Vision	Compliant Operation, Improvement on Standards	Build Benchmark	Common Improvement
Current progress	Achieved	Planning	Planning
Core strategic work/Key emphasis	Improve EHS management system, continue to conduct the audit of the Group's EHS system; Improve the EHS risk map of member companies and conduct unannounced inspections for member companies at high risk;	Promote core companies to establish exemplary lines and exemplary factories of EHS management within their respective groups; Urge core companies to conduct internal audit of the EHS system; Set ESG environmental protection goals and pathways	Realize the full-scope coverage of EHS management system to escalate Fosun's global presence; Continuously evolve the EHS system, and reach world-class EHS management level; Actively guide and assist member companies to promote energy conservation, emission reduction,
	Complete the ESG report and accomplish the design of the ESG data collection and monitoring platform; Promote the implementation of the strategies for carbon peak and carbon neutrality and formulate an implementation roadmap for carbon neutrality. Supervise the compliance self- audit of member companies within the Group and follow up on rectification of significant EHS issues.	<ul> <li>through data research and inspection;</li> <li>Improve the collection and analysis of the accidents with respect to Lost Time Injury (LTI), and keep track of LTI data.</li> <li>Promote the building of exemplary enterprise of intelligent EHS management.</li> <li>Set up the Fosun carbon emission management assessment system.</li> </ul>	clean production, reduction of carbon emissions, and investment in the field of clean energy to improve ESG ratings; Help member companies continuously improve the level of EHS management, and urge them to achieve the goals of reducing Lost Time Injury Frequency Rate by 10%, zero liability accident, zero environmental pollution incident and zero occupational disease.
Quantitative Target	Conduct at least 8 EHS system audits.	Establish an EHS indicator tracking system to generate monthly reports; EHS management benchmark enterprises of all industries have achieved zero accidents, zero environmental pollution incidents and zero new occupational diseases and leading Lost Time Injury Frequency Rate (LTIFR) in the industry.	80% of the member companies achieved zero accidents, zero environmental pollution incidents and zero new occupational disease goals.

During the Reporting Period, we put the "1+N" strategic deployment into practice to achieve the aforementioned goals. This involved setting up 1 carbon management system and producing N reports (including studies on water risk assessment, climate change, and biodiversity), and developing an ESG-Carbon Neutralization Life Cycle management platform that includes ESG and carbon neutrality-related content in the Group's system audit. Additionally, we upgraded the corresponding management and reward system to scientifically and systematically manage corporate risks and evaluate ESG performance with reference to advanced international-leading management standards, requirements for energy control and environmental audit, etc.



The Group formulated relevant policies including *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 and defined the EHS management responsibility and performance appraisal reward and punishment mechanism for member companies and their management personnel. We regularly review our policies and management systems for safety, quality, and environment to ensure compliance with laws and industrial standards. We also commit to transparently and honestly disclosing our progress in environmental issues in our annual ESG report. During the Reporting Period, the Group had no significant accidents with respect to safety, quality and environment.* 

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

#### Certifications

Occupational health and safety management system certifica

Environmental management system certification (ISO 14001)

Energy management system certification (ISO 50001)

In 2020, we became a member of CBCSD and acted actively in fostering conversation, communication and cooperation in the field of sustainable development among enterprises, governments and social organizations. In June 2022, the Group participated in the 18th CBCSD New Trend Report Conference on Sustainable Development with the theme of "High-quality Development of Enterprises in the Context of Carbon Peaking and Carbon Neutrality". We discussed with relevant government departments, experts from research institutions and other enterprise representatives on how enterprises can achieve green and low-carbon development goals by adapting to the new development pattern and tapping new driving force of economic development under the background of carbon neutrality.

	Number of member companies
cation (ISO 45001)	19
)	22
	11

## 4.1.1 Specified Responsibilities

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

By the end of the Reporting Period, there were over **650** EHS related practitioners in the Company and its member companies.

The Group sets clear quantitative annual performance indicators to appraise CEOs and business line management personnel of core member companies in terms of safety, environmental protection, energy conservation, carbon emission management, carbon neutrality path implementation, 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 principles of "the top manager takes the primary responsibility" and "regional responsibility system" are introduced. The objects of punishment include the top management of the Group, the business segments and the core member companies, the persons in charge of the production plants and direct responsible person(s) for the accident, and such punishments shall be strictly supervised by the EHSQ Department

## 4.1.2 Audit Supervision

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 the member companies based on the EHS management system framework. Our inspections include annual EHS management system audits, special inspections, unannounced inspections, etc. Through the Group's on-site audit (selected core enterprises every year), internal cross audit and self-audit among member companies, 100% of domestic member companies shall be audited every year and 100% of domestic core enterprises shall pass the Group's audit every three years. In 2022, the Group improved EHS management performance of each member company through EHS management system audit, special inspection and unannounced inspection.

We continue to build a high-standard EHS assessment system to maximize the effect of supervision and urge member companies to continuously carry out EHS management and improvement. We have established comprehensive EHS performance indicators for the two major business lines of Fosun (namely manufacturing industry and service industry) with respect to the five factors of system, environment, safety, occupational health and fire protection, according to which member companies are scored; the actual management status of the EHS management level, equipment, technology and personnel operations of the member companies under the Group are classified into 5 score levels (0-1.5, 1.6-2.5, 2.6-3.5, 3.6-4.5, 4.6-5) based on which a quantified assessment will be conducted. member companies with relatively low scores (less than 1.5) will be classified as "red light" enterprises and brought under close supervision. Meanwhile, we extended the checklist for high-risk operation such as fire operation to the contractors, striving to avoid EHS risks to the greatest extent.

During the Reporting Period, we continued to improve the EHS risk maps of member companies, managed and controlled the EHS risks at different stages of project development and operation, and scientifically carried out unannounced inspections according to the risk level.

With further implementation of EHS management system in member companies, the Group's EHS management performance continued to improve and EHS risks were effectively controlled. The EHS performance showed an increasing trend in recent years.

## 4.1.3 Communication Mechanism

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

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

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

#### Hainan Mining

Hainan Mining brings general staff representatives into the safety production committee and convenes the committee meeting and the workers & employees' congress to listen to annual work reports. It reviews various supervision work programs, plans and important management rules and regulations related to safety and occupational health management put forth by staff representatives at all levels, and elects staff representatives in different divisions to deliberate and make decisions on safety and occupational health work priorities for the upcoming year.

Additionally, Hainan Mining provides regular safety training sessions for middle management and above and stays in close contact with general employees to understand their needs in terms of safety. It also makes significant investments to improve the working conditions for employees and strictly regulates the use of personal protective equipment. It also instructs its teams in safe operation to raise the workers' capacity for safe work.

#### FTG

FTG mandates that all of its member companies should convene safety committee meetings at least once a month during the open period and invite at least 1 employee representative to discuss EHS goals, participate in accident cases and regulation sharing, understand the progress in inspection and closure of EHS issues, and propose security improvement recommendations. During the Reporting Period, FTG's member companies held a total of 65 safety committee meetings.





Staff representatives attend the meeting of the Safety Production Committee

## 4.1.4 Cultural Development

During the Reporting Period, the Company and its member companies conducted a total of 627,800 hours of EHS training, with an average of 9.5 hours of training per person, and a 100% completion rate of EHS program training plan. Through case studies, we emphasize the importance of production safety, prevention of occupational disease, fire safety and environmental protection, so as to deepen employees' understanding and improve their awareness of EHS. The EHS departments of the Group and its member companies regularly organize employees and contractors at all levels to carry out EHS culture promotion activities in various forms, such as drills, trainings, theme weeks and others. These activities help infiltrate the safety concept into the whole operation process of member companies and enhance the effect of EHS cultural building from top to bottom. At the same time, the Group conducts advanced EHS group and individual awards and recognition activities to encourage member companies to proactively work on EHS.

#### Hainan Mining

Hainan Mining has set the goal of "100% safety education coverage for in-service employees", and continuously enhances the education and training of all employees. It has formulated "EHS Training Management Measures" and an annual plan for EHS education and training, according to which position-specific trainings are carried out for management personnel and safety management personnel, the trainings are also arranged for newly recruited employees, transferred employees, team leaders and operators at various positions, and training courses of various types are available throughout the year.

During the Reporting Period, Hainan Mining launched various events, such as "Occupational Health Publicity Week", "Work Safety Month" and "Fire Fighting Publicity Month" to continuously promote the cultivation of EHS culture. In addition to companywide collective safety training, and three-level safety training for all new employees and outsourced construction personnel, Hainan Mining has carried out weekly learning of safety laws and regulations, and identified and rectified findings against provisions therein since August 2022. A total of 19 training sessions were held and 76 issues were identified in selfinspection, with the notifications of rectification sent to the incharge units for the purpose of overseeing the implementation.



Employee EHS training

#### FTG

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

Group-level training includes "EHS Culture", "Fire Safety", "Public Health" and "Food Safety" that every new employee must attend, and employee EHS training for existing employees at least once a year. In 2022, FTG Headquarters organized 21 EHS professional trainings.

In addition, FTG also further strengthens EHS culture publicity and training through hotel & resort-level training such as new employee training, seasonal village pre-opening intensive training, monthly EHS training, EHS activities in the safe production month, and department & position-level training such as EHS pre-service training, regular training and real-time training, so as to enhance the safety awareness of all employees.



# 4.2 Climate Change and Energy

To address climate change, the Company joined United Nations Global Compact in August 2014 and made a global commitment to support global sustainable development and promote the achievement of the UN SDGs through participating in related activities globally and locally. We made a commitment and wrote 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.

We realize that reducing GHG emissions from our operations is a top priority. We have involved climate changes mitigation into our asset management and operation strategies. We have made a formal commitment to the society that "strive to peak carbon emissions by 2028 and achieve carbon neutrality by 2050". 2022 was the second year seeing the efforts toward carbon neutrality goal of Fosun. We have formalized the carbon neutrality roadmap and established a Carbon Neutrality Committee, declare and evaluate carbon neutral projects. We are committed to working with member companies to carry out GHG emission reduction actions, including energy conservation & transformation, clean energy use, green and low-carbon products, innovative technology research and development, etc.

#### As of 31 December 2022, the Group's progress on key climate change indicators is outlined below:

GHG emissions Intensity in 2022 was **95.6** tonnes/RMB million of revenue decreased by **8.02%** from 2021

Total energy consumption intensity in 2022 was **239.0** MWh/RMB million of revenue decreased by **12.90%** from 2021

During the Reporting Period, the Group carried out comprehensive analysis and assessment of climate-related risks and opportunities based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to identify those considered critical and map out response measures. Moreover, we further improved the measurement indicators and target management accordingly and released our first TCFD report. Please refer to the *Fosun International 2022 TCFD Report* for the disclosure with respect to Governance (Page 12), Strategy (Page 18), Risk Management (Page 44), Metrics and Targets (include direct or indirect energy consumptions, GHG emissions) (Page 48) for further details.



## 4.3 Environmental Compliance and Clean Production

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

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

## 4.3.1 Wastewater and Waste Gas

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

Wastewater	2022	2021	2020
Total Amount of Wastewater (ten thousand tonnes)	2,600.2	3,024.4	2,157.2
Chemical Oxygen Demand (COD) (tonnes)	1,341.4	1,534.7	1,316.2
Ammonia Nitrogen (NH3-N) (tonnes)	212.8	201.9	132.0
Suspended Solids (tonnes)	264.3	614.3	276.6

Notes:

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

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

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

The Group also urged member companies to effectively manage wastewater and dust generated from projects under construction. Our member companies have taken effective measures to manage emissions generated from construction sites and reduce the waste gas and dusts there to a minimum level. Construction materials and waste are properly covered. Vehicle washing facilities are installed at the entrance and exit of construction sites to prevent flowing dusts.

Waste Gas	2022	2021	2020
NOx (tonnes)	2,297.2	2,638.5	3,235.6
SOx (tonnes)	1,335.4	1,399.5	1,619.1

#### Notes:

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

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

(3) In 2021, Nanjing Iron & Steel added a particulate matter monitoring index, so within the scope of exhaust gas statistics, the Group's particulate matter emission in 2021 was 9,048.3 tonnes, and that in 2022 was 6,662.1 tonnes;

(4) Since Nanjing Iron & Steel passed the evaluation of "organized" and "clean logistics" for ultra-low emission in 2021, the emissions of NOx and SOx have decreased since 2021.

#### **Fosun Pharma**

Fosun Pharma's sewage includes production wastewater, domestic sewage, rainwater, uncontaminated wastewater, etc., which are "shunted by nature and treated by category". All of them are included in the designated sewage pipe network system of the corresponding park, and no sewage is directly discharged into surface water bodies. Fosun Pharma has established and improved the layout of drainage pipe network and set up initial rainwater collection pools and emergency pools with emergency gates (valves), etc., as required. All of its member companies have achieved compliance in wastewater discharge.

During the Reporting Period, member companies of Fosun Pharma actively improved processes and adjusted strategies, aiming to reduce wastewater discharge by reducing and rooting out the use of hazardous substances during pharmaceutical production. Among them, Hu'nan Dongting Pharmaceutical Co., Ltd. has carried out targeted rectification to reduce ammonia nitrogen in wastewater by optimizing processes and retrofitting equipment since 2017. By doing so, ammonia nitrogen in the production process of amino methacrylate API has been decreasing year by year, reaching zero in 2021 through the solid waste concentration process. In 2022, a prohibition was imposed on the use of liquid chlorine and liquid ammonia upon strategic adjustments.

#### 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. Moreover, it continuously strengthens pollution prevention and control, increases investment in environmental protection, and reduces air pollutants and wastewater by upgrading production sites and equipment. In addition, Nanjing Iron & Steel has established an environmental monitoring system and installed facilities to monitor various environmental indicators for air pollutants, wastewater, and ambient air quality throughout the plant in real time, minimizing the risks of environmental pollution.

#### >Environmental Goal

Nanjing Iron & Steel has set goals for the intensity of waste gas emission and wastewater discharge by 2025, and regularly tracks the progress and strictly controls emissions and effluent.

	Emission and discharge indicators	Goals to be achieved by 2025
Waata Caa	Sulfur dioxide emissions per tonne of steel (kg/ tonne of steel)	≤0.18
Waste Gas	Nitrogen oxides emissions per tonne of steel (kg/ tonne of steel)	≤0.50
Westswater	COD discharge per tonne of steel (kg/ tonne of steel)	≤0.007
Wastewater	Ammonia-nitrogen discharge per tonne of steel (kg/ tonne of steel)	≤0.0001

#### >Ultra-low Emission Management

Nanjing Iron & Steel continues to promote the ultra-low emission retrofitting projects. During the Reporting Period, it developed 65 rectification projects for unorganized emission, with reference to the industrial ultra-low emission standards and experiences of industry peers in rectifying unorganized emissions. It also held promotion meetings to ensure effective implementation of the projects. Meanwhile, to ensure the quality of rectification projects, Nanjing Iron & Steel invited experts of China Metallurgical Industry Planning and Research Institute to conduct monthly pre-assessment on site and provide guidance on the ultra-low emission.

Project	Description and progress
Renovation project for shaft furnace process for pellet induration	Used energy-saving and eco-friendly travelling grate process for pellet induration to replace the traditional shaft furnace process for pellet induration in the raw material process, which can reduce sulfur dioxide and nitrogen oxide emissions.
Renovation project for converter de- dusting process	Transformed the Oxygen Converter (OG) de-dusting process into the Lurgi Thyssen Cottrell process for de-dusting, which greatly reduces the concentration of primary particles in the steelmaking process, so as to achieve ultra-low emission standards.
Steel slag self-disintegration by pressurized steam	With 2 sets of roller machines, 10 sets of equipment for self-disintegration by pressurized steam and the supporting electrically automated and eco-friendly facilities, the dissolution of steel slag was conducted in a quick and effective manner, which realizes ultra-low emission of dust.
Pollution treatment for leakage of coking equipment	Addressed emissions of volatile organic compounds (VOCs) caused by corrosion, through overhaul of tanks, leakage control, replacement of original tanks with stainless steel ones, oil seal conversion, etc.
Blast furnace even-pressure diffusion and dust-removal system	Constructed the even-pressure diffusion and dust-removal systems for 5 blast furnaces to end "black smoke" arising from the damping down and diffusion.
Enclosed transformation of iron ore depot	Invested RMB1.5 billion to build 2 C type and 1 B type smart enclosed depots for raw materials, with a total area of 97 thousand square meters and a total storage capacity of 1.15 million tonnes. As a result, dust at the iron ore depot was effectively controlled, and all indicators reached the level I standards under the <i>Assessment Indicator System of Cleaner Production in Iron and Steel Industry</i> , meeting the requirements of ultra-low emission.
Sintered plate filters installation for finishing mills	Installed sintered plate filters in finishing mills of 3 rolling plants to control smoke and dust generated from the rolling process and keep the air fresh.

#### > Wastewater Management

Nanjing Iron & Steel equips all production plants with industrial circulating water treatment facilities and domestic sewage treatment facilities to produce secondary & tertiary recycled water and to treat coking & biochemical water. With these facilities, water consumption is decreased as most production wastewater is recycled, and the remaining is discharged in compliance with the highest standard.

During the Reporting Period, Nanjing Iron & Steel took the following actions to strengthen wastewater management:

Formulated inspection policies for Shitou River to strengthen inspection, and identify and control environmental risk points along the river	Optimized water quality monitoring of river cross-section, and enhanced control over internal water discharge, especially for fluorine-related processes
Strengthened the inspection of circulating water and other systems in the chemical production area along with management of dry ditches and pits, and reviewed the new total nitrogen (TN) removal project upon completion, greatly reduced TN and COD in the effluent	Advanced the steel slag treatment project (self-disintegration by pressurized steam), and reused recycled wastewater to achieve zero wastewater discharge
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#### 4.3.2 Solid Waste

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

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

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

#### Solid Waste

Non-hazardous Waste (tonnes)

Non-hazardous Waste Intensity (tonnes/ RMB million of

Hazardous Waste (tonnes)

Hazardous Waste Intensity (tonnes/ RMB million of reven

Total Solid Waste (tonnes)

Total Solid Waste Intensity (tonnes/ RMB million of reven

#### Note:

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



6.5
65.1
9.8
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6.3
5.3

#### FTG

FTG fosters the concept of circular economy throughout the business operations, insisting on sustainable waste management including waste sorting, waste reducing and recycling, quantitative waste monitoring, and limiting food waste. FTG attempts to reduce non-hazardous waste generation and actively cooperates with all parties to boost circular economy.

#### Sustainable waste management measures:

Waste Sorting	Reducing and Recycling Waste	Quantitative Waste Monitoring	Limiting Food Waste
39% of Club Med resorts use recycling channels for the five most common types of waste (paper, plastic, cardboard, metal and glass). Within the Reporting Period, Club Med's recycling volume reached 4,141 tonnes. Atlantis Sanya conducts online course on "garbage sorting" for employees every year, and the completion rate of the course in 2022 was 100%.	Set targets for reducing waste that is not recycled with the aim of moving toward zero waste. Reduce waste at the source via purchasing (minimizing packaging) and changes in services (eliminating some individual packaging). Villages continue to work with their suppliers and carriers on the recovery and reuse of packaging (containers, pallets, plastic crates for fish to replace polystyrene bins, etc.).	Continue quantitative waste monitoring, with standardized waste monitoring procedures charged by Inventory and Supply managers for all sites	A poster for raising customer awareness of reducing food waste has been put in place at main restaurant entrances. Since 2017, Club Med has been deploying the Winnow solution. Connected bin technology enables teams to measure and limit food waste, reducing food waste quantity by nearly 50% and food cost by 1.5% according to Winnow's estimates. Club Med plans to extend the program to 50% of resorts by 2025 and to cover 100% of resorts by 2030.

#### Create "Zero-waste Hotels" in Atlantis Sanya

In 2022, Atlantis Sanya actively responded to the Hainan provincial government's activity to create a "waste-free hotel" and was awarded the "waste-free hotel in Sanya". In order to promote the source reduction, resource utilization and harmless management of solid waste, Atlantis Sanya has set up a special management and responsibility institution, established an assessment and reward system and incorporated it into the hotel performance evaluation system. During the Reporting Period, Atlantis Sanya continued to promote waste reduction, and the main measures included solid waste source reduction, solid waste classification and treatment, training and publicity.

#### Hainan Mining

Hainan Mining continues to promote technological innovation to achieve full recovery and utilization of ore mineral resources. Hainan Mining has changed the traditional mining mode, increased investment in automation facilities, and transformed open pit mining into underground mining and targeted mining to reduce waste rock and dust while realizing the processing of waste items for sale, which not only reduces production costs, but also improves the utilization rate of regional resources. During the Reporting Period, Hainan mining generated more than RMB40 million through the sale of 900,000 tonnes of mechanical sand and crushed stone by-products.

In terms of hazardous waste disposal, Hainan Mining continuously strengthens source management and process control. During the Reporting Period, Hainan Mining further transformed the hazardous waste temporary storage warehouse and oil temporary storage point, coated epoxy resin on the surface on the basis of the original underground seepage prevention, and placed oil trays to store hazardous waste to minimize the risk of hazardous waste leakage.

"Double-protection drilling fluid technology" is adopted in Chengdu Bajiaochang Project of Roc Oil Company Pty Limited (ROC), a member company of Hainan Mining. By using environmentally-friendly drilling fluid additives with low toxicity and good biodegradability, the "double-protection" effect of protecting the environment and oil layer is achieved. In addition, the drilling fluid can be reused between wells during construction, and the drilling fluid after construction can be recycled to control the generation of pollutants in the production process from the source, which minimizes the amount of drilling waste, reduces drilling pollution, and realizes comprehensive utilization of drilling waste.

## 4.4 Water Resource and Material Management

Recognizing the importance of environmental protection, the Group strives to mitigate the impact of production and operation on the environment and people. To lighten environmental burden and deliver our commitment to sustainability, we urge and guide member companies to use water resources and materials more efficiently, and develop green circular 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, and take various water-saving measures to explore a new water recycling pattern to reuse reclaimed water, so as to reduce water resource consumption in production.

We made a commitment to reducing water consumption intensity and wrote it into the <u>Water Policy</u>, and actively encourage all relevant parties to work with us to fulfil the water resources commitments.

#### Water Consumption

Total Water Consumption (ten thousand tonnes)

Water Consumption Intensity (tonnes / RMB million of re-

#### 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. During the Reporting Period, there was no significant issue in sourcing water that is fit for purpose within the Group.

(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.

#### FTG

Due to its business characteristics, FTG requires large amounts of water resources during its operation. Therefore, it is important to identify water stress risks of all operating locations and carry out targeted management for the conservation and protection of water resources. FTG has actively responded to the severe challenge of water scarcity and set a target of "Reduce water use intensity by 10% by 2030 (2019 baseline)". FTG adopts various water-saving measures, regularly reviews its daily practices, and constantly seeks ways to increase opportunities for water recycling. During the Reporting Period, the freshwater intake intensity of FTG decreased by 16% by hotel night sold and decreased by 11% by revenue compared to 2019.

FTG uses the tool of Water Risk Atlas Aqueduct<sup>™</sup> developed by the World Resources Institute (WRI) to identify and evaluate water stress zones on a regular basis every year. In 2022, seven resorts were identified as being located in water stress zones defined by extremely high benchmark water stress values. During the Reporting Period, according to the identification results, FTG put forward management requirements for greening irrigation in resorts operated in zones of high water stress. Specific actions include selecting drought-tolerant vegetation, collecting rainwater for irrigation and gradually installing automatic drip irrigation and sprinklers to improve water use efficiency.

FTG guides and supervises the member companies to adopt targeted water resources management methods to improve the water efficiency of each operation place. Atlantis Sanya, a member company of FTG, has been awarded the title of "Water-saving Hotel" by Sanya Water-saving Office. Through water recycling measures such as rainwater collection, overflow water reuse and condensed water recovery, water-saving equipment and technology upgrading of water parks and aquariums, and regular monitoring and maintenance, more than 400,000 cubic meters of water can be saved annually.

	2022	2021	2020
	4,756.3	5,557.8	4,951.2
evenue)	219.1	263.0	292.3

#### Hainan Mining

Due to its business characteristics, Hainan Mining requires large amounts of water resources during its operation. Hainan Mining is committed to continuously reducing water consumption by recycling the wastewater from mine processing, comprehensively utilizing water inrush in the mining pit and retrofitting pipeline network.

Recycling wastewater from mine processing	Comprehensively utilizing water inrush in the mining pit	Retrofitting pipeline network
The discharge of production wastewater in the plant area is avoided by recycling the wastewater from mine processing and the overflow from the tailings pond.	All water inrush in the mining pit in the course of mining is comprehensively utilized, with a portion pumped to underground mine for production, and the rest into the high-level pool on the ground for mine processing, artificial sand production and road dust control.	In 2022, the recycle rate of industrial water was increased to 95.55% by optimizing the industrial water pipeline network, increased by 1.21% compared to 2021.

#### 4.4.2 Green Materials

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

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

Packaging Materials (tonnes)	2022	2021	2020
Glass	5,317.8	6,809.6	6,209.9
Wood	39.9	31.3	181.0
Metal	401.2	460.9	468.4
Plastics	3,961.2	3,583.3	1,855.5
Paper	15,552.5	13,192.5	11,121.3
Rubber	532.0	578.1	468.1
Others	25.5	2.2	68.4
Packaging Materials in Total	25,830.0	24,657.9	20,372.6

Notes:

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

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

#### FTG

Club Med, a member company of FTG, launched the "Bye-Bye Plastics" Program in 2018, aiming to eliminate disposable plastic products in all Club Med resorts. Meantime, Club Med signed the GTPI (Global Tourism Plastic Initiative) led by UNEP and WTO in partnership with the Ellen McArthur Foundation, as part of the "One Planet Sustainable Tourism" program.

In 2022, Club Med set stricter requirements and new targets based on the progress of the "Bye-Bye Plastics" program.

#### Target

Phase out single-use plastic such as straws, cups, mugs, plates, cutlery and trays

Use of reusable large bottles for shower gels, shampoos and creams in bathrooms

Phase out plastic packaging of accessories in guest room by the end of 2021

Reduce progressively the consumption of plastic water bottles compared to 2019: by 10% in 2022, 25% in 2023, 50% in 2024

We have gradually replaced disposable plastic supplies in rooms with those made from alternative materials since 2023

#### Yuyuan

Yuyuan actively responded to the "Implementation Plan for Further Strengthening Plastic Pollution Control in Shanghai". Its catering brands used degradable plastic bags when providing packaging and take-away services, and the degradable materials are also selected for packaging boxes, striving to limit the use of plastic products and reduce resource consumption and pollutant emissions.

After analyzing and optimizing the use of plastic packaging materials across the supply chain, Yuyuan Jewelry & Fashion Group, a member company of Yuyuan, has shifted from separate packaging on single-piece basis to bulk packaging on multi-piece basis by optimizing ordering systems and processes, greatly reduced the use of plastic packaging materials at the source. The weight of the plastic packaging bags consumed reduced by 75% through bulk packaging in 2022.

#### Achievement

- 100% of Club Med resorts have achieved target by the end of 2019 (excluding the tableware used in the resorts in Brazil)
- 100% of Club Med resorts have achieved the target by the end of 2022. (excluding Brazil, exclusive series and suites)
- 100% of Club Med resorts had achieved the target by the end of 2021  $\,$
- In 2021, 7 resorts achieved the target. 3 resorts ran their own bottling plant using reusable glass bottles. Disposable plastic water bottles are no longer available to guests. While reusable water bottles are available in resort shops
- In progress

## 4.5 Biodiversity and Animal Welfare

## 4.5.1 Biodiversity Protection

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

#### Yuyuan

Due to its business characteristics, Shede Spirits under Yuyuan Group requires various ecological raw materials and a high-standard ecological environment during its operation. Upholding the philosophy of "eco-friendly brewing and green development", Shede Spirits has become the first company to propose the concept of "eco-friendly brewing" as early as the 1990s. Supported by the local government, Shede Spirits has carried the concept of "eco-friendly brewing" into practice by building a brewing ecological park covering an area of 200 thousand mu in the past decades. To date, there are more than 300 species (including over 150 planted species and over 150 species that grow naturally) of arbors, shrubs and herbs, forming a complete and unique list of plants. Moreover, the number of plants exceeds 3.9 million, and the lawns, such as maidenhair and grass, cover 331,909 square meters with the plant coverage rate reaching 98.5%.



#### Hainan Mining

In the process of mineral development, Hainan Mining will have a certain degree of impact on the ecosystem of the mine. Strictly following the strategy of "mining, governing and restoring at the same time", Hainan Mining actively carries out mine and land restoration in accordance with the *Geological Environmental Protection and Land Reclamation Plan for Mines*. Hainan Mining executes reclamation plans in reclaimable mining area, conducts mining reclamation based on reality, which reflects Hainan Mining's commitment to building eco-friendly mines through protecting the water and soil resources as well as the ecological environment of the mining area.

In 2022, Hainan Mining continued its steady efforts to mine reclamation and ecological restoration, making full use of the topography, geomorphology, hydrogeology and other natural conditions of the area. Trees were planted and seeds were sprayed on the side slopes based on the types of local vegetation and the natural conditions. Moreover, a variety of tree species were cultivated based on the local ecological conditions. By doing so, Hainan Mining strives to build a sound ecological environment in mining areas and promote the sustainable development of mines. In 2022, Hainan Mining invested RMB12.94 million in reclamation, as a result, the ecological restoration of the mines involved the planting of 157,300 trees, with an ecological restoration area of 3,331.64 mu. By the end of the Reporting Period, the reclamation plant coverage rate of the mining area was 100%, creating an ecosystem with diverse plants, beautiful environment, complete function and stable structure in the mining areas.





## 4.5.2 Animal Welfare

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

#### Fosun Pharma

Each of Fosun Pharma's member companies respects research ethics. They actively respond to animal ethical policies and animal welfare protection requirements. Fosun Pharma and its member companies raise and use experimental animals in a scientific and humane manner, and actively improve the animal feeding environment to protect the rights & interests of experimental animals. In the future, Fosun Pharma and its member companies will continue to explore and develop refined animal experiment technology to reduce or even replace the use of experimental animals.

The R&D center 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 have complied with the relevant national standards; clinical trials involving human beings also complied with the standards for quality management of drug clinical trials and were reviewed by the Ethics Committee, and research involving animals also complied with relevant regulations on laboratory animal management.

#### FTG

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

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



Health Screening

Nutritional Security



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## 4.6 Safeguarding Safety and Health

Fosun 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, Fire Protection Law of the People's Republic of China, Labor Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, etc. In accordance with such laws and regulations, we have established a management and supervision system to ensure the work safety and occupational health of our employees. Safety, occupational health and fire protection have been included in our EHS audit scope to strictly control the production safety and occupational health of the Group and its member companies, so as to provide a safe working environment and protect employees from occupational hazards. We always regard employees' health and workplace safety management as our top priority. We continuously carry out a series of measures, including optimizing management methods, improving work safety responsibility system, carrying out in-depth supervision and inspection, performing cultural education of safety, etc. to make production risks under control, building a safe working environment and protecting the health and safety of employees.

In 2022, based on the industry standards of core business and Fosun's actual situations, we set the core annual target of "no significant EHSQ accidents" and the key indicators of "the Lost Days Accident Rate per million working hours below 1" in China and "the Lost Days Accident Rate per million working hours below 10" all over the Group with respect to work safety and occupational health management and successfully complete these goals. There were no work-related fatalities of the Group's employees from 2020 to 2022.

#### In 2022, the detailed work safety KPIs are as follows:

Indicator	Female	Male	Total
The Number of Work-related Injury	13	38	51
Lost Day (days)	849	2,764	3,613
Lost Day Rate <sup>1</sup>	12.56	33.50	24.07
Lost Time Injury Frequency Rate (LTIFR) <sup>2</sup>	0.19	0.46	0.34
Incidence Rate of Occupational Disease	0	0	0
The Number of Lost Days Accidents	13	38	51
Number of Dead Due to Work	0	0	0

Note

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

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

<sup>2</sup>Lost Time Injury Frequency Rate (LTIFR) = (Number of lost time injuries + Number of work-related fatalities) \*1,000,000 / Total work hours. The Group's recordable injury statistics do not include minor (first aid level) injuries, so the Group's recordable injury rate is also equal to the rate of lost work injuries here.

## 4.6.1 Work Safety

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

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

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

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

#### Hainan Mining

#### >Management system

Firmly establishing the concept of "people-oriented, safe development and green mines", Hainan Mining strictly implements the work safety standardization system and EHS management system based on the ISO management system. Hainan Mining establishes and improves the dual mechanism of safety risk classification control and accident hazards investigation & management system, and strictly conducts the process of hazard sources identification and risk assessment to ensure that all kinds of hazard sources are under control. By the end of the Reporting Period, Hainan Mining has obtained ISO 45001 Occupational Health and Safety Management System Certification.

#### Strengthening responsibility



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

#### Hazards investigation

In strict accordance with the internal system regarding work safety inspection and hazard investigation and governance, Hainan Mining carries out special inspections, unannounced safety inspections, quarterly inspections, seasonal and temporary inspections. In addition, Hainan Mining implements closed-loop management of registration, evaluation, and rectification for the safety hazards found, and establishes an accident hazards investigation and management records.

#### "100% in six aspects" requirements

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

#### Contractor Management

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



As the regulatory authorities of the external contractors engaged in various projects are clearly defined, Hainan Mining will work with them to carry out integrated safety management. Moreover, the responsibilities for supervising various safety inspections of the contractors remain with Hainan Mining, which will organize safety management personnel and technical teams at all levels for daily, weekly, monthly, and annual safety inspections and special safety inspections on holidays on the project construction site of external contractors. In the event of any violation identified, the personnel in charge will be fined, and correction is required to be completed under supervision. The external contractors with repeated violation records in the daily inspections are subject to a regulatory talk. During the Reporting Period, Hainan Mining carried out 46 inspections of external contractors, with 141 potential hazards identified and corrected, and 4 regulatory talks were summoned.



Safety inspections of external contractors' construction sites



Summoning the external contractor for a regulatory talk

#### FTG

During the Reporting Period, FTG continuously improved the existing safety management system, and made adjustments and revisions to 12 policies, including *Fosun Tourism Group EHSQ Policy*, according to laws, regulations and policies and risk changes in the actual operation process. At the same time, the *Management System of High-risk Operation Permit of Fosun Tourism Group* and the corresponding high-risk operation approval form were newly compiled to further standardize the safety management of suppliers and contractors and require all kinds of contractors and suppliers to include safety agreements in their contracts, and require high-risk contractors to complete safety training before entering the site.

The EHSQ management of FTG is based on the method of plan, do, check and act (PDCA), and carries out risk identification, hidden danger investigation and audit for each member enterprise on a regular basis. Risk audit includes fire safety, operational safety, food safety, public health, epidemic prevention and control, customer service, environmental protection, etc., and issues rectification suggestions according to the specific situation of risk identification and assessment, and requires member enterprises to report the rectification within the specified time. During the Reporting Period, in addition to the EHS inspection before the opening of the business and the EHS inspection once a month for the project of Taicang FOLIDAY Town, FTG conducted EHSQ inspection on various operating locations for a total of 38 times.

To improve the rapid response and disposal ability of all employees to emergencies, FTG has formulated a perfect safety emergency drill plan and required each member enterprise to formulate an emergency drill plan according to its own operational risks. The emergency drill plan is divided into comprehensive drills and special drills, covering different scenarios such as firefighting, food safety, infectious disease outbreak, chemical leakage, large amusement equipment emergency rescue, pool drowning rescue, sudden accident first aid, village peripheral personnel search and rescue, and severe weather response.

## 4.6.2 Occupational Health

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

#### Fosun Pharma

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

Fosun Pharma establishes and improves the responsibility management system for all employees of occupational disease prevention and control by actively assuming its primary responsibility of occupational health as an enterprise. Meanwhile, Fosun Pharma strictly implements occupational health risk notification, employees' personal protection, onsite supervision and sampling, employees' health examination and other requirements put forward by national regulators in routine supervision, so as to realize a closed-loop management of occupational health. In addition, Fosun Pharma accelerates the automation of the pharmaceutical process and improves its working conditions to reduce the exposure of operators to harmful elements. In 2022, Fosun Pharma invested RMB101.778 million in occupational health and safety for upgrading safety facilities in member companies, ensuring normal operation and maintenance of safety and firefighting facilities and Employee occupational health protection work.

In strict compliance with the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Devices of Construction Projects, Fosun Pharma's member companies regularly carry out risk assessments of positions susceptible to toxic and hazardous substances and arrange occupational health examinations for employees in day-to-day functions and those with occupational hazards removed. Meanwhile, occupational health protection facilities and occupational disease warning signs have been installed and optimized. In addition, to further encourage employees to take exercises and keep fit, the trade union of headquarters offers Tai Chi, Yoga and dancing classes throughout the year, and sets up nearly 10 clubs to carry out rich and varied activities on a regular basis. During the Reporting Period, Fosun Pharma had no new confirmed or suspected occupational disease cases.



## 4.6.3 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 plans, etc. To strengthen management and control of fire safety from the source, it also emphasizes the training and education for employees on fire-fighting awareness, self-rescue awareness and instructions for the use of fire-fighting equipment.

During the Reporting Period, we prepared and issued the *Fire Management Manual of Fosun Group*, which sets the requirements for the Group and its member companies with respect to fire-fighting facilities and fire safety management. Moreover, with a particular emphasis placed on prevention, the manual aims to ensure the RAM management of the fire-fighting systems, namely the reliability, availability and maintainability.

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•Fire prevention design	Management	Reliability	• Zero failure in fire-fighting systems
Fire prevention design Fire prevention management Facilities management	<ul> <li>Organizational structure</li> <li>Fire prevention duties</li> <li>Institutional requirements</li> <li>Training drills</li> </ul>	Availability	• Full coverage of fire-fighting facilities
	• Emergency response	Maintainability	• Full coverage of testing and maintenance of fire-fighting systems

Key contents of the Fire Management Manual of Fosun Group

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

During the Reporting Period, we carried out targeted supervision and developed a fire inspection plan at group level and conducted unannounced inspections at the identified key fire safety units of the Group, covering key member companies such as Fosun Pharma, Yuyuan, Nanjing Iron & Steel and Forte. All issues identified in these inspections have been rectified by corresponding companies under our supervision. Meanwhile, we provided targeted technical support services for electrical fire prevention and introduced an electrical fire monitoring and alarm system. In addition, we have clearly specified the three types of locations where the system shall be arranged in the *Fire Management Manual of Fosun Group*. By the end of the Reporting Period, key commercial projects had been equipped with the electrical fire monitoring and alarm system.

#### Yuyuan

Yuyuan is committed to establishing a new fire safety management and control system of "led by Yuyuan, supervised by EHSQ Department, undertook by each unit, participated by all employees". In addition, Yuyuan continues to improve its mini-sized fire station, which is staffed with several fulltime fire-fighters and equipped with professional gears and equipment. During the Reporting Period, Yuyuan further improved the emergency handling processes, and actively carried out fire drills and emergency capability contests. Yuyuan won fire safety awards such as "2022 Shanghai Huangpu District Advanced Fire Protection Collective" and "Advanced Micro Fire Station"; At the same time, the mini-sized fire station of Yuyuan business district was promoted as the "Shanghai Municipal Three-star Mini-sized Fire Station".

During the Reporting Period, to strengthen fire prevention awareness and emergency response capacity, Yuyuan held "The 1st Mini-sized Fire Station Competition" and the fire emergency drill in its core business district on 9 November (Fire Prevention Day). This competition attracted a total of 27 fire-fighters from 9 teams, and after 4 rounds of competition, the enterprise fire brigade would get better at handling fire emergencies. At the same time, a fire knowledge publicity area was set up near the competition site, further improving the awareness of fire safety of the public and the ability of society to withstand disasters.

#### FTG

FTG requires and supervises all hotels and resorts to carry out fire safety management according to the fire safety requirements of crowded places, strictly implement fire safety training and fire drills for all staff at least twice a year, identify key fire risk locations, and prepare special plans for special drills. Atlantis Sanya, Club Med Resort, Lijiang FOLIDAY Town and Taicang FOLIDAY Town have all formulated safety emergency drills and organized all employees and relevant contractors to carry out safety emergency drills as planned during the Reporting Period.





Yuyuan's event on 9 November (Fire Prevention Day)



# Responsible Investment and Value Co-Creation

As a responsible company, Fosun's commitment to sustainable development is reflected not only in its pursuit for the higherlevel practice of sustainable development, but also in the practice of responsible investment concepts in investment activities.

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As a global innovation-driven consumer group, the Group firmly adheres to the implementation and execution of its strategy of "profound industry operations + industrial investment". As regards investment, the Group adheres to the philosophy of "value investing", establishing a responsible investment management system with reference to advanced domestic and foreign practices. In addition, we have established asset allocation principles where assets shall be allocated on strategic investment targets which pursue long-term return.



## 5.1 Strengthening Responsibility

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

Investment Committee	The decision-making body of Fosun's responsible investment. In the decision- making meetings of investment projects, the "responsible investment" principle is taken into account as one of the significant topics.
ESG Board Committee	Review and ensure the effectiveness of the responsible investment system.
	For investment projects, supervise and manage ESG due diligence in the pre- investment stage and ESG-related risks during the post-investment stage and industry operation.
The investment and post- investment management personnel of each investment team and industry platform	Responsible for the implementation of the responsible investment policies.

The Group has established the Fosun Group Measures of Responsible Investment Management (for Trial Implementation) and the Fosun Investment Work Manual to incorporate environmental, social and corporate governance topics into investment decisions, which clearly defines the requirements for responsible investment, as well as the strategies and applications of responsible investment. This move ensures that ESG factors have been incorporated into investment processes of the Group in an effective manner

# 5.2 Investment Strategies

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

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

## Strategy 1: Lifecycle ESG Management

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

#### During the project screening stage

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

#### • During the pre-investment stage

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

#### ESG due diligence

In 2022, the Group's Investment Management Department conducted ESG due diligence on a target project related to new energy based on the *ESG Responsible Investment Due Diligence Checklist*. The evaluation team conducted a survey and evaluation on ESG topics, such as corporate governance, human rights, EHSQ, fair operation practices, product responsibility and community investment, with an evaluation report formed for the reference of the Investment Committee on investment decision-making. Meanwhile, the relevant due diligence results and ESG improvement recommendations were also provided to the target companies to help them improve their ESG performance.

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

Fosun encourages the invested enterprises to carry out high standard corporate governance and effective management of environmental and social risks. We require invested enterprises to carry out regular ESG self-check and file the Annual ESG Self-check Form in the investment management system, so that we can dynamically follow up the ESG performance of them, and continuously supervise and manage their ESG performance.

#### Annual ESG self-check

In 2022, the Group required an environment-related enterprise which was invested by the Group in 2021 to conduct an annual ESG self-check with respect to ESG management, climate change and carbon neutrality roadmap, ESG practices and responsible investment/clean technology. Based on the self-check results against the Annual ESG Self-check Form, the Group provided corresponding improvement suggestions to help the enterprise meet our expectations around its ESG performance.

## Strategy 2: Proxy Voting

The Group clarifies our proxy voting system in the Fosun Group Measures of Responsible Investment Management (for Trial Implementation) and establishes a "responsible director" mechanism. We encourage the designated responsible directors to fully communicate with the board of the invested enterprises, rather than rashly put forward a resolution that may be rejected at the general meeting of shareholders. We concern about whether the corporate governance, business management, operation environment, financial situation and working environment of the invested enterprise have undergone major adverse changes.

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

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

#### Fulfilling ESG responsibility through proxy voting

In 2022, a member company of the Group proposed to invest in a domestic lithium company through the fund platform. However, we found vulnerability existing in that company's system regarding the compliance integrity of overseas lithium mining and the waste discharge management of the lithium carbonate production in China through due diligence. Taking into account the risk factors including ESG environmental responsibilities as well as the responsible investment principle of Fosun, the delegated director of Fosun exercised the proxy voting rights at the investment decision meeting and voted against the project; therefore, the project was not pushed forward.

#### Strategy 3: Enhancing Responsible Investment Training

By formulating investment quidelines and carrying out regular trainings, the Group inculcates basic elements of responsible investment, and shares best practice to strengthen the responsible investment knowledge and concept of our investment team members.

#### ESG management and responsible investment training

In June 2022, we engaged external experts to carry out "ESG rating and clean technology & responsible investment practice and compliance training" for the investment personnel of the Group, focusing on the development trends of ESG and responsible investment in China and abroad, as well as the opportunities for clean technology application. In addition, we also held a training session of "a preliminary study of the application of ESG investment negative list" to facilitate the implementation of ESG responsible investment.



#### Strategy 4: Addressing Climate Change

To address the challenge of climate change and enhance climate performance and climate resilience, the Group is actively investing in the sector of green consumption as well as carbon peaking and carbon neutrality. In addition, when considering an investment, the Group will incorporate the carbon price into the existing valuation model and conduct carbon tax sensitivity analysis. Please refer to the section 5.3 *Clean Technology* of this report for the detail of carbon peaking and carbon neutrality sector, and please refer to the Fosun International 2022 TCFD Report for the cases of responsible investment related to climate change.

#### Strategy 5: Joining International Initiatives

The Group works with international organizations to promote the development of the responsible investment market. In August 2014, the Company joined the United Nations Global Compact and is devoted to the global commitment to sustainable development. To take actions that effectively advance responsible investment, H&A Switzerland, a member company of the Group, joined the United Nations Principles for Responsible Investment (UNPRI) in 2006. It is also a member of the Europe-based national Sustainable Investment Fora (EUROSIF) and the Corporate Responsibility Interface Center (CRIC). In addition, Peak Reinsurance, a member of the Group, is a signatory to the Principles for Sustainable Insurance (PSI) of the United Nations Environment Programme Finance Initiative (UNEP FI) while Fosun Insurance Portugal is also a member of the United Nations Global Compact.

#### Fosun Insurance Portugal

Fosun Insurance Portugal is a signatory of United Nations Global Compact Principles and is committed to making positive social and environmental impacts through business activities.

During the Reporting Period, Fosun Insurance Portugal continued to strengthen its investment strategy with ESG evaluations. The evaluations are performed by a multidisciplinary team, composed of specialists in the areas of Investments, Risk, Legal and Compliance. This work requires an assessment of the general sustainability level of a business and the identification of the ESG policy of the targeted companies for investment, implies the permanent monitoring ESG performance of the investment portfolio, and analyses relevant ESG opportunities to identify new investment goals, whether for the portfolio itself or the new products to be developed. Fosun Insurance Portugal also went through an introspective phase, during which it performed exhaustive research on the assets and internal practices and policies from a sustainability standpoint.

Fosun Insurance Portugal has started to develop and launch more financial products that comply with ESG standards, strengthen the uniform disclosure of sustainability preferences of the invested companies, and implement the concept of responsible investment. With the purpose of associating retirement savings to the promotion of good ESG practices, Fosun Insurance Portugal developed a financial solution, PPR 40+ESG, where asset indexes are aligned with the UN SDGs and with the Principles for Responsible Investment. As such, they exclude controversial sectors or those with a negative environmental impact or also those that do not comply with the international procedures related to human rights, work, environment and corruption - according to the United Nations Global Compact Principles.

#### Peak Reinsurance

Peak Reinsurance is a signatory to the Principles for Sustainable Insurance (PSI) of the United Nations Environment Programme Finance Initiative (UNEP FI). In the course of investment, Peak Reinsurance is committed to promoting the integration of PSI in investment decisions, follows an exclusion policy designed to mitigate the environment and social risk of its investment portfolio.

ESG exclusion and tracking 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 risks of such industries, to develop an ESG exclusion and tracking list. Based on the involvement of the underlying production and trading activities in sensitive industries, Peak Reinsurance sets up different thresholds to control the environmental and social risks of its investment and underwriting activities.

## 5.3 Clean Technology

The Group is committed to boosting sustainable development and improving the ecological environment. Focusing on the investment in environmental protection industry and clean technology, we clearly created the vision, strategy and tragets for our clean technology investment.

#### Vision

Actively developing the capacity of combining light assets with heavy assets, being driven by capital and technology, from harmlessness to recycling, covering new energy, energy storage, environmental protection and other key subsectors. We are committed to new energy and energy storage industry investment, comprehensive environmental management, comprehensive utilization of resources and comprehensive ecological protection, for the continuous improvement of the ecological environment.

#### Strategy

The Group has been working on carbon neutrality and environmental governance based on requirements of carbon peaking and carbon neutrality. Specifically, the entity has expanded the industrial chain to include new energy and energy storage segments and enhanced full-scope environmental treatment capacity on wastewater, solid waste and exhaust gas through industrial integration and investments. By doing so, the Group drives the industries to save energy, reduce emissions and improve product quality, addressing environmental issues and fulfilling the strategic mission of industrial green transformation.

#### Objective

Timeline	Industry positioning	Milestones
2021-2025	In addition to terminal pollution treatment services, we are expanding to resource recycling, further extending upstream and downstream, moving from "abandonment" to "regeneration" and from "consumption" to "recycling", and further broadening the layout of the field from water investment and operation to new tracks such as solid and hazardous waste resource utilization, core technology products and new energy.	• 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> <li>Through ten-year hard work, striving to achieve sustainable and rapid growth in the mid-term and long-term.</li> <li>Taking renewable energy as a breakthrough, gradually open up the industry chain from environment to energy, and construct an integrated energy platform containing energy supply, transmission, storage, calculation, as well as sales, and gathering a large number of business and individual customers; meanwhile, thoroughly implement the strategy of "driving development with science and innovation", with developing technology-led and innovation-driven light asset business to account for 30% or more of all businesses.</li> </ul>

• Hydrogen energy, solar Environment energy, wind energy, tidal energy, biomass energy

 Coal power and hydropower etc.

integrating environment and energy.

#### Transmission

Production

• Gas and water network and other transmission forms

• Distributed energy, UHV power grid, microgrid and other new forms of energy distribution transmission

#### Distribution

• Energy storage, insulated gate bipolar transistor (IGBT), frequency converter, inverter, charging post and other energy regulation and storage for customers

· Chip layer, application layer, data, etc.

- Application • Energy saving and consumption reduction Home and industrial customers
- Enclosed space smart hardware products

following business areas were involved:

Clean Energy	Energy Efficiency	Pollutant Prevention and Control	Sustainable Water Sources	Green Building
• Wind • Solar • Tidal • Biomass	<ul> <li>Other Energy Storage Technologies</li> <li>Advanced Materials</li> <li>Battery</li> <li>Smart Grid</li> <li>Natural Gas Combined Circulation (NGCC)</li> <li>Industrial Automation</li> <li>Nanotechnology</li> <li>Heat &amp; Power</li> <li>Energy Optimization Tech &amp; System</li> </ul>	<ul> <li>Reuse &amp; Recycling</li> <li>Waste Treatment</li> <li>Carbon Capture &amp; Storage</li> </ul>	<ul> <li>Water Infrastructure &amp; Distribution</li> <li>Smart Metering Devices</li> <li>Wastewater Treatment</li> </ul>	<ul> <li>Green Certified Property</li> <li>Building Insulation</li> </ul>

As of the end of the Reporting Period, we had more than 42 participating and holding companies in the energy and environmental protection sector, of which 3 were listed on the Main Board. The total investment in energy and environmental protection exceeded RMB20 billion, accounting for more than 50% of the total investment in primary market projects in the energy, environment and smart equipment investment segment. In 2022, the revenue of the participating holding companies in energy and environmental protection sector of the Group exceeded RMB40 billion.

**FOSUN** 复星

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



#### Customer-end(C-end)/Maker-end (M-end)

#### As of the end of the Reporting Period, the Group's investments have been made in a number of clean technology companies and the



## Some Projects of Investment in Clean Technology

## (4) New energy

#### JEVE

Engaged in the research and development of lithium-ion batteries, JEVE focuses on new energy power and energy storage, aiming to provide green, safe and intelligent new energy solutions for the whole world. JEVE has laid a solid technical foundation by establishing the Nationallevel Enterprise Technology Center, the Key Enterprise Laboratory of Lithium-ion Power Battery of Tianjin and the Academician Expert Workstation of Tianjin. In addition, it collaborates with various academic institutions, including Tsinghua University, Nankai University, National Power Battery Innovation Center, Institute of Physics/Institute of Chemistry, Chinese Academy of Sciences, etc. It has cultivated complete development capability of single-cell battery, BMS, battery systems, possessing independent core technology. JEVE has obtained ISO 9001, IATF 16949 and other system certifications. Moreover, JEVE has established a good partnership with many well-known vehicle manufacturers in China and abroad.

## JEI/E捷威动力



## (4) New energy

## Dongfang Hydrogen Energy

DEC 东方电气 东方氢能

Dongfang Hydrogen Energy is the core platform of Dongfang Electric Corporation for the development of hydrogen energy and fuel battery industry. Starting its journey in hydrogen energy in 2010, Dongfang Electric has now mastered the core technologies of fuel battery after more than a decade of efforts and development. It has established the capability of overall solution for the industrial chain, including hydrogen production, hydrogen storage, hydrogen refueling, and hydrogen use, boosting the country's progress toward carbon neutrality and carbon peaking. Dongfang Hydrogen Energy is now leading the development of hydrogen energy industry in Sichuan Province and pushing forward the project of hydrogen energy demonstration zone in western China. To date, the average mileage of the pilot vehicle purely powered by hydrogen energy has exceeded 75,000 kilometers, achieved domestic leadership level.

#### **FOSUN** 复星

#### Kuntian New Energy 初北坤天新能源股份有限公司

Hebei Kuntian New Energy Co., Ltd. (Kuntian New Energy) is the only company in China that has mastered and is able to apply the technology of chamber furnace graphitization to the production of high-end artificial graphite products. The products are mainly used for the production of lithiumion batteries in the emerging green and new energy industry. Kuntian New Energy is a leading developer and supplier of the anode material for lithium-ion battery. With great importance attached to environmental protection and energy conservation, it has upgraded the production line for multiple times, taking various measures to reduce emissions, such as waste heat recovery, flue gas desulfurization, noise reduction, dust removal, etc. At present, the chamber furnace graphitization technology adopted by Kuntian New Energy can reduce roughly 50% of energy consumption per unit production, compared to the conventional crucible furnace graphitization, achieving the lowest power consumption in the industry.

## Some Projects of Investment in Clean Technology

#### (Q) Energy saving and efficiency improvement

#### Easun Technology

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



#### Jinsheng New Energy

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

金晟新能

#### Saidemei

Saidemei is an environmental technology company engaged in the recycling and reuse of the power batteries of new energy vehicles. It recycles and reuses the materials and components of retired power batteries through precise recycling and dismantling. Saidemei has initially invented a physical process of all-component recovery and independently developed a set of fully automated production line, currently achieving a full-component recovery rate of power batteries over 90%. The solution of physical fine dismantling + high temperature solid state repair presents high environmental advantages. At present, the production capacity of Saidemei's power battery base recognized by Tianjin Industrial and Information Technology Bureau as a model has reached 12 thousand tonnes and will be increased to 50 thousand tonnes upon the completion of the second phase construction. Saidemei is actively pushing forward the projects of new bases in Guangzhou, Hunan, Sichuan and other locations, planning to reach 100 thousand tonnes of power batteries recycle capacity in the future.



## Some Projects of Investment in Clean Technology

 $(\varnothing)$  Environmental protection and pollution treatment

#### Hong Sheng New Materials

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

#### **Besino Environment**

Besino Environment devotes itself to the high-standard planning, construction and operation services related to municipal sewage, refractory industrial wastewater treatment, rural sewage treatment, water supply, seawater desalination, sludge disposal, watershed management, sponge cities, soil restoration, etc. To date, it has invested in more than 15 provinces and cities across China, providing investment, main process design and key equipment supply, technology and operation management services for municipal governments, industrial parks and industrial enterprises in many places. It plans to devote 10 years of effort for an evolution from a group solely engaged in pollution control into a group engaging pollution control and resource recovering, and finally a comprehensive group covering business of pollution control, resources and energy

#### Lianyun Environment

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













# Ecosystem Synergy and Development Sharing

Facing opportunities and challenges, Fosun upholds its philosophy of "concerted efforts and cooperation lead to win-win situation" to build a mutually beneficial and sustainable business ecosystem in collaboration with partners and forge ahead towards the goal of win-win cooperation.

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Strictly abiding by relevant national and local laws and regulations where we operate, and aiming to "build a supply chain ecosystem of low costs and high efficiency, ecosystem synergy, and responsible multiplying growth", we reduce procurement risks, save procurement costs, and enhance management efficiency to create the core value of procurement through standardized, scientific, professional and refined management.



## 6.1 Supply Chain Ecosystem

## 6.1.1 Supply Chain Management Mechanism

The Global Supply Chain Center is responsible for the supply chain management of the Group. The Group has formulated relevant policies and guidelines, expressing its expectations on suppliers. Member companies of the Group are responsible for their own procurement. Our suppliers are managed at group level, sector level and enterprise level based on the hierarchy of duties and responsibilities.

## Policy Making

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

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

#### Whole-Process Management

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

	Admission and Registration	Maintenance and Assessment	Elimination and Punishment
Global Supply Chain Center	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 of Supplier Integrity</i> and Self-discipline and study the <i>Fosun Group</i> . <i>Supplier Code of Conduct</i> .	We have established the supplier roster and conducted differentiated management. We have also standardized supplier assessment, carrying 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 database, identify strategic suppliers, and set a supplier "blacklist" to eliminate unqualified suppliers.
Fosun Pharma	During the admission process, Fosun Pharma audits the supplier's qualification, quality system, product process, production site operation, etc., and conducts quality inspection, process verification and stability inspection on samples.	Fosun Pharma has established a supplier annual quality review system, continuously strengthening the risk control system of supplier management, evaluating and grading suppliers in terms of qualification, quality, EHS, etc., and conducting differentiated management according to the degree of the risks of the suppliers' materials affecting the quality of the products.	Fosun Pharma pushs suppliers to make necessary quality improvements, and if necessary, carries out on-site project audits verification and rectification; Fosun Pharma also implements measures such as downgrading and rejecting suppliers which do not meet the quality requirements.
Yuyuan	During the admission process, the supplier is subject to evaluations including preliminary review of enterprise information, double check via TianYanCha.com, site inspection, etc.	Yuyuan conducts classified management on suppliers based on the assessment of their quality risks. The member companies of Yuyuan constantly track and evaluate suppliers' performance through annual supplier audit, supplier risk investigation, etc.	Non-compliant suppliers are added into the "blacklist" from time to time.
FTG	A strict inspection process for selecting suppliers was in place. Prior to the admission of candidate suppliers, FTG will conduct inspections on them and produce an Enterprise Supplier Investigation and Assessment Form, which shall be jointly signed by all the inspection panel members before the procedure of examination and approval of selected ones.	All contracted suppliers in FTG's supplier database must be evaluated every half year for upgrade, downgrade and dismissal in accordance with regulations.	The suppliers that are assessed as unacceptable in two consecutive years or those with poor integrity and violation of Integrity Agreement, will be "blacklisted" and forbidden to bid in the projects of FTG for two years.

#### Digital Management

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

#### Global Distribution of Suppliers



By the end of 2022, Supply Chain Digital Platform has offered more than 25,000 online bidding projects, with more than **400** registered purchasers, and more than **66,000** online potential supplier users.

## 6.1.2 Supplier Management Strategy

## Management Based on Grading and Classification

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

Category	Supplier category		
Product classification	• Brand marketing • Infrastructure engineering	Hotel catering     Administrative office	Pharmaceutical raw materials
Partnership classification	Directly used in production     Not directly used in production	n	
Strategy classification	<ul> <li>Strategic supplier</li> <li>Leverage type supplier</li> </ul>	Regular supplier     Oritical supplier	

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

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

## Strategic Supplier Management

Our strategic suppliers specifically refer to the strategic cooperation suppliers and centralized procurement suppliers within the validity period of the strategic agreement. We have signed cross-industry and group-wide generalized strategic cooperation agreements or centralized procurement agreements with strategic suppliers to initiate long-term, close and stable cooperation in both areas for mutual benefits and growth under a strategic framework for sustainable development.

The strategic supplier resources of the Group and its member companies are managed through the "Strategic Supplier List" in a unified manner. The strategic supplier list at the group level is made publicly available throughout the Group; in addition, differentiated management is implemented in supplier evaluation, supplier qualification termination and withdrawal, supplier relationship management, etc. By the end of the Reporting Period, the Group has about **2,000** strategic suppliers (including group level, sector level and enterprise level), accounting for about **31.3%**.



#### Supplier Operational Risk Management

The Group continuously improves the organization and policies for supplier operational risk management, and has specified relevant requirements in the *Fosun Group Supplier Management Policy*. For group-level, sector-level and enterprise-level suppliers, it is required to identify risk dimensions that integrated ESG risks and carry out risk management based on the actual situation of their respective industries.



## 6.2 Sustainable Supply Chain

We are committed to creating sustainable supply chains that are resilient, transparent and fair, in line with the laws, regulations and international initiatives and standards of the countries and regions where they operate, to managing environmental and social risks of the supply chain and to constantly increasing the responsible impact.

## 6.2.1 ESG Risk Management

#### Code of Conduct for Suppliers

We have formulated the *Fosun Group Supplier Code of Conduct* applicable to all member companies, and encourage all suppliers to carry out business in a sustainable manner. During the Reporting Period, we updated the Code with active management requirements for conflict minerals and animal welfare topics. The *Fosun Group Supplier Code of Conduct* contains the main principles that all suppliers of the Group shall follow in their business activities, including human rights, fair labor conditions, business ethics, environment, health, safety and quality management, security and sustainability of business operations, procurement of suppliers, inspection and corrective actions, and reporting channels.

Meanwhile, we communicate relevant requirements to suppliers by e-mail publicity and training activities from time to time, to enhance the ESG awareness of the suppliers of the Company and its member companies. New suppliers are required to sign the *Fosun Group Supplier Code of Conduct* before they are shortlisted, so as to make them aware of our ESG requirements for suppliers. During the Reporting Period, we have completed **100%** publicity coverage of the *Fosun Group*. *Supplier Code of Conduct* among the domestic suppliers managed by the Group through Supply Chain Digital Platform, with a total of approximately **6,000** supplier training participants.

#### Supplier ESG Risk Assessment

development management".

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

#### Supplier admission evaluation stage

Supplier performance review

The ESG standards for supplier admission include<br/>but are not limited to "environmental, social and<br/>corporate governance, energy conservation<br/>and environmental protection measures, safety<br/>management mechanisms, and sustainableComprehensive consideration in 8 aspects: quality<br/>(Q), cost (C), delivery (D), service (S), technology (T),<br/>assets (A), process (P), environmental, social and<br/>corporate governance (ESG).

In accordance with the *Fosun Group Supplier Code of Conduct* and the *Supplier Conduct Risk Rating List*, we comprehensively assess ESG risk and management level of suppliers from the dimensions of human rights, fair working conditions, business ethics, environment, health, safety and quality management, safety and sustainability of business operations, suppliers' procurement, inspection and corrective actions, reporting channels, etc. We carry out supplier sustainability risk assessment on an annual basis. Suppliers are classified as ESG No Risk and ESG High Risk (assessment score below 60) based on the assessment results. The assessment results will be considered for the supplier's annual performance evaluation as part of the supplier performance evaluation system. During the annual assessment, the suppliers will be reviewed by Fosun itself or a third party entrusted with reasonable notice to the suppliers. If the results indicate that a supplier fails to comply with the *Fosun Group Supplier Code of Conduct*, the supplier shall take corrective measures in a timely manner; if the supplier fails to take corrective actions or fails to comply after taking corrective actions, Fosun will conduct corresponding actions, including but not limited to suspending or cancelling cooperation relationship with such suppliers.

During the Reporting Period, we conducted ESG risk assessment with member companies on cooperative suppliers managed through the Supply Chain Digital Platform. Among them, no supplier has high ESG risks.

#### FTG

During the Reporting Period, FTG formulated *ESG Regulation for suppliers of Fosun Tourism Group* in accordance with the *ESG Policy of Fosun Tourism Group for Supply Chain Management* and other relevant regulations. FTG has introduced ESG management objectives into the supplier management, and has defined the ESG management measures for suppliers in the whole process concerning supplier admission, identification of key suppliers, supply chain risk identification and control, ESG evaluation, rectification and elimination. FTG has added the strategic consideration of ESG factor into the original supply chain management strategy, promoting environmentally preferable products and services, radiating ESG management to every link of the supply chain, and striving to build a sustainable supply chain.

FTG has formulated *Fosun Tourism Group Supplier ESG Rating Scale*, and comprehensively evaluated the ESG risk and management level of suppliers from 5 levels and 62 points, including labor, health and safety, environment, ethics and management system. All suppliers need to complete ESG self-assessment every year, and on-site audit and evaluation must be conducted on cooperative key suppliers and high-risk suppliers within every three years.

During the Reporting Period, FTG conducted ESG assessment on suppliers in China. The assessment and audit results are shown in the following table:

Total number of suppliers in China	Suppliers subject to self-assessment	Suppliers subject to ESG on-site audit	Coverage ratio of assessment for all suppliers	Coverage ratio of assessment for key suppliers
466	278	278	60%	69%

Note: Due to the impact of COVID-19, FTG had no substantive business cooperation with a certain number of suppliers during the Reporting Period, so they were not subject to ESG assessment.

#### Fosun Pharma

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

As of the end of the Reporting Period, Fosun Pharma's member companies have carried out 434 green supply chain audits to their suppliers. In 2022, Fosun Pharma's member companies conducted 23 green supply chain audits to key suppliers, including 11 raw materials and 8 packing materials suppliers. Fosun Pharma's member companies communicated with suppliers about the rectification plan according to the document audits and on-site audits.

#### Suppliers' Human Rights Management

The Group has issued the *Fosun Group Human Rights Statement*, aiming to work with all suppliers to promote human rights protection and the resolution of human rights issues. We make every possible effort to identify, reduce and prevent human rights risks in our businesses and value chains. And we also strive to establish management mechanisms for various human rights issues and actively understand the concerns and expectations of stakeholders in this regard.

We have formulated the *Eosun Group Supplier Code of Conduct* to regulate the protection of human rights of suppliers in an overall manner, including the requirement for fair labor conditions, and the prohibition on the use of child labor at any stage of business activities, the use of forced labor in any form, the use of conflict minerals, etc. We have incorporated human rights risk identification and correction mechanisms into our suppliers' ESG risk assessment system and continuously follow up the human rights performance of them. We have established a publicly available whistleblowing mechanism to encourage the public and partners to report and monitor the suppliers' violations with respect to human rights.

#### Management of Conflict Minerals

We encourage suppliers to formulate relevant policies in the light of the *Fosun Group Supplier Code of Conduct* and conduct due diligence on the source and chain of custody of the minerals used by their products. The conflict minerals due diligence scheme shall comply with *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* or other equivalent and widely-recognized due diligence frameworks to ensure that their products do not involve "conflict minerals".

#### Yuyuan

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



Actively promote suppliers to perform "conflict minerals" due diligence

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

## 6.2.2 Sustainable Influence

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

#### Selecting Sustainable Products

#### FTG

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

## Committed to providing environmentally friendly products:

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

## Committed to biodiversity and animal welfare in the supply chain:

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

## Prioritizing Local Procurement

#### Fosun Pharma

Shanghai Henlius has launched a strategy of local and diverse sourcing of materials to ensure production and market supply by enhancing supply chain stability and resilience. As of the end of the Reporting Period, 67% of the materials on the bill of materials were from local suppliers, 72 localization projects were in progress, and 65% of the materials had 2 or more alternative suppliers.

#### FTG

FTG adheres to the policy of giving priority to local procurement, giving priority to local ingredients and raw materials and is committed to developing with local communities. During the Reporting Period, FTG achieved a local procurement ratio of 69.21% in China.

Club Med, a member company of FTG, has committed to sourcing 50% of its fresh ingredients from local sources by 2030. During the Reporting Period, Club Med achieved a local procurement ratio of 89%. Since 2008, Club Med has partnered with the non-governmental organization *Agrisud* to guide farmers in the resort's locations to use their land in a more sustainable way based on principles of agroecology, and to integrate local crop output into the resort's food supply network. In 2022, Club Med provided support to 396 small farms, benefiting more than 2,000 farmers in total. More than 200 hectares of land were planted in ecological agriculture, and an average of 20 crops were planted in each project. By the end of the Reporting Period, the project has been carried out in 11 resorts in 7 countries with a cumulative funding of EUR1,392,000, and the small farms assisted by the project have provided more than 416 tons of agricultural products to Club Med.

#### Initiative Cooperation

#### FTG

Club Med under FTG joined ICS (Initiative for compliance and sustainability) in collaboration with more than 40 other brands, shared the supply chain audit plan, implemented the responsibility of supply chain management, and took immediate actions to support the further improvement of the social and environmental responsibility system of the supply chain. In addition, Club Med is also a member of ECPAT and Agrisud.



#### Fosun Pharma

In 2016, Shanghai Bureau of Ecology and Environment launched the "Green Supply Chain" initiative. In order to actively respond to the project, Fosun Pharma jointly launched the green supply chain project called "Green Fosun" together with its member companies and suppliers immediately, which was aiming at guiding Fosun Pharma and its member companies 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.

## 6.3 Cooperation With Integrity

In order to further regulate supplier management, improve the quality of supplier services, prevent supplier risks, promote fair competition among suppliers, and deepen the value of supplier resource sharing, we have formulated the Implementation Rules for Supplier Integrity Management of Fosun Group, requiring all suppliers to participate in the Company's procurement to fill in and sign the Letter of Commitment of Supplier Integrity and Self-discipline.

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



We classify suppliers' violations of the integrity principle into three types by nature and severity: generally bad behavior, materially bad behavior, and significantly bad behavior. We form a "blacklist" of suppliers and formulate different punishment measures including warning and prohibition from admission accordingly. In the event of serious circumstances, the cooperation with the suppliers will be permanently terminated. As of the end of the Reporting Period, 194 suppliers of the Group were blacklisted for their misbehaviors.

In order to supervise suppliers' behaviors, we have announced our complaint channels, hoping that more stakeholders can participate in the supervision and create good business practices with us. Please refer to the section 1.3 Practicing Business Ethics in the Report for the reporting channels and protection measures.



# 6.4 Friendly Exchange

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

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

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

Value 1: Enhancing ESG ratings	Value 2: Promoting strategic supplier communication	Value 3: Demonstrating Fosun's lifestyle
Fill the gap in the in-depth discussion on ESG supply chain collaboration topics including sustainable supply chain and responsible procurement with cooperative partners, provide insights and innovations to further increase the ESG management of supply chain.	Build a communication platform for leading suppliers in the industry to promote business exchanges between suppliers in different sectors, and unlock the possibility of lower costs of the common products in the future such as packaging materials and IT services. Carry out publicity through Fosun's official WeChat account, official accounts of supply chain, and supplier end.	Fosun Huanyu, Dongjia, Lijiang FOLIDAY Town, Shede Spirits, Sino Taiji participated in the ecosystem BD and showed Fosun's lifestyle to suppliers (focusing on Fosun Huanyu gift box, Beaufort Terrace Conference Venue, FTG Hotels and Sino Taiji).





Gathering Talents to Achieve Excellence

Fosun regards its employees as its most valuable asset. Firmly believing in "Together We Make a Difference", and upholding the philosophy of "attracting people with development, evaluating people based on performance, promoting people with work, and uniting people with career", we make use of the talent supply chain system to combine the external talents attraction and the internal training, so as to seek and gather excellent talents with entrepreneurial spirit from all over the world.

07



## 7.1 Strategic Planning for Talents

We strictly comply with all rules and relevant regulations in connection with recruitment and dismissal, remuneration and promotion, employee schedule, equal opportunities, anti-discrimination, diversity, working hours, rest periods and other and welfare in countries/regions where we operate, for example, the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, Provisions on Prohibition of Child Labor, etc. In accordance with such laws and regulations, we are required to establish the labor management system to ensure the compliance with such regulatory requirements. During the Reporting Period, the Group revised/updated series of regulations, such as the Employee Manual and Management Regulations for Reward and Punishment of Fosun Group.

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-company/sector/function rotation, so as to allow both Fosun and our employees to grow together.

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

Award	Issued by
"Best Employer Award 2022"	Zhaopin
"Best Employer Brands 2022 Award"	Linkedin
"Excellent Provident Fund Employer"	Mandatory Provident Fund Schemes Authority of Hong Kong
"2022 Best ESG Employer"	Aon
"2022 China Employee Experience Award - Employee Care Award" and "2022 Overseas Human Resource Management Award"	HRTech
"2022 Human Capital Management Practice Competition of Star Award - Best Employer	

Excellent Enterprise" and "2022 Human Capital Management Practice Competition of Star KNX Award - Excellent Corporate Culture Case Award"



#### Strategic Planning for Talents

The Group strengthens the organizational awareness of co-creation and sharing, and builds a strong coupling and self-driven intelligent organizational life form globally with Fosun partners, entrepreneurial managers and outstanding employees as metadrivers, so as to achieve high business growth. The Group formulates short-, medium- and long-term human resources development plans, defines their respective key campaigns, and sets out corresponding implementation paths for them, thus building a talented workforce with an entrepreneurial spirit.

Create professionalization and substantialization in human resources

Facilitate organizational evolution and experience upgrade

Short-term: 2021-2022 (completed)

- ✓ Strengthened global organizational structure and established nation/region level operational committee working mechanism
- $\checkmark$  Evolved the value proposition of headquarters at all levels and clarified the value creation respectively
- $\checkmark$  Carried out talent inventory based on the headquarter positioning, and built a headquater "master + high potential" talent model
- $\checkmark$  Adapted to the change of external environment and internal strategy adjustment, scheduling innovation incentives mechanism oriented by value creation
- ✓ Encouraged sustainable development, establishing HR operation system and FES tools, and strengthened the management and empowerment of ecological enterprises

In order to better realize the development of a key talent team, the Group facilitates the effective implementation and evaluation of all aspects of strategic human resources planning through steps such as strategic dialogue, analysis and forecasting, analysis of internal and external talents, and formulation of action plans, as well as the application of digital tools such as big data.

Strategic Dialogue	Analysis and Forecast	Analysis of Internal and External Talents	Action Plan	Implementaton and Evaluation
<ul> <li>Draw Fosun's long-term talent development blueprint</li> <li>Determine the organizational capabilities and key positions required by Fosun in the future</li> <li>Anticipate future changes in competency requirements</li> </ul>	<ul> <li>Select the driving factors and matching options of human resource planning</li> <li>Use big data and other means to conduct quantitative and qualitative analysis over the difference between supply and demand of human resources at Fosun, taking into account the current talent profile and talent pool of Fosun</li> </ul>	<ul> <li>External talent market competition analysis</li> <li>Internal talent status assessment</li> </ul>	<ul> <li>Develop a human resources strategy</li> <li>Develop long-term talent planning and action plan</li> </ul>	<ul> <li>Personnel budget</li> <li>Recruitment and appointment</li> <li>Succession plan</li> <li>Leadership and talent development strategy</li> <li>Retention and incentives</li> </ul>
One Heart, One M Recognizing "togeth from the source	find her" and "innovation"	Key Talents Building a team of talents w entrepreneurial spirit		ntive Mechanism htivising fully key talents
Providing multiplier key talents	effect resources for 05	<ul> <li>Organizational Guarant</li> <li>Equipping business growth solid organizational back-up</li> </ul>	with	









#### Talent Distribution

By the end of 2022, the number of employees of the Group was approximately 108,000. And the number of employees of the Company and 6 member companies<sup>1</sup> within the scope of the Report was around 74,000.

Employee Indicator	2022	2021	2020
The total number of employees within the scope of the Report	Approximately 74,000	Approximately 69,000	Approximately 64,000
Percentage of employees by gender			
Female (%)	49.2	48.2	47.2
Male (%)	50.8	51.8	52.8
Percentage of employees by position			
Senior executive (%)	1.7	2.1	7.8
Middle management (%)	14.1	11.8	17.4
General staff (%)	84.2	86.1	74.8
Percentage of employees by age			
<30 (%)	29.5	29.3	27.6
30-39 (%)	37.7	38.1	36.5
40-49 (%)	20.4	21.1	22.3
≥50 (%)	12.4	11.5	13.6
Percentage of employees by region			
Asia (%)	81.39	86.31	79.81
Europe (%)	12.75	8.43	13.14
Africa (%)	1.92	1.56	2.08
North America (%)	3.35	2.48	3.45
South America (%)	0.56	1.20	1.47
Oceania (%)	0.03	0.02	0.05
Percentage of employees by employment type			
Full-time (%)	98.3	99.0	97.3
Part-time (%)	1.7	1.0	2.7

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 27,000, and the percentage of internal hires of the Company was 31.7%.

New Employee Indicator	2022	2021	2020
The total number of new employees within the scope of the Report	Approximately 27,000	Approximately 37,000	Approximately 21,000
Percentage of new employees by gender			
Female (%)	54.3	45.0	44.3
Male (%)	45.7	55.0	55.7
Percentage of new employees by age			
<30 (%)	57.2	52.9	41.3
30-39 (%)	29.2	29.5	33.4
40-49 (%)	9.4	10.8	16.4
≥50 (%)	4.2	6.8	8.9
Percentage of new employees by region			
Asia (%)	62.13	52.32	65.01
Europe (%)	27.62	27.81	24.73
Africa (%)	2.62	9.44	0.87
North America (%)	5.52	8.87	7.51
South America (%)	2.06	1.55	1.85
Oceania (%)	0.05	0.01	0.03

<sup>1</sup>The scope of data disclosure in this Chapter includes the Company, Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, Fosun Tourism Group, and Fosun Insurance Portugal.

#### 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 have interview with them to understand the reason for leaving and his/ her suggestions for the Group, so that we can improve the human resource management and adjust the relevant policies.

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

Employee Turnover Indicator	2022	2021	2020
Employee turnover rate (%)	21.6	19.6	18.6
Voluntary turnover rate (%)	15.7	1	1
Turnover rate by gender			
Female (%)	19.7	20.3	17.7
Male (%)	23.4	19.0	19.4
Turnover rate by age			
<30 (%)	30.1	24.9	25.1
30-39 (%)	20.2	20.0	18.1
40-49 (%)	14.4	13.5	14.0
≥50 (%)	13.0	14.2	12.4
Turnover rate by region			
Asia (%)	20.2	20.1	17.3
Europe (%)	24.2	8.5	13.2
Africa (%)	13.2	26.6	8.5
North America (%)	36.9	24.1	46.3
South America (%)	54.6	31.0	41.1
Oceania (%)	30.0	26.1	18.9

Note

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

## 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, build an outstanding employer brand image, 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.

#### Diversified 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.

PoleStar" nternship Program	The "PoleStar" internship program constitutes a res outstanding performers as formal employees after the plans, the "PoleStar" internship program has built a development strategy by means of communication and c
FOSTAR Program	The global campus recruitment project has been launc mutual selection, campus recuiting market and other activities have been held to attract global talents. It offe legal) and operation (e.g. marketing, Al, technologies), so
	Social recruitment programs, covering all sorts of positive been launched for job hunters with certain work experimprove the organizational capabilities by introducing erand adopts different talent introduction strategies accuniversities and colleges, cooperation with industry-leacelear expectation of our future workforce and the help of team.
Beacon Program	A customized talent introduction and cooperation pr launched to attract high-level, specialized, leading and of "hunting for high-potential talents from beacon enter beacons for Fosun", to bring in talents specialized in mar establishment of external think tanks, beacon-type taler network of government and other cooperative institution
MoveStar Program	MoveStar program aims to encourage the transfer of inte career path and optimize the match between our people boundary, cross-industry, and cross-function developme can apply for rotation, thus increasing their opportunit strengthening the flow of talents among posts, enhancing

#### Local Employment

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

serve talent pool for the FOSTAR program. Every year we'll sign some internship program. As the starting point of annual campus recruitment path to the youth talent pool and followed a targeted selection and cooperation with core enterprises and industrial groups.

ched for new graduates from top universities and colleges by offline talk, means. Meanwhile, online talk, interviews, mutual selection and other ers jobs covering investment, functions (e.g. HR, finance, risk control and o as to develop backbone force and young partners.

ions and functions of the Group, product lines and core enterprises, have erience instead of fresh graduates to build up Fosun's talent teams and experienced outstanding talents. The system grades experienced talents cording to their advantages, including cooperation with top EMBA/MBA ading organizations, and interaction with the entrepreneur groups. With a f assessment and selection tools, we aim to build a first-class global talent

rogram with more attractive collaboration and incentive policies were critically needed talents. The program was mainly carried out in the form erprises" and "recruiting and cooperating with talents who can serve as nagement, science and technology, industry operation and investment via ent network expansion, cutting-edge technology summits and relationship

ternal staff and talent flow, so as to help employees to find a more suitable le and job requirements. In addition, this program also encourages crossnent. After the release of internal posts on the digital platform, employees ties for internal development, invigorating the internal talent resources, ng the flexibility of business, and enhancing the vitality of the organization.

## Talent Dispatch

To support Fosun's global strategy, we issued the Global Talent Dispatch Management System during the Reporting Period, which clarifies the rules and processes of talent dispatch, management methods and salary and welfare policies for the employees dispatched oversea. By doing so, we strive to create a development environment for overseas talent with respect, care and harmony, and encourage and attract more talents from home and abroad to join Fosun's global journey. This policy aims to motivate dispatched employees and ensure the compliance and high efficiency of the Group's employees dispatched to each overseas member company, contributing to the sustainable development and overseas business development of the Group.
# 7.1.2 Appraising People with Performance

All employees of the Group are subject to regular and diverse performance and 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.



During the Reporting Period, 100% employees of the Company and 6 member companies within the scope of the Report received regular performance and career development reviews.

We continuously promoted the optimization and upgrade of our incentive policies and launched a special appraisal mechanism of "Incentive Mechanism for Innovation and Entrepreneurship" which is oriented by value creation and linked with daily KPI, to encourage employees to actively participate in internal entrepreneurship and innovation. Appraisals were performed primarily based on personal performance evaluation, with 360-degree feedback taken into consideration. Employees with good performance were appraised, awarded or promoted according to the results of periodic evaluation, and an incentive mechanism was designed to match the performance evaluation, motivating talents with a variety of incentive means.



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

# 7.1.3 Rewarding People with Incentives

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

The remuneration of employees includes basic salary, performance-related bonus, instant project incentive, enterprise value growth award, stock incentive plan, etc. We encourage employees to exert their entrepreneurial spirit and 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 achieved full coverage of employees and business lines. Meanwhile, taking the business characteristics, strategic requirements and development stages of different industrial groups into consideration, we have the following different combinations of incentives for employees at different grades to empower our businesses and stimulate our employees.

Short-term incentive mechanism	Performance- Related Bonus	All employees are applicab performance-related bonus appraisal.
Medium-and long- term incentive mechanism	Stock Incentive Plan	Key personnel of executive requirements, or other outse participate in the Group's se attract talents for the content intelligent technology professince 2019. The grant date conditions, etc. are determined and the rules of stock incentent accordance with prescribes Financial Statement of the 2
	Value Sharing Plan	In order to ensure that all o industry operations perfor excess earnings, we have functions, including value and Carry incentive mech incentive mechanism covers employees. Any amount exc the limit of subsequent year
	Project Incentive	To encourage enterprises ecosystem at C-end, M-end <i>Project Incentive Mechanis</i> Period. Based on this, we g hive, and Internet, truly reali multiplier effect.

ble to the annual performance-related bonus, and the actual s is increased or decreased based on the diverse performance

ve general manager and above meeting the performance standing high-potential personnel approved by the Board can stock incentive plan. Meanwhile, in order to allow the Group to ntinual operation and development of the Group, newly-joined fessionals have been specially included in stock incentive plan e, scope of recipients, number of shares granted, and vesting ined by the Group in accordance with resolutions of the Board entive plans each year. Specific scheme will be implemented in ed procedures. Please refer to relevant content in Note 62 to 2022 Annual Report for details.

employees contributing to business performance (including rmance and investment income) have the right to share the e established incentive mechanisms for staff from different e sharing plan mechanism for industry operation personnel, hanism for investment personnel. Among them, the Carry rs all employees, and sets annual incentive limits for highly paid ceeding the limit is deferred to future years, without taking up

s in Fosun ecosystem to keep building the FC2M happiness nd, and 2-Link end, the *Guidelines on Ecosystem Value Creation* sm of Fosun Group (Trial) was formulated during the Reporting give full play to ecosystem value in industry, regions, capital, izing the synergy of "efforts + benefits" in delivering ecosystem

# Risk Protection Mechanism

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

# Clawback Mechanism

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

# **Risk Pool Setting**

For all investment projects of the Group, 10% of the total incentives calculated are reserved to the risk pool to offset the loss risk of the business department or business team.

## Deferred Mechanism

## Co-Investment Standards

The total amount of annual incentive payable to an individual employee is limited according to the employee's level, based on new incentive for the year and deferred incentive for previous years, with any amount exceeding the limit being deferred to future years. In order to further standardize and refine co-investment processes for personnel in the Group's investment line of business, during the Reporting Period, we revised the *Management Regulations for Co-Investment in Investment Projects of Fosun Group* to meet the market actual operation and compliance requirements, emphasize the consistency of personal interests and corporate interests, strengthen tax risk control in the process of co-investment, and clarify individual tax liability when co-investment benefits.

# 7.1.4 Uniting People by Career

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

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

Access to Career Development	Fosun provides employees with diversified accesses to career development. Through the implementation of inter-company/department rotations and job transfers, employees can obtain more development opportunities and fully understand the status of the Group and member companies, and responsibility requirements of different positions as well. Furthermore, employees can understand themselves and tap their potentials to find more suitable positions for themselves, and thereby give full play to their personal value.
Promotion	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.
Mechanism	The promotion assessment process can be initiated by employee's self-recommendation or department recommendation. The department to which the employee belongs and human resources department jointly conduct an objective promotion assessment.
Global	We set a good example to lead Fosun people through Global Partners pattern recognition and gathering excellent talents with entrepreneurial spirit. Fosun's Global Partners have covered China, Japan, India, Germany, France, the United Kingdom, Portugal, the United States, Israel, Canada and other countries.
Partners	Based on global diversified business needs, the Group has developed different partner selection mechanisms, discussion mechanisms, incentive mechanisms, withdrawal mechanisms, including option incentive plans for partners, to ensure that the partner team is consistent with Fosun's "creating high value for customers" orientation in the long term.

# 7.2 Creating Happy Work Environment

Based on respect for human rights, we protect the basic rights and interests of all employees and strive to build a diverse and inclusive workplace. At the same time, we build a big data platform to make full use of the Group's own resources to facilitate the work and life of employees and their families, and improve their happiness at work.

# 7.2.1 Human Rights Protection

Fosun strictly abides by the United Nations *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's ESG Management Committee oversees the formulation and implementation of the Group's policies and guidelines on respect for human rights and diversity, and regularly reports relevant significant issues to the Board of Directors.

The Group strictly complies with relevant laws and regulations of the countries/regions in which it operates. Referring to the International Labor Organization Core Conventions, 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*, which was published in the official website in both Chinese and English languages, to ensure that employees from each business segment and in every workplace are fully informed.

Employees and internal and external stakeholders of the Group can make complaints or report any violations of human rights through <u>Global Whistleblowing Platform</u> and <u>Risks & Compliance Hotline</u>. As of the end of the Reporting Period, to the best knowledge of the Directors, there was no complaint on human rights within the Group in any material respects.



# Human Rights Risk Identification and Management

Striving to improve human rights management, we have established a robust mechanism for human rights risk identification and management, and further optimized the human rights management system through human rights risk due diligence, human rights risk mitigation, human rights risk assessment and on-going management optimization.



## Progress made in 2022 - Human rights risk due diligence

• The Group has operations in Portugal, France, the United Kingdom and Germany in Europe, the United States and Brazil in the Americas, and Japan, Singapore and India in Asia.

The main human rights risks we face as assessed and summarized include:	
Developed countries	Developing countries
1. Illegal employment of local immigrants	1. Forced labor
2.Collecting intermediary fees in the guise of employee employment	2. Gender discrimination

• The Group included human rights policies in the Fosun Group Employee Code of Conduct and released the Fosun Group Human Rights Statement.

The Group developed appropriate responses for significant human rights risks identified, including:		
Developed countries	Developing countries	
<ol> <li>Carry out local employment in strict accordance with local labor bureau regulations to ensure the labor qualifications of workers and to guarantee the wage and benefit standards of hired employees;</li> <li>Actively recruit local employees and refuse to cooperate with the agency that illegally employs migrants to protect migrants</li> </ol>	<ol> <li>Set up a flexible work system to guarantee the work-life balance of employees, and grant subsidies to employees who work overtime in accordance with laws and regulations;</li> <li>Encourage business departments to recruit more female employees and take gender quality into account in internal promotion.</li> </ol>	
and local employees from disguised exploitation.		
• The Company and its member companies regularly conducted training on human rights.		

• During the Reporting Period, after considering types of human rights risk, scope and extent of potential impact, and other factors, the Group selected France out of developed countries and India out of developing countries for pilot assessment. The human rights risk assessment included remote interviews, on-site visits, analysis of external expert opinions, and collection of data from internal and external sources.

Assessment results of member companies in France show that:

Given the significant human rights risk identified, i.e., gender discrimination, PAREF made policies on diversity and equal pay for equal work, and scored 94/100 in the 2022 Professional Equality Index assessment;

Committed to improving human rights

performance, Club Med set a target of 100% of eligible resorts passing Green Globe certification, which includes human rights management assessment. During the Reporting Period, 97% of Club Med resorts obtained Green Globe certification.

companies:

Hive Carbon-Zero Developers Pvt Ltd (HCZ), for example, treated all direct or indirect labor in strict compliance with the Labor Law of India in its labor management practices. HCZ formulated and issued the employee code of conduct that specifies mechanisms for whistleblower management and ethics committee management. In addition, HCZ put POSH(Prevention of Sexual Harassment) policies in place, and established an internal complaints committee for efficient communication with all employees.

• Based on the results of comprehensive risk assessment, the Group developed effective policies and mitigation measures for potential human rights risks.

• The Group opened multiple channels for communication over human rights issues, including but not limited to workers and employees' congress, face-to-face interview, employee engagement survey, "Focuth" platform, complaints reporting e-mail, and staff activities. During the Reporting Period, the Group had sufficient communication with stakeholders, such as employees, partners and the public, over the effectiveness of its human rights risk management policies and measures;

• The Group monitors significant human rights risks on an ongoing basis through regular surveys and interviews, and planned to include more business locations in the human rights risk assessment in the future.

To further protect human rights with partners along the value chain, the Group incorporated human rights risk due diligence and assessment into its investment and procurement processes. For details, please refer to 5. Responsible Investment and Value Co-Creation, and 6. Ecosystem Synergy and Development Sharing sections of the Report.

Assessment results of member companies in India show that:

The six fundamental rights in India (right to equality, right to freedom, right against exploitation, freedom of religion, cultural and educational rights, and right to constitutional remedies) were well protected and secured in all member

The Group's member companies complied with all requirements under the Labor Law of India (minimum wage, housing fund, occupation tax, employees' state insurance, labor welfare fund, statutory holidays, prevention of sexual harassment (POSH) mechanism at workplace, etc.);

# Equal Communication

We have established various employee communication channels, including employee feedback, suggestions and complaints. We are committed to providing an open and transparent communication environment, and timely handling suggestions and questions from employees to continuously optimize the employee experience.



# Voice on Focuth, We are ONE Fosun

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

During the Reporting Period, "Focuth" received suggestions from employees of different member companies, and all issues were properly addressed, such as strengthening the no-smoking policy implementation in the workplace, and adding more parking sheds for non-motor vehicle.

# 7.2.2 Diverse and Inclusive Workplace

# Workplace 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, color, religious belief, nationality, sexual orientation, physical conditions, etc.

We manage the following four key areas of diversity:

Age	Gender	Disability	Sexual Orientation
We are committed to creating a work environment that encompasses multiple generations.	We are committed to bridging the gender gap at all levels, working to protect women's equal rights in the workplace, including equal opportunities and equal pay for equal work, enhancing women's happiness in the workplace, and empowering women to realize their potential in the workplace.	We aim to eliminate disability discrimination and increase accessibility in the workplace, creating a comfortable work environment.	We work on creating an inclusive environment without fear of discrimination or condemnation for sexual orientation.

As of the end of the Reporting Period, the proportion of disabled employees in the Company and its member companies was about 0.56%, and the proportion data of female employees are as follows:

Proportion of Female Employees	2022
Percentage of female employees by position	
Senior executive (%)	30.6
Middle management (%)	39.0
General staff (%)	51.3
Other employment data percentage of female employees	
New Hires (%)	54.3
Training (%)	77.9
STEM <sup>1</sup> (%)	44.1

# 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 anti-harassment policies according to the specific conditions of the country/ region where they operate, to promote a diverse and inclusive corporate culture, and ensure that all employees are working in a respected environment to show their strengths.

According to the Fosun Group Employee Code of Conduct, 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. Workplace anti-discrimination training is actively carried out in the Group and all member companies, 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 Group has received no complaint related to discrimination and harassment in any material respects.

# 7.2.3 Protection of Other Basic Rights

# Respect for Political Rights and Association Freedom

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 for the prevention of child labor and forced labor, such as the *Provisions on the Prohibition of Using Child Labor*. In accordance with such laws and regulations, we are required to establish the procedure to comply with the minimum working age requirement in our labor management. 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. The Group has also put in place remedial measures to ensure the physical and mental health and safety of child labores in case of misuse. At the same time, we prohibit forced labor and ensure that employees enjoy their rights and freedom to work on a voluntary basis. The Group shall hold derelict internal personnel accountable for violating any employment rules on child labor and forced labor. During the Reporting Period, to the best knowledge of the Directors, there was no material violation of labor standards in any form in the Group.

# Working Hours and Rest Periods

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, personal leave, sick leave, industrial injury leave, marriage leave, maternity leave, breastfeeding leave, bereavement leave, etc. We also set up additional paid leave according to the actual operating conditions of different countries and regions, such as family leave, childcare leave, public welfare leave, etc.

# Ensuring Full Benefits Coverage

We ensure that, in the Company's operations, all employees can enjoy social security plans such as social insurance, annuities or pensions in compliance with social security programs of local countries/regions. While in some regions, based on local conditions, we provide other additional benefits for employees, such as commercial medical insurance, housing provident fund, etc. During the Reporting Period, the Company and the six member companies covered by the report have provided 100% coverage of commercial health insurance to their employees.

# Employee Engagement Survey

In continuous cooperation with professional third-party, the Company conducted employee engagement survey every two years, mainly through online surveys and focus group interviews. We actively listen to employee evaluations, track the trend of employee engagement index changes, analyze the results of each engagement metric, and evaluate the effectiveness of the existing management mechanism in a variety of ways, and develop corresponding improvement plans.

During the Reporting Period, the Company invited all employees to complete the Employee Engagement Survey, and the effective response rate of online surveys reached 86.4%. According to the survey results, the Employee Engagement Index was 73.8 with an increase of 8.4 points compared with 2020, and employee satisfaction and stability have been greatly improved. Meanwhile, 70.5% of employees rated as "very dedicated"<sup>1</sup>.

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

We also conducted a staff satisfaction survey at the same frequency. According to the satisfaction survey, the five major dimensions of satisfaction index have significantly improved compared with 2020. Among them, the satisfaction of employees has significantly improved in the aspects of personnel and post adaptation, talent development, compensation and welfare, and stress management, which also means that Fosun's investment in employee management in recent years is obviously recognized.

Based on analysis of employee engagement and satisfaction survey results in 2022, we have developed and implemented three improvement plans: (a) improve employees' strategic perception; (b) better match employees' skills with job positions; and (c) focus on employees' needs and experience in key stages such as on-boarding, job transfer and resignation.

<sup>1</sup>Our Employee Engagement rating is 6 out of 6, with an overall rating of 5 to 6 being "Very Engaged".



# 7.2.4 Gathered by Culture

As a global innovation-driven consumer group, Fosun adheres to the development strategy based on the twin drivers of "profound industry operations + industrial investment", keeping in mind the mission of "creating happier lives for families", with the vision of "Rooted in China, creating a global happiness ecosystem and fulfilling the needs of one billion families in health, happiness and wealth". Fosun adheres to the cultural values of "Self-improvement, Teamwork, Performance and Contribution to Society", practicing the business for good, and emphasizes the corporate governance concept of sustainable development of ESG, to create value for customers, partners, investors, social parties and employees.

We actively create an integrated stage for employees to display their personality charm, create cross-border and cross-field "Fosun Craftsmen" selection in the whole group, and actively innovate in the selection scope and standards. At the same time, with the help of the Group's self-media, we set up the special column "Looking for Fosun People with Ingenuity" and held the dialogue forum for craftsmen to consolidate the industry backbone force. On the occasion of Fosun's 30th anniversary, we launched a special program "30 • Experts", focusing on domestic and foreign engineers, designers, R&D experts, sophisticated craftsmen, etc., to fully showcase the diversity of Fosun culture.

## Fosun's 30th Anniversary ONE FOSUN Family Members' Carnival

In December 2022, the Fosun's 30th Anniversary ONE FOSUN Family Members' Carnival was held in Shanghai as the main venue and 7 sub-venues. The carnival was conducted in a form of online and offline real-time interaction, allowing 108 thousand Fosuners to witness the precious moment of Fosun's 30th anniversary. With over 300 Fosuners engaged in the preparation, the carnival consisted of 20 programs in three parts - "Joy", "Gratitude" and "Confidence", and greatly enhanced the cultural cohesion of ONE FOSUN Family.



# 7.2.5 Caring for Employees

To drive the Group's global operations 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.

We have full-time employee service positions within our Human Resources Global Shared Service Center, assisting employees in applying for various certificates, which effectively supported the introduction of excellent talents. In addition, centering 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' families are also welcomed to various warm-hearted activities of the Group.

# Healthy Life

To foster a positive attitude towards life among employees, Fosun founded the "Fosuner Club" through labor union. The club organizes nearly 20 sports, including basketball, badminton and running team, etc.

At the same time, we also pay great attention to staff's health management and keeps on innovating the health management pattern. Except encouraging employees to join diverse fitness activities, we also conduct health lectures to strengthen 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. In addition, supporting facilities were built to improve employees' production and living conditions, such as digital canteens and BFC shuttle buses, creating a comfortable and healthy working and living environment.

# Women Care Activities

Fosun also cares about both the physical and mental health of female employees, setting up nursery rooms in the office. Every year during Women's Day, Fosun Labor Union and Fosun Women's Federation launch activities focusing on women's physical and mental care to make the "goddess" happy and beautiful. For example, we offer Fosun female executives' sharing on work and family time balance, jewelry appreciation courses, Yoga experience courses, skincare-theme science activities, flower arrangement theme activities, etc., and provide special gifts for female employees. The Group expresses its appreciation to female employees on Women's Day every year. We also organize lectures regularly on women's health and prevention of occupational hazard, etc. During the Reporting Period, we held the 2nd "Fosun Female Role Models" to recognize female employees that have outstanding performance, exemplary leadership, stay innovative and practice Fosun's corporate cultural values.

# Care for Retirees

Being concerned about retirement life of employees, Fosun continues to carry out mental health care, livelihood care, psychological care and other works for the old staff. Every September, the Retirement Management Association organizes activities for Chung Yeung Festival, with over a hundred members gathering for sharing sessions. They will receive customized souvenirs such as physical examination cards and health care products, and are invited to internal sales of products from Fosun ecosystem.

# 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. Our brand events, such as "Fosun Family Day" and "BFC Happy Family Carnival", allow Fosuners to have a good product and service experience while spending quality time with families, and help children get an idea of parents' workplace and Fosun culture. 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 lead employees and their families to grow up happily together.

# Employee Assistance

As an international company, we pay close attention to the physical and mental health and living needs of employees in each of our operation locations. During the outbreak of COVID-19, we were concerned about the health and safety of employees at home and abroad, and provided assistance to Fosun employees to the greatest extent possible. During the fight against COVID-19 in spring 2022, we immediately set up the "Fosun Warmth" working group for emergency support and employee care among Fosun ecosystem. This working group mobilizes resources within Fosun's ecosystem, to provide assistance to over 20,000 employees and their families in Shanghai. "Fosun Warmth" has processed more than 300 emergency needs of employees, with 100% of requests handled properly.

# Care for Mental Health

Concerned about the mental health of our employees, we launched "Fosun Warmth EAP" within the Company, a selfservice platform to provide employees with a wide range of mental health services. During the Reporting Period, to offer mental health services with higher efficiency and quality, we also introduced "Fosun Warmth EAP platform 1.0", a mental health service and experience platform. Designed with articles sharing, voice of the mind, fun quizzes, mental health courses, psychology academy and other modules, the platform is convenient for employees to obtain professional psychological information, knowledge courses and other services at any time and anywhere. In December 2022, through "Fosun Warmth EAP platform 1.0", we held a mental health workshop themed "Heart Normal" in COVID's era. We invited professional psychological counselors to the online live-streaming-an easier way for employees to tune in, where the counselors brought positive energy to and helped many employees relieve epidemicrelated work and life anxiety and pressure.

# 7.3 Building a Learning-Oriented Organization

Talent is Fosun's most valuable asset. Fosun is committed to continuously cultivating global top talents with outstanding performance and high potential.

# 7.3.1 Fosun Global Leadership Academy

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 Global Leadership Academy, which has become an accelerator for developing exceptional entrepreneurial leadership.

As an internal training department and a platform for incubating innovative thinking, Fosun Global Leadership Academy draws up talent development plans according to Fosun's development strategy, integrates internal and external training resources in a timely manner and organizes cross-functional sharing, program-learning and case study. Fosun Global Leadership Academy encourages "lifelong learning" and aims to find, train and reserve savvy business professionals and high-potentials for the Group. During the Reporting Period, the Company and 6 member companies within the scope of the Report invested around RMB 31,200,000 in training expenses.

During the Reporting Period, the percentage of employees trained by the Company and 6 subsidiaries within the scope of the Report was 82.6%, the accumulated training time was around 3,273,275 hours, and the training hours per person was around 54 hours.

Employee Training Indicator	2022	2021	2020	
Percentage of employees trained (%)	82.6	70.7	74.4	
Training hours per capita (hour)	53.6	30.5	28.1	
Percentage of employees trained by gender				
Female (%)	77.9	69.1	78.6	
Male (%)	87.1	72.1	70.7	
Percentage of employees trained by position	Percentage of employees trained by position			
Senior executive (%)	87.4	52.3	46.8	
Middle management (%)	68.6	75.5	70.4	
General staff (%)	84.8	70.1	78.2	
Average training hours completed per employee by gender				
Female (hour)	51.1	31.5	28.5	
Male (hour)	56.5	29.6	27.7	
Average training hours completed per employee by position				
Senior executive (hour)	30.3	34.5	23.4	
Middle management (hour)	51.5	24.7	31.7	
General staff (hour)	54.4	31.4	27.6	

Notes:

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

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

# 7.3.2 Training Structure and Highlight Activities

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

# Orientation Trainings

Through arranging on boarding day, monthly 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. The Company provides orientation training in English for all new foreign employees every six months to help them better adapt to the local working environment.

On-boarding Day	Monthly Training
Common office tools	Team integration
Workplace visiting	Corporate culture
Welfare introduction	Resource support

# 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. Through real project case studies, our employees can enhance and accumulate business experience, improving their comprehensive ability, thereby cultivating investment experts and future business leaders.



# Quarterly TrainingE-learningCultural chapterLog in the online platform<br/>to take self-learning<br/>courses includingManagement chapter"company introduction,<br/>rules and regulations,<br/>system operation, sharing<br/>by directors" and other<br/>contents

# Leadership Training

# >FOSTAR training camp

Since 2013 and as of the end of the Reporting Period, FOSTAR has cultivated more than **237** excellent high-potential talents. (with 82 new talents added in 2022)

We conduct a series of endurance 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.



Endurance team building

## >Fosun Youth training camp

As of the end of the Reporting Period, we have trained a total of **180** excellent high-potential youth from the Group's headquarters and core member companies. (with 146 new talents added in 2022)

The training camp is an important stage of Fosun's future entrepreneur training program and an incubator for the rapid growth of Fosun Youth with excellent high-potential. Through the nearly one-year project cycle, we will build Fosun's fastgrowing star and promote Fosun Youth with excellent highpotential.



Frisbee team building

## CXO training camp

As of the end of the Reporting Period, we have a total of **180** CXO reserve talents who were selected from the Group's headquarters and core member companies and trained for our talent pool. (with 51 new talents in 2022)

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

In 2022, a CXO training camp sub-program -- CHO Training Camp was set up to organize functional CHO and business CHO of "ONE Fosun" to learn together, solving practical problems and improving organizational ability by combining theory with practice.



# Leadership Training

## >Chairman and CEO Class

As of the end of the Reporting Period, we have carried out the project for a total of 82 senior executives from the Group's headquarters and core member companies.

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

## >Global Leadership Program

As of the end of the Reporting Period, we have organized training programs for 76 executives worldwide.

The Global Leadership Program, jointly launched by Fosun Global Leadership Academy and Fosun Overseas Operation Committee, is intended to cultivate senior management with global vision for ONE Fosun. Through senior management sharing, professional lectures and teamwork of creation and research, the program provided open-minded and resultoriented managers with resources and channels such as international social connections, Fosun know-how, leadership insight and inspiration.

# **FOSUN** 复星





Executive training group photo

# Learning Culture for All Staff

# Cases of diverse learning forms

## >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 38 core enterprises to contribute course content ,with more than 2,000 high-quality courses, 27,000 internal users and more than 180,000 class hours of watching live broadcasts. 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.

## >Lunchtime Sharing

>Boss/Concise Talk

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 live streaming, help the staff to understand the Group's development strategies, to broaden their horizons and enrich their knowledge. 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 while Concise Talk discusses on practical experience. Both of them are held 2/3 times per month. Boss Talk mainly focuses on offline courses, emphasizing the interaction between students and lecturers; while Concise Talk is in the form of "recorded broadcast and live streaming" to share practical work experience with all Fosun staff, and were simultaneously broadcast on the Fosun Global Leadership Academy online platform for reference and study by others.

## >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.

In 2022, Fosun Star Lecturer Contest aimed to build a high-quality internal lecturer team, and establish highlevel internal curriculum for Fosun to cultivate talents and aggregate wisdom from the industry. With 653 internal lecturers participating and rounds of preliminary, semifinal, voting and finals, the contest extended its impact to all staff within Fosun ecosystem and inspired the enthusiasm for learning.



## >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.





# Staying True -Together for A Better Life

08

In the pursuit of business value, Fosun does not forget its original aspirations of "Self-improvement, Teamwork, Performance, and Contribution to Society" and aims to create shared value for society. Through leveraging and integrating resources from Fosun's ecosystem and its global operations, we join hands with member companies to launch public welfare activities at multiple dimensions, levels, and categories. In addition, we earnestly hold the concept of sustainability in contributing to global sustainable development and common prosperities of societies.



# 8.1 Creating A Better Future

# 8.1.1 Ten Years of Public Welfare and Community Engagement

Founded in November 2012, Fosun Foundation is a corporate foundation and receives most of its donations from the Group and its member companies. In the past ten years, upholding the principle of "Fosun for Good" and centering on family life, Fosun Foundation prioritizes the 4 aspects of "free/freedom from Illness, Sustainable Income, Universal Education and Enhance Life Quality". Over 897 million RMB was invested in supporting major areas such as emergency relief, rural revitalization, health promotion, community building, children and youth welfare, education and culture & art. Fosun Foundation calls on global employees of Fosun ecosystem to carry out a variety of public welfare activities in over 10 countries and regions, and has been highly recognized by the community for its efforts in public public welfare since its establishment. Fosun Foundation was awarded the "China Social Organization Evaluation - 5A Social Organization", "China Charity Award", etc.

The year 2022 marked the 10th anniversary of Fosun Foundation. We developed a five-year public welfare strategy (2023-2027) of "Together for A Better Life" that in line with UN SDGs and China's rural revitalization strategy for common prosperity.



# Focus Areas



ln 2022. including the donation of Fosun charitable donations Foundation was over of over RMB117,310,000 RMB50.870.000

## Notes:

organizations, requests from employees, or in reaction to social emergency events.

(2) Community investments: Refers to long-term strategic involvement in, and partnership with, community organizations to address a limited range of social issues

(3) Commercial initiatives: Refers to commercial activities carried out in partnership with charitable and community organizations that can positively impact the community.

# 8.1.2 Better Future for All

# Employee Participation

Focusing on promoting the culture of "Contribution to Society" from the enterprise level to the employee level, we integrate all available resources to organize special public welfare activities, and make public welfare a constant undertaking with the assistance of domestic and overseas industries and employees. During the Reporting Period, we launched diversified and innovative public welfare programs for global employees, further improved the employee participation mechanism, and took a series of initiatives to drive employees' participation in public welfare activities and exceeded the annual employee volunteer service target.





community investments ofover RMB**39.620.000** 

commercial initiatives ofover RMB26.820.000

(1) Charitable donations: Refers to one-off or occasional support to good causes in response to the needs and appeals of charitable and community

During the Reporting Period, the total time of public welfare participation of all Fosun employees at home and abroad reached 45,787 hours.

Piloted the **"half-day public** welfare leave" policy at the Group level for the first time, encouraging employees to volunteer for half a day every year.

Launched the Fosun public welfare mini-program on WeChat for domestic enterprises to publicize volunteering activities, recruit volunteers, and attract employees to sign up for public welfare activities.

Creativity Competition" and "Run to Love".

## Brand Program: Caring Convoy

In March 2022, in an effort to help Shanghai fight COVID-19 and secure efficient rescue, we appealed to all Fosun employees to promptly set up the "ONE Fosun Volunteering Caring Convoy". As a result, a total of 250 thousand supplies were soon delivered to organizations in urgent need. As of the end of the Reporting Period, the caring Convoy consisted of over 160 active members and 36 teams, with a total of 270 hours of volunteer services.



## Innovative Program: FOSTAR Trainees Public Welfare Creativity Competition

In August 2022, during the "FOSTAR" 21-day training camp for management trainees, we organized the "Go Fun FOSTAR" Trainees Public Welfare Creativity Competition". The competition invited public welfare project leaders to conduct an onsite evaluation of the 5 domestic and overseas CSR project proposals of management trainees, and provided successful teams with implementation support for their projects. Derived from Fosun public welfare ecosystem and the "FOSTAR" talent development plan, this competition builds up the capacity of Fosun employees to implement public welfare projects, and injects new impetus into Fosun's public welfare undertakings.





## Global Program: Run to Love

The ONE Fosun "Run to Love" global charity event kicked off in August 2022. With this, we encouraged employees to participate in charity events that promote a healthy lifestyle. This event attracted our member companies, partners and employees from all business segments at home and abroad, and enabled interaction among global industries for them to better practice the corporate culture of "Contribution to Society".



# Taking a Lead

In addition to calling for Fosun Global member companies and employees' involvement, we also exert our influence on industry peers and all sectors of society to encourage them to participate in public welfare, making the "Contribution to Society" by all forces of the "Society".

# Contributions by the Community - "99 Giving Day"

In 2022, participating in the "99 Giving Day" for the fifth time, Fosun cooperated with public-raising foundations to launch the "Wonder Girl", "Rural e-Clinic", "Tai Chi for Dementia Prevention", "Cloud Color Box I Flow Art Class" and "Angel Investment for Xinjiang Start-ups" programs. During the activity, we called on employees, customers, suppliers and other partners to help raise funds in various ways, with a total of RMB1,132,229.35 raised, and 16,650 people participated.

# Partners Team

Led by Fosun Global Partners, the 6 teams of "ONE Fosun" raised money for the 5 public welfare programs by cooperating with public funds and utilizing resources within or outside businesses.

# known as the "Guardian of Rural Doctors", and Penny Tai, known as the "Wonder Girl a total of 4.83 million viewers and raised RMB19,010.7 for Fosun Foundation's two Csun Yuk and Penny Tai.



# 599公益日 -块做好事 扫码加入我的公共战队 助力太极预防痴呆公益项目 HON 444 10.

# Unity for Good - "Shanghai Summit of Philanthropy"

On September 5, 2022, under the guidance of the Shanghai Civil Affairs Bureau, Fosun Foundation and several foundations co-organized the 3rd "Shanghai Goodness Forum". Themed "Converging Charitable Forces for Common Prosperity", the forum concluded with a joint initiative to rally various charitable forces, such as caring enterprises, charitable organizations and citizens, to dedicate love to people in need and promote common prosperity with the power of charity.

Adopting the new mode of "music + charity", Hua Charity Concert invited Chang Csun Yuk, Ambassador", as special guests and attracted a wide range of audience. The concert had programs during the performance of Chang

Displayed fundraising posters on outdoor screens in 13 cities to convey the idea of public welfare to the whole society.







# 8.2 Emergency Relief

Fosun always adheres to the mission as a corporate citizen and has been fully committed to participating in humanitarian relief and disaster relief activities, focusing on corporate social responsibility and sustainable development issues to assist in addressing social problems in a timely and efficient manner. In 2022, Fosun won the "7th Social Value Co-creation - Scientific Epidemic Prevention Excellence Award" for its outstanding global response mechanism.

# 8.2.1 Support for Fighting Against the Pandemic

Since the outbreak of COVID-19, Fosun has firmly adhered to the global operation strategy and tried to increase empathy and unite the world to fight against the pandemic. We wish we could do our bit to make the world a community of shared interests, joined responsibility, and shared destiny. While undergoing the pandemic, Fosun has given full play to its modern industrial ecosystem synergistic advantages to fight against the virus through the mobilization of resources and technology-empowered containment, realizing a "multiplier effect" of enterprise-strength in the fight against the pandemic.

# Thank You Letters from the Society



# Targeted Aiding

2022 is the third year that COVID-19 exists in the world. In the spring, when the epidemic prevention and control escalated in Shanghai, Fosun, relying on our accumulated experience in emergency relief, quickly established the "Fosun Spring Anti-epidemic Command". Together with a number of public welfare organizations, enterprises and people with caring hearts, Fosun successively carried out targeted aid projects such as "Community Support", "Care for Elderly", and "Care for Children", and priority was given to the material needs of communities, the elderly, women and children and other groups for precise matching of supplies.

In the spring of 2022, during the anti-epidemic period in Shanghai, Fosun made over 1,300 donations of 6.23 million items, responded to the needs of over 1,000 communities for anti-epidemic supplies, covering all administrative districts of Shanghai and protecting the city with Fosuners' contributions.

Community Support	To help reduce the workload of commun "Community Support" project on 1 April Package" based on the actual situation o meet the epidemic prevention needs of a Fosun Foundation donated nearly 1.66 millio Shanghai.
Care for Elderly	On 15 April 2022, Fosun Foundation launch to precisely address the emergency needs supplies, including COVID-19 rapid antigen t nutritional products, medicines, catheters nursing homes in 15 districts of Shanghai.
	On 20 April 2022, Fosun Foundation launch welfare institutions, and community groups 24 hours and completing assistance within items of materials, including milk powder, ri- infants and families.

During the Reporting Period, Fosun Foundation donated a total of about **9.3 million** pieces of anti-epidemic materials worth approximately RMB**54 million**<sup>1</sup> to Shanghai, Tibet, Xinjiang, Inner Mongolia, Hong Kong, Macau and other regions. In particular, a total of 3 batches of **1.15 million** pieces of materials were donated to non-profit organizations and communities in Hong Kong, to help protect the health of the chronically ill, the elderly, children, frontline medical and service personnel, and families at the grass-roots level.



unity epidemic prevention, Fosun Foundation launched the I 2022, designing and iterating the "Anti-epidemic Support of Shanghai communities, so that each support package can a community for about 40 days. During the spring epidemic, ion pieces of supplies to over 700 communities in 16 districts in

hed the "Care for Elderly" project, overcoming many difficulties s of the elderly, delivering 450 thousand pieces of anti-epidemic test kits, protective suits, masks, disinfection supplies, diapers, s and other supplies to tens of thousands of elderly in over 270

ched the "Care for Children" project, targeting hospitals, social os of women and children. With the speed of "responding within a 36 hours", Fosun Foundation accurately matched 940 thousand rice flour, diapers, antigens and gloves, to help more than 6,000

<sup>1</sup>This data does not include the donation of Azvudine tablets.

# Combating Pandemic Through Technology Innovation

Fosun contributes to the COVID-19 containment in COVID-19 vaccine and drug R&D and other fields through our advantages on R&D and industrial resources integration. During the Reporting Period, Fosun's member companies have fully supported global epidemic prevention and control through scientific and technological innovations, such as COVID-19 PCR testing kits, negative pressure ambulances, PCR testing sampling vehicles, non-invasive ventilators, online health and medical platforms, Comirnaty (mRNA COVID-19 vaccine), etc., to help communities to pass a hard time with Fosun strength.

## Product Layout

# >mRNA COVID-19 Vaccine

Fosun and BioNTech (Germany) have been jointly developing Comirnaty (mRNA COVID-19 vaccine). As of the end of the Reporting Period, Comirnaty BNT162b2 (i.e. mRNA COVID-19 vaccine BNT162b2) and Comirnaty Bivalent Vaccine (i.e. mRNA COVID-19 Original/Omicron BA.4/BA.5-adapted bivalent vaccine) have been officially registered as drugs/products in Hong Kong and approved as regular imported vaccines in Macau, fully covering the public and private markets. During the Reporting Period, over 15 million doses of Comirnaty (mRNA COVID-19 vaccine) were sold in Hong Kong, Macau and Taiwan region. Since its launch to the end of February 2023, more than 31 million doses had been administered in Hong Kong, Macau and Taiwan region. Following the rollout of the self-paid vaccination service of Comirnaty BNT162b2 original vaccine in Macau in 2022, the self-paid vaccination service for Comirnaty Bivalent Vaccine has been rolled out in Hong Kong and Macau in the first guarter of 2023, providing more vaccine options for people in need and helping to build a health protection barrier.





# > Azvudine Tablets

In July 2022. Fosun Pharma and Genuine Biotech entered into a strategic collaboration on the joint R&D of Azvudine tablets, the first small molecule oral medication for COVID-19 approved for launching in China. Azvudine tablets have been listed on the procurement platform of medical insurance systems in 31 provinces and municipalities across the country to ensure terminal accessibility. In January 2023, Fosun Foundation, together with Fosun Pharma and Genuine Biotech, launched "A Healthy Winter Action" to donate Azvudine tablets to rural areas, nursing homes and welfare homes in central and western China, and distributed support packages with the help of caring enterprises and organizations. Experts and academicians were invited to train rural doctors on COVID-19 diagnosis and treatment online. In light of this program, we helped people in rural areas stay healthy throughout the pandemic. As of 6 April 2023, through "A Healthy Winter Action", more than 289,200 bottles of Azvudine tablets were donated to township health centers and village clinics in 258 counties in 29 provinces, municipalities and autonomous regions. In doing so, the project played an important role in "protecting people's health and preventing severe cases" in rural areas.





## >COVID-19 Prevention and Treatment Medical Service Platform

Fosun Health, together with People Health and People's Good Doctor app, developed the "COVID-19 Prevention and Treatment Medical Service Platform". The platform provides a variety of services to help people fight against the epidemic, such as online diagnosis and prescription, stay-at-home rehabilitation guidance, COVID-19 vaccine appointment, psychological counselling, and anti-epidemic materials supply.

# 8.2.2 Earthquake Relief

# **Relief for Sichuan**

In September 2022, a 6.8-magnitude earthquake struck Luding County in Garzê Prefecture and caused heavy losses to local people's lives and property. Shede Spirits, an affiliate of Yuyuan, rushed to the affected areas and donated a total of RMB2 million via Fosun Foundation to Luding and Shimian for disaster relief and post-disaster reconstruction. It continued to pay close attention to the progress of reconstruction and help ease difficulties for the affected people.



## Relief for Turkey

A disastrous earthquake struck Turkey in February 2023, before the ongoing cold and humid weather that undermined the relief and reconstruction work. Fosun Foundation joined efforts with Tom Tailor and Fosun Trade to make donations as the first charitable force in Shanghai to respond to disaster relief. The urgently gathered relief supplies included over 2,000 pieces of down jackets, knitted pants and other warm clothing with a total value of RMB1 million. The supplies were sent to quake-hit areas by the Turkish relief airplanes as soon as possible, along with the profound friendship from the Chinese people.



# **FOSUN** 复星





# 8.3 Rural Revitalization

In 2020, China achieved victory in poverty alleviation on schedule, and officially entered the stage of rural revitalization. Based on this, Fosun actively responds to China's rural revitalization strategy and the concept of common prosperity. With our industrial advantages, Fosun further explores new modes of rural public welfare programs to promote all-around rural revitalization.

As of the end of 2022, the

program has covered 73

counties in 16 provinces

revitalization counties).

(including 21 national key rural

More than **12,900** village

clinics were assisted, and it has

benefited **3 million** grass-

(districts and cities)

roots families.

# 8.3.1 Supporting Rural Healthcare

Grass-roots groups' healthcare is the cornerstone of rural revitalization, and rural doctors are not only "gatekeepers" of people's health, but also key driving forces for rural revitalization. Under the guidance of the former Poverty Alleviation Office of the National Health Commission and with our advantage of long-term endeavor in developing the Health Industry, Fosun focused on rural healthcare. Starting with assisting millions of rural doctors, we officially launched the Rural Doctors Program at the end of 2017.

We clarified the "Five One Plan" plus on-site supporting model in three core directions of "Rural doctor protection, Grass-roots medical talent training, Resource integration platform". After solidly helping to achieve the goal of poverty eradication, we introduced the internet, Al, big data and other advanced technologies, striving to train and retain qualified rural doctors for the grass-roots level, improve the ability and accessibility of grass-roots medical and health services, build a health protection network at the grass-roots level to promote health revitalization in rural areas.

During the Reporting Period, we formulated the new Rural Doctor strategy (2023-2027), set up the vision of "protecting grass-roots families, facilitating Healthy China Goal and Rural Revitalization Strategy", and made clear two major goals of "the core is the consolidation of the results of poverty alleviation, deepen the content of rural doctor programs, and help improve the health literacy of the whole people" and "the core is the transition to rural revitalization, focus on industrial revitalization, and set up industrial revitalization benchmark.



	"Five One Plan"	On-site Support
Operation concept	In 2022, we:	In 2022, we:
Carry out one rural doctor guarantee project	• Renewed 33 thousand accident and health insurance for rural doctors in over 50 project counties with an accumulated premium of over RMB3.4 billion.	• Dispatched a total of 87 on-site workers and starlight partners.
Launch one program to enhance the capacity of rural doctors	• Delivered 9 offline training to 1,631 rural doctors.	• Arranged each of 144 Fosun Global Partners to help at least one county,
Cure one group of seriously ill patients	• Helped 18 patients with serious illnesses via on-site workers and rural doctors in cooperation with China's Social Support Platform for Serious Illness. The total fund-raising amount exceeds RMB1.21 million.	actively participating in the fieldwork and mobilizing resources for health support. • Recruited 52 graduates, in cooperation with the "China's Far West Program" of the Communist Youth League of China, to work with our helpers and jointly explore the on-site volunteering model of college students.
Elect one series of Warm- hearted Rural Doctors candidates	• Elected 16 "Warm-hearted Rural Doctors" and "Warm-hearted Township Hospital Directors", and 4 "Young Role Models".	
Upgrade one batch of smart clinics	• Over the past 5 years, the project has completed the upgrade and transformation of 310 rural smart clinics. In 2022, we carried out the "Smart Rural Health and Ecological Construction Project", selected 20 village clinics and township hospitals in 14 project counties for intelligent upgrading of equipment, and provided them with 14 kinds of equipment, such as human-computer interaction dual screens.	

# "Hand in Hand" - Rural Medical Talent Revitalization Program

In 2021, to promote the construction of a healthy China and to provide better health services to family clients, Fosun Pharma established "121 Special Fund for Love from Fosun" under Fosun Foundation and launched the "Hand-in-Hand" Rural Talent Revitalization Program. The program includes a *Pocket Book of Rural Doctors*, a Rural Doctors Cloud Guardian Platform, a group of Health Care Ambassadors, and hand-in-hand online consultation and support, aiming to help rural doctors learn about diagnosis and treatment and health management and receive timely and effective Q&A on diagnosis and treatment through a combination of online and offline methods.

In August 2022, the first episode of "Doctors Talk - *Pocket Book for Rural Doctors' Diagnosis and Treatment* Open Classes" officially went online. In the show, the two experts, also editors of the Pocket Book, had face-to-face communication with representatives of rural doctors. They were also invited to join the Fosun Health "Cloud Guardian", an online platform for rural doctors, to help rural doctors solve personalized and unexpected issues during their practice. By the end of February 2023, the show has released 6 episodes with extensive praise from experts and rural doctors.

## "Rural Doctors at CIIE"

On 7 November 2022, Fosun Pharma opened the special session of "Doctors Talk" at the CIIE. Two experts from Shanghai General Hospital affiliated to Shanghai Jiaotong University School of Medicine and East Hospital affiliated to Tongji University, as well as two rural doctors, showed up in the live streaming. They discussed common diseases in rural areas like gout, and provided guidance for rural doctors on improving their theoretical knowledge. The live streaming had a total of 20 thousand viewers. In addition, another two rural doctors were invited to Fosun Health's booth at the CIIE, where cutting-edge technologies were displayed, such as the Breas breathing machines and CAR-T cell therapy product Yi Kai Da (ejilunsai injection).





# 8.3.2 Boosting Rural Economy

While conducting the "Rural Doctors program", we made efforts in rural revitalization. Heading towards new directions such as "special industry revitalization", we introduced innovative models such as cooperative promotion of agricultural products to fully support the rural economic development.

# "Loving Every Sip" Coffee

During the Reporting Period, Fosun Foundation connected Yunnan with Shanghai through an innovative public welfare program that provides assistance to rural doctors. Fosun Foundation, together with a renowned Yunnan coffee brand, launched "Loving Every Sip" coffee to support farmers. By purchasing coffee beans planted by rural doctors in Pu'er, Yunnan and other regions, the program increases their income, guards the career aspirations of rural doctors, and reinvigorates Yunnan's coffee industry.



## Targeted Assistance to Xingshi Village, Hainan Province

Since 2014, Hainan Mining has been providing assistance for Xingshi Village, Xinxing Town, Hainan Province. With the long-term mechanism of "industry support + education support", Hainan Mining invested in local infrastructure construction and habitat improvement to help the village embark on a new journey of rural revitalization after it was lifted out of poverty in 2018.

Aiming to achieve "industrial revitalization, ecological revitalization, educational revitalization, cultural revitalization and organizational revitalization," Hainan Mining established a leading group on rural revitalization strategy in 2021 to better lead and arrange work for rural revitalization. During the Reporting Period, Hainan Mining conducted research on Xingshi Village to tap the potential of collective featured industries. Additionally, Hainan Mining contributed to the construction of beautiful villages and supported education by offering "one-to-one" scholarships provided by senior management and donating to Xingshi Primary School. In 2022, Hainan Mining contributed a total of RMB413 thousand.



# 8.4 Health Promotion

In response to the goal of the "Healthy China 2030", proposed by the Chinese government, Fosun has joined forces with various community sectors to optimize the allocation of medical resources. By leveraging its strengths, Fosun is committed to not only actively shouldering social responsibility in anti-malaria and tuberculosis prevention and treatment, but continuously promoting the development of projects such as Tai Chi Adjuvant Therapy for Chronic Diseases, thereby contributing to the construction of a healthy China in all directions.

# 8.4.1 Building a Malaria-Free World

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

As of the end of Reporting Period, Fosun Pharma had 30 antimalarial pharmaceutical products prequalified for production by the WHO (WHO-PQ), and became an antimalarial product manufacturer which received the most such certification. It has been a significant supplier of antimalarial drugs to the global foundation, the United Nations Children's Fund, WHO and national drug purchase centers in African countries for many consecutive years. Fosun Pharma has the Artesun® (Artesunate for Injection), a proprietary innovative drug with full intellectual property, which has been recommended by WHO and has now become the international gold standard for the treatment of severe malaria. As of the end of 2022, over 280 million doses of Artesun® (Artesunate for Injection) were supplied to the international market, contributing to the recovery of more than 56 million sufferers of severe malaria worldwide. Among them, 175 million African children have benefited from the "Seasonal Malaria Chemoprevention Program". This program takes the SPAQ-CO series of children's malaria prevention drugs as the core drug, effectively reducing the incidence of malaria in children under 5 years old in Africa.

# Supporting Antimalarial Products to Hong Kong

On 4 August 2022, Guilin Pharma, a member company of Fosun Pharma, received a message from Guangxi Drug Administration that a number of workers traveling to the Chinese Mainland from Africa through Hong Kong were diagnosed with malaria, and some were severe patients. Guilin Pharma quickly got in touch with the Hospital Authority in Hong Kong and immediately dispatched 3,000 doses of Artesun® (Artesunate for Injection) to Hong Kong. The drugs were delivered successfully in the early morning of 5 August, addressing the urgent needs of patients.





# Social Recognition

During the Reporting Period, we were selected for the "IP SHANGHAI Global Communications Corporate Case Best Practice Award" in recognition of our outstanding practices in global public health, including anti-malaria and antiepidemic efforts...



# 8.4.2 Assistance in the Prevention and Treatment of Tuberculosis

In response to the goal of "Global Tuberculosis Elimination by 2035" proposed by WHO and the "Healthy China 2030" plan put forward by the Chinese government, Fosun has united all sectors of society, assisting in tuberculosis prevention and patient treatment.

# "Tuberculosis Elimination"

During the Reporting Period, Fosun Foundation and the National Medical Center for Infectious Diseases formed a public welfare strategic partnership to jointly promote the "Tuberculosis Elimination" program. Mainly targeting areas with a high incidence of tuberculosis (TB), the program helps patients, medical staff, and communities by providing training and knowledge, and supporting disease screening. In doing so, the program aims to build comprehensive capacity for TB prevention and treatment, and break the chain of transmission

During the Reporting Period, Fosun Foundation has invested RMB1.1 million in the program that covers Guizhou, Yunnan and Hunan. Overall, this program has protected 470 close contacts and families, prevented over 5,400 potential infections, alleviated nearly 10% of the financial burden of beneficiaries, provided professional training for 39 Guizhou medical staff, and assisted over 10 counties and cities in improving the comprehensive capacity for TB prevention and treatment.





Fosun Foundation signed a strategic cooperation framework with the National Medical Center for Infectious Diseases

# 8.4.3 "Slow Therapy for Chronic Diseases" - Tai Chi Adjuvant Therapy

We continuously focus on the research and implementation of Tai Chi Adjuvant Therapy for Chronic Diseases. We had successively launched such public welfare projects as "Tai Chi Anti-Parkinson's Disease" and "Tai Chi for Delaying Alzheimer's Disease", and actively carried out the public welfare activities of "Promote Tai Chi in the community to care for the elderly". We are committed to improving the life guality of patients who have Parkinson's disease. Alzheimer's disease and the elderly in the community.

# Tai Chi Adjuvant Therapy for Parkinson's Disease

The public welfare project "Tai Chi Anti-Parkinson's Disease" started in January 2015 and has been running for 8 years. We cooperated with well-known Chinese medical experts and were committed to scientific training and the popularization and promulgation of the "Tai Chi Anti-Parkinson's Disease". The auxiliary treatment effect of this project has been certified by medical experts, and has effectively helped "Pariends" (Parkinson + Friends) to improve their disease and regain confidence in life. As of the end of the Reporting Period, we have opened 10 "Tai Chi Anti-Parkinson's Disease" classes for 520 patients with Parkinson's disease, and offered 3,144 hours of on-site courses and 945.5 hours of online courses, with a total of 23,491 online participants.

On 9 April 2022, medical experts and "Pariends" were invited to our online public welfare forum, "How effective is Tai Chi in improving Parkinson's symptoms and preventing dementia?" to have an in-depth discussion on the therapeutic effects of Tai Chi on Parkinson's disease. The live forum lasted for 1 hour and attracted nearly 30 thousand viewers online.

In September 2022, we launched the first "Tai Chi Anti-Parkinson's Disease" online class, bringing together 75 people at an average age of 60 from Shanghai City, Henan Province, China, Japan, America and other countries and regions.

# Tai Chi Adjuvant Therapy for Alzheimer's Disease

In 2021, we cooperated with the research team of Professor Chen Shengdi from the Neurology Department of Ruijin Hospital to jointly launch the research project "Long-term Prospective Clinical Research on Tai Chi for Delaying Alzheimer's Disease". The project would carry out an in-depth follow-up study over a period of five years to assist in the delay of Alzheimer's disease through Tai Chi.

On World Alzheimer's Day, 21 September 2022, the 2022 public welfare class of "Tai Chi for Delaying Alzheimer" jointly initiated by Professor Chen Shengdi's research team and us, officially opened. More than 30 students participated in the opening ceremony. The project will continue to provide "Tai chi + cognitive training" for the elderly with cognitive disorders to help prevent or delay the occurrence of Alzheimer's disease.

2022 was the second year of "Tai Chi into the Community Public Welfare, Volunteers in Action". We further improved the mechanisms and models of Tai Chi into the community. As of the end of the Reporting Period, we recruited 88 Tai Chi volunteers to serve 5 communities and 147 elders.





# 8.5 Community Revitalization

Fosun is committed to integrate the life concept of "Health, Happiness and Wealth" into community building, and we encourage member companies, stakeholders and the general public to build wonderful communities with us.

# 8.5.1 Fenglin Builds "Elder-Friendly Community"

As an important channel for Fosun to implement community public welfare, Fenglin takes "healthy and happy life for the elderly" as its service purpose, and builds a full-age, wholecourse and multi-level integrated care service system through diversified service products and contents. As of the end of the Reporting Period, Fenglin reached cooperation with 10 streets, expanding 7 themed service packages, and operating 3 comprehensive service centers for the elderly, 4 daycare centers, 8 citizen stations, 4 neighborly bathing and washing stations, 1 home care station, and 1 friendly community project for the elderly with cognitive impairment.

In 2022, Fenglin developed a new type of live broadcasting model and customized diversified live broadcasting content, such as anti-fraud education activities and health lectures according to street requirements and service categories, so as to better serve residents and the elderly in this area.



Shanghai Fenglin Center for the Elderly

# 8.5.2 The Green Farmers Program

Club Med encourages resorts to establish and maintain good relationships with local NGOs and to provide support and assistance when needed. Since 2008, Club Med has partnered with the Non-Governmental Organization Agrisud to guide local peasants towards more sustainable land use based on the principles of agro-ecology, and integrate local crop output into the resort's food supply network. In 2022, Club Med supported 396 small farms, benefiting more than 2,000 farmers cumulatively. More than 200 hectares of land were planted in eco-agriculture, with an average of 20 crops per project.

Please refer to the section 6.2.2 Sustainable Influence in the Report for detailed information about this project.

# 8.5.3 Community Care in Hong Kong

Fosun has been cooperating with the Hong Kong Federation of Youth Groups, a renowned non-profit organization in Hong Kong, and has actively supported its community volunteer services in Hong Kong as a member of "Heart to Heart Company". To convey care to Hong Kong communities affected by the epidemic, in 2022. Fosun once again participated in the "Neighborhood First • Rice Giving" volunteer service project initiated by the Hong Kong Federation of Youth Groups. We organized a team of volunteers to visit the community organization association on Un Chau Street in Sham Shui Po, distributing rice to the elderly and low-income people and families in Hong Kong, spreading Fosun's positive energy of "Creating happier lives for families worldwide" to Hong Kong.

In February 2022, when the fifth outbreak of COVID-19 overwhelmed Hong Kong, Fosun Foundation donated a total of 1.15 million pieces of supplies to non-profit organizations and communities in Hong Kong.

# 8.5.4 Community Building in Wuhan

To respond to the national top-level design of refining the social service system, and to the call of "Rise of Central China" in the field of social livelihoods and public services in Wuhan. Wuhan Starlight Foundation, founded by member companies under Fosun, hosted the first Optics Valley Social Innovation Competition to provide a platform for social service entrepreneurs pursuing sustainable development in March 2022.

Themed "New Vision for Change, Youth Makes a Difference", the competition received applications for social service innovation projects nationwide, and selected innovative solutions and sustainable service projects in the four major areas of "corporate excellence, sustainable development, youth innovation and people's livelihood service innovation". In the end, a total of 23 projects received funds, including 5 "Outstanding Public Welfare Projects", 8 "Excellent Public Welfare Projects", and 10 "Excellent Volunteer Service Projects", benefiting over 30 communities. The foundation also helped the competitors to improve in all aspects in multiple ways, such as building a public fundraising platform with both online and offline channels and publishing authorized media reports.

# 8.5.5 Hearing Aids Donation to the Elderly

In August 2022, the "Hear Every Sound" hearing aids donation campaign was launched for the elderly by Fosun Foundation, Fosun Health, Vibe Complete and Widex, planning to donate hearing aids with a total market value of RMB8.26 million to improve the quality of life of the elderly and enhance the connection between the foundation and the community. Hearing aids were donated to 12 elderly with moderate hearing impairment or worse at the first donation ceremony. They also received several services, such as ear examination and device test, and were given instructions on wearing the device. By the end of the Reporting Period, this program has conducted hearing tests for 131 elderly across 9 communities/counties, and donated a total of 75 hearing aids in 3 donation ceremonies.









# 8.6 Care for Children and Youth

Children and Youth are essential groups for our attention and care. Fosun actively responds to and supports the initiatives of the United Nations International Children's Emergency Fund and the United Nations Global Compact and implements the ten principles of the *Children's Rights and Business Principles*. Fosun is committed to protecting and fulfilling children's rights, caring for the child's healthy growth and development, and helping children in need constantly.

# 8.6.1 Protecting Children's Rights

Committed to being a sustainable and responsible participant in society, Club Med works with NGOs and partners such as Fosun Foundation, Rende Foundation, the Bright Connection and the Blue Ribbon Movement to actively organize special events and fundraising activities to help disadvantaged and poor children. As one of Club Med's signature charitable programs, Worldwide Snacks cooperates with various NGOs every year to invite local children to Club Med Resort to enjoy all kinds of resort activities.

Club Med is not only committed to improving the living conditions and education of disadvantaged children in the vicinity of Club Med's sites, but also committed to combating the sexual exploitation of children in the tourism industry. Since 2005, Club Med has signed a cooperation agreement with ECPAT to jointly publish leaflets on the initiative against child sexual exploitation, which are regularly sent to the homes of guests visiting resorts in countries with sensitive destinations. The flyers have been translated into 17 languages since 2021 and distributed to all Club Med customer markets worldwide since 2022. In recent years, Club Med has replaced paper flyers with more sustainable electronic flyers. In addition, Club Med has developed an underage guest identification procedure for reception staff at Club Med resorts in high-risk countries and regions, which is regularly updated, and employees are trained to ensure the safety of children.



# 8.6.2 Care for Rural Teenage Girls

We care about the growth of rural teenage girls, and endeavor to provide education courses designed to improve their awareness of body image as well as their ability of self-protection during puberty, so as to reduce the risk of gender-based violence and sexual assault.

In July 2022, Fosun Foundation launched the "Wonder Girl" program as a side project of the "Rural Doctors" program, aiming to build a system for the growth of adolescents in rural areas and provide proper sex education and guidance. Under this program, we distributed care packages to rural girls in remote areas, carried out online physiological health courses, and organized offline camps for girls. We also strongly promote boys and girls to respect and support each other from childhood, creating a healthy environment for children.

During the Reporting Period, to draw public attention to teenage girls, Fosun Foundation organized photo exhibitions themed on teenage girls in four cities, namely Shanghai, Suzhou, Chengdu and Shenyang, from 27 August to 11 September, and invited "Wonder Girl Ambassador" to have a live connection in the opening activity salon, bringing growth energy to rural girls.



# 8.6.3 Youth Entrepreneurship

The Protechting Start-up Accelerator Program was jointly initiated and organized by Fosun, Fosun Insurance Portugal, and Luz Saúde in 2016, aiming to support global youth innovation and entrepreneurship. Upholding the purpose of "Innovation is about People", the program focuses on priority fields of healthtech, insurtech and fintech, etc. The program keeps pace with the times by expanding the project pool of Internet+ and Al cutting-edge technologies and setting an "environmental protection and sustainability" product line. At the same time, we organize training for the team of youth entrepreneurship which conveys Fosun's "entrepreneurial spirit". The program incubates and accelerates innovation programs to help start-ups to grow and also cooperates with global makers to forge programs, products and brands of high quality to better serve society.

In 2022, Protechting 5.0 focused on the theme of "Insurance+Health+Sustainability", strengthened Fosun's strategy of "deeply cultivating Portuguese speaking areas", and collaborated with the Macau government and the Macau Youth Entrepreneurship Incubation Center to provide diversified and professional entrepreneurial services for Macau youth who are interested in innovation and entrepreneurship or contribute to Macau's development. Protechting 5.0 has received a total of 133 application projects from 33 countries and regions, including Portugal, Spain, Switzerland, Finland, Brazil, Ukraine, Germany, the United Kingdom, and Macau, China. In early November 2022, the three winning teams of Protechting 5.0 (uMore, Automaise, and Tucuvi) participated in the 7th Lisbon "Davos for Geek" Web Summit for on-site roadshows.

As of the end of the Reporting Period, with a presence in nearly 50 countries and regions, Protechting attracted nearly 1,000 start-up projects, of which 50 projects maintained close liaisons with Fosun member companies and 5 projects obtained financial support. In the future, Protechting will continuously provide a broad stage, multiple channel resources and various application scenarios for more innovation and entrepreneurship projects, support youth entrepreneurship and assist in the implementation of more outstanding innovation and entrepreneurship projects.





# 8.7 Education Support

Fosun continuously works with various types of schools to help students with needs complete their studies. At the same time, we are also committed to voluntary activities in the youth community to encourage young people around the world to give back to society through voluntary activities.

# 8.7.1 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 Province and Shanghai. As of the end of the Reporting Period, we have helped nearly 10,000 students from low-income families and donated more than RMB20 million.

# Fosun Hainan Guangcai Education Award Fund

Since 2007, Fosun has cooperated with the China Society for Promotion of the Guangcai Program to donate to middle school students from low-income families in Hainan province. As of the end of the Reporting Period, we have supported 6,930 students in need. The proportion of those students admitted to undergraduate colleges and universities reached 98%, and those admitted to key universities reached 70%.

# 8.7.2 Promoting Teenagers' Social Practice

## Pramerica Fosun Spirit of Community Awards

Pramerica Fosun Spirit of Community Awards originated from Pramerica Spirit of Community Awards, a prestigious award for youth community volunteer service in the United States. The purpose of Pramerica Spirit of Community Awards is to encourage more youth to participate in public welfare by identifying and recognizing outstanding youth volunteers. Over the past 20 years, the Pramerica Spirit of Community Awards has been carried out in the United States, Brazil, India, Japan and other countries, and has awarded nearly 100 thousand global excellent young volunteers. In 2014, Fosun introduced this award to China, so as to arouse the enthusiasm of Chinese middle school students for public welfare and promote Chinese youth public welfare to be in line with international standards. In 2022, the organizing committee of the Pramerica Fosun Spirit of Community Awards received a total of 647 valid applications submitted by individuals and societies from 128 schools nationwide. It awarded 2 "Charity Ambassadors" in China, 10 "Outstanding Volunteers", 20 "Excellent Volunteers", 2 groups of "Outstanding Charity Societies", 3 groups of "Excellent Charity Societies", and 5 groups of "Nomination Award for Outstanding Charity Societies". On 25 August 2022, the 2022 Pramerica Fosun Spirit of Community Awards Ceremony was held in BFC to hand over awards to the winning individuals and organizations.





# Yidangjia • Fosun Experience Program

Launched by Fosun Foundation, "Yidangjia • Fosun Experience Program" allows teenagers to gain first-time experience from social practice. The program built a social practice system by leveraging high-quality and rich resources within Fosun and fully integrating the industrial ecosystem chain. Yuyuan was selected as the first stop for phase 1 of this program. At the scene, under the guidance of national model workers and an intangible cultural inheritor, the first batch of 22 teenagers aged between 12 and 18 gained hands-on experience related to Chinese medicine, small steamed buns and others. The program is designed to help teenagers get to know Chinese medicine, and develop career interests for future goal-setting, paving the way for them to enter society in the future.



# 8.7.3 Lending a Hand to Universities

# Support to the History Museum of Shanghai Medical College of Fudan University (SMCFU)

In October 2022, Fosun Foundation made a donation of RMB5 million to SMCFU for the construction of its history museum, aiming to support the cultivation of innovative talents in colleges and universities, encourage the continuous development of talents in China's pharmaceutical industry, and assist the country in achieving the road of "pharmaceutical powerhouse".



# Funding the Research Project of Macau University of Science and Technology (MUST)

In February 2022, Fosun Foundation provided funds of RMB5.2 million and recruited 20,000 volunteers to participate in the community antibody protection research to study the most scientific and effective vaccination plan against COVID-19, as well as to provide data support for the epidemic prevention plan of Chinese Mainland.

In July 2022, the study on antibody protection was published in the journal *Nature*. The research data showed that, among those who had received two doses of COVID-19 inactivated vaccine, if they take the third dose of mRNA vaccine as a booster, they could produce more effective neutralizing antibodies against Omicron compared with continued vaccination of inactivated COVID-19 vaccine, which plays an important role in further strengthening epidemic prevention and control.

# **FOSUN** 复星





# 8.8 Culture & Art

# 8.8.1 Fosun Foundation Art Center

In 2022. Fosun Foundation Art Center welcomed its sixth anniversary of operation. Over the past six years, Fosun Foundation Art Center has been committed to providing attention and support to artists, and promoting contemporary art. With an open, inclusive and diverse perspective, Fosun Foundation Art Center presents solo exhibitions of wellknown contemporary artists from home and abroad, such as Alex Israel. Bertrand Lavier and Liu Jianhua. Through the cross-media and cross-field art forms, we convey diverse artistic concepts to the audience, promote public concern, understanding and participation in global contemporary art, and promote global cultural and artistic exchanges and cooperation.

In order to support artists' creations in the field of public art and promote the in-depth development of urban public art, Fosun Foundation Art Center has launched a number of special activities in succession, such as the "Art in Elevation Festival" and ANNEX space curation practice. After successfully hosting 3 sessions in 2021, the fourth "Art in Elevation Festival" was launched in August 2022, presenting a series of works by artist Liu Yi to the public. In 2022, ANNEX space continued to present wonderful exhibitions and public artworks all over the country. In cooperation with many universities and public welfare units, ANNEX space jointly presents a total of 5 exhibitions, including "Beauty in Life", "Observer", and "Wonder Girl", so that more people can meet public art.

At the same time. Fosun Foundation Art Center is committed to fulfilling social responsibility in art education. It offers a wide range of public art education in a variety of forms for members and audiences of all ages, so that art education can resonate with more people. In 2022, we launched 62 "Art Online" live streaming and 84 public education activities in the forms of "cloud salons", "cloud screens", "cloud theatres", "cloud workshops". "cloud art tours". "cloud class". and "cloud reading". etc., providing the public with opportunities to get in touch with culture and art, and meeting the diverse needs of the public for art.

Fosun Foundation Art Center has also initiated exchanges and cooperation with all parties in the industry to jointly promote the development of the art ecology. Fosun Art Center has joined Shanghai Art Museum Association to promote the development of the Shanghai art museum industry. It has also established an advisory committee to contribute professional advice on an ongoing basis, and hold seminars on the development of private art institutions in China to discuss the current development status of private art institutions with peers and scholars. Moreover, it has cooperated with the School of Philosophy of Fudan University in art education and art practice, and, continuously exploring the mode of "museum-school cooperation".



## Fosun Foundation Art Center of Chengdu

Fosun Foundation Art Center of Chengdu officially opened in June 2022. Based on Chengdu's regional characteristics, cultural and historical heritage and development paths, it welcomes domestic and overseas contemporary art with international vision, and offers an artistic and cultural platform to inspire the public's creativity and critical thinking, aiming to drive art development in Southwest China. As of the end of the Reporting Period, Fosun Foundation Art Center of Chengdu has hosted solo exhibitions of Shuhei Aoyama, Bertrand Lavier and Jacky Tsai.



# 8.8.2 Promoting Traditional Art

Relying on the industrial advantages, Yuyuan established the "24 Art Club" for the inheritance and practice of intangible culture and art. Joining hands with century-old brands of Yuyuan and hundreds of inheritors, the club promotes national culture and the spirit of craftsmanship with a focus on 24 solar terms, the traditional customs of Jiangnan and the inheritance of intangible culture. In this way, we build this club to be both a base for inheritance and a cultural experience center with distinctive Chinese traditional cultural characteristics. We have been supporting primary and middle school students and youths in Shanghai and the Yangtze River Economic Belt integration district to carry out social practice study activities in the "24 Art Club". Through the inheritance and practice of intangible culture and art by hundreds of inheritors in the club, Fosun Foundation promotes national culture and the spirit of craftsmanship.

Meanwhile, we fully utilized the artistic resources of Huabao Mansion, Operatic Garden at Sea and Mid-Lake Pavilion of Yuyuan to hold a number of art exhibitions, lectures and performances. We aim to attract more public attention and love for the treasures of Chinese culture and promote the inheritance of traditional arts and culture.

# Huabao Mansion

Host exhibitions of embroidery, goldstone, folding fans, smoking stoves and ceramics. Present art treasures that integrate modern and traditional elements for visitors to closely appreciate works of famous artists and the beauty of the fusion of tradition and innovation.

performances for the public, such as "Opera Masters Talk" and "Kungu Opera Masters Salon".

# **FOSUN** 复星

Produce high-quality intangible culture-themed

Hold a series of lectures on traditional art, such as "Elegance of Song Dynasty" and "Mid-Lake Gathering", to help the public better appreciate traditional art.

# 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 Co., Ltd. (柏中環境科技(上海)股份有限公司)(formerly known as 柏 中環境科技(上海)有限公司)	
BFC	The Bund Finance Center(外灘金融中心)	
BioNTech	BioNTech SE	
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 or Fosun International	Fosun International Limited	
COVID-19 or pandemic	Coronavirus disease (COVID-19) pandemic	
C2M	Customer to Maker	
Director(s)	The director(s) of the Company	
Dongfang Hydrogen Energy	Dongfang Electric (Chengdu) Hydrogen Fuel Cell Technology Co., Ltd. (東方電氣(成都) 氫 燃料電池科技有限公司)	
Easun Technology	Shanghai Easun Technology Co., Ltd.(上海翌耀科技股份有限公司)(formerly known as 上海 翌耀科技有限公司 and 上海愛夫迪自動化科技有限公司)	
EHS	Environment, Health and Safety	
EHSQ	Environment, Health, Safety & Quality	
ESG	Environmental, Social and Governance	
ESG Board Committee	The Environmental, Social and Governance Committee of the Company	
ESG Report or the Report	Environmental, Social and Governance Report 2022	
ESG Reporting Guide	Environmental, Social and Governance Reporting Guide in Appendix 27 to the Listing Rules	
EUR	Euro, the lawful currency of the Eurozone	
FC2M	Fosun /Family Client-to-Maker	
FDA	Food and Drug Administration	
FFT	FFT GmbH & Co. KGaA	
Forte	Shanghai Forte Land Co., Ltd.	
Fosun Foundation	Shanghai Fosun Foundation	
Fosun Insurance Portugal	Fidelidade – Companhia de Seguros, S.A. and its subsidiaries	
Fosun Kite	Fosun Kite Biotechnology Co., Ltd. (復星凱特生物科技有限公司)	
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司)	
Fosun Trade	Hainan Fosun Trading Co., Ltd. (海南復星商社貿易有限公司)	
FTG	Fosun Tourism Group	

ABBREVIATIONS	FULLNAMES
Gland Pharma	Gland Pharma Limited
GMP	Good Manufacturing Pract
GRI Standards	GRI Sustainability Reportir
Group, Fosun or We	The Company and its subs
Guilin Pharma	Guilin South Pharma Co., L
HAL	Hauck Aufhäuser Lampe P AG and Hauck & Aufhäuse
Hainan Mining	Hainan Mining Co., Ltd.
Hong Kong	The Hong Kong Special Ad
Hong Kong Stock Exchange	The Stock Exchange of Ho
Hong Sheng New Material	Zhejiang Hong Sheng New 有限公司)
JEVE	Tianjin EV Energies Co., Lto
KPI	Key Performance Indicator
Listing Rules	The Rules Governing the L
Масаи	The Macau Special Admini
MSCI	MSCI Inc.
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Lt
PAREF	Paris Realty Fund SA
Peak Reinsurance	Peak Reinsurance Compar
Pramerica Fosun	Pramerica Fosun Life Insur
PSI	Principles for Sustainable
Reporting Period	The year ended 31 Decemb
RMB	Renminbi, the official curre
Saidemei	Beijing SaiDeMei Resource
Shanghai Henlius	Shanghai Henlius Biotech,
Shede Spirits	Shede Spirits Co., Ltd. (舍谷
St Hubert	St Hubert SAS
Tai Chi Anti-Parkinson's Disease	Tai Chi Adjuvant Therapy f
TCFD	Task Force on Climate-rela
Tom Tailor	TOM TAILOR Holding SE
UN SDGs	United Nations Sustainabl
WHO	World Health Organization
Wolford	Wolford Aktiengesellschaf
Yuyuan	Shanghai Yuyuan Tourist N

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		Gathering Talents to Achieve Excellence	1
		Practicing Business Ethics	C
	0 DE Dragonage to remodiate possibile	Driving Lean Operation with Technology Innovation Safety, Environmental Protection and Resilience	C
	2-25 Processes to remediate negative impacts	Building	0
		Responsible Investment and Value Co-Creation	1
		Ecosystem Synergy and Development Sharing	1
		Gathering Talents to Achieve Excellence	1
	2-26 Mechanisms for seeking advice and raising concerns	Practicing Business Ethics	C
		Improving Customer Experience	С
		Creating Happy Work Environment	1
	2-27 Compliance with laws and regulations	No violations occurred	
	2-28 Membership associations	About Fosun	C
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	C
	2-30 Collective bargaining agreements	Creating Happy Work Environment	1
GRI 3:	3-1 Process to determine material topics	Materiality Assessment	C
Material Topics 2021	3-2 List of material topics	Materiality Assessment	C
		An Introduction to Fosun – Celebrating the 30th Anniversary and Sharing Happiness	C
		Reinforcing Responsibility with Concerted Effort	0
		Driving Lean Operation with Technology Innovation	0
	3-3 Management of material topics	Safety, Environmental Protection and Resilience Building	0
		Responsible Investment and Value Co-Creation	1
		Ecosystem Synergy and Development Sharing	1
		Gathering Talents to Achieve Excellence	1
		Staying True - Together for A Better Life	1

GRI Standards Number	Disclosure Title	Report Section(s)	Pages
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Key Performance Highlights	003
Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change and the Energy	094
	201-3 Defined benefit plan obligations and other retirement plans	Creating Happy Work Environment	146
	201-4 Financial assistance received from government	1	1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	1	/
	202-2 Proportion of senior management hired from the local community	1	/
GRI 203: Indirect Economic	203-1 Infrastructure investments and services supported	Staying True - Together for A Better Life	162
Impacts 2016	203-2 Significant indirect economic impacts	Rural Revitalization	171
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	1	1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Practicing Business Ethics	
	205-2 Communication and training about anti- corruption policies and procedures	Practicing Business Ethics Cooperation With Integrity	041 133
	205-3 Confirmed incidents of corruption and actions taken	Practicing Business Ethics Cooperation With Integrity	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Practicing Business Ethics	041
GRI 207:	207-1 Approach to tax	Regulating Corporate Governance	034
Tax 2019	207-2 Tax governance, control, and risk management	Regulating Corporate Governance	034
	207-3 Stakeholder engagement and management of concerns related to tax	1	/
	207-4 Country-by-country reporting	1	/
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Water Resource and Material Management	100
Materials 2010	301-2 Recycled input materials used	1	/
	301-3 Reclaimed products and their packaging materials	1	1
GRI 302:	302-1 Energy consumption within the organization	Climate Change and the Energy	094
Energy 2016	302-2 Energy consumption outside of the organization	Climate Change and the Energy	094
	302-3 Energy intensity	Climate Change and the Energy	094
	302-4 Reduction of energy consumption	Climate Change and the Energy	094
	302-5 Reductions in energy requirements of products and services	Climate Change and the Energy	094

GRI Standards Number	Disclosure Title	Report Section(s)	Р
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental Compliance and Clean Production Water Resource and Material Management	
	303-2 Management of water discharge-related impacts	Environmental Compliance and Clean Production	
	303-3 Water withdrawal	Water Resource and Material Management	
	303-4 Water Discharge	Environmental Compliance and Clean Production	
	303-5 Water Consumption	Water Resource and Material Management	
GRI 304: Biodiversity 2016	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	
	304-2 Significant impacts of activities, products, and services on biodiversity	No significant impacts	
	304-3 Habitats protected or restored	Biodiversity and Animal Welfare	
	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	No relevant operation sites	
GRI 305:	305-1 Direct (Scope 1) GHG emissions	Climate Change and the Energy	
Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and the Energy	
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change and the Energy	
	305-4 GHG emissions intensity	Climate Change and the Energy	
	305-5 Reduction of GHG emissions	Climate Change and the Energy	
	305-6 Emissions of ozone-depleting substances (ODS)	No emission of such substances	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Compliance and Clean Production	
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	Environmental Compliance and Clean Production	
	306-2 Management of significant waste-related impacts	Environmental Compliance and Clean Production	
	306-3 Waste generated	Environmental Compliance and Clean Production	
	306-4 Waste diverted from disposal	Environmental Compliance and Clean Production	
	306-5 Waste directed to disposal	Environmental Compliance and Clean Production	
GRI 308: Supplier Environmental	308-1 New suppliers that were screened using environmental criteria	Supply Chain Ecosystem Sustainable Supply Chain	
Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Supply Chain Ecosystem Sustainable Supply Chain	

GRI Standards Number	Disclosure Title	Report Section(s)	Pages
GRI 401:	401-1 New employee hires and employee turnover	Strategic Planning for Talents	137
Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Creating Happy Work Environment	146
	401-3 Parental leave	Creating Happy Work Environment	146
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Strictly abide by the relevant laws and regulations of specific countries/regions	1
GRI 403: Occupational Health	403-1 Occupational health and safety management system	Enhancing Management System	089
and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Safeguarding Safety and Health	105
	403-3 Occupational health services	Safeguarding Safety and Health	105
	403-4 Worker participation, consultation, and communication on occupational health and safety	Enhancing Management System	089
	403-5 Worker training on occupational health and safety Safety and Health		105
	403-6 Promotion of worker health	Safeguarding Safety and Health	105
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safeguarding Safety and Health	105
	403-8 Workers covered by an occupational health and safety management system	Enhancing Management System	089
	403-9 Work-related injuries	Safeguarding Safety and Health	105
	403-10 Work-related ill health	Safeguarding Safety and Health	105
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Building a Learning-Oriented Organization	155
2016	404-2 Programs for upgrading employee skills and transition assistance programs	Strategic Planning for Talents Building a Learning-Oriented Organization	137 155
	404-3 Percentage of employees receiving regular performance and career development reviews	Strategic Planning for Talents	137
GRI 405: Diversity and Equal	405-1 Diversity of governance bodies and employees	Regulating Corporate Governance Strategic Planning for Talents	034 137
Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	1	/
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Strategic Planning for Talents	137
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Creating Happy Work Environment	146

GRI Standards Number	Disclosure Title	Report Section(s)	Pages
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainable Supply Chain Creating Happy Work Environment	128 146
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	1	/
GRI 411: Rights of Indigenous Peoples 2016			/
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Staying True - Together for A Better Life	162
	413-2 Operations with significant actual and potential negative Impacts on local communities	No relevant operation sites	/
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Ecosystem Sustainable Supply Chain	125 128
	414-2 Negative social impacts in the supply chain and actions taken	Practicing Business Ethics Supply Chain Ecosystem Sustainable Supply Chain Cooperation With Integrity	041 125 128 133
GRI 415: Public Policy 2016	415-1 Political contributions	No such contributions	1
GRI 416: Customer Health and	416-1 Assessment of the health and safety impacts of product and service categories	Lean Industrial Space	063
Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No violations occurred	/
	417-1 Requirements for product and service information and labeling	Improving Customer Experience	078
2016	417-2 Incidents of non-compliance concerning product and service information and labeling	No violations occurred	1
	417-3 Incidents of non-compliance concerning marketing communications	No violations occurred	/
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No violations occurred	

# ESG REPORTING GUIDE INDEX

KPI	Desription	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 Environmental Compliance and Clean Production	094 095
A1.1	The types of emissions and respective emissions data	Environmental Compliance and Clean Production	095
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity	Climate Change and the Energy	094
A1.3	Total hazardous waste produced and, where appropriate, intensity	Environmental Compliance and Clean Production	095
A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Environmental Compliance and Clean Production	095
A1.5	Description of emissions target (s) set and steps taken to achieve them	Climate Change and the Energy Environmental Compliance and Clean Production	094 095
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Compliance and Clean Production	095
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	094 100
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Climate Change and the Energy	094
A2.2	Water consumption in total and intensity.	Water Resource and Material Management	100
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate Change and the Energy	094
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	100
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Water Resource and Material Management	100
A3	The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Climate Change and the Energy Environmental Compliance and Clean Production Water Resource and Material Management	094 095 100
		Biodiversity and Animal Welfare	103
	Description of the significant impacts of activities on the environment and	Climate Change and the Energy Environmental Compliance and Clean Production	094 095
A3.1	natural resources and the actions taken to manage them.	Water Resource and Material Management	100

KPI	Desription	Section(s)	Page
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	094
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	094
B1	Employment		
General (b) compliance with relevant laws and regulations that have a significant		Strategic Planning for Talents Creating Happy Work Environment	137 146
B1.1	Total workforce by gender, employment type, age group and geographical region.	Strategic Planning for Talents	137
B1.2	Employee turnover rate by gender, age group and geographical region.	Strategic Planning for Talents	137
B2	Health and Safety		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuerrelating to providing a safe working environment and protecting employees from occupational hazards.		Enhancing Management System Safeguarding Safety and Health	089 105
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safeguarding Safety and Health	105
B2.2	Lost days due to work injury.	Safeguarding Safety and Health	105
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Enhancing Management System Safeguarding Safety and Health	089 105
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	155
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Building a Learning-Oriented Organization	155
B3.2	The average training hours completed per employee by gender and employee category.	Building a Learning-Oriented Organization	155
B4	Labour Standards		
General Disclosure	5 · · · · 5 · · · · · 5 · · · · · · · ·		146
B4.1	Description of measures to review employment practices to avoid child and Creating Happy Work forced labour. Environment		146
B4.2	Description of steps taken to eliminate such practices when discovered.	Creating Happy Work Environment	146

KPI	Desription	Section(s)	Pages
35	Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Ecosystem Sustainable Supply Chain Cooperation With Integrity	125 128 133
35.1	Number of suppliers by geographical region.	Supply Chain Ecosystem	125
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.		125
35.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Supply Chain Ecosystem Sustainable Supply Chain	125 128
35.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain	128
B6	Product Responsibility		
General Disclosure	Information on: (a) the policies; and heral (b) compliance with relevant laws and regulations that have a significant Driving Lean Operation with		062
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Lean Industrial Space	063
B6.2	Number of products and service related complaints received and how they are dealt with.	ey Improving Customer Experience	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Lean Industrial Space	
B6.4	Description of quality assurance process and recall procedures.	Lean Industrial Space	
36.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.		
37	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.	Practicing Business Ethics	041
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.	Practicing Business Ethics	041
37.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Practicing Business Ethics	041
37.3	Description of anti-corruption training provided to directors and staff.	Practicing Business Ethics	041
38	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.	e Staying True - Together for A Better Life	
38.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		
38.2	Resources contributed (e.g. money or time) to the focus area.	Staying True - Together for A Better Life	162

# **READERS FEEDBACK FORM**

Thank you for reading the Group's 2022 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 2022 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	Extremely Satisfied	□Very Satisfied	Satisfied	Less Satisfied	□Not Satisfied
Social Responsibility	Extremely Satisfied	□Very Satisfied	Satisfied	Less Satisfied	□Not Satisfied
Environmental Responsibility	Extremely Satisfied	□Very Satisfied	Satisfied	□Less Satisfied	□Not Satisfied

# 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	Extremely Satisfied	□Very Satisfied	□Satisfied	□Less Satisfied	□Not Satisfied
Accuracy	Extremely Satisfied	□Very Satisfied	□Satisfied	□Less Satisfied	□Not Satisfied
Completeness	□Extremely Satisfied	□Very Satisfied	Satisfied	Less Satisfied	□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:

Please rate the effectiveness of this Report in reflecting the economic, social and environmental impact the Group has brought



# **ASSURANCE STATEMENT**

# SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE 2022 ENVIRONMENTAL. SOCIAL AND GOVERNANCE REPORT OF FOSUN INTERNATIONAL LIMITED SUBMITTED BY FOSUN INTERNATIONAL LIMITED

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC was commissioned by Fosun International Limited (thereafter as "Fosun International") to conduct an independent assurance of 2022 Environmental, Social and Governance Report of Fosun International Limited.

## INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Fosun International's Stakeholders.

## RESPONSIBILITIES

The information in the 2022 Environmental, Social and Governance Report of Fosun International Limited is the responsibility of the management team and the functional departments of Fosun International. The responsibility of SGS-CSTC is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Fosun International's stakeholders

## ASSURANCE STANDARDS. TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards, which including:

- The principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) as:
  - GRI 1: Foundation 2021, for report quality
  - o GRI 2: General Disclosure 2021, for organization's reporting practices and other organizational detail
  - o GRI 3: Material Topics 2021, for organization's process of determining material topics, its list of material topics and how to manages each topic
- and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

SGS ESG & SRA verification regulations (Refer to GRI Principles and AA1000 Guides)

The Assurance has been conducted at a moderate level of scrutiny.

## **REPORTING CRITERIA**

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below, and evaluation of adherence to the following reporting criteria:

# **Reporting standards**

- The <Environmental, Social and Governance Reporting Guide> by HKEX
- GRI Standards 2021(Reference)

## ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, onsite interviews with relevant Fosun International employees at the Shanghai office of Fosun International located at Bund Finance Center, Huangpu District, Shanghai, China; Documents and records are reviewed and confirmed with relevant employees in other locations as necessary.

## LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial report has not been checked back to source as part of this assurance process. The on-site verification was only at the Fosun International's head-office level and did not involve other branches. This verification only conducted interviews with staff of Fosun International and access to relevant materials and did not involve external stakeholders.

## STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS is the world's leading inspection, verification, testing and certification company, SGS is recognized as the global benchmark for quality and integrity. SGS is a global leader in inspection, testing and verification, operating in more than 140 countries/ areas, providing services including management systems and service certification; quality, environmental, social and ethical audits and training; environmental, social and sustainability report assurance.

SGS affirms that it is a completely independent organization from Fosun International, and that there is no bias or conflict of interest against Fosun International, its affiliates and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised of CCAA registered ISO 9001, ISO 14001, ISO 45001, ISO37001, ISO37301 auditor and SGS recognized CSR/ESG lead auditor.

## VERIFICATION/ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, the information and data contained within 2022 Environmental, Social and Governance Report of Fosun International Limited verified is accurate and reliable, which have provided a fair and balanced representation of corporate sustainability activities by Fosun International in 2022. There was no non-compliance with reporting standards in any material topics.

## The CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion, 2022 Environmental, Social and Governance Report of Fosun International Limited submitted by Fosun International is presented in accordance with the Introduction and Mandatory Disclosure Requirements of the Appendix 27. Environmental. Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on the HKEX and referred to GRI standards

# **REPORT PRICIPLES**

## MATERIALITY

The substantive research and the analysis of stakeholders' concerns had been disclosed in by Fosun International in the Report, and through materiality analysis, the impact of the environment, society and governance concerned by relevant parties is reported on a key basis, which matched with the principle of materiality.

## QUANTITATIVE

Fosun International had provided statistics and analysis on key quantitative performance indicators and outlined their impact and purpose in the Report. The Report compared data from some key performance projects over the past three years to assist stakeholders in evaluating their management performance better.

### BALANCE

The Report of Fosun International basically matched with the principle of balance, the environment, social and governance subjects had been disclosed truthfully and impartially.

## CONSISTENCY

A consistent methodology for disclosing relevant subject had been used by Fosun International, including statistical methodology and standard for key quantitative performance indicators, some appropriate notes and explanations had been provided in the Report, so that the stakeholders can make clear comparisons.

## MANAGEMENT APPROACH

2022 Environmental, Social and Governance Report of Fosun International Limited had disclosed the management approach of the applicable subject in the Environmental, Social and Governance Reporting Guide and referred to GRI standards.

## **GENERAL DISCLOSURE**

Fosun International's disclosure of applicable subject matches with the requirements of general disclosure of Environmental, Social and Governance Reporting Guide and referred to GRI standards.

## KEY PERFORMANCE INDICATOR DISCLOSURE

Fosun International had disclosed the key performance indicators about the environmental, social and governance subjects which applicable to the Environmental, Social and Governance Reporting Guide and referred to GRI standards.

## DISCOVERY AND RECOMMENDATIONS

Detailed report of the good practices, findings and recommendations for continuous improvement were presented in the SGS internal management report, which has been submitted to Fosun International for their continuous improvement.

Signed:

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For and on behalf of SGS-CSTC

David Xin Sr. Director – Knowledge 16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Apr. 25<sup>th</sup>, 2023 WWW.SGS.COM

