

**FOSUN 复星**

# Fosun Group Biodiversity Report

## 1. Executive summary

### 1.1 Introduction

Biodiversity refers to the diversity of life on Earth, including species diversity, ecosystem diversity, and genetic diversity:

#### Species diversity

There are over 8.5 million known species on Earth, many of which have not yet been discovered by humans. However, due to human activities and natural factors, many species face the risk of extinction.

#### Ecosystem diversity

There are various ecosystems on Earth, including forests, grasslands, deserts, oceans, etc. However, due to human activities and climate change, many ecosystems face the risk of destruction and degradation.

#### Genetic diversity

Within species, there is also genetic diversity. The genetic differences between different populations help species adapt to different environmental changes. However, human activities such as overfishing, overfishing, and habitat destruction may lead to a decrease in population size and genetic diversity.

This report aims to evaluate the current status, challenges, and conservation measures of biodiversity related to Fosun Group's main business, in order to promote human understanding and protection of biodiversity. The report analyzes the importance, challenges, and conservation measures of biodiversity, and proposes a series of suggestions and action plans to promote the protection and sustainable

development of biodiversity.

### 1.2 Main findings

Fosun Group and its subsidiaries, in accordance with the 《Biodiversity Policy》, continuously respond to and improve the biodiversity of their respective regions or areas within their capabilities. Whether it is the protection and cultivation of green vegetation, or the mining and ecological restoration of Hainan Mining, they are all actively responding to and improving the effectiveness and examples of biodiversity.

### 1.3 Commitment to biodiversity conservation

As stated in the 2022 ESG report of Fosun Group, "Ecosystems and biodiversity are not only essential for human survival, but also the foundation for sustainable economic and social development. The Group attaches great importance to the protection of biodiversity and minimizes the adverse effects of business operations on biodiversity and ecosystems. We make a commitment and include it in the Biodiversity Policy, actively encouraging all relevant parties to fulfill this commitment together with us."

Fosun Group's biodiversity policy has five principles:

1. All office places, business sites and industrial plants should not be set in the national nature reserve area.
2. Conduct biodiversity risk assessments, engage with stakeholders and apply mitigation hierarchies to minimize the adverse impact of business operation on

biodiversity and ecosystem and achieve a net positive impact.

3. In the process of resource exploitation, promote the restoration of ecosystem, carry out reclamation and restoration of the land to conserve natural resources , and compensate with future reforestation according to the no net deforestation if deforestation caused.

4. Should not use rare animals to complete animal experiments.

5. Should not use precious plants and animals as raw materials.

To encourage/supervise subordinate major companies, joint ventures, joint ventures, partners, and other relevant parties to actively participate in biodiversity conservation work.

## 2. Scope and purpose

### 2.1 Objective

Protecting the biodiversity of the Earth itself is crucial, and it is also closely related to addressing climate change. Rich species diversity, ecosystem diversity, and genetic diversity contribute to mitigating or adapting to climate change. On the other hand, climate change is also one of the main causes of biodiversity loss. As a group company spanning multiple industries, Fosun Group has always adhered to the original intention of "self-cultivation, family harmony, business establishment, and helping the world", committed to making the world a better place due to the existence of Fosun. To this end, we conducted a business related biodiversity assessment and actively responded to possible problems and challenges, mainly including the information of Fosun Bund Business, Yu Garden Shopping Mall and Shede Wine.



### 2.2 Audiences

This report aims to provide investors, clients, and employees with information on the company's biodiversity to help them understand our strategy, commitments, and impact.

### 2.3 Methodology

This report adopts multiple frameworks, such as the CDSB framework and GRI guidelines, to disclose risks and opportunities, governance and management, emission status and target indicators, results and prospects, etc. Meanwhile, this report adopts methods such as literature review, case analysis, and expert interviews for research and analysis. Among them, literature review mainly involves consulting relevant literature and materials to understand the current situation, challenges, and protection measures of biodiversity; Case analysis mainly involves analyzing and studying specific cases to gain a deeper understanding of the actual situation of biodiversity; Expert interviews mainly involve interviewing experts in relevant fields to obtain their opinions and

suggestions on biodiversity conservation.

## 2.4 Reporting period

During the writing process of this report, we have had multiple discussions and revisions based on our level of information to ensure the quality and accuracy of the report.

## 3. Overview of the Group Company

### 3.1 Company Overview

Fosun has been established for more than 30 years since 1992. Looking back at the past and looking forward to the future, Fosun has always adhered to the original intention of "cultivating oneself, governing the family, establishing a career, and helping the world", committed to making this world a better place due to the existence of Fosun. Fosun joined the United Nations Global Compact in August 2014, committed to a global commitment to sustainable development and participating in and promoting the achievement of the United Nations Sustainable Development Goals at both global and local levels. In 2021, our group set carbon reduction targets and committed to society - "Strive to achieve carbon peak by 2028 and carbon neutrality by 2050".

In 2023, Fosun will enter its third year after releasing its carbon neutrality targets. Standing at a new historical starting point in its thirties, Fosun will continue to actively undertake more social responsibilities, implement ESG concepts, and continue to create value and repay society. In the global trend of promoting carbon neutrality, carbon reduction, and sustainable development of the Earth, Fosun will continue to actively collaborate with member companies to promote the

implementation of ESG strategies, especially in areas such as carbon peaking, carbon neutrality, energy conservation, and consumption reduction, actively promoting the sustainable development of the group.

### 3.2 Business domain

Fosun Group operates in four major sectors: health, happiness, prosperity, and smart manufacturing. However, this report is based on the three member companies provided as the main disclosure categories of biodiversity, and some descriptions go beyond the above scope. This will cover real estate business operation, including jewelry and fashion, cultural commerce, cultural catering and food and beverage, beauty and health, Hanchen watch industry, composite function real estate, business management and other business segments, as well as liquor manufacturing.

### 3.3 Sustainability strategy

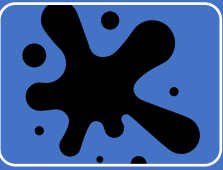
Fosun Group is committed to working together with various international initiative organizations to promote global sustainable development. In August 2014, our group joined the United Nations Global Compact organization, committed to the global commitment to sustainable development. Two member companies - Fidelidad de Companhia de Seguros, S.A. and IDERA Capital Management Ltd. - also joined the United Nations Global Compact organization in 2019, publicly promising the international community to comply with United Nations standards in areas such as environment, labor, and anti-corruption. In 2020, our company joined the China ESG Leadership Organization and became a member of the Sustainable Development Business Council (CBCSD) of the China

Enterprise Federation.

From the 2022 ESG report of Fosun International, it can be seen that the work and achievements made by Fosun Group in the three major themes of sustainable fashion, sustainable tourism, and sustainable finance fully reflect the ESG


strategies, management, and actions and examples carried out by these enterprises in the most concerned ESG issues.

Taking Yu Garden Shopping Mall as an example, it has formulated a comprehensive sustainable development policy. Some key principles and statements include:




**Pollutant management**

- The laws, regulations, and standards for pollutant emission management in the operating location shall be strengthened to standardize pollutant emission management, improve the treatment level of pollutants such as exhaust gas, wastewater, and solid waste, in order to reduce emissions, and strive to enhance the environmental awareness of all staff in green emission reduction



**Energy management**

- Yu Garden Co., Ltd. attaches great importance to energy management and strictly abides by the laws, regulations and standards of energy conservation in the industry in the place where it operates, such as the Energy Conservation Law of the People's Republic of China and the Administrative Measures for Industrial Energy Conservation. At the same time, we adhere to starting from the entire process of the system, following the principles of system management, effectively implementing the concept of energy conservation and emission reduction, continuously optimizing relevant processes, further formulating energy-saving operation standards, annual energy-saving and consumption reduction plans, and implementing inspection and responsible personnel



**Green buildings**

- Yu Garden has actively laid out the construction industry. According to the new national standard of the Green Building Evaluation Standard (GB 503782019), it timely meets the requirements of the national green building standard, actively promotes new and operating projects to obtain various green building certifications, and enables the green transformation of the industrial chain by relying on energy saving and consumption reduction technologies and green environmental protection design, so as to achieve the mutual growth of buildings and the environment. In 2022, the green building won the international certification LEED and WELL projects, marking that Yu Garden Garden Co., Ltd. is at the leading level in the global construction industry in the green and low-carbon action.

#### 4. Biodiversity risk assessment

##### 4.1 Biodiversity risk categories

The financial risks related to biodiversity are mainly divided into two categories, namely physical risks and transformation risks.

Physical risk refers to the risk of degradation or loss of ecosystem services that economic activities rely on. The degradation or loss of ecosystem services can have an impact on industries and enterprises that rely on these services, such as fisheries, forestry and paper manufacturing, agriculture, and hydropower industries, leading to a decrease in corporate income and profits, even losses or bankruptcies, which in turn can cause financial risks such as asset impairment and

even liquidation. The specific form may include:

- 1) Habitat loss and fragmentation: Human activities lead to the loss or fragmentation of biological habitats, making it impossible for species to survive and reproduce normally.
- 2) Overexploitation and overutilization: Overexploitation and overutilization of natural resources lead to a decrease in species numbers and even extinction.
- 3) Climate change: Global climate change has a significant impact on biodiversity, causing changes in the habitats of many species and posing a threat to their survival.
- 4) Invasive species: Invasive species pose

a threat to local species and may lead to their extinction.

- 5) Pollution: Pollution has a negative impact on biodiversity, such as water pollution, air pollution, etc.

Transformation risk refers to the measures taken to mitigate or reverse the impact of economic activities on biodiversity, which may pose risks to business entities. For example, policies to protect biodiversity, technological advancements, and changes in consumer preferences may reduce or terminate business operations, leading to bankruptcy or default risks.

Biodiversity risks directly or indirectly affect economic entities through physical and transformational risks. At the micro level, it may have an impact on households, businesses (including banks, insurance companies, and other financial institutions), countries, or political entities through the supply chain. At the macro level, biodiversity related shocks can affect a country's exchange rate and debt sustainability, global commodity prices, GDP growth prospects, and so on.

Among the affiliated enterprises of Fosun Group, Yu Garden Shopping Mall and Shede Wine Industry have a great correlation between their operation business and biodiversity and have obtained information in this survey. In addition, the 2022 ESG report of Fosun International mentioned some practices of Hainan Mining in this regard.

Taking Shede Liquor Industry under Yu Garden Shopping Mall as an example, in 2008, the term "ecological liquor making" was included in the national standard Baijiu Industrial Terminology (GB/T15109-2008).

Since then, Shede Liquor Ecological Park has gradually committed to "building factories in the forest". Shede Winery is at the forefront of ecological protection in the industry. In 1990, Shede Winery established an environmental protection department to oversee greening work. In 1993, the Environmental Protection Department was renamed the Environmental Protection and Greening Department, and greening work began in the Shede Brewery Park. The Shede Ecological Brewery Industrial Park has over 300 types of trees, shrubs, and herbaceous plants (including over 150 species planted and over 150 naturally growing), with nearly 4 million plants, half of which are planted during the process of building a vegetation ecosystem. The greening rate of the park has reached 98.5%, the green space rate is 43.7%, and the green coverage rate is 47.4%. Include biodiversity related cases and data in the annual ESG report to demonstrate the efforts made by the company in biodiversity.

#### 4.2 Geographical risk exposure

The degree of risk exposure faced by biodiversity varies in different regions. Some regions are more vulnerable to biodiversity risks due to factors such as geographical location, climate conditions, and ecosystem types. For example, biodiversity in ecosystems such as tropical rainforests and coral reefs is more vulnerable to overdevelopment and climate change threats.

As stated in the 2022 ESG report of Fosun International, Hainan Mining will have a certain degree of impact on the mining ecosystem during mineral development. Therefore, Hainan Mining strictly implements the strategy of "mining, governance, and restoration at the same

time", and actively carries out mining and land governance work in accordance with the "Mining Geological Environment Protection and Land Reclamation Plan". Hainan Mining conducts annual reclamation plans for the recoverable areas of mining areas based on actual mining conditions, committed to protecting water and soil resources, ensuring the ecological environment of mining areas, and building green mines.

In 2022, Hainan Mining will continue to carry out mining reclamation and ecological restoration work in an orderly manner, fully utilizing the natural conditions of the local terrain, landforms, hydrogeology, etc., combined with the local vegetation growth types, using tree planting and spraying methods to green the slopes, and cultivating various tree species in combination with the local ecological situation, creating a good mining ecological environment and promoting sustainable development of the mine. In 2022, Hainan Mining invested 12.94 million yuan in reclamation costs, with 157300 trees planted for ecological restoration and greening in the mines, covering an ecological restoration area of 3331.64 acres. As of now, the green coverage rate of mining area reclamation is 100%, creating a mining area ecosystem with diverse plants, beautiful environment, complete functions, and stable structure.

#### 4.3 Regulatory environment

In June 1992, the United Nations adopted the Convention on 《Biological Diversity》, aimed at protecting endangered plants and animals and maximizing the protection of the Earth's biological resources. Currently, there are 196 contracting parties. As one of the earliest contracting parties, China

vigorously promotes the protection and restoration of biodiversity.

In 2021, China successfully hosted the first phase of the 15th Conference of the Parties to the Convention on Biological Diversity



(COP15) with the theme of "Ecological Civilization: Building a Community of Life on Earth". The second phase was held from December 7th to 19th, 2022 in Montreal, Canada. The vision proposed by the Convention on Biological Diversity is to stabilize the trend of increasing biodiversity loss by 2030 and achieve harmonious coexistence between humans and nature by 2050.

2021 has been referred to by the United Nations as a crucial year for reshaping our relationship with nature. This year, the pressure and damage caused by human activities and economic development to species and natural ecology have received unprecedented and widespread concern. Biodiversity, as an important environmental issue, has also been highly valued by investors and financial institutions. Investors, including financial institutions, must ensure that all activities and financial flows conform to the value of biodiversity, so that global

financial flows shift from adverse outcomes to favorable outcomes for nature.

As of June 2021, 75 institutions from the government, regulatory agencies, international organizations, and the financial industry have jointly launched the Nature Related Financial Information Disclosure Working Group (TNFD), aimed at promoting relevant information disclosure by enterprises and financial institutions, guiding global capital flows to areas consistent with protecting natural ecological balance.

In the financial sector, on March 24, 2022, the Central Bank and Regulatory Green Finance Network (NGFS), in conjunction with the International Sustainable Finance Policy Research and Exchange Network (INSPIRE), released the "Agenda for Action on Central Banks, Regulatory Agencies, and Biodiversity: Addressing Biodiversity Loss and Systemic Financial Risks", proposing and calling on central banks and regulatory agencies of all countries to take measures to address biodiversity risks.

Although the absolute importance of biodiversity issues is increasingly recognized internationally, their importance is often underestimated and sometimes directly overlooked under the current ESG system. However, Fosun Group actively promotes the construction of a "1+N" system, which includes one carbon management system and N sustainable development reports, including research reports on water risk assessment, climate change, biodiversity, etc., and continuously promotes the improvement of biodiversity from the ESG perspective.

## 5. Governance and Management

### 5.1 Supervision by the board of directors (senior management)

Fosun International's 2022 TCFD report disclosed that the board of directors of Fosun Group guides and monitors the ESG related work and risks of the group, including biodiversity related risks. And establish an ESG board of directors committee under the board of directors, an ESG decision-making committee at the management and decision-making levels, and an ESG management committee and ESG working group at the execution level to fully implement the company's ESG strategy and related actions, including biodiversity.

In terms of oversight and outcomes from the boards (senior management) of the subsidiary companies, Shede Wine has achieved notable results:

In 1990, the Environmental Protection Division was established to oversee greening efforts. In 1993, the division was renamed the Environmental Protection and Greening Division and began carrying out greening activities within the park.

The park contains nearly 4 million plants, including over 300 species of trees, shrubs, and herbaceous plants. The park's greening rate is 98.5%, with a green area rate of 43.7% and a greening coverage rate of 47.4%.

### 5.2 Senior leadership



In addition to the above governance structure, Fosun Group will incorporate the indicator of "carbon neutrality management" into the ESG management performance evaluation mechanism of responsible persons in various business sectors of the group, mainly assessing the carbon neutrality plan compliance rate of the main operating entities responsible by the relevant responsible persons, and promoting the further implementation and implementation of carbon neutrality management throughout the group.

### 5.3 Biodiversity Governance Framework

The second phase of the 15th Conference of the Parties to the Convention on Biological Diversity (COP15), with the theme of "Ecological Civilization: Building a Community of Life on Earth", was held in Montreal, Canada from December 7th to 19th, 2022. As the President of the conference, China is making every effort to promote the achievement of the Global Biodiversity Framework after 2020, anchoring the direction for global biodiversity governance by 2030 and beyond.

As for Fosun Group, it actively promotes the construction of the "1+N" system, integrates carbon neutrality and biodiversity management into the group's system audit, and combines energy control audit requirements, international mainstream sustainable development disclosure standards (such as GRI standards), and ESG rating requirements to comprehensively manage ESG risks and enhance biodiversity response capabilities. At present, the "Fosun Group Lean+Carbon Neutrality Reward" system has been formulated, and a comprehensive carbon neutrality

assessment and reward system has been established. By building an ESG carbon neutrality system platform, member enterprises are encouraged to establish ESG and carbon neutrality rating standards, thereby improving biodiversity management.

## 6. Habitat and species protection

### 6.1 Biodiversity conservation measures

According to Fosun Group's 2022 ESG report, over 28% of its Club Med Resort is adjacent to nature reserves such as pristine forests and coasts, and over 25% is located within 3 kilometers of the protected area. Therefore, Club Med believes that protecting the natural ecosystem is its non-transferable responsibility, and its advocacy of "sustainable tourism, win-win with nature" is reflected in multidimensional and all-round green project operations, such as ecological certification, climate action, green catering, etc.

In addition, the turtle rescue operation of Sanya Atlantis, a subsidiary of Fosun Group, is also a form of Fosun's implementation of biodiversity conservation measures. In early 2020, two turtles ran aground on a beach in Sanya. Upon receiving a rescue call from the Sanya Agriculture and Rural Bureau, Sanya Atlantis immediately dispatched a marine biology team to carry out emergency rescue. Marine biology experts have discovered alarming lesions on the hind fins of green sea turtles, which are almost severed and in a dehydrated state. However, the hawksbill turtle lacks some of its shell, which means it has lost an important part of its own protection and is extremely thin and weak.

After receiving these two turtles, the marine biology team used natural seawater

exhibition pools and professional animal medical facilities and equipment in the resort to provide gradual treatment. After more than two years of careful care, the two turtles recovered well and were assessed to meet the conditions for wild survival. Finally, with the joint efforts and cooperation of relevant department staff, the turtles were successfully released to the sea in 2022. The green sea turtle is listed on the IUCN Red List of Threatened Species, while the hawksbill is protected by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Since 2019, under the guidance of the Agriculture and Rural Bureau and the Comprehensive Administrative Law Enforcement Bureau of Sanya City, Sanya Atlantis has established a professional turtle rescue team. Thanks to a professional marine biology team and medical equipment, the marine mammal hospital has rescued nearly 20 wild sea turtles.

The vibrant ocean is one of the ecosystems that humans and flora and fauna rely on for survival, and the symbiosis and mutual prosperity between humans and the environment are particularly important in today's globalized world. Sea turtles are umbrella species in marine ecosystems, and their living environment needs can cover the survival needs of other species. Therefore, sea turtles are like protective umbrellas, protecting them while also providing protection for other species.

## 6.2 Protected areas and habitats

Protected areas refer to nature reserves, national parks, forest parks, etc. established to protect biodiversity. These areas provide safe habitats and breeding grounds for

species by restricting or prohibiting human activities, thereby protecting biodiversity.

Habitat refers to the environment in which organisms survive and reproduce. Different species require different habitats, so protecting habitats is crucial for protecting biodiversity. In protected areas, specific habitat types are usually designated, such as wetlands, forests, grasslands, etc., to protect the living environment of different species.

As mentioned earlier, Club Med Resort has over 28% of its area adjacent to natural reserves such as pristine forests and coasts, and over 25% of its area is located within 3 kilometers of the protected area. There are no other companies involved in protected areas and habitats in the information obtained from the survey questionnaire.

## 6.3 Endangered and threatened species

At present, Lijiang FOIDAY Town conducts research on the diversity of flora and fauna near the operation site during the project design period, including on-site investigations and historical data access, and strengthens evaluation and analysis through vegetation sampling and remote sensing technology. Based on the results of the biodiversity survey and expert recommendations, Lijiang Recreation City actively formulates measures to protect the biodiversity of its operations and surrounding areas.

Lijiang FOIDAY Town has 64 endemic plants of China, 2 endemic plants of Yunnan, 242 species, 197 genera, 76 families of vascular plants, 2 species of plant were listed as Near Threatened species of the International Union for Conservation of Nature's Red List, and 2

species of bird were listed as Low Risk species. In addition, 1 species of bird was classified as Level 2 in the List of State Key Protected Wild Animals.

At the design phase of Haitang Bay seawater intake and drainage project, Atlantis Sanya carried out a biodiversity survey near its operation location based on the results of biological investigation conducted by the Hainan Academy of Ocean and Fisheries Science: Atlantis Sanya has 85 species, 33 genera, 3 phylum of phytoplankton, 50 species, 40 genera, 10 categories of zooplankton, 15 species of macrobenthic organisms and little fish egg and larvae, and no endangered or key protected living things were found.

Based on the ESG report and research obtained by Fosun Group in 2022, currently, other Fosun Group companies have not been involved in endangered or threatened species.

## 7. Investment and financing strategies

### 7.1 Biodiversity based investment and responsible financing

Economic activities and financial assets both rely on ecosystem services provided by biodiversity and the environment, and the loss of biodiversity may pose significant risks to economic and financial stability. In recent decades, the international community has attached increasing importance to biodiversity conservation. In October 2021, the Biodiversity Financial Partnership, jointly initiated by the World Resources Institute (WRI) and the International Financial Forum (IFF), was officially launched in Beijing, launching the Global Common Initiative for Biodiversity Financial Partnership.

In 2020, the Paulson Foundation, Cornell University, and the Nature Conservation Council (TNC) jointly released a report titled "Financing Nature: Closing the Biodiversity Financing Gap", which stated that by 2030, the world needs to fill an average annual funding gap of up to \$711 billion. Without sufficient financial support, it will be difficult to achieve the goals of the Kunming Montreal Global Biodiversity Framework. The market mechanism adopted by the carbon market plays an important role in addressing climate change mitigation issues. After more than 20 years of development, it has become increasingly perfect, with rapid growth in trading volume and scale. Based on carbon credits, biodiversity credits have emerged as an emerging financing tool.

In the carbon emission management manual issued and implemented by Fosun Group this year, a comprehensive and detailed ESG carbon neutrality full life cycle system platform has been established, which systematically and standardizes multi-dimensional management and supervision of carbon emissions from the perspective of the full life cycle. One of the boards is investment management, which clearly proposes Fosun Group's sustainable development concept for investment decision-making and lists the specific ESG and biodiversity action requirements for each investment project one by one.

## 8. Indicators and objectives

### 8.1 Biodiversity indicators

As stated in Fosun Group's biodiversity policy, the five principles are also core indicators:

1. All office places, business sites and industrial plants should not be set in the

national nature reserve area.

2. Conduct biodiversity risk assessments, engage with stakeholders and apply mitigation hierarchies to minimize the adverse impact of business operation on biodiversity and ecosystem and achieve a net positive impact.

3. In the process of resource exploitation, promote the restoration of ecosystem, carry out reclamation and restoration of the land to conserve natural resources , and compensate with future reforestation according to the no net deforestation if deforestation caused.

4. Should not use rare animals to complete animal experiments.

5. Should not use precious plants and animals as raw materials.

## 8.2 Protection target

At present, over 28% of the area of Fosun Group Club Med Resort is adjacent to natural reserves such as pristine forests and coasts, and over 25% of the area is located within 3 kilometers of the protected area; Atlantis Sanya has animals such as dolphins and beluga whales, which are key targets for biodiversity conservation and attention. Club Med joined the Act4Nature program in 2018 and made a public commitment to voluntary action, committed to contributing to the achievement of the biodiversity goals set by the international community, and has set relevant guidelines and goals, regularly reviewing their progress. These specific action indicators include: obtaining BREEAM and Green Globe certification for the resort, reducing land and marine use, strictly controlling invasive alien species, responding to overexploitation of resources in the supply chain, and protecting endangered species.

## 8.3 Progress of goals

As stated in Fosun International's 2022 ESG report, Club Med, a subsidiary of Fosun Travel&Culture, has released an Animal Welfare Policy, which promises to work with various stakeholders to improve animal welfare for elephants, cetaceans, wildlife, working animals, turtles, and more. In 2022, Club Med further optimized its Animal Welfare Policy by adding a commitment from 2025 that all hotel egg products located in Europe, Brazil, and the United States will come from non cage free suppliers, and will be promoted to all operating points starting from 2027. In addition, starting from 2023, Club Med also requires suppliers to implement the Animal Welfare Policy and conduct relevant supplier audits.

Under Fosun Travel Culture, Sanya Atlantis attaches great importance to animal welfare protection within its operational scope, focusing on improving water quality, caring for animal physical and mental health, and providing customer themed education. It strives to improve the comfort and safety of the living environment for animals in the aquarium and dolphin island, fully guaranteeing the welfare of marine animals.

## 9. Report guarantee

### 9.1 Independent verification

Besides the data remarked as originating from ESG reports or specific reports, the rest are from internal statistical reports or documents provided by Fosun Group or its subsidiaries. At the same time, we also accept supervision and inspection from the public and stakeholders to ensure the authenticity and credibility of the report.

## 9.2 Declaration of Protection

We solemnly declare that all data and information in this report are sourced from reliable sources and channels, and have undergone strict internal audits and verifications.

## 10. Conclusion and future direction

### 10.1 Summary of Protection Work

Shede Wine Industry, a subsidiary of Yu Garden Shopping Mall, has planted ginkgo, ficus microcarpa, nanmu and other green plants in the plant area, with a greening rate of more than 98%; Approximately 1.3868 million trees are planted, and based on an annual carbon absorption of 10 kilograms per plant, it can absorb 13900 tons of carbon dioxide annually. Not only did it successfully create the Shede Brewing Ecological Park as a scenic spot, but it also maximized the protection and cultivation of local green plants.

Club Med believes that protecting natural ecosystems is its unshirkable responsibility, and its advocacy for "sustainable tourism, win-win with nature" is reflected in multidimensional and all-round green project operations, such as ecological certification, climate action, green catering, etc.

Since 2019, under the guidance of the Agriculture and Rural Bureau and the Comprehensive Administrative Law Enforcement Bureau of Sanya City, Sanya Atlantis has established a professional turtle rescue team. Thanks to a professional marine biology team and medical equipment, the marine mammal hospital has rescued nearly 20 wild sea turtles. For example, the rescued green sea turtle is

listed on the IUCN Red List of Threatened Species, while the rescued hawksbill is protected by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

As listed in the ESG report, during the reporting period, Fosun Group's MSCI ESG rating was AA, making it the only comprehensive enterprise in Greater China with an MSCI ESG rating of AA, and was continuously selected for MSCICHINA ESG LEADERS 10-40; The Hang Seng Sustainable Development Rating is A, selected as a constituent stock of the Hang Seng ESG 50 Index for two consecutive years, and selected as a constituent stock of the Hang Seng Sustainable Development Enterprise Benchmark Index for three consecutive years; Selected for the first time as a constituent stock of the FTSE4Good Index Series, S&P's corporate sustainability assessment score has significantly improved, ranking over 91% of its global peers and significantly leading the industry average score.

### 10.2 Future Biodiversity Conservation Plan

The Shanshui Nature Conservation Center and the Nature Conservation and Social Development Research Center of Peking University, in collaboration with multiple institutions, released the "Evaluation Report on Corporate Biodiversity Information Disclosure (2021)" (hereinafter referred to as the "Report") in 2022. The report selected 188 A-share listed companies that may have an impact on biodiversity due to their construction and production activities, including 7 industries such as cement manufacturing and mining, and used their self disclosure information from their 2020 full annual report and social responsibility

report to conduct information disclosure evaluation. The report shows that only 8% of companies (15) explicitly mention the term "biodiversity" in their annual reports or social responsibility reports. According to the Research Report on Biodiversity Information Disclosure of Chinese Enterprises (2022), in 2022, the reports disclosed biodiversity related information was 670, increased by 65.84% compared to 2021 (404), accounting for an overall proportion of 28.89%. Overall, the disclosure of biodiversity information by Chinese enterprises is still in its early stages, and the number of reports disclosing biodiversity information is increasing as the number of years increases, there are even fewer companies that independently release special reports on biodiversity.

Fosun Group has always been at the forefront of ESG work, committed to always following the cutting-edge practices of international leading enterprises. Therefore, it has released a special biodiversity report, disclosing the current work achievements and formulating the next protection plan:

- Conduct biodiversity risk assessments from the perspectives of species, genetics, and ecosystems;
- collaborate with stakeholders such as biologists and third-party organizations;
- develop step-by-step mitigation measures to achieve net positive impacts.

When conducting biodiversity risk assessment, reference can be made to the TNFD (Task force on Nature related Financial Disclosures) LEAP assessment method (Location, Evaluation, Assessment, Prepare). According to the definition of TNFD, nature is divided into four biota:

freshwater, marine, terrestrial, and atmospheric. These four formations are further divided into 34 biological communities, such as grasslands, agricultural land, or nearshore waters, etc. The concepts of biomes, biomes, environmental assets, and ecosystem services collectively constitute the key to understanding nature in business and finance. The Taskforce on Nature-related Financial Disclosures (TNFD) identifies four types of relationships between business and nature:

- Dependency: Dependence of fisheries on lakes and oceans;
- Impact: habitat changes due to real estate development;
- Risk: physical risks, transition risks, and systemic risks;
- Opportunity: positive impacts or mitigation of negative impacts..

Fosun Group's carbon emission management manual systematically and standardizes multidimensional management and monitoring of carbon emissions from a full lifecycle perspective, while also covering the "one vote veto" system and specific requirements for biodiversity. Each subsidiary has its own sustainable green protection plan, such as 49% of Club Med resorts providing various activities to enhance tourists' environmental awareness (including educational garden experiences, jungle and underwater trail tours, animal and plant themed hiking, handicraft art courses, etc.); The green supply chain strategy of Shede Liquor Industry.

## 11. Appendix

### 11.1 Glossary

Abbreviation	Name
Board of Directors	The Board of Directors of the company
Director	Directors of the company
EHS	Environment, Health and Safety
ESG	Environment, Society, and Governance
ESG Report	2022 Environmental, Social, and Governance Report
Our group, Fosun or us	Fosun International Limited and its subsidiaries
IPCC	United Nations Intergovernmental Panel on Climate Change
MSCI	Mingsheng Company (MSCI)
China	the People's Republic of China
RMB	RMB, the legal tender of China
TCFD	Working Group on Financial Information Disclosure Related to Climate Change
Yu Garden Co., Ltd	Shanghai Yu Garden Tourism Mall (Group) Co., Ltd

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