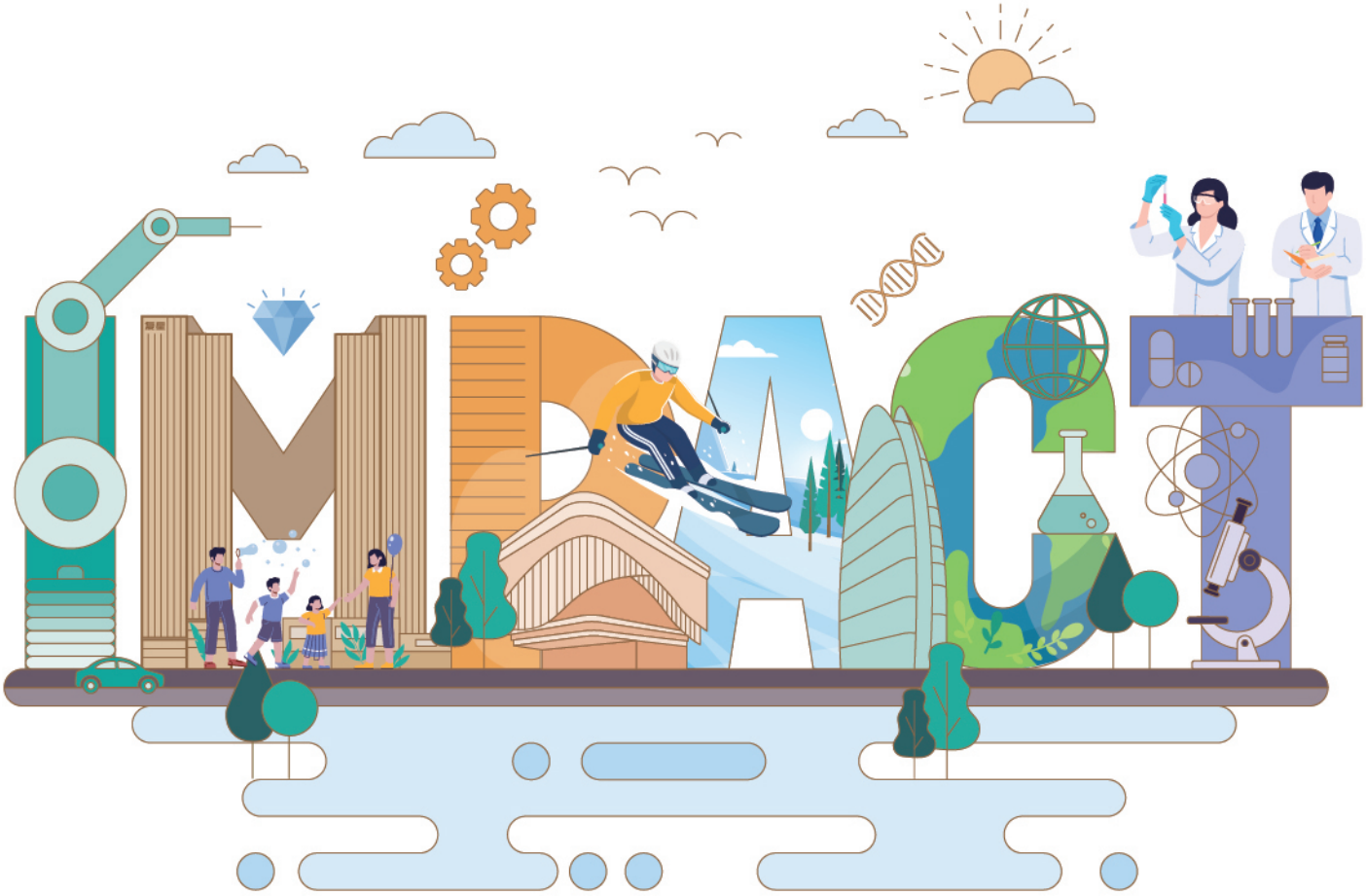
FOSUN 复星

復星國際有限公司

FOSUN INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00656)




# 2024

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# About This Report

The Company hereby issues the *Environmental, Social and Governance Report 2024* to elaborate the Group's strategies, policies, measures, and achievements on sustainable development to stakeholders during the Reporting Period in an objective manner.

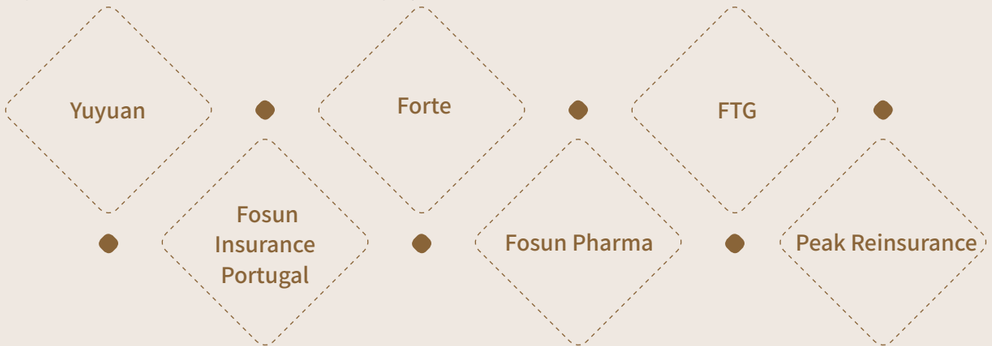
## Reporting Period

The Report is the ninth annual ESG Report released by the Company. *The Environmental, Social and Governance Report 2023* for the previous Reporting Period was released on 26 April 2024.

## 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 2024 to 31 December 2024. 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 principal ESG KPIs in this Report in all ESG aspects; part of the description is beyond the above-stated reporting scope. The 2024 revenue of subsidiaries finally included in the disclosure scope of this Report accounted for more than 75% of the Company's revenue.




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

## Standards of the Report

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

## Principles of the Report

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

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

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

**"Consistency"** : The statistical methods and KPIs used in the Report are consistent with those used in the *Environmental, Social and Governance Report 2023.*

**"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 2024, which have been independently audited by Ernst & Young, while other data is sourced from internal statistical reports and official documents of the Group. If the financial data in this Report is not consistent with that of the Group's consolidated financial statements, the latter shall prevail.

## Report Availability

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

## Contact Information

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

# Chairman's Statement

**"For more than 30 years since its establishment, Fosun has persisted in doing the right things, difficult things and things that take time to develop. We will carry this perseverance into the future, continuing to strive for a brighter life for all."**

Guo Guangchang
Chairman

Since its establishment, Fosun has remained committed to its original aspirations of "Self-improvement, Teamwork, Performance, and Contribution to Society". We firmly believe that business should be developed for a good cause, and the greatest value of a company lies in its social impact. While focusing on business operations, we have been committed to strengthening sustainable development management, actively shouldering corporate social responsibilities, implementing environmental, social and governance (ESG) practices. Leveraging the resources and advantages of Fosun's global industrial ecosystem, we strive to continuously create a better world.

In 2024, Fosun further enhanced the ESG governance framework and achieved significant milestones in global ESG ratings. As of the end of the Reporting Period, Fosun International maintained an MSCI ESG rating of AA and an HSI ESG rating of AA-. In the latest S&P Global Corporate Sustainability Assessment, Fosun International ranked in the top 5% among global peers. In addition, Fosun International was included in the *Sustainability Yearbook 2025 and was recognized among the top 1% in the Sustainability Yearbook 2024 (China Edition).* These achievements not only validate our past efforts but also inspire us to drive further progress in the future.

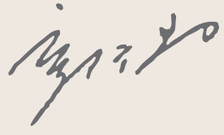
As a responsible global citizen, Fosun officially joined the United Nations Global Compact (UNGC) in 2014, fully supporting its ten principles in the areas including human rights, labor, environment, and anti-corruption. We have deeply integrated these principles into our "Create Impact"sustainable development strategy and code of conduct. Our Rural Doctors Program, launched in 2017, has supported 25,000 rural doctors and benefited 3 million rural families. The initiative, "Rural Doctors Program Empowering Rural Medical Services", was honored as one of the UNGC's "*20 Cases of Private Sector's Sustainable Development in China for 20 Years*".

Technology innovation is one of Fosun's core business strategies. We continuously explore ways to integrate global resources with localized innovation, providing high-quality, green, and inclusive products and services for consumers. In 2024, the Group's total investment in technology innovation reached approximately RMB6.9 billion. We have established more than 20 global technology innovation centers covering various industries and fields. During the Reporting Period, we further advanced the exploration and application of artificial intelligence technologies, and through a comprehensive "self-development + collaboration + investment" approach, we expanded our presence in key industries such as pharmaceuticals, tourism and culture, and insurance, contributing to the resolution of global challenges such as health, climate change, and social equity.

Beyond the Group-level efforts, we also encourage our member companies to uphold our commitment to "Business for Good". For example, the artesunate for injection, independently developed by Fosun Pharma, has been designated by the World Health Organization (WHO) as the first-line treatment for severe malaria. As of the end of 2024, Fosun Pharma had supplied a cumulative total of over 400 million doses of artesunate for injection to the global market, saving more than 80 million severe malaria patients worldwide.

We have actively responded to China's carbon peaking and carbon neutrality goals, promoting carbon neutrality and energy conservation and emissions reduction. Meanwhile, we have commenced preparation of our third Climate Information Disclosures Report to demonstrate our commitment to global climate action. We have established a Carbon Neutrality Committee and Working Group to guide and facilitate the implementation of carbon neutrality management across member companies. During the Reporting Period, we actively conducted a review of greenhouse gas inventories across our global member companies and set about formulating a more specific emission reduction roadmap to advance Fosun's carbon neutrality goals.

2024 marked another year of challenges and opportunities on Fosun's sustainable development journey. Nonetheless, we always believe that people's pursuit of a brighter life remains unchanged. This pursuit for health, happiness, and wealth is the guiding force behind our ongoing efforts. Looking ahead, we will continue delivering excellence in products and services, walking alongside every family towards a brighter future.



# Board Statement

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

## Governance Framework

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

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

## Management Approach and Strategy

The Group regularly carries out materiality assessment, conducts extensive and in-depth communication with all stakeholders through various channels, and analyzes, identifies, evaluates, and ranks material ESG issues (including risks to the Group's business) of concern to all stakeholders. In 2024, the Group reviewed the materiality assessment results of the previous year and confirmed the impact of the 24 ESG key issues and continued to respond.

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

## Goals Review

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

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

# An Introduction to Fosun

## Overview of the Group

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

**Mission** Creating happier lives for families worldwide

**Vision** Rooted in China, creating a global happiness ecosystem fulfilling the needs of families worldwide in health, happiness and wealth

## Our Businesses

After more than 30 years of development, the Group has successfully transformed into a global innovation-driven consumer group and established an industrial ecosystem covering the three core segments of Health, Happiness and Wealth. By continuously deepening the twin-driver strategy of "profound industry operations + industrial investment" , we have formed unique competitive advantages in areas such as global business strategy, transformation of technology innovation, establishment of an ecosystem, and optimization of the FES[1] management system. Relying on the operational network covering five continents and cross-industry synergy capabilities, we have now cultivated a robust portfolio of core assets with stability, synergy effects, and sustainable growth.

While consolidating the foundation of its globalization strategy, the Group has always focused on the development trends of consumption and continuously carried out industrial upgrades through technological empowerment and lean operations. With accurate insights into consumer needs and in-depth exploration of the industrial chain value, we are continuously providing high-quality products, services, and innovative solutions to family customers in more than 35 countries and regions around the world, fulfilling the corporate commitment of "creating happier lives for families worldwide".

Please refer to the *2024 Annual Report* for detailed business performance and prospects.

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

## Awards & Accolades

| Rating Agency | Introduction | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| S&P Global | Launched in 1999, the S&P Global Corporate Sustainability Assessment (CSA) is an annual evaluation of companies' sustainability practices. Fosun International's S&P Global CSA score continues to rise, outperforming global peers. Its CSA score in 2024 ranked the top 5% among its global peers. | 70 scores | 68 scores | 56 scores |
| | *Sustainability Yearbook* | Included | Included | / |
| | *Sustainability Yearbook* (China Edition) | "Top 1%" "Industry Mover" | Included "Industry Mover" | / |
| MSCI | MSCI ESG Ratings aim to measure a company's resilience to long-term ESG risks. The "AA" rating highlights the capital market's recognition of Fosun International's ESG management performance and long-term investment value. | AA | AA | AA |
| | MSCI China ESG Leaders 10/40 Index | Included | Included | Included |
| FTSE4Good | FTSE4Good Index Series, launched in 2001, is the first series of indexes designed to measure the performance of companies that meet globally recognized corporate responsibility standards. Fosun International was selected as a constituent stock of FTSE4Good Index Series for three consecutive years. | Member | Member | Member |
| Hang Seng Corporate Sustainability Index Series Member 2023-2024 | Hang Seng Indexes Company Limited commissions rating agencies to provide ESG ratings for the Hang Seng Corporate Sustainability Index. Fosun International was selected as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index for five consecutive years. | AA- | AA- | A |
| | Constituent stock of the Hang Seng Corporate Sustainability Benchmark Index | Included | Included | Included |

### Relevant ESG Awards Received by Fosun International in 2024:

- Included in the 2024 China ESG Impact List

  *Fortune*

- "Sustainable Asia Award", "Asia's Best CEO", and "Best Corporate Communications Award" at the 14th Asian Excellence Award

  *Corporate Governance Asia*

- Included in "China's Top 100 ESG Listed Companies" , ranking first in the conglomerates industry

  "China ESG (Corporate Social Responsibility) *2024 ESG Action Report"* released by the Financial Program Center of China Media Group (CMG)

- Listed on the "2024 Global Zhejiang Entrepreneurs ESG Benchmark 100"

  *Zheshang Magazine*

- Ranked third in the list of "2024 China Top 100 Sustainable Enterprises"

  *2024 China Corporate Sustainability Index Report* released by China Business Council for Sustainable Development (CBCSD) and China Enterprise Confederation (CEC)

- "Holding Group Brand of the Year Awards Asia 2024", "Best Sustainable Development Company Asia 2024" and "Best CSR Company Asia 2024"

  *Global Banking and Finance Review*

- "Best Environmental, Social and Governance Reporting Award" at the "2024 Best Annual Reports Awards"

  Hong Kong Management Association (HKMA)

- "Platinum Award at The Asset ESG Corporate Awards 2024" and the"Best Initiative in Social Responsibility Award"

  *The Asset*

- "ESG Leading Enterprise Awards" in the Category I - Market capitalization over HK$12 billion and "ESG Leading Social Initiatives"

  *Bloomberg Businessweek/Chinese Edition*

- "Outstanding ESG Award", "Best in ESG Practices" and "Best in ESG Report"

  *TVB ESG Awards* 2024 organized by Television Broadcasts Limited

# 2024 Key Performance Highlights

| Aspects | KPIs | 2024 | 2023 | 2022 | Unit |
|---|---|---|---|---|---|
| Financial | Total assets | 796,528.0 | 808,387.6 | 806,376.2 | RMB Million |
| | Revenue | 192,142.0 | 198,200.3 | 182,425.8 | RMB Million |
| | Profit before tax | 342.1 | 7,871.7 | 10,691.4 | RMB Million |
| | Tax | 2,554.8 | 2,524.6 | 7,694.8 | RMB Million |
| | Research and development costs | 4,162.0 | 4,882.9 | 4,911.7 | RMB Million |
| | Research and development costs/ sales ratio | 2.2 | 2.5 | 2.8 | % |

| Aspects | KPIs | 2024 | 2023 | 2022 | Unit |
|---|---|---|---|---|---|
| Environmental | Number of member companies obtained the environmental management system certification | 27 | 26 | 21 | Companies |
| | Number of member companies obtained the energy management system certification | 11 | 11 | 10 | Companies |
| | EHS training time | 736,316 | 735,242 | 627,799 | Hours |
| | EHS training completion rate | 100 | 100 | 100 | % |
| | Energy consumption intensity | 24.1 | 22.8 | 24.2 | MWh/ RMB Million of Revenue |
| | GHG emission intensity (Scope 1 and Scope 2) | 10.5 | 9.6 | 10.4 | tCO2e/RMB Million of Revenue |
| | Water consumption intensity | 165.0 | 160.5 | 166.4 | Tonnes/ RMB Million of Revenue |
| | Green Building Certifications | 50 | 48 | 43 | Certificates |

| Aspects | KPIs | 2024 | 2023 | 2022 | Unit |
|---|---|---|---|---|---|
| Social | Response rate of customer complaints | 100 | 100 | 100 | % |
| | Resolution rate of customer complaints | 100 | 100 | 98 | % |
| | Total energy and environmental protection investment | >200 | >200 | >200 | RMB 100 Million |
| | Percentage of suppliers received credit investigations through a third party | 100 | 100 | 100 | % |
| | Total number of employees | Approximately 104,000 | Approximately 108,000 | Approximately 108,000 | Persons |
| | Proportion of female employees | 50.4 | 49.2 | 49.2 | % |
| | Percentage of employees received regular performance and career development reviews | 100 | 100 | 100 | % |
| | Global Partner [2] | >150 | >150 | >150 | Persons |
| | Accumulative training time | 3,649,513 | 3,230,218 | 3,273,275 | Hours |
| | Employee training rate | 85 | 85 | 83 | % |
| | Female employee training rate | 86 | 79 | 78 | % |
| | Number of member companies obtained occupational health and safety management system certification | 34 | 26 | 18 | Companies |
| | Number of member companies obtained quality management system certification (ISO 9001/ HACCP) | 13 | 21 | 9 | Companies |
| | Number of employee community service hours | 32,160 | 34,476 | 45,787 | Hours |

[2] It is different from the legal concept of "partner" in partnership enterprises

# Campaign: Create a Sustainable Impact

## Joint Efforts for a Sustainable Future

In 2024, Fosun International continued to focus on core businesses and promote collaborative development of innovation and global sustainability. Our global industrial ecosystem has been continuously optimized to create happier lives for families worldwide in a more flexible and efficient way. Innovation has always been a core driving force of our businesses and will continue to be embedded in every aspect of our collaboration with customers, partners, supply chains, and communities. Our sustainability strategy is also evolving to respond to global economic, social and environmental changes, ensuring that the alignment of long-term corporate competitiveness with sustainable social value creation.

The growth of the company is closely tied to the prosperity of the society, that is, the company's enduring and stable progress relies on the sustainable social development. That is why we actively leverage our innovation and global operational strengths to help address critical social issues. Fosun has long been committed to promoting philanthropy projects in rural revitalization, health care, education equity, community construction, culture and art, expanding our impact across global communities. Our employees have consistently contributed to global sustainable development through volunteer services and public welfare actions, giving back to society.

We firmly believe that talent is Fosun's most valuable asset. We will keep optimizing our employee learning and development system, by adopting diverse and digital learning methods, to ensure that employees can adapt to changes in business development and technology iteration. We continue to upgrade our talent development strategy, and optimize the ecosystem experience of our employees, aiming to create a more equitable and inclusive work environment. Through training, incentives, and open dialogue, we foster integration and collaboration among talents from diverse backgrounds, unleashing their innovative potential.

Fosun is actively advancing the carbon neutrality journey and plans to formulate more specific emission reduction targets and roadmaps in 2025, covering Scope 1 and Scope 2 emissions. We continue to expand the application of low-carbon technologies, accelerate the transition to renewable energy, and promote the implementation of carbon emission reduction solutions among Fosun member companies. We strive to actively promote emission reduction actions across our supply chain by improving the management of greenhouse gas (GHG) emissions across our value chain. Fosun will continue to invest in clean technologies and intelligent manufacturing, aiming to transform from a carbon emitter into a provider of green solutions. By leveraging our global operational and innovation capabilities, we contribute to the low-carbon transformation of industries.

To meet the growing demand for sustainability information from customers and regulators, we are actively advancing ESG data governance and optimizing ESG compliance management processes. Following the principle of financial materiality, we plan to publish our first non-financial disclosure aligned with the scope of financial reporting in the financial year 2025, while also considering the impact of our businesses on the external environment and social stakeholders. We will continue to improve the granularity, accuracy, and accessibility of ESG data, ensuring more transparent and comprehensive information disclosure, and laying a solid foundation for robust sustainability management.

We are steadfast in our commitment to "Create Impact", driving social value and environmental protection through innovation, anchored in responsibility. We will continue to collaborate with customers, communities and global stakeholders to explore new models for sustainable growth and move towards a more sustainable future through win-win cooperation.

# IMPACT

## 2024 Impact Initiatives

In the process of global operation, Fosun, adhering to the original aspiration of "Business for Good", is committed to resolving major social issues, by working with many stakeholders, and actively participating in diverse actions in the social, environmental and cultural fields.

We have highlighted the Group's 10 standout initiatives in 2024, recognized for their significant positive impact on the planet and their contributions to the sustainable development of Earth and its communities.

## Initiative 1

### Beijing

Fosun participated in the Global Roadshow of the United Nations Global Compact Liaison Office in China Participant Companies' Sustainability Actions and the Release Conference of the 20 Cases of Private Sector's Sustainable Development in China for 20 Years. Fosun's *"Rural Doctors Program Empowering Rural Medical Services"* was recognized as one of the above selected cases.

As of the end of 2024, the program had covered 78 counties in 16 provinces, municipalities, and autonomous regions (including 21 national key rural revitalization counties). Approximately 14 thousand village clinics and 25 thousand rural doctors had received assistance, benefiting 3 million rural families and 16.34 million rural residents.

Azerbaijan

Fosun Insurance Portugal was present at the 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29), participating in the global climate governance dialogue for the second consecutive year. At the conference, the Impact Center for Climate Change (ICCC) was officially launched to work with scholars, experts and business partners around the world to share research achievements and jointly address major climate risks and challenges.

On the occasion of ICCC's launch, Fosun Insurance Portugal also participated in the UN-Led Forum for Insurance Transition to Net Zero (FIT) to conduct a "climate dialogue" with the academic community and business partners.

## Initiative 2

## Initiative 3

Shanghai

In early 2025, Henlius's core product, HANSIZHUANG (European trade name: Hetronifly®), an anti-PD-1 monoclonal antibody, was approved for marketing in the European Union. This milestone makes it the first and only PD-1 innovative drug approved for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) in the European Union.

## Initiative 4

Africa

Fosun Pharma's artemisinin-based drugs entered the African market 15 years ago, contributing to the global anti-malaria cause with China's innovative solutions. As of the end of 2024, Fosun Pharma has supplied a cumulative total of over 400 million doses of Artesun® (artesunate for injection) to the global market, saving more than 80 million severe malaria patients worldwide.

## Initiative 5

### Shanghai

In 2024, Fosun Pharma increased its stake in Fosun Kairos to 100%. Fosun Kairos' CAR-T cell therapy product, Yi Kai Da (ejilunsai injection), the first CAR-T cell therapy approved in Chinese mainland, introduced an innovative payment plan based on therapeutic effects, opening up a new path for the payment mode of high-value innovative drugs in China. As of the end of 2024, Yi Kai Da had benefited more than 800 lymphoma patients, had been included in more than 110 urban customized commercial health insurances and over 80 commercial insurances, and had been registered in more than 180 treatment centers across 28 provinces and municipalities nationwide.

## Initiative 6

### Shanghai

During the Reporting Period, Intuitive Fosun's Ion Robotic Bronchoscopy ("Ion System") was approved by the National Medical Products Administration for marketing. In September, the first commercial installation of the Ion System was completed at Shanghai Chest Hospital and the first clinical operation was performed at the Affiliated Hospital of Xuzhou Medical University. Through integrated innovation, Fosun continues to drive global cooperation and mutual benefits, making advanced medical technologies more accessible and affordable to more patients.

## Initiative 7

### Lisbon

The 6th Protechting Startup Accelerator Program held its year-end event in Lisbon, the capital of Portugal. The representatives of the top three teams accepted the "boarding passes" issued by Fosun Foundation and visited Shanghai, Macau and Foshan in China in May for exchange visits and roadshows, showcasing European youth's innovative ideas and seeking business cooperation opportunities in China.

## Initiative 8

### Mali Bougouni

In April, Hainan Mining representatives visited the UN Compound in Beijing to attend the launch ceremony of the "Sino-Africa Community Action Network on Sustainable Development" and share their "Bougouni Beautiful Community Project" carried out in Mali, Africa. The project is deeply rooted in the local community, with continuous investment in infrastructure development, and a strong focus on children's education, health, and safety—bringing hope and driving sustainable growth for the community.

## Initiative 9

Sanya

After nearly five months of dedicated care at Atlantis Sanya, the stranded short-finned pilot whale named "Haitang" made a full recovery and was successfully released back into the ocean. This marked the first successful rescue, rehabilitation, and release of a short-finned pilot whale in China.

## Initiative 10

Shanghai

The 30th Anniversary of Shanghai Yuyuan Lantern Festival was grandly held, marking three decades of brilliance. This year, the festival celebrated Spring Festival's first inclusion on UNESCO's List of the Intangible Cultural Heritage of Humanity, with a national-level intangible cultural heritage lantern show that illuminated the wonder and diversity of life.

# Our Energy

In Fosun's "global organization + local operations" business model, the cross-regional, cross-cultural and cross-organizational operational capability has been closely integrated with the "Create Impact" strategy. From each of six directions of the "Create Impact" strategy, we selected a representative member company that is an ESG leader in Fosun's global industrial ecosystem for each direction to share their leading practices of implementing the strategy.

| Member company | Located in | ESG highlights | SDGs addressed | |
|---|---|---|---|---|
| Guilin Pharma | China | R&D and innovation | 3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | I Innovation-driven |

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

As of the end of the Reporting Period, Guilin Pharma had 36 antimalarial pharmaceutical products prequalified for production by the WHO (WHO-PQ) and became an antimalarial product manufacturer which received the most such certification. Guilin Pharma has the Artesun® (artesunate for injection), a proprietary innovative drug with full intellectual property, which has been recommended by WHO for the treatment of severe malaria and has now become the international gold standard for the treatment of severe malaria and is known as the "malaria fighter". As of the end of 2024, Guilin Pharma had supplied a cumulative total of over 400 million doses of Artesun® (artesunate for injection) to the global market, saving more than 80 million severe malaria patients worldwide.

| Member company | Located in | ESG highlights | SDGs addressed | |
|---|---|---|---|---|
| Wolves | The United Kingdom | Responsible football team | 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | M Mindful Operation |

Founded in 1877, Wolves is a professional football club and founding member of the English Football League, currently playing in the Premier League.

Wolves is committed to sustainability and mindful operation and thus has taken a number of leading initiatives for environmental and social responsibilities, as well as diversity and inclusion. To fulfil environmental responsibilities, the club has launched the "One Pack, One Planet" initiative, committed to net-zero carbon emissions by 2040. By doing so, Wolves became the first Premier League team to transparently disclose first-team travel arrangements, raising the awareness of sustainable travel among fans. In addition, Wolves are actively promoting a circular economy by optimizing waste management at the stadium and training base, and utilizing environmentally friendly packaging and sustainable procurement. To fulfil social responsibilities, Wolves has published annual gender pay gap reports since 2017 and developed the DEI Strategy (Mission One Pack 2024-2026), which focuses on the inclusive development of women and girls, people with disabilities, ethnic and religious groups, and LGBTQIA+ groups, to create a more inclusive football environment. In 2024, Wolves won Silver for Sustainability at the Football Business Awards, in recognition of the wide range of sustainability achievements delivered during the year.

| Member company | Located in | ESG highlights | SDGs addressed | |
|---|---|---|---|---|
| Paref | France | Employee well-being | 3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY | P People and Partner Oriented |

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

Paref cares about the work-life balance of its employees and has a clear flexible working policy that allows each employee to work remotely maximum of two days a week. As a global signatory to the United Nations Women's Empowerment Principles (WEPs), Paref is committed to promoting gender equality in the workplace, and implementing diverse recruitment strategies, ensuring fair pay and non-discriminatory career development opportunities. At present, 50% of the company's employees are women, and the team members are from more than 12 different nationalities. In addition, Paref strongly promotes employee growth and development, such as doubling the length of training, and encourages employees to obtain professional certifications such as the AMF Sustainable Finance certification. With outstanding gender equality practices, the company was awarded a score of 93 (out of 100) in the 2024 *Professional Equality Index* assessment. Besides, Paref has been consistently recognized as an "Employer of Choice" for its outstanding employer branding and has maintained an employee satisfaction index of 75% and above.

| Member company | Located in | ESG highlights | SDGs addressed | |
|---|---|---|---|---|
| Fosun Insurance Portugal | Portugal | Compliance management | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | A Advanced Governance |

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

Fosun Insurance Portugal implements the methodology of "Compliance by Design", systematically carrying out compliance risk assessment at all stages of the product life cycle, especially in the creation and design process. The company also provides special training for new product managers, expands product design and approval policy training, and strengthens employees' understanding of the legal framework to ensure product development meets compliance requirements. In addition, Fosun Insurance Portugal has established an international governance and compliance management model for continuous enhancement of compliance risk monitoring of overseas subsidiaries. It has also implemented automated anti-money laundering (AML) screening and transaction monitoring in markets such as Cape Verde, Mozambique, Angola, Spain, and France, effectively reducing financial crime risks and enhancing global compliance management capabilities.

| Member company | Located in | ESG highlights | SDGs addressed | |
|---|---|---|---|---|
| Shede Spirits | China | Ecological brewing | 3 GOOD HEALTH AND WELL-BEING | C Climate and Planet Positive |

Shede Spirits is located in Shehong County, the "hometown of Chinese baijiu", and is the first baijiu enterprise to put forward the concept of "ecological brewing". It is an industry leader regarding reserves of high-quality aged liquor. It embraces liquor grands of "Tuopai" series, "Shede" series , and others.

Shede Spirits is committed to developing into an industry benchmark of "ecological brewing and green development" for active response to China's "carbon peak and carbon neutrality" strategy. Through technological upgrading, the use of renewable energy and the development of a circular economy and other initiatives, it aims to promote the brewing industry towards a sustainable future. Shede Spirits has built the whole ecological industry chain from farmland to dining-table and integrated the concept of "whole ecological process" into the ecological management system of the brewing industry. We have built an ecological brewing industrial park, supported by our sophisticated vegetation system. The industrial park has been rated as a national 4A-level tourist attraction, with more than 400 species of plants, more than 3.9 million plants, and a greening rate of 98.5%, making it an ecological model of green and sustainable development.

| Member company | Located in | ESG highlights | SDGs addressed | |
|---|---|---|---|---|
| Tom Tailor | Germany | Transparent supply chain | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS | T Transparency |

Tom Tailor, a casual fashion and lifestyle brand, born and raised in Hamburg Germany, with over 13,000 points of sale in more than 40 countries. Known for its clean, timeless designs inspired by the North Sea, Tom Tailor focuses on providing comfortable, high-quality clothing suitable for all age groups and body types.

The supply chains in the fashion and textile industries are extremely complex. Transparency in the supply chain is a priority at Tom Tailor. Therefore, it has introduced the RETRACED Platform since 2022 to promote the digital management of the supply chain and trace the origin of products. Tom Tailor has also improved the traceability management of the supply chain through measures such as supplier training and incorporating transparency indicators into the supplier scoring system. Through these efforts, Tom Tailor aims to achieve full transparency across the process from raw materials to finished products. Tom Tailor publishes a sustainability report every year, disclosing the environmental and social impact of its Tier 1 and Tier 2 suppliers by country, covering key risk indicators such as energy use, water stress and living wages, and helping consumers understand the social and environmental impact behind their clothing. In 2024, Tom Tailor adopted the EU's European Sustainability Reporting Standards (ESRS) for the first time in its sustainability reporting, while the disclosure remains voluntary. The *CSRD Pilot Report 2023* is available to the public on Tom Tailor's website.

## Our Belief

**Wang Qunbin**

Executive Director and Co-Chairman of Fosun International

Fosun has steadfastly advanced the globalization strategy, not only in business operations but also through ESG practices that demonstrate a global commitment to sustainable development. The core of our strategy is to be deeply rooted in China while pursuing global development. Through two-way empowerment between China and global markets, we actively embrace the new development, making contributions as a responsible enterprise. We recognize that sustainable development is not only the driver to the long-term value of the enterprise, but also the responsibility for the society, the environment and future generations. Fosun continues to explore low-carbon operations, responsible investment, sustainable supply chain and green finance among other initiatives to promote a greener, smarter and healthier industrial ecosystem. Looking forward, Fosun will join hands with global partners to seek common development and create a better future.

**Chen Qiyu**

Executive Director and Co-CEO of Fosun International

Innovation is a core driving force for the sustainable development of enterprises. We actively promote green innovation in fields from biopharmaceutical R&D to consumer industries, and from intelligent manufacturing to green building. Fosun is committed to building a sustainable industrial ecosystem and promoting low-carbon transformation. In the future, upholding our corporate mission of "Contribution to Society", we will continue to strengthen our ESG system, and promote green and sustainable development through technology innovation and global resources, creating greater value for society.

**Xu Xiaoliang**

Executive Director and Co-CEO of Fosun International

ESG is the key driver for high-quality growth of enterprises. Only by keeping sustainable development in mind and putting it into practice can we truly create long-term value. ESG is not a short-term task, but a long-term journey of value creation. We firmly believe that integrating the concept of sustainability into the corporate DNA is essential for achieving high-quality development. In the future, Fosun will continue to work with global partners to jointly explore ESG innovation models and contribute to the realization of the United Nations Sustainable Development Goals (UN SDGs) as a responsible corporate citizen.

**Lee Kai-Fu**

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

Technology innovation is the key force to promote the development of ESG. As a leading innovation-driven company in the world, Fosun is accelerating the process of sustainable development through cutting-edge technologies such as AI, pharmaceutical innovation, intelligent manufacturing and green technology. AI will play an important role in sustainable development and energy revolution, with the potential to help solve global issues such as hunger and poverty. Harnessing technology to empower ESG presents not only a new opportunity for corporate development, but also a critical mission to create social value and benefit humanity. Fosun continues to leverage its strengths in technology innovation to deepen its ESG strategic framework, drive sustainable innovation, and accelerate the transition toward a global green economy.

**Li Haifeng**

Chairman of Shanghai Fosun Foundation

Sustainability is not merely a matter of corporate longevity, but fundamentally a cornerstone of social well-being. Fosun Foundation has maintained a long-standing commitment to ESG-driven philanthropic initiatives, actively advancing sustainability-focused actions in global health, humanitarian aid, educational support, and rural revitalization. We firmly believe that corporate success extends beyond commercial value to encompass its profound societal impact. Fosun mobilizes global resources and cross-sector collaborations to drive tangible progress toward the UN SDGs. Moving forward, we will continue to strengthen our ESG system through diversified philanthropic initiatives, co-creating a warmer, more sustainable world through Fosun's conscientious stewardship.

# 01 Approach to Sustainability Work

# 1.1 Stakeholder Engagement

## 1.1.1 Stakeholder Communication

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

We maintain strict adherence to global benchmarks including the *GRI Standards* and *AA1000 Stakeholder Engagement Standard*, implementing periodic documentation, measurement, and evaluation of stakeholder engagement processes. We continuously optimize our communication mechanism based on feedback from our stakeholders. This enables us to achieve more effective and timely communication with stakeholders, and to incorporate their focus areas into our operations and decision-making process so as to ensure corporate evolution remains synchronized with sustainability targets.

| Stakeholders | Focus Areas | Communication Channels | Communication Frequencies | Communication Topics[3] |
|---|---|---|---|---|
| Governments and regulators | Product quality and safety<br>Protection of intellectual property<br>Business integrity and supervision<br>Emission management<br>Water resource management<br>Climate change response and energy management<br>Participation in social welfare | Policy seminars<br>Reporting to governments at all levels and other authorities in charge<br>Government affairs reception<br>Regulator supervisions and inspections | Multiple times per month | • Regulatory requirements and trends<br>• Business ethics and compliance requirements<br>• Data security and privacy protection |
| Customers | Diversified products and services<br>Product quality and safety<br>Customer service and satisfaction<br>Customer privacy and data security<br>Responsible marketing | Social media<br>Fosun official website<br>Email and telephone communications<br>Consumer education lectures | Multiple times per month | • Product and service information<br>• Data security and privacy protection<br>• Supplier due diligence information |
| Suppliers | Responsible procurement | Onelinkplus.com<br>Email and telephone communications<br>Working meetings<br>Responsible procurement seminar<br>Supplier site audit<br>Complaints hotline | Multiple times per month | • Labor standards<br>• Business ethics and compliance requirements<br>• Supplier training |
| Non-governmental organizations | Participation in social welfare<br>Business integrity and supervision<br>Green products and clean technology<br>Climate change response and energy management | Industry associations<br>Fosun Foundation<br>Cooperation and exchange meetings<br>Seminars<br>Email and telephone communications<br>Working meetings | Multiple times per quarter | • Climate change responses<br>• Supply chain due diligence<br>• Diversity and inclusion<br>• Public welfare |
| Communities and the public | Participation in social welfare<br>Responsible marketing | Social media<br>Fosun official website<br>Email and telephone communications | Multiple times per month | • Product and service information<br>• Public welfare<br>• Environmental impact of emissions<br>• Business ethics and compliance requirements |
| Media | Diversified products and services<br>R&D and Innovation<br>Participation in social welfare<br>Responsible marketing | Brand/product presentations<br>Annual and interim results conferences<br>Media visits and exchanges<br>Social media<br>Fosun official website<br>Email and phone communication | Multiple times per quarter | • Policy recommendations and regulatory updates<br>• Product and service information<br>• Public welfare<br>• Annual and interim financial results |
| Peers and association | R & D and innovation<br>Protection of intellectual property<br>Responsible investment<br>Advanced corporate governance | International forums<br>Roundtable<br>Industry summits/ Association meetings | From time to time | • Policy recommendations and regulatory updates<br>• Industry opportunities and challenges<br>• ESG management<br>• Enterprise green transition & development and climate change responses |
| Limited Partner (LP) | Responsible investment | Working meetings<br>Investment strategy meetings<br>Email and telephone communications | Multiple times per quarter | • Sustainable investment strategies<br>• Corporate governance<br>• Annual and interim financial results |
| Shareholders and investors | Diversified products and services<br>Business integrity and supervision<br>Advanced corporate governance<br>Risk and crisis management<br>Green products and clean technology<br>Climate change response and energy management | Brand/product presentations<br>Annual and interim results conferences<br>Investor meetings<br>Shareholders' meetings<br>Investor roadshows<br>Email and telephone communications<br>Industry seminars | Multiple times per year | • Corporate governance<br>• ESG management and performance<br>• Business risks and opportunities<br>• Business ethics and compliance requirements<br>• Annual and interim financial results |
| Employees and management | Employee health and safety<br>Employment and labor standards<br>Employee learning and development<br>Employee benefits and welfare | Workers and employees' congress<br>Online official account<br>Fosun DingTalk App<br>Themed training & activities<br>The "Focuth" Community<br>Online Learning Platform<br>Fosun 30 Minutes | Multiple times per year | • Diversity and inclusion<br>• Training and individual development<br>• Health and safety<br>• Employee benefits |

[3] The following are typical issues concerned and do not cover all activities in the relevant area.

## 1.1.2 Industry Associations

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

**Fosun International**

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

**Health segment**

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

**Happiness segment**

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

**Wealth segment**

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

**Intelligent Manufacturing segment**

- Metallurgical Mines' Association of China
- China Polyurethane Industry Association
- China Petroleum and Chemical Industry Federation China Association of Flame Retarding Materials
- China National Coatings Industry Association
- China Controlled Chemicals Association, etc.

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

### 2024 Industry Exchanges on ESG

In March 2024, we organized the 2024 Shanghai Roundtable for Board Secretaries and Governance Professionals in collaboration with the Hong Kong Chartered Governance Institute. The event brought together representatives from over 50 listed companies to discuss practical approaches for ESG reporting and climate-related disclosure.

In April 2024, we participated in the first Chinese and Foreign Chambers of Commerce Salon in Shanghai. Focusing on "Corporate ESG Capacity Building and Global High-Quality Development", we shared our ESG practices.

In May 2024, we attended the third plenary meeting of the Council of the ESG Leaders Association Forum, participating in the thematic discussions on ESG ratings, indices, corporate status and domestic and international development trends.

## 1.1.3 ESG Culture Development

Fosun regards ESG principles as the core driving force for sustainable value creation. We conduct regular ESG internal exchanges and workshops to facilitate cross-border best practice sharing among member companies, addressing cutting-edge sustainability topics to advance ESG concept exchange and experience sharing. We mobilize enterprise-wide ESG engagement to share ESG culture, continuously deepening the cognition and understanding of ESG concepts, and injecting self-sustaining momentum into sustainability.

### ESG Global Network Building

In 2023, we launched a global ESG network, convening cross-functional leaders (such as ESG, CSR and sustainability departments) from Fosun's ecosystem worldwide to proactively foster the exchange of Fosun's ESG culture through multidimensional activities. In 2024, the second year of Fosun's ESG Global Network, we continued the previous year's actions, such as planning and launching sustainable development initiatives, to expand the impact of sustainability in communication and practice, by involving more employees.

**Why Does the ESG Network Matter?**

- Set up ESG communication channels among member companies across regions and segments
- Promote the dissemination of the headquarters' ESG strategies, goals and culture in member companies
- Build ESG knowledge and experience database for the Fosun ecosystem to empower industrial ESG practices

**ESG Global Network Building – Overseas**

Fosun has continued to advance the ESG Global Network building and occasionally hosted an overseas ESG workshop. The workshop aims to build a global platform for overseas member companies to share and exchange best practices and valuable experiences in the field of sustainable development. In 2024, the workshop was held in Paris, focusing on Fosun's Wealth segment and Happiness segment. In particular, we invited our member companies Paref, Fosun Hive and Lanvin to showcase their achievements in sustainable real estate, sustainable fashion and sustainable construction. Together, we are committed to jointly contributing to the green transformation of the Fosun ecosystem.

**Paref**

Build a "Create More"ESG strategy, which includes three pillars: regenerate nature, reunite people, and reinforce community development, in order to continuously integrating the commitment of sustainable development into each step of Real Estate operations

**Fosun Hive**

Focus on sustainable building and community environment, with several projects having received LEED Gold Certification, LEED Platinum Certification and WELL Platinum Certification

**Lanvin**

Provide consumers with fashionable and eco-friendly product choices, through sustainable procurement, eco-friendly design and recycling, so as to practice the concept of sustainable fashion

## ESG Global Network Building – Domestic Working Group Annual Meeting

The construction of the ESG Global Network is also being implemented domestically. Fosun keeps holding the annual meetings of ESG Working Group, aiming to strengthen collaboration within the Group (domestic part) and among its ecosystem partners to jointly advance the sustainable development strategy of "Create Impact" together with overseas ecosystem enterprises. In January 2025, Fosun successfully convened its second Annual ESG Working Group Meeting, inviting domestic member companies including FTG and Yuyuan to jointly review progress in ESG initiatives over the past year and explore future development pathways.

At the meeting, Fosun ESG Management Committee presented a comprehensive review of the Group's 2024 achievements in ESG ratings and awards, while sharing the current challenges. Fosun Foundation elaborated on its collaborative model with member companies in advancing philanthropic and charitable initiatives as well as the developing plan, enhancing the Group's ESG ecosystem strategic development. In addition, Fosun Carbon Neutrality Committee reported on the Group's progress in achieving carbon neutrality and its future plans. Yuyuan shared its experience in ESG management system construction, action implementation and rating improvement, providing actionable benchmarks for other member companies. To catalyze ESG engagement across the Fosun ecosystem, the Annual Meeting introduced the inaugural "Best Individual Participation Award" and "Best Contribution Award", honoring individuals and teams demonstrating outstanding contributions to ESG.

# ESG Culture Building

Fosun places great emphasis on building an ESG culture among our employees and has launched a series of ESG cultural activities for five consecutive years. We provide ongoing training and guidance on sustainable development matters to help employees understand the changing ESG landscape. We are committed to popularizing and implementing sustainable development concept, enabling more employees to understand, support and practice ESG concept. Besides, an increasing number of member companies in the Fosun ecosystem are responding positively to this effort, such as independently planning their internal ESG cultural activities, to further expand their impact and promote the concept of sustainability.

## ESG Domestic Culture Week

In November 2024, we successfully held the 5th Fosun ESG Culture Week in China. Through a variety of practical activities, the event aimed to promote green and environmental protection concepts among employees, enhance ESG awareness, and inspire sustainable practices and innovation. The event revolved around five major thematic activities, continuing to invite employees from member companies within the Fosun ecosystem to actively engage. It included activities that targeted low carbon emissions and the sustainable circulation of materials, thereby jointly promoting the implementation and deepening of a sustainable development culture.

- "Green Travel & Empty Plate Campaign" - Practice a low-carbon lifestyle
- "Sustainable Development Philanthropy Bazaars" - Create ESG philanthropy impact
- "ESG What's New" - Build an ESG communication platform
- "ESG Training" - Deepen ESG knowledge with professional empowerment
- "ESG Quiz" - Learn in an enjoyable manner to raise ESG awareness

Poster of "Green Travel & Empty Plate Campaign"

Poster of "Sustainable Development Philanthropy Bazaars"

## ESG Overseas Culture Week

In June 2024, Fosun held the second ESG Overseas Culture Week. Overseas member companies shared their innovative practices and achievements in sustainable development. ESG ambassadors participated deeply in Fosun's internal ESG strategy discussions and had in-depth exchanges with the sustainability teams of local philanthropy organizations and financial institutions on ESG management and green governance. During the discussions, they shared valuable experiences of member companies in the implementation of ESG strategies through videos, lectures and other forms.

## Yuyuan: A Leading Example in ESG Culture Building

Yuyuan upholds the philosophy of green development and actively fulfills its environmental responsibilities. During the 2024 Earth Hour campaign, the company's headquarters coordinated with various business units—including Yuyuan Tourist Mart, Laomiao Gold, and FOYO LIFE—to switch off non-essential lighting such as building facades and landscape lights for one hour on the evening of March 23. Through this concrete action, Yuyuan demonstrated its support for energy conservation and emissions reduction, while promoting a green and low-carbon lifestyle.

On the eve of the event, Yuyuan launched a corporate pledge and an employee engagement initiative, calling on its nationwide projects to actively participate. Leveraging the unique characteristics of its diverse business portfolio, the company widely promoted environmental awareness among residents, merchants, and consumers, encouraging public participation in public welfare activities such as "Lights Off for One Hour" and "One-Hour Walk for the Earth. " These efforts aimed to protect our beautiful planet and foster a shared social consensus on sustainable development.

### Peak Reinsurance: A Leading Example in ESG Culture Building

Peak Reinsurance actively advocates and encourages employees to participate in corporate social responsibility and charitable activities on a regular basis. It has established close cooperation with local non-governmental organizations (NGOs) and community organizations to expand its positive social impact.

Peak Reinsurance collaborated with the CarbonCare InnoLab (CCIL), a Hong Kong NGO, over the past years to raise awareness on climate change and support local community. During the Reporting Period, the employees of Peak Reinsurance, in partnership with CCIL, joined students from Hong Kong's Mary Rose School on an inspiring solar energy tour. Furthermore, Peak Reinsurance partnered with CCIL and the Hong Kong University of Science and Technology to organise a sustainability hackathon.

## ESG Daily

### Fosun ESG Mini-Program

In March 2024, we officially launched the "Fosun ESG Mini-Program", which is a digital platform integrating ESG knowledge learning, interactive challenges and incentives for practices, to encourage the Group's employees to practice the concept of sustainable development in their daily lives. Through "Fosun ESG Mini-Program", we update the clocking-in tasks every day, encourage employees to participate in game-based tasks on sustainable actions such as low-carbon living, green travel, energy saving and emission reduction. The Mini-Program also provides employees with tips for environmental protection. By completing daily carbon reduction tasks, employees can earn carbon credits/points, which can be redeemed for stylish, culturally inspired and wellness-oriented gifts in the points mall. Since its launch, the ESG Mini-Program has driven active employee engagement. As of the end of the Reporting Period, 3,000 employees participated in clocking-in tasks, with over 5,000 diverse posts generated.

In addition, based on the "Fosun ESG Mini-Program", we have meticulously designed online & offline diversified promotional campaigns to actively advance ESG cultural development. Also, we identify and recognize the ESG Champions and ESG stars to encourage more employees to translate the concept of sustainable development into concrete actions, promoting the ESG culture to be assimilated into their daily work and life.

# 1.2 Materiality Assessment

## 1.2.1 Materiality Assessment Approach

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

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

**Step 1:**

**Understand Major ESG Trends and Identify ESG Issues**

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

**Step 2:**

**Identify Stakeholders**

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

**Step 3:**

**Conduct Survey Activities**

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

**Step 4:**

**Determine Priority and Formulate Materiality Assessment Matrix**

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

## 1.2.2 Materiality Assessment Results

During the Reporting Period, we reviewed the results of the latest materiality assessment and found that the 24 ESG issues identified in 2021 remained equally material to the Group's business development and stakeholders in 2024. The materiality assessment matrix is shown below:

## 1.2.3 Response to Materiality Assessment Results

Based on the materiality assessment results, we identify and sort out the specific impact of the most material issues in terms of their importance to stakeholders and impact on Fosun's business development and review our management indicators and strategies.

### Importance to Stakeholders

| Material Issues | Scope of Impact | Stakeholders | Impact Categories | Direct Impact Indicators | Impact Value Measurement | Response in the Report |
|---|---|---|---|---|---|---|
| Customer privacy and data security | Supply chain<br>Operation<br>Products and services | Customers<br>Partners | Positive impact<br>Negative impact | -Number of consumer data breaches<br>-Complaints due to violation of consumer privacy regulations and loss of consumer data<br>-Employee privacy protection and data security training frequency<br>-Information security authentication coverage ratio | Decrease/Increase in the social cost of data breaches (protection/violation of citizens' privacy rights) | Section *4.1.2 Information Security and Privacy Protection* of this Report |
| Business integrity and supervision | Supply chain<br>Operation | Governments and regulators<br>Shareholders and investors<br>Staff and management | Positive impact<br>Negative impact | -Signing rate of the integrity pledges by employees<br>-Signing rate of the integrity pledges by suppliers and contractors<br>-Number of investigated cases involving corruption, bribery and fraud<br>-Number of non-compliance complaints (concerning corruption, etc.) from all whistleblowing channels | Decrease/Increase in socio-economic losses from corruption | Section *2.4 Business Ethics* of this Report |
| Product quality and safety | Supply Chain<br>Products and services | Customers<br>Shareholders and investors | Positive impact<br>Negative impact | -Times of quality audits<br>-Number of products recalls<br>-Number of quality or food safety management system certifications | Decrease/Increase in consumer health costs<br>Decrease/Increase in environmental costs (potential product recalls and obsolescence) | Section *4.1.1 Quality and Safety Management* of this Report |

### Importance to Business Development of Fosun

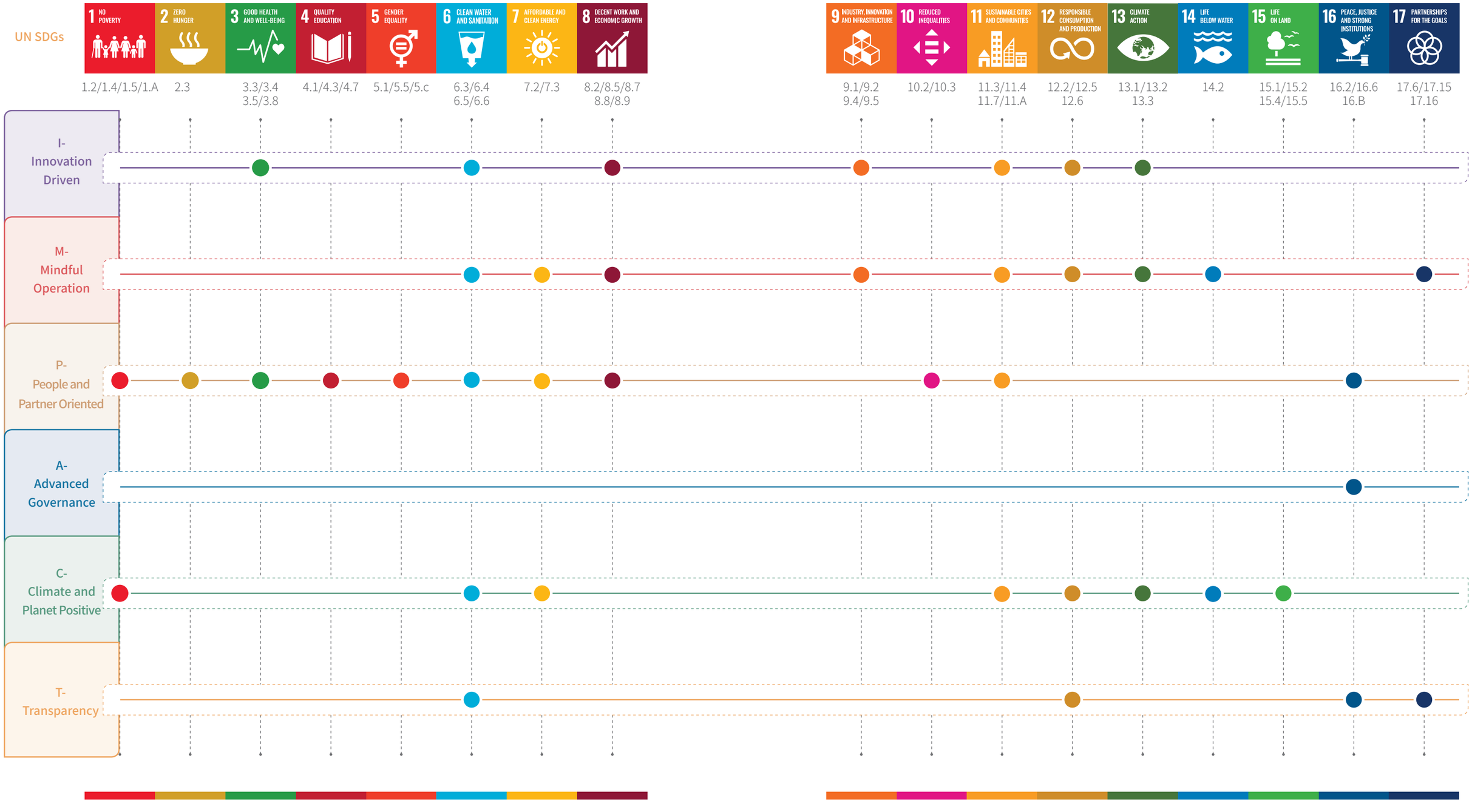
| Material Issues | Impact on Business Development | Responses and Management Objectives |
|---|---|---|
| Product quality and safety | Cost/Revenue | We have established a sound quality management system to proactively identify and prevent quality and safety risks and provide customers with high-quality products. For detailed responses and management objectives, please refer to the section *4.1.1 Quality and Safety Management* of this Report. |
| Climate change response and energy management | Cost/Risk | We have identified and assessed the Group's key climate risks and opportunities and developed a comprehensive risk management system to effectively respond to climate change. For detailed responses and management objectives, please refer to *Fosun International 2024 Climate Information Disclosures Report*. |
| Occupational health and safety | Risk/Cost | We have built a robust management and supervision system to create a safe and healthy working environment to ensure the work safety and occupational health of our employees. For detailed responses and management objectives, please refer to the section *5.4 Safeguarding Safety and Health* of this Report. |
| Customer service and satisfaction | Cost/Revenue | We keep optimizing our services and customer experience to meet customer needs in a timely manner, and proactively manage customer satisfaction, so as to create happier lives for families worldwide. For detailed responses and management objectives, please refer to the section *4.2 Upgraded Customer Experience* of this Report. |
| Customer privacy and data security | Risk/Cost | We have a comprehensive information security and privacy protection management system in place to ensure network security, data security and privacy protection in operations. For detailed responses and management objectives, please refer to the section *4.1.2 Information Security and Privacy Protection* of this Report. |

# 1.3 Goals and Performance

## 1.3.1 Goals and Performance Review

| IMPACT | I<br>Innovation Driven | M<br>Mindful Operation | P<br>People and Partner Oriented | A<br>Advanced Governance | C<br>Climate and Planet Positive | T<br>Transparency |
|---|---|---|---|---|---|---|
| Definition | Empower the industry with technology innovation, address major industry challenges, and drive sustainable business growth. | Adopt a responsible approach to business activities, including investment, supply chain, product and service offering, and digital intelligence application. | Adhere to the people-oriented philosophy in operations, protecting the rights and well-being of employees, partners and the communities where Fosun operates. | Set up a compliant, efficient and robust governance system to build trust in operations. | Implement the green transition, with sustainability initiatives in areas such as climate change response, biodiversity protection, resource utilization and circular economy management. | Build social trust by adhering to transparent and truthful disclosure, assurance, data governance and stakeholder communication in sustainable development. |
| Focus Areas | Research & development and innovation<br>Green products and clean technology<br>Diversified products and services<br>Protection of intellectual property | Customer privacy and data security<br>Customer service and satisfaction<br>Responsible investment<br>Responsible marketing<br>Product quality and safety<br>Responsible procurement | Employee health and safety<br>Employee benefits and welfare<br>Employment and labor standards<br>Employee learning and development<br>Participation in community welfare | Business integrity and supervision<br>Advanced corporate governance<br>Risk and crisis management<br>ESG governance | Biodiversity protection<br>Waste management<br>Waste gas emission management<br>Water resource management<br>Material management | Assurance<br>Disclosure<br>Data governance<br>Stakeholder engagement |
| Goals | Focus on the development of business segments such as Health, Happiness and Wealth, create diversified innovation models, and explore cutting-edge fields such as clean technology, so as to become a global innovation-driven consumer group. | Provide high-quality products and services to global family customers to meet their needs; work together with various partners to build partnerships with complementary advantages and mutual benefits; conduct responsible investment and incorporate the concept of corporate social responsibility into investment and financing decisions. | Create a diverse, fair, safe and healthy working environment, and help employees grow through training and incentives; stay true to the original aspiration of "Contribution to Society", promote globalization and create value. | Conduct business with integrity, rigorously review corporate governance issues and potential risks, and continuously improve ESG governance capabilities. | Work with member companies to advance the implementation of ESG strategies, including carbon neutrality, carbon peaking and energy conservation, to actively promote the sustainable development of the Group. | Maintain close and open communication with all stakeholders and proactively disclose information in a transparent, truthful and accurate manner to further empower the Group's sustainable development through digital management. |
| Progress made in 2024 | 1. The Group invested nearly RMB6.9 billion in total to improve technology and innovation capabilities (including scientific research investment expensed and capitalized, but excluding digitalization expenses). In particular, the R&D expenses amounted to approximately RMB4,162 million, accounting for approximately 2.2% of revenue. A total of 1220 authorized invention patents haveeen acquired.<br>2. More than 53 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 over 50% of the total investment in primary market in the energy, environment and smart equipment investment segment. | 1. The short-term, medium-term, and long-term goals of quality management for 2022-2031 continued to be pushed forward, with the short-term goals having already been achieved.<br>2. All registered and new suppliers have signed the *Fosun Group Supplier Code of Conduct*.<br>3. ESG risk assessments have been conducted on suppliers managed through the digital supply chain platform.<br>4. The average anti-corruption training hours per person for the Company's suppliers and contractors was approximately 0.5 hour. | 1. The average training hours per person was 54.8 hours.<br>2. Around 24,000 employees were newly hired.<br>3. Fosun Foundation has made cumulative public welfare expenditures of over RMB 1.14 billion, including cumulative donations exceeding RMB 750 million. | 1. Achieved 100% coverage in fraud risk assessments for the Group's operations.<br>2. The integrity education has been provided to 100% of the Company's employees, with approximately one hour of integrity training per employee.<br>3. No major ESG crisis or incident occurred. | 1. The carbon emissions management system and audit standard have been established, the group-wide GHG inventory training sessions were conducted, and the third *Climate Information Disclosures Report* has been compiled.<br>2. The short-term, medium-term, and long-term goals of EHS management for 2024-2034 continued to be pushed forward. | 1. Since 2021, every ESG report we published has been subject to assurance to ensure the transparency and validity of the information.<br>2. We have identified ten core stakeholder groups that have a close relationship with the Group. Through regular and diversified communication mechanisms, we fully respond to the expectations and demands of our core stakeholders. We also maintain a transparent dialogue with them on the risks and opportunities for sustainable development. |

## 1.3.2 Response to SDGs



# 02 Advanced Governance

A

# 2.1 Corporate Governance

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

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

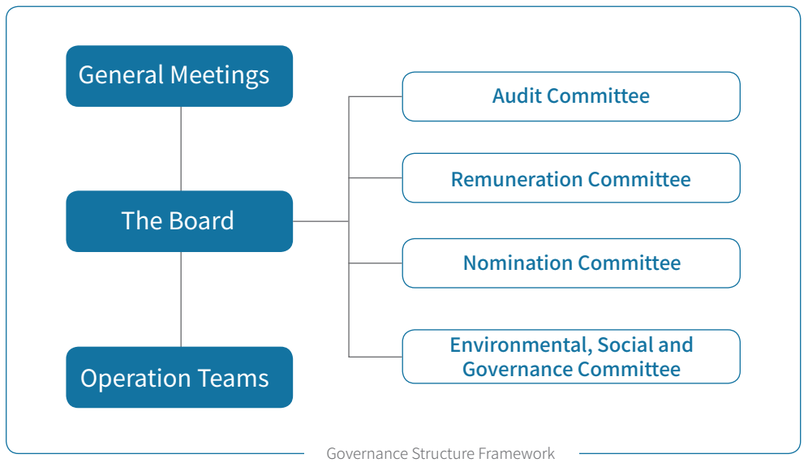
As of the issue date of the Report

there were **14** directors on the Board of the Company

of whom **7** are Executive Directors

**2** are Non-Executive Directors

**5** are Independent Non-Executive Directors




Governance Structure Framework

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 18 years. The Company sets out the requirement of the rotation of the audit engagement partner for independence in the *Policy for the Selection, Appointment and Rotation of External Auditors,* requiring the audit engagement partner to rotate at least every seven years. Selection criteria and procedures are in place for candidates for the position of the Company's external auditor to ensure, to the extent possible, that external auditors with appropriate expertise, knowledge and experience are appointed.

## Diversified Governance

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

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

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

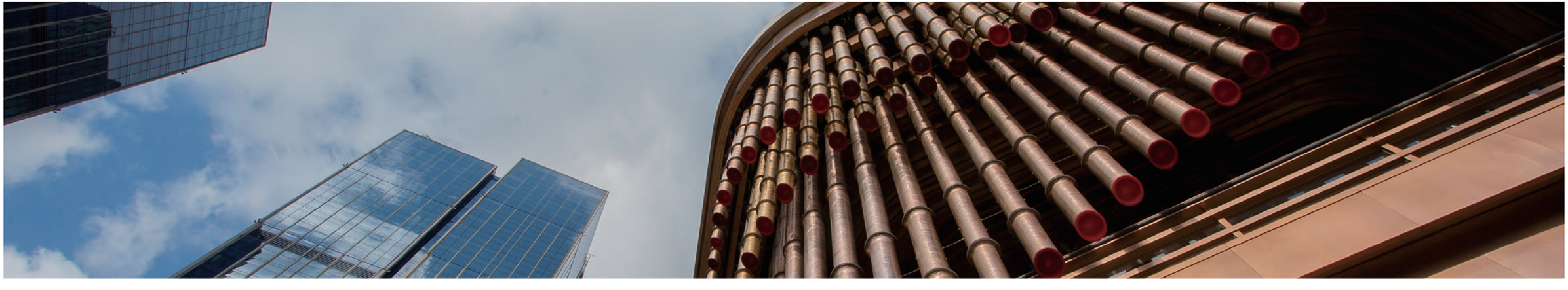
## Performance and Remuneration

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

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

## Tax Transparency

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



# 2.2 ESG Governance

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

| | |
|---|---|
| Guidance and oversight | Governance Body: Board<br>ESG Board Committee<br>Decision-Making Body:<br>ESG Executive Committee |
| Coordination and monitoring | Executive Body: ESG Management Committee |
| Diffusion | Executive Body:<br>ESG Working Group: EHSQ Department, Finance Management Department, Industrial Operation Function, Office of Board Secretary, Legal Department, Anti-Corruption and Supervision Department, Brand and Corporate Communications Department, Corporate Social Responsibility Department, Global Public Affairs Department, Human Resources Function, Audit Department, Digital Intelligence & AI Function, Tax Management Department, Investment Management Department, Investor Relations Department, Treasury Management Department |
| Implementation | All employees of the Company and member companies |

## 2.2.1 Governance Body

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

Learn more about the ***functions of the ESG Board Committee***

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

During the Reporting Period, the ESG Board Committee of the Company held 2 meetings. In March 2024, the ESG Board Committee reviewed ESG Report 2023 and considered the debrief of the ESG Management Committee on the progress of ESG initiatives and annual work plan, and also discussed the Company's latest ESG developments. In December 2024, the ESG Management Committee reported on ESG work progress in 2024, plans for the next phase of work and international and domestic ESG regulatory developments and trends.

## 2.2.2 Decision-Making Body

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

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

## 2.2.3 Executive Body

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

### ESG Management Committee's main responsibilities

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

In order to assist the 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 the ESG Working Group under the ESG Management Committee, consisting of the supervisors of various functional departments involved in ESG matters of the Company. The ESG Working Group is responsible for the implementation of various ESG matters of the Group (including the identification of ESG risks and opportunities in daily operations, the establishment of countermeasures based on specific businesses, etc.). Besides, it regularly reports to the ESG Management Committee, and shares best practices with member companies.

In 2024, the Company's ESG Management Committee and ESG Working Group held several meetings to discuss the priorities, objectives and plans of ESG work in 2024, and to determine the ESG Report framework for 2024. In addition, the ESG Working Group actively communicated with external ESG rating agencies and kept abreast of market concerns.

## 2.2.4 Performance Appraisal

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

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

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

# 2.3 Risk Management

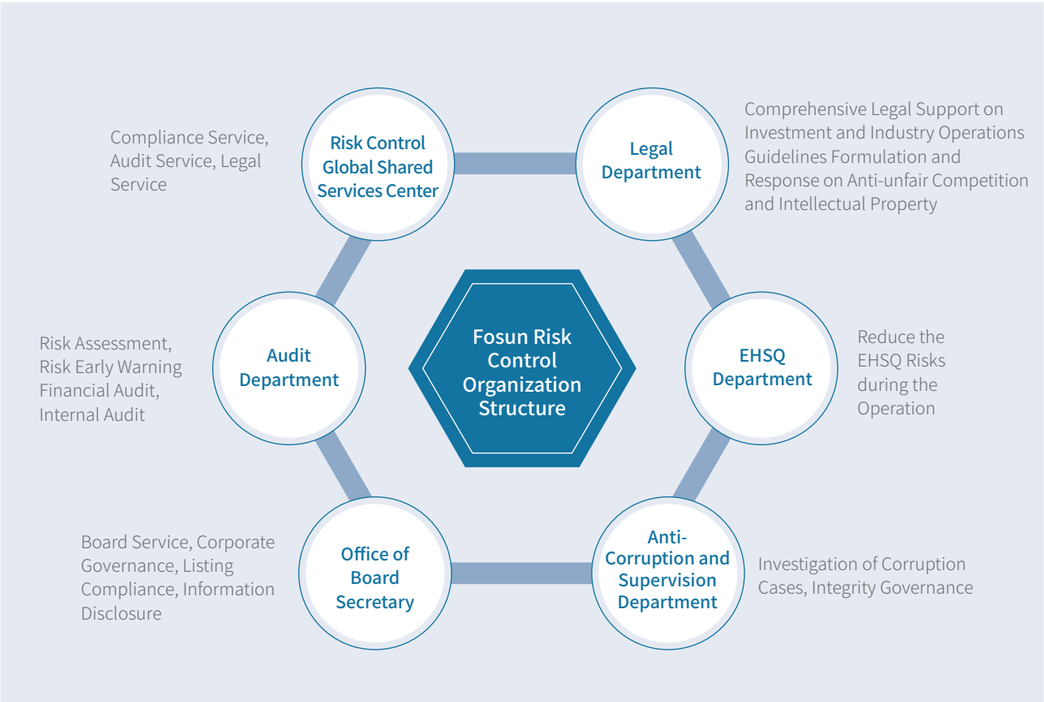
The Group has established risk management and internal monitoring systems targeted for risk control. With reference to relevant international risk management frameworks, we have established a sound and comprehensive risk management system. In this regard, we have formulated and issued the *Fosun Group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

## 2.3.1 Risk Framework

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

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

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



## 2.3.2 Risk Management Framework

### Four Lines of Defense for Comprehensive Risk Management

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

**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 and incorporate risk criteria in the development of products and services.

**The Second Line of Defense – Functional Departments**

The second line of defense is the Legal, Compliance, Finance, Human Resources, Quality, Safety 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.

**The Third Line of Defense - Audit Department**

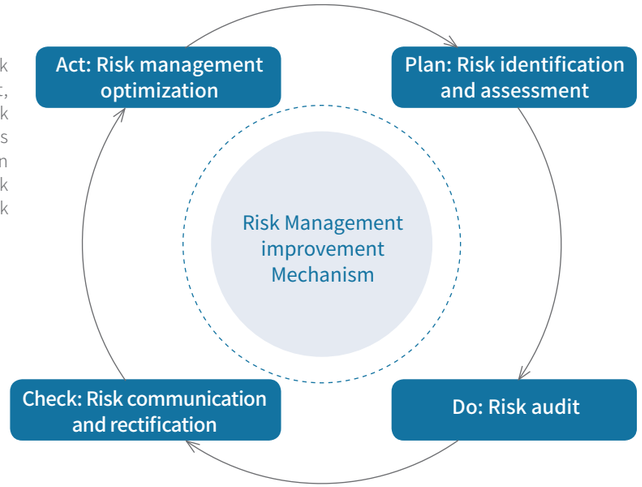
The third line of defense is the Audit Department, which monitors the risk management systems and processes of the Group, as well as control procedures and activities of various risks. The Audit Department also regularly reports to the Audit Committee.

**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 *2.4.1 Anti-Corruption and Supervision* in this Report for detailed information.

### Risk Management

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




| PDCA cycle | Mechanism | Progress made in 2024 |
|---|---|---|
| Plan<br>Risk identification and assessment | • Identify comprehensive risks from multiple aspects by interviewing the Board and the management.<br>• Formulate audit plans every year, and conduct audits on key projects and businesses at least once every three years. | • Conduct risk identification and updates based on the Group's strategic planning, business operations, industry trends, and stakeholder concerns;<br>• Evaluate identified risks based on risk appetite and risk exposure assessment thresholds. |
| Do<br>Risk audit | • Conduct various audits on all aspects of business, including internal control, management, compliance, anti-fraud and IT audits, etc., covering all business segments.<br>• Conduct independent assessment and control testing for the internal control environment and critical control points of the Group and major member companies | • During the Reporting Period, the Group's Audit Line completed 448 audit projects and identified 444 major risks, mainly including non-compliance issues regarding procurement, bidding and project management. |
| Check<br>Risk communication and rectification | • Make audit recommendations based on audit findings and communicate with the management to jointly formulate rectification plans and timely mitigate risks.<br>• Complete the assessment report associated with the adequacy and effectiveness of the Group's internal control systems. | • In response to major common problems identified in the audit, the Audit Line works with the management to review and formulate management improvement plans and measures, and advances and supervises the implementation of rectification plans;<br>• Regard anti-fraud efforts and cost reduction and efficiency improvement as the core concerns for 2024. By focusing on cost savings and efficiency |
| Act<br>Risk management optimization | • Regularly report to the Board, and implement risk control measures and improvement plans based on the requirements of the Board.<br>• Keep optimizing the Group's risk management framework and risk matrix.<br>• Improve the comprehensive risk management system. | • Continuously review and optimize the risk framework and risk matrix;<br>• Formulate and revise other risk management guidelines. |

## Risk Classification and Appetite

To further enhance the refined capability to respond to risks, the Group categorizes the primary risks into strategic risk, market risk, credit risk, liquidity risk, operating risk (operational risk), compliance risk, country risk, reputation risk, insurance risk, and ESG risk. For detailed risk profile, mitigation measures and responses, please refer to the Company's *2024 Annual Report*.

The ultimate goal of the Group for risk management is to ensure the healthy, stable, and sustainable business development for the Group and its member companies, thereby supporting the achievement of overall strategic and operational goals. Therefore, our risk appetite is driven by the following key factors:

- Supporting the Group's strategy and investment and financing decisions: Maintain a balance between risk and return to facilitate the achievement of the Group's strategic goals;
- Optimizing resource allocation and synergies: Enhance the efficiency and performance of investment and operational activities to drive the realization of operational goals;
- Ensuring information transparency and accuracy: Ensure the operational and financial information is timely, accurate, authentic and complete to improve decision-making quality;
- Strengthening compliance and risk control: Ensure that operational and investment activities comply with laws and regulations, and regulatory requirements to facilitate the Group's stable development.

On this basis, the Group determines the risk appetites at the overall and specific risk level by comprehensively considering strategic goals and business plans, total risk tolerance and maximum thresholds for each risk category, quantitative indicators including profit, return ratios, liquidity, and credit ratings, risk resistance capacity, as well as response mechanisms for deviations from risk appetite.

## ESG Risk Management

We have incorporated the identification, assessment and management of ESG risks (including the climate risk) into the Group's comprehensive risk management mechanism and integrated sustainability factors into our business operations. To strengthen ESG risk management, we conduct in-depth assessments and responses to specific ESG risks using risk management tools such as sensitivity analysis, scenario analysis and stress testing, based on the materiality assessment results. Additionally, we distribute the *Self-Checklist for ESG Risks* to the member companies on a regular basis to identify potential risks and develop appropriate management measures and responses, ensuring effective and forward-looking ESG risk management.

According to the risk reviews and assessments of this year, the following ESG risks have a higher impact on the Group's business development.

| Issues | Risk Drivers | Risk Exposure (Likelihood*Level of Impact) |
|---|---|---|
| Product quality and safety risks | Compliance and legal risks<br>Brand and market risks | Medium |
| Climate change risks | Climate physical risks<br>Climate transition risks | Medium |
| Customer privacy and data security risks | Cybersecurity risks<br>Data compliance risks | Medium |
| Employee health and safety risks | Occupational health risks<br>Labor stability risks | Medium |

For more information on management mechanisms and responses for various ESG risks, please refer to section *1.2.3 Response to Materiality Assessment Results* and the sections concerning all issues in this report.

## Compliance Risk Management

Fosun regularly reviews the effectiveness of relevant policies and revises the policies in accordance with the latest laws and regulations to continuously enhance the compliance management capabilities. We receive the latest developments and updates on compliance governance, ESG management, etc. in a timely manner by subscribing to external specialized database of laws and regulations and ensure the collection of complete laws and regulations. Upon the release of new regulations, we will first communicate with the business units for publicizing, and define compliance solutions and precautions. In addition, the Legal Affairs Department of the Company further safeguards the Group's compliance operations by organizing monthly meetings to communicate with business units on the latest regulatory requirements.

## 2.3.3 Emerging Risk Identification and Response

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. To effectively respond to the evolving external environment, the Company integrates emerging risks into its risk management framework. We periodically identify, assess, monitor and report emerging risks, and analyze the identified risks in depth to determine their potential medium- and long-term impacts and formulate corresponding mitigation measures.

During the Reporting Period, we re-assessed and analyzed emerging risks based on the 2023 assessment results. The findings indicate that geopolitical risks remain one of the primary emerging risks we face, while network information security risks arising from rapid development and widespread adoption of artificial intelligence (AI) technology have progressively become significant emerging risks that cannot be ignored.

### Geopolitical risk

**Risk profile**

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

**Risk impact**

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

1. Geopolitical conflicts have led to increases in the price of crude oil and natural gas, thereby resulting in higher prices for other commodities. As a result, we will suffer from lower profits due to higher purchase costs for raw materials and energy.

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

3. As geopolitical conflicts are often accompanied by international sanctions against countries, regions, companies and individuals, some of our businesses may be exposed to compliance risks that impact our operations and reputation.

**Risk mitigation**

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

1. The Group continuously monitors the global geopolitical situation, paying particular attention to geopolitical risks in the countries and regions where the Group operates. Furthermore, the Group uses scenario analysis, stress testing, sensitivity analysis and other means, as appropriate, to assess its operational resilience to geopolitical risks, and takes corresponding actions based on the assessment to minimize the impact of such risks.

2. The Group has established a digital supply chain platform to refine supply chain management and continuously improves the organizations and mechanisms for managing supplier operational risks. The Group identifies and assesses various supplier risks such as the political risk, geographic risk, global operational risk and supply chain disruption risk, so as to establish risk early warning mechanisms and supplier risk mitigation/remediation plans. In addition, the Group actively promotes local sourcing and gradually develops alternative supplier solutions for core raw materials to strengthen its ability to manage supply chain disruptions.

3. The Group continuously assesses and regularly update issues related to laws and regulations and trade restrictions, and other compliance issues arising from geopolitical conflicts. We conduct comprehensive due diligence before business investments, acquisitions, and operations to identify potential compliance risks of projects. We also monitor them on an ongoing basis to avoid compliance issues in operations.

### Network information security risks arising from AI

**Risk profile**

In recent years, artificial intelligence (AI) technology has advanced rapidly and been widely adopted. Various industries have integrated AI model interfaces according to their needs, significantly enhancing production efficiency and bringing convenience to both work and daily life. However, this trend has also caused a series of network information security risks, such as privacy data leakage and system disruption.

**Risk impact**

The network information security risk arising from AI includes three main types: privacy data leakage, fabrication of false information and digital system disruption.

1. Training and use of AI systems involve vast amounts of data processing. If privacy data or system confidential information inadvertently entered into an AI system is hacked, a large amount of private data stored therein will be at risk of leakage. The leakage of such data can lead to numerous cases of fraud and cause financial loss to customers and consumers, thus affecting social stability and severely damaging our reputation.

2. AI enables users to rapidly retrieve needed information and data, but it may also provide unverified information or fabricate false information. Failing to promptly identify false information during AI-assisted information collection could lead to misjudgments about business or market information. Additionally, releasing false information provided by AI may severely damage our reputation and expose us to compliance related penalties.

**Risk mitigation**

1. The Group is committed to protecting information security and private data, minimizing the network information security risk arising from AI. We strictly abide by the privacy protection and information security standards and regulations of the countries and regions where we operate, with network security and information security systems established and constantly improved. Moreover, the Digital Intelligence and AI Line has been established as the responsibility owner, together with execution teams, to safeguard the security of network infrastructure and data assets throughout operational processes.

2. The Group has formulated a string of policies, such as the *Fosun Group Information Security Construction Technical White Paper*, the *Fosun Group User Privacy Policy* and the *Fosun Information Security Emergency Response Guidelines*. In accordance with the latest network information security risk trends, we updated the Fosun Group Information Security Management Policy in 2024, to regulate the conduct of all employees in all aspects. We also incorporate information security protection into employee performance appraisal, provide operational guidelines for exception handing, such as computer virus, data deletion and damage, and carry out level-based management and control of sensitive information. We actively carry out the construction and certification of the information security system, such as ISO 27001, and the national classified protection of cybersecurity, and regularly conduct data recovery drills, information security inspections, and penetration testing. We also focus on building cybersecurity capabilities and culture. To this end, we conduct regular data security and cybersecurity training, and release risk reminders to all employees to enhance their information security awareness and capability, so as to fully protect information security and customer privacy.

## 2.3.4 Risk Culture Building

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

| | |
|---|---|
| Risk assessment and responsibility mechanism | • Link risk management to the performance appraisal for senior management<br>• Require all employees to implement risk management based on the *Management Regulations for Reward and Punishment of Fosun Group*<br>• Cultivate risk culture with financial incentives based on the *Reward and Punishment Mechanism for Motivating the Risk Control Line to Recover Losses of Fosun Group* |
| Risk awareness enhancement | • Conduct regular risk management training for all employees and independent directors, and include risk management-related courses in the training of new employees<br>• Organize diversified risk and compliance education activities, such as compliance culture weeks and risk quizzes<br>• Set up the "Loss Recovery Award for the Best Risk Control Line" in the annual selection of excellent performers to recognize the team that excels in risk control and loss recovery |
| Open dialogue on risk management | • In addition to our *Global Whistleblowing Platform*, we have launched a *Risks & Compliance Hotline*<br>• This hotline is anonymous and available to all employees, as well as clients, contractors, suppliers and others in a business relationship with Fosun. By doing so, we proactively identify potential risk control deficiencies or misconduct<br>• In 2024, the Company received a total of 42 valid complaints reported via *Risks & Compliance Hotline*, all of which have been handled and closed. |
| Risk management capabilities improvement | • Take technical measures to carry out comprehensive risk analysis and assessment, establish database for business risk control and response, and enhance the capabilities and methods of special risk audits (e.g. IT audits and fraud audits)<br>• Establish a regular on-site meeting mechanism that involves the risk management backbones from core member companies and the Group's Risk Management Department |

## 2.3.5 Crisis Management

To forestall various potential crises and address various emergencies, the Group has established a crisis and public opinion management system to comprehensively enhance Fosun's crisis management capability. We have formulated the *Fosun Guidelines on Crisis Management*, clarifying the types of crisis, assessment and classification, management principles and procedures, management evolution direction and working mechanism of the Crisis Management Committee etc., to ensure that the crisis management of the Group and member companies can effectively response to risks and hazards - such as natural disasters, ESG risks, public affairs and capital market challenges - that arisen in daily operations and management, thereby comprehensively improving Fosun's crisis management capability. The Group has formulated a crisis classification mechanism to clarify the crisis handling requirements and responsibilities of each functional department for crisis events at different levels. At the same time, we have established a crisis review mechanism, which incorporates stakeholder engagement and regular review meetings to continuously optimize crisis management.

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

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

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

# 2.4 Business Ethics

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

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

> We have zero tolerance for actions that would damage the Company's reputation and interests.
>
> -Guo Guangchang, Chairman

## 2.4.1 Anti-Corruption and Supervision

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

### Anti-Corruption and Supervision System

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

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

The Anti-Corruption and Supervision Department, according to the Regulations on Anti-Corruption Inspection, strengthens the standardized management and supervision of the integrity management among member companies. An inspection team organized by the Anti-Corruption and Supervision Department at the Group level oversees the Group's units and core member companies annually, conducts inspections 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.

The Group determines inspection frequencies and develops annual inspection plans based on business types and risk level of member companies. For member companies in the Banking and Insurance segment with higher regulatory requirements, the Anti-Corruption and Supervision Department carries out a random inspection every year, and assigns special personnel for ongoing monitoring. For member companies in other business segments, we assess their risk levels through routine information collection and interviews. For member companies with higher risks, we conduct on-site inspections, while random checks are conducted for those with lower risks. On this basis, we ensure 100% coverage of the Group's controlled operating companies through inspections or random checks every 3 years. During the Reporting Period, the fraud risk assessment achieved 100% coverage for operations of the Group.

In 2024, the Anti-Corruption and Supervision Department conducted inspections in accordance with the annual inspection plans, identifying 2 fraud cases. For personnel involved in the cases, the Group has handed over all of them to judicial authorities; and for those who have committed serious disciplinary violations, the Group has terminated their labor contracts or imposed other penalties. During the Reporting Period, the anti-corruption inspection covered all key member companies of the Group within the planned annual inspection scope. We will continue to push forward the inspection.

## Code of Conduct and Policies

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

To further regulate the ethical behaviors of employees, the Group has formulated the *Fosun Group Code of Business Ethics* applicable to all staff of the Group. The Group's Disciplinary Committee and the Business Ethics Working Group, composed of the Company's divisional leaders and other senior executives, bear full responsibility for ethical management and conduct yearly reviews of the effectiveness of the *Fosun Group Code of Business Ethics*. We have established a performance appraisal mechanism for ethical management that encourages employees to report fraud or unethical conduct, and takes into account the effectiveness of ethical management when evaluating employee performance. Based on these mechanisms, we impose various punishments for violations, such as criticism, admonition, return of illegal benefits, economic compensation, bonus deduction, demotion, dismissal, administrative penalties or termination of labor contract. At the meantime, we clearly defining the violations subject to punishments, such as fraudulent concealment, perjury, failure to cooperate in integrity investigations, and violations of the Group's administration measures for conflicts of interest through *Management Regulations for Reward and Punishment of Fosun Group and the Employee Manual*. We strictly prohibit the act of seeking illegitimate benefits in the form of offering business entertainment expenses, office expenses and facilitation payments in operating activities, nor do we permit the making of any political donations. During the Reporting Period, the Group made no political lobbying or political donations, and 100% of employees signed the integrity pledges.

The Group has developed the *Regulations on the Administration of Reporting on Conflicts of Interest for Leaders in Major Posts of Fosun Group* and revised the *Regulations on the Administration of Conflicts of Interest for Employees of Fosun Group* during the Reporting Period to strengthen management and supervision over the integrity and performance of leaders in key positions as well as all employees. Moreover, we provide employees with channels to consult on ethical issues such as potential conflicts of interest, to further avoid potential conflicts of interest, inappropriate related party transactions, insider information transactions or other activities that may damage the interest of the enterprise. During the Reporting Period, the Group had 1 case related to conflicts of interest. In addition, the Anti-Corruption and Supervision Department and Human Resources Department collaborated on a credit inquiry system for Fosun employees. Employees who are handed over to judicial authorities or have their labor contracts terminated for serious violations of laws and disciplines will be included in an internal blacklist for access.

During the Reporting Period, the Company and its member companies handled a total of 17 cases (none of which were concluded) involving corruption, bribery and fraud, and a total of 63 cases in which employees of the Company and its member companies were dismissed or disciplined for violating the Company's anti-corruption policy, with 68 employees being punished and dismissed. During the Reporting Period, the Group was not subject to any external anti-corruption investigations or penalties.

## Culture of Integrity

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

As of the end of the Reporting Period, the integrity education has been provided to 100% of the Company's full-time and part-time 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** | • Whistleblowing e-mail: ethics@fosun.com<br>• Whistleblowing portal: https://contact.fosun.com/ethics |
| **Complaints to Fosun Anti-Corruption and Supervision Department** | • E-mail: lianzhengdc@fosun.com<br>• WeChat Official Account: Fosun Anti-Corruption復星廉政 |
| **Complaints to Fosun Cost and Procurement** | • E-mail: fosuncgts@fosun.com |
| **Whistleblowing Letter** | • Anti-Corruption and Supervision Department of Fosun, 16/F, Building S1, No.600 Zhongshan No.2 Road (E), Shanghai 200010, China |

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

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

During the Reporting Period, the Group and member companies received 91 non-compliance complaints (concerning corruption, etc.) from all whistleblowing channels. All complaints had been handled completely

## Joint Efforts in the Industry

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

## 2.4.2 Anti-Money Laundering

Fosun recognizes the importance of anti-money laundering (AML) and counter-terrorist financing work. We make efforts to preventing the transactions, products or services of the Company and member companies from being utilized as a tool or medium for money laundering or terrorism financing. The Company and some member companies have issued Anti-Money Laundering Policy, e.g. 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.

### Fosun Insurance Portugal

Fosun Insurance Portugal has formulated a comprehensive Anti-Money Laundering Policy and continues to enhance related management mechanisms and measures to prevent anti-money laundering. Fosun Insurance Portugal has also developed two Handbooks for Anti-Money Laundering Procedures, that thoroughly articulate its business scope and the corresponding controls and reporting processes to ensure regulatory compliance. On the technical front, Fosun Insurance Portugal leverages anti-money laundering software and information systems to conduct automated and batch detection for Politically Exposed Persons (PEPs) and "Sanctioned" individuals and entities prior to the establishment of the contractual relationship. This measure applies across all business channels, encompassing transactions related to new premiums, underwriting of new products, claims and redemptions. Meanwhile, Fosun Insurance Portugal systematically monitors and analyzes customer transaction behaviors through automation, with particular emphasis on high-value transactions, a usually high frequency of transactions, early policy redemptions, and cash premium payments to prevent money laundering risks. Additionally, Fosun Insurance Portugal developed and implemented an AML e-learning program for all employees to enhance compliance awareness and ensure the effective implementation of its anti-money laundering policy.

### Peak Reinsurance

Peak Reinsurance has established an Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) system, formulating and implementing relevant policies, principles, and control measures to identify and effectively manage related risks. Risk-based counter-party due diligence (CDD) is conducted by Peak Reinsurance prior to the transaction in accordance with policies and procedures, and due diligence is conducted and recorded on an ongoing basis. In addition, Peak Reinsurance dynamically updates its risk assessment methodologies based on the latest regulatory information and reviews the scope of CDD to ensure the effectiveness of ongoing CDD. Furthermore, Peak Reinsurance conducts regular independent audits to assess the adequacy and effectiveness of its AML/CTF system.

In 2024, Peak Reinsurance launched an online AML dashboard to enhance transparency into the progress of CDD and ongoing due diligence procedures. Besides, Peak Reinsurance has also completed an institutional risk assessment as required by the Hong Kong Insurance Authority 's *Guideline on Anti-Money Laundering and Counter-Terrorist Financing (GL3)*.

To strengthen compliance awareness, Peak Reinsurance organizes regular training for all employees on AML, CTF and other compliance-related matters, and provides specialized training for different positions and duties. In June 2024, Peak Reinsurance launched an online 40-minute AML training course available to all employees to participate.

## 2.4.3 Anti-Unfair Competition

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

### Anti-Unfair Competition Training

In November 2024, Peak Reinsurance rolled out the online training on Code of Conduct which includes topics related to anti-unfair competitive conduct. All employees of Peak Reinsurance are required to complete this training with an average training duration of about 40 minutes per participant.

Fosun Insurance Portugal continuously assesses and monitors the risk of unfair competition and has initiated awareness-raising activities on anti-unfair competition for its international business operations.

# 03

# Technology Innovation-Driven

Technology-led and innovation-driven development is the core strategy of Fosun. Focus on the development of business segments such as Health, Happiness and Wealth, Fosun has accumulated profound experience and capabilities in various dimensions such as global operations, technology and innovation, business ecosystem and FES management system. In the future, Fosun will unswervingly pursue its technology innovation-driven strategy to enhance its global competitiveness while continuing to provide high-quality products and services to families around the world, satisfying their aspirations for a better life.

# 3.1 Sustainable Innovation

In 2024, we set up a Professional Science and Technology & Innovation Committee under the Fosun Strategy Promotion Center to take over the relevant functions of the former Fosun Science and Technology & Innovation Committee. The Committee will deepen the cooperation with the governments, universities and institutes, and new R&D institutions to accelerate the transformation of scientific research findings through a flexible mechanism, so as to promote the implementation of industrial projects. At the same time, the Committee will help the Group attract and incentivize top technology innovation talents, and push forward the development of cutting-edge science and technology. Moreover, the Committee will also drive the implementation of strategies and business "multiplier growth" through technology innovation, thereby further consolidating Fosun's strategy of "driving development with science and innovation".

## 3.1.1 Technology Innovation Footprint

We have always placed great importance on the power of technology, and innovation. 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.

During the Reporting Period, Fosun's R&D investment[4] amounted to approximately RMB6.9 billion, accounting for approximately 3.6% of revenue. In particular, the R&D expenses amounted to about RMB 4,162 million, accounting for approximately 2.2% of revenue. The Group has set up approximately 3,991 R&D positions and has a total of 1,220 patents for invention.

**Highlights**

| Invested RMB 6.9 billion in 2024 to enhance technology innovation capabilities | 1,220 Patents for invention | 20+ Global technology innovation centers |
|---|---|---|

[4] It includes scientific research investment (expensed and capitalized), but excludes digitalization expenses

Fosun is accelerating the global layout of its technology innovation centers in various fields, and deeply integrating the needs of industrial upgrading and market trends, thus continuing to push forward innovation. As of the end of the Reporting Period, we had established more than 20 technology innovation centers in a wide range of sectors, including pharmaceuticals, healthcare, wine, jewelry, food and beverage, cosmetics, watchmaking, new materials and automation.

During the Reporting Period, member companies of the Group strengthened internal and external science and innovation cooperation based on a diversified technology innovation matrix, to boost the implementation of technological innovation and application:

- Yuyuan, together with Shanghai Changing Biological Technology Co., Ltd., set up the "Joint Laboratory of Biological Protein Application Technology" to empower the upgrade of traditional food industry and promote the development of green and healthy food with biotechnology.

- Shanghai Henlius collaborated with DP Technology Co., Ltd to carry out AI-assisted drug research and development cooperation. They also used AI and physical modelling technology to accelerate the biopharmaceutical antibody/ADC and small molecule drug discovery and development.

- Relying on the dual-layer management system of "Research Institute + Research Center" , Wansheng focused on the R&D of new functional materials such as polymer additives, thermosetting polymers, personal and home care products to deepen the collaborative synergy of innovation.

### Fosun Pharma

Since its establishment, Fosun Pharma has always taken innovation as its social responsibility and has developed a robust innovation strategy. This year marks the 30th anniversary of Fosun Pharma. And Fosun, Fosun Pharma and global partners have witnessed the launch of Fosun Pharma Global R&D Center. By building a global R&D network, Fosun Pharma will coordinate and manage the innovative drug R&D teams and product pipelines. Through these efforts, Fosun Pharma is committed to making a world-leading biopharmaceutical innovation R&D and production base.

The headquarters base of Intuitive Fosun, a joint venture incorporated by Fosun Pharma and Intuitive, opened in June 2024 in Zhangjiang, Pudong, Shanghai. With a total investment of approximately RMB700 million, the base is Intuitive's largest integrated R&D, manufacturing and training base in the Asia Pacific region. In this base, cutting-edge products and core components, including the Da Vinci surgical robot, are gradually realizing "made in China, joint research & development, global sales". In the future, Fosun Pharma will put more efforts into localized R&D and manufacturing, so as to contribute more value to China's intelligent medical industry.

The Greater Bay Area Headquarters of Fosun Pharma was officially opened in Shenzhen in September 2024, marking Fosun Pharma's formal settlement in the Guangdong, Hong Kong and Macao Greater Bay Area. Afterwards, Fosun Pharma will actively leverage the locational advantages of the Greater Bay Area to build the Headquarters into an engine and a base for driving its future innovation and growth.

## 3.1.2 Technology Innovation for Good

Incorporating social and environmental responsibilities into key considerations while promoting technology innovation, Fosun drives the synergistic development of social value and business value through innovation. In active response to the United Nations Sustainable Development Goals, we promote green, inclusive and sustainable innovation practices in our segments of Health, Happiness, Wealth and Intelligent Manufacturing. In doing so, we are able to help address key challenges such as global health, climate change and social equity.

### Health Segment

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

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

#### ▶ Health Accessibility (SDG 3: Good Health and Well-Being)

Yi Kai Da is the first domestic CAR-T cell therapy product approved for marketing in 2021 produced by Fosun Kairos, a member company of Fosun Pharma, for the treatment of patients with cellular lymphoma. Since the launch of the product, Fosun Kairos has actively enhanced the accessibility and affordability of CAR-T product by launching China's first bio-innovative "Payment by Value of Efficacy" program in 2024. Eligible patients who fail to achieve a complete remission after treatment with Yi Kai Da will receive a rebate of up to RMB600 thousand. During the Reporting Period, 200 patients participated in the program, with a complete remission rate of over 58%. By the end of 2024, relying on the national multi-level medical insurance system, Fosun Kairos had deepened its cooperation with TPA (Third Party Administrator) and insurance companies. As a result, Yi Kai Da has been included in more than 110 municipal beneficiary insurance programs and over 80 commercial health insurance programs.

"Early Screening and Diagnosis" helps improve lung cancer treatment effect for patients. Bronchoscopy is one of the most important tools in the early diagnosis of lung cancer. However, early lung nodules are usually located deep in the bronchi, which are difficult to be identified and assessed using current technologies. Intuitive Fosun, a member company of Fosun Pharma, has launched the Ion Robotic Bronchoscopy ("Ion System"), which provides greater convenience and precision in clinical diagnosis and treatment, as well as new diagnostic and treatment options for patients. During the Reporting Period, the Ion System was approved by the National Medical Products Administration for marketing in March, and the first commercial installation was completed in September, with the transition from "CIIE Exhibit" to "Local Commodity" via the Seventh China International Import Expo (CIIE).

### Happiness Segment

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

#### ▶ Alleviate the Negative Effect of Alcohol (SDG 3: Good Health and Well-being)

The Fosun Global Liquor Technology Innovation Research Institute, a scientific research organization under Fosun Wine & Spirits, focuses on technology innovation and quality enhancement. It expects to develop liquor products with less negative impact on consumers, striving to reduce or minimize the negative effect of alcohol through consumer research as well as product and channel experience insights. During the Reporting Period, initiated by the China National Research Institute of Food & Fermentation Industries, the Fosun Global Liquor Technology Innovation Research Institute, together with 17 renowned universities and wine enterprises, prepared the group standard *User Experience——Guidelines for User Experience of Alcoholic Beverages*, which was formally issued by the China Quality Management Association For Electronics Industry of the Ministry of Industry and Information Technology of the People's Republic of China. The standard is the first alcohol quality evaluation standard in China based on the perspective of user experience, covering packaging, in-drinking, post-drinking and long-term drinking experience. While helping to improve consumer experience, the standard also drives the industry to realize higher quality and healthier development. In addition, Shede Spirits, a member company of Yuyuan, advances research on the value system of aged liquor, and actively develops healthy liquor products such as low-alcohol liquor so as to broaden consumers' choices of diversified alcohol products.

In the process of promoting and spreading liquor culture, Shede Spirits upholds the philosophy of responsible drinking and advocates for healthy consumption practices. Whether in promotional pages, related videos, outdoor material designs, sponsored events, communication activities, promotional campaigns, tasting events, or product packaging, Shede Spirits strictly adheres to industry standards and clearly labels reminders such as "Drink Responsibly, Discourage Excessive Alcohol Consumption, Prohibited from Selling to Underage Consumers", as well as slogans like "Please Do Not Forward This Content to Minors".

#### ▶ Healthy Diet (SDG 12: Responsible Consumption and Production)

As the oldest existing vegetarian restaurant in Shanghai and a long-established Chinese brand, Chunfeng Songyue Lou under Yuyuan always insists on strict control of the quality of ingredients. To ensure the freshness and safety of the ingredients, Chunfeng Songyue Lou has built a "dedicated standardized ecological planting base" . The base enables us to be directly involved in the cultivation of vegetables, thus realizing the whole process control "from the field to the menu". Empowered by the Yuyuan Cultural Catering Technology Innovation Center in an all-round way, the planting base ensures the safety and stability of ingredients from the source, and reduces the loss of fresh food. Moreover, the base can also achieve the scale effect through the integrated operation of planting and processing, thus improving the quality of ingredients. At the same time, this initiative allows consumers to savor fresher and higher quality vegetarian buns. Furthermore, the brand reputation and market praise of Chunfeng Songyue Lou have been strengthened, setting up a benchmark for the farm-to-table cultural dining experience.

#### ▶ Sustainable Tourism (SDG 12: Responsible Consumption and Production)

Club Med, a member company of FTG, upgraded the "Happy to Care" sustainability strategy in 2024, aiming to speed up sustainable business transformation. As of the end of the Reporting Period, 89% of the resorts of Club Med have obtained Green Globe certification, with the commitment to proactively promoting the development of sustainable tourism by taking various measures. To raise customers' awareness of sustainable development, Club Med encourages customers to adopt environmentally friendly behaviors in room reminders, booking platforms, etc. Besides, Club Med launches educational activities such as the "Green Action" campaign, which combines environmentally friendly awareness-raising activities with tourism projects. In doing so, we encourage customers to get close to nature and protect nature.

## Wealth Segment

We put efforts for sustainable financial development and fully integrate the ESG concept into our insurance business. In the process of product development, design and evaluation, we deeply integrate ESG factors, and manage ESG risks throughout the design, underwriting, claim settlement and reinsurance of products and services, so as to control ESG risks in a responsible and forward-looking manner. At the same time, we are actively creating climate-resilient neighborhoods by designing, developing and operating high-efficiency, low-carbon buildings that meet green building certification.

### ▶ Responsible Insurance (SDG 10: Reduce Inequality)

Fosun Insurance Portugal, a signatory to the UN Global Compact, joined the United Nations Principles for Responsible Investment (UNPRI) in 2023. Fosun Insurance Portugal also thoroughly implements its sustainability strategy with an ESG vision of "preparing the future, contributing to society resilience, positively impacting all stakeholders". It is committed to being Net-Zero in its operations by 2040, and in insurance and investment by 2050. In addition, Fosun Insurance Portugal continues to innovate and launch responsible insurance products, endeavoring to reduce social inequality, and increase financial inclusion. Also, it enhances social resilience through sustainable insurance solutions, helping achieve a more inclusive and sustainable future.

| Environmentally Responsible Business Solutions | Products and Services to the most disadvantaged Groups | Longevity-Related Solutions | Health-Giving Products |
|---|---|---|---|
| Providing financial products that combine savings with environmental action;<br>Spreading car insurance solutions for sustainable driving behavior. | Promoting social inclusion and providing support to the most disadvantaged groups. | Encouraging saving habits in preparation for retirement and providing services targeted at the elderly on an ongoing basis. | Encouraging healthy lifestyles habits and early prevention of diseases, and providing facilitate access to health care. |

### ▶ Sustainable Living (SDG 11: Sustainable Cities and Communities)

As a leading real estate investment and asset management company in Europe, Paref, a member company of Fosun, continues to practice ESG concept and enhance the efficiency of property energy management through intelligent technologies and green innovations. Till now, it has achieved significant energy saving results in a number of projects.

| GO and Tempo (office & retail buildings in Paris) | Dax Grand Hôtel (Dax Hotel, France) | Tour Franklin (business office buildings in Paris, France) |
|---|---|---|
| Through its "Brown-to-Green Regeneration" refurbishment program, which integrates ESG measures since conception such as BMS, green spaces, urban heating and cooling, EV charging, and responsible procurement, PAREF has reduced energy by 34% consumption and 45% in two key buildings, which are certified under leading ESG building labels, with carbon emissions also cut by up to 46%. | The hotel adopts a BMS to ensure intelligent energy management. It is also equipped with a keycard (RFID) system, so that power is automatically switched off when guests leave their rooms, reducing energy waste at source. Besides, corridor motion sensor lighting has been optimized to further improve energy efficiency. As a result, the hotel's carbon footprint has been decreased by 2%. | Based on a series of intelligent optimization technologies, including optimization of Air Handling Units (AHUs), installation of intelligent modulating heating systems and optimization of pump control systems, unnecessary energy consumption has been effectively reduced, enhancing energy efficiency. These measures have enabled Tour Franklin to decrease building carbon footprint by 48% since 2 years, supporting its sustainable operation. |

## Intelligent Manufacturing Segment

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

### ▶ Green Material (SDG 13: Climate Action)

Upholding the philosophy of "developing new materials and realizing innovative applications through innovative chemistry; developing green industries and realizing sustainable development through innovative chemistry" , Zhejiang Wansheng Co., Ltd (Wansheng), a member company of Fosun, continuously promotes technological innovation and industrial upgrading. WSFR-5102, independently developed by Wansheng, is a multifunctional, highly efficient and environmentally friendly halogen-free organophosphorus flame retardant. It contains no banned substances such as TPP (Triphenyl Phosphate) and complies with the latest standards of the European Union's *Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH). The product has excellent flame retardant properties, water resistance, thermal stability and mechanical stability. Besides, its flame retardant effect is significantly better than that of other engineering plastics flame retardants under the condition of equal additive loading in the material system. Therefore, it provides safer and more environmentally friendly solutions for high-performance materials.

### ▶ Green Travel (SDG 9: Industry, Innovation and Infrastructure)

Fusionride Technology (Shanghai) Co., Ltd., a member company of Fosun, applies the radar perception technology to the two-wheeled vehicle sector and application scenarios such as takeaways. It has developed a radar-based two-wheeled vehicle assisted safety system to realize intelligent collision avoidance, blind-zone monitoring, and automatic braking, significantly enhancing cycling safety. The application of this technology not only expands the applicable scenarios of green travel, but also effectively reduces greenhouse gas emissions in the process of transport, thereby promoting the in-depth integration of intelligent transport and environmentally friendly travel.

## 3.1.3 Innovation Culture

Fosun regards innovation culture as the core driving force for sustainable development. Through hosting or participating in diversified technology innovation activities, Fosun builds an innovation exchange platform, deepens industry-university-research collaboration, and thus stimulates innovation vitality within its ecosystem as well as in the industry as a whole.

### Participation in the CIIE for the Seventh Consecutive Year

As a "full-attendance student" of the seven sessions, Fosun is a participant, witness and even a beneficiary of the China International Import Expo (CIIE). In 2024, Fosun continued to showcase its latest achievements in global integrated innovations in the Medical Equipment & Healthcare Products Exhibition Area, including a number of "World's First" and "China's First" innovative products.

At this year's CIIE, the pre-launch marketing conference concerning the *Standardized Clinical Application Criteria for Chimeric Antigen Receptor T-cell Therapy for Lymphoma* hosted by Fosun Kairos, a member company of Fosun Pharma, was successfully held. In the future, it will push forward the standardized operation of CAR-T cell therapy in the field of lymphoma as well as the normalized management education and training throughout the whole process.

Fosun has also entered into a number of cooperation agreements with global partners. For example, Intuitive Fosun, a member company of Fosun Pharma, collaborates with Siemens Healthineers to explore integrated solutions for lung disease diagnosis and treatment; Jedicare Medical Co., Ltd., another member company of Fosun Pharma, will carry out in-depth cooperation in the field of "one-stop solution for lung nodule diagnosis and treatment" with Siemens Healthineers.

### Organization of Industry Innovation Forums

During the Reporting Period, Fosun Pharma, Wansheng and Yuyuan Cultural Catering Group held several industry innovation forums respectively, bringing together industry experts to explore cutting-edge trends and to drive the high-quality development of the industry.

**Seminar on Innovation Trends in the Convenience Food Industry 2023-2024 (Shanghai, July 2024)**

Sponsored by the Chinese Institute of Food Science and Technology and hosted by the Technology Innovation Center of Yuyuan Cultural Catering Group, the event gathered science and technology, industry, and academia professionals, involving more than 30 enterprises to promote innovation, upgrading and high-quality development of the convenience food industry.

**Fosun EVC Forum - Fine Chemical Materials Industry Innovation and Development Forum (Shanghai, September 2024)**

Together with Fosun Capital and Fosun Global Industry Research Institute, Wansheng gathered nearly 60 experts in the field of fine chemicals and functional composites to explore new market trends and industrial innovation opportunities.

**The Second Pujiang Biomedical Original Innovation Forum (Shanghai, November 2024)**

Organized by the Shanghai Biopharmaceutics Industry Association and hosted by Fosun Pharma, the forum brought together top scientists, entrepreneurs and policy makers from home and abroad. They conducted in-depth discussions on China's innovative drug research and development, cutting-edge technologies in the pharmaceutical industry, global pharmaceutical cooperation, bio-economic development and other topics, so as to promote China's technological innovation in biopharmaceutics to be in line with international standards.

**The First "Greater Bay Area (GBA) Star" Biopharmaceutical Original Innovation Forum (BOIF) (Shenzhen, December 2024)**

Under the guidance of the Development and Reform Commission of Shenzhen Municipality and other government departments, Fosun Pharma hosted the conference with the theme of "Activating the First Mile of Original Innovation". The conference focused on the key path of biopharmaceutical original innovation to promote the high-quality development of the pharmaceutical industry in Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and help the GBA build a global biopharmaceutical innovation highland.

### Industry-Academic-Research Cooperation

In November 2024, Fosun Pharma signed strategic cooperation agreements with Fudan University, Shanghai University, Shanghai Institute of Materia Medica, Chinese Academy of Sciences and other universities and research institutes. This signifies that the parties will conduct in-depth cooperation in the key areas of scientific research and innovation, talent cultivation, and achievement transformation to jointly promote the high-quality development of China's pharmaceutical industry.

# 3.2 Exploration of Clean Technology

Leveraging patented technology advantages and cooperation with its ecosystem partners, Fosun continues to improve its cleantech matrix. Hence, it creates a replicable and innovative paradigm for the industry's green transformation, so as to contribute to sustainable and high-quality development.

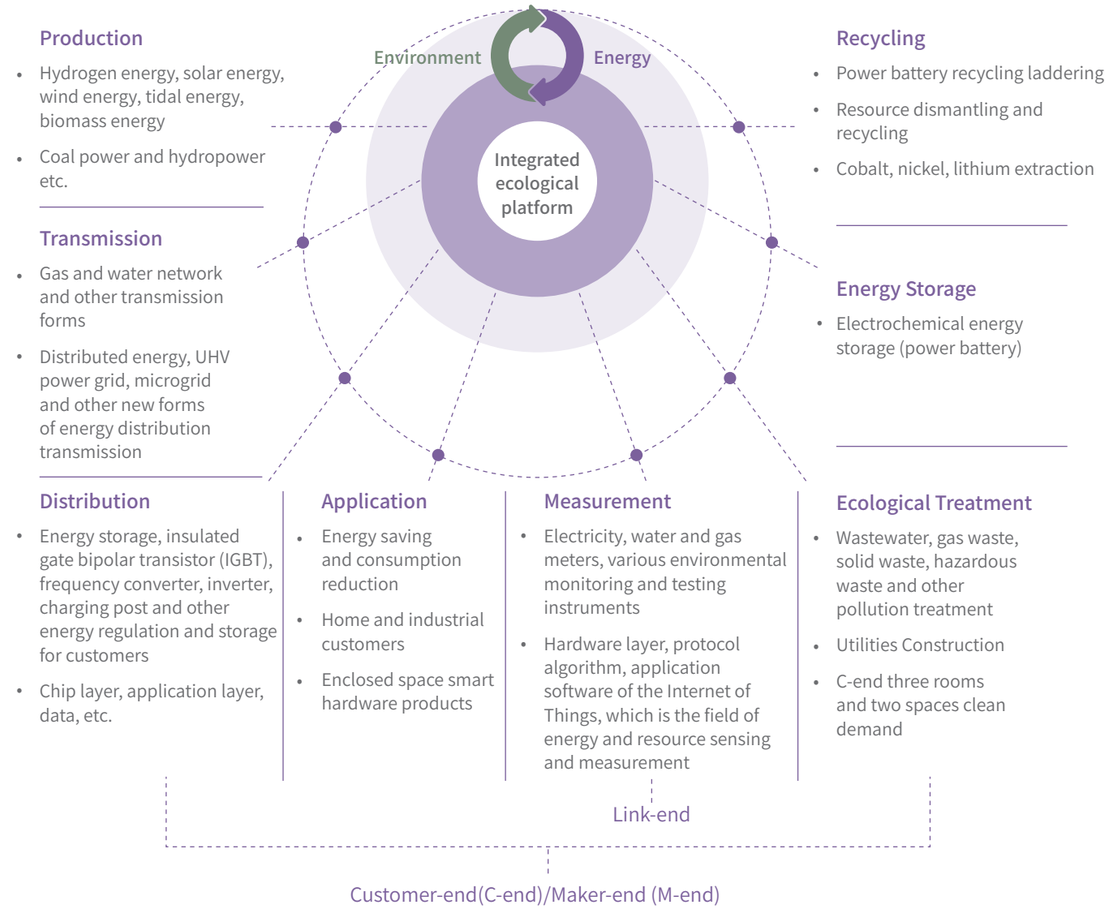
## Vision

We are committed to building an integrated energy and environment group rooted in China and serving the world, with business covering the new energy, energy storage, environmental protection and other sectors. We strive to promote the transition from harmlessness to resource utilization, for the improvement of the ecological environment. We have also seized the opportunity of China's Carbon Peaking and Carbon Neutrality Policy. By focusing on the carbon neutrality industry, we aim to optimize the layout in new energy, green and new materials, green electricity, smart grid and new energy storage industries through industrial integration and investments, thus enhancing our environmental governance ability and contributing to the industry's green transformation.

## Objective

| Timeline | Industry Positioning | Milestone Targets |
|---|---|---|
| 2021-2025 | We will shift from terminal pollution treatment services to resource recycling and broaden the layout of solid and hazardous waste resource utilization, new energy, new materials and energy storage for Fosun's core member companies and industrial chain. | We will expand investments in environmental restoration and resource recycling, to achieve source reduction, energy conservation and consumption reduction, and sustainable development; we will also expand investments in energy infrastructure upgrading, to achieve an efficiency and energy-saving model of manufacture and consumption, thus boosting green energy transformation. |
| 2025-2030 | We will focus on pollution treatment, resource recycling and energy utilization to promote waste recycling, thereby creating a clean and sustainable energy entity. | We will strive to achieve sustainable growth in the mid-term and long-term within 10 years.<br><br>Taking renewable energy as a breakthrough, we will open up the industry chain of environment and energy, and construct an integrated energy platform containing energy supply, transmission, storage, calculation, as well as sales, and gather a large number of business and individual customers;<br><br>We will thoroughly implement the strategy of "driving development with science and innovation", strengthening the application of AI, and developing technology-led and product-driven light asset business to account for 30% or more of all businesses. |

With technology innovation as the core driving force, Fosun systematically promotes low-carbon transformation and clean technology layout, endeavoring to build a comprehensive ecosystem platform integrating environment and energy.




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

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

As of the end of the Reporting Period, we had 53 participating and holding companies in the energy and environmental protection sector, of which 3 were A-share Main Board listed companies. The total investment in energy and environmental protection exceeded RMB20 billion, accounting for more than 50% of the total PEVC investment in the energy, environment and smart equipment investment segment.

# Some Projects of Investment in Clean Technology

## New energy

### Advance Foundation

Advance Foundation is a high-tech enterprise focusing on the production of high-purity quartz products and semiconductor materials. Its main businesses include the research, development, production and sales of 8-inch and 12-inch semiconductor quartz products and photovoltaic quartz products, which are widely used in semiconductor chip production, solar photovoltaic, optical fiber, LED, electric light source and other fields. Since its establishment, Advance Foundation has developed a brand-new production process based on the traditional production process, as well as modern intelligent manufacturing technology. As a result, an intelligent and automated production mode has been realized. Advance Foundation, collaborating with Xi'an LONGi New Energy Co., Ltd., pushes ahead the application of distributed photovoltaics

on building rooftops. They have successfully operated the first building photovoltaic integration project in Northeast China, which is located in the Shenyang-Fushun Reform and Innovation Demonstration Zone.

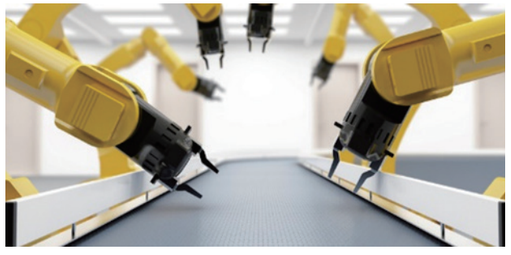
### JM Intelligence

JM Intelligence is a high-tech enterprise focusing on new energy intelligent equipment solutions. It concentrates its advantageous resources on the development, design, production and sales of lithium battery front-end equipment and lithium battery material manufacturing equipment. At present, its main products include lithium battery gravure coating machine, lithium battery separator coating machine, optical film coating machine, separator slitting machine, composite stripping machine, and substrate surface treatment machine. It has, based on the power battery technology and the development trend of process, reserved a number of products under research and development.

## Energy saving and efficiency improvement

### Easun Technology

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



## Energy saving and efficiency improvement

### Elco

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

## Environmental protection and pollution treatment

### Jinsheng New Energy

Jinsheng New Energy is a largescale advanced manufacturing enterprise engaged in the comprehensive recycling of lithium batteries. It has built a complete integrated ecosystem covering lithium battery recycling, cascade utilization and recycling, and created a full-path supply chain of lithium battery recycling to provide complete recycling solutions for various types of lithium battery users. Its products have been widely used by Huayou Cobalt, CNGR Advanced Materials Co., Ltd., Ganfeng Lithium and other new energy leading enterprises. As of the end of the Reporting Period, Jinsheng New Energy has been deeply engaged in the material recycling industry for more than 30 years. Its production capacity of lithium-ion battery materials has reached 100,000 tons per year, and its qualification for processing used lithium batteries has reached 204,000 tons.

### Baiwang

Baiwang is a high-tech company providing enterprise digital solutions, whose core business involves invoice digitalization products and solutions. To this end, it has established an electronic invoice development model of "tax control + third-party platform". Since its establishment, Baiwang has kept on leveraging its strengths to combine digital invoicing with ESG, so as to contribute to the green paperless development by continuously promoting the universal application of paperless invoicing. Baiwang was officially listed on the Main Board of the Stock Exchange of Hong Kong on July 9, 2024 under the stock code 06657.HK.

# 3.3 Protection of Intellectual Property

Protection of intellectual property is protection of innovation. We continue to enhance the protection of intellectual property rights across the whole chain, while respecting the intellectual property rights of other enterprises and individuals. The Company has established a dedicated position for intellectual property management in the Legal Affairs Department, which is responsible for the management and risk prevention of IP rights (such as trademarks, patents, copyrights, trade (technical) secrets, domain names and data rights) at the group level.

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

As of the end of the Reporting Period,

the headquarters of the Group had possessed **583** domestically-registered valid trademarks,

**206** trademarks registered overseas[5] and

**4** art works and software copyrights.

## Upgrading the Intellectual Property Protection System

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

We strictly abide by the rules and regulations regarding IP of the countries/regions where we operate. A variety of measures, such as the formulation and issuance of the *Management Measures for the Intellectual Property of Fosun Group*, 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 comply with the use of original works such as pictures, special fonts and creative concepts in our daily work to enhance staff's awareness of respecting originality and IP.

During the Reporting Period, we revised the *Series of Guidelines on Intellectual Property and Data Compliance* to clarify the trade secret compliance and management specifications and legal risks arising from non-compliant use of trademarks. We also encouraged our managers to carry out regular risk checks using tools as specified in the Risk Checklist on Trademark Registration and Compliant Use.

We closely manage the Group's core trademark assets and provide operational guidance on the application and compliant use of core trademarks. At the same time, we have taken a series of actions to safeguard the Group's trademark rights and enhance its brand value. During the Reporting Period, we resolved two unfair competition infringement cases involving the unauthorized use of the "Fosun" trademark and trade name, with both infringing enterprises having subsequently changed their names and ceased the infringement.

Member companies are responsible for managing their respective IP effectively. The headquarters of the Group is responsible for the assessment and evaluation of the IP management of various industrial 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.

## Protecting Intellectual Property Achievements with Technology Innovation

The Group makes every effort to safeguard the achievements of IP rights through innovative management tools and technological applications. In 2024, we launched an online platform for intellectual property management, encouraging Fosun's member companies, such as Fosun Medtech, Fosun Diagnostics, Easun Technology and their subsidiaries to manage their patent, trademark and copyright portfolios using the platform's docketing, and other functions. In addition, we have simultaneously set up several knowledge bases, namely, "Laws and Regulations", "Compliance Guidelines" , "Professional Materials" , "Policy Information" and others, to build an online database covering the Group's intellectual property and data protection areas. Hence, we have significantly enhanced the knowledge and capabilities of the Group and its member companies regarding rights and interests protection.

[5] Trademarks registered overseas refer to trademarks registered in countries/regions other than Mainland China.

## Enhancing Intellectual Property Protection Capacity

We keep abreast of the updates of domestic and foreign intellectual property laws and regulations and industry policy trends. The Group's Legal Affairs Department prepares a *Newsletter* on Laws, Regulations and Case Developments on a monthly basis to learn and understand the latest legal policy developments and significant judicial cases. Besides, the Department reports to the Board of Directors on a regular basis (twice a year).

In 2024, we conducted 4 training sessions concerning IP rights for companies within Fosun ecosystem. These sessions covered topics such as *Cross Border Data Transfer and Personal Information Protection Compliance Audits*, *Introduction of European Unitary Patent and UP Court, Introduction of Intellectual Property Management and IP Platform, and Protection of Corporate Trade Secrets Through the Lens of Trade Secret Protection Cases*. In addition, we actively participated in seminars organized by foreign-law firms on the Middle East laws and regulations on cross-border investments, which broadened our international perspective.

In terms of industry exchanges and cooperation, we expect to build a benign IP ecosystem together with our partners. During the Reporting Period, we participated in a total of 5 industry exchange activities related to IP.

### Yuyuan

As a member of the board of the Anti-Infringement and Anti-Counterfeiting Alliance, Yuyuan, a member company, continues to optimize its intellectual property management system and relevant implementation measures, so as to clarify the management authority of the Intellectual Property Management Department over the intellectual property work of various industries. During the Reporting Period, Yuyuan formulated the Trade Secret Management Policy and achieved online management of intellectual property data and files through an Intellectual Property Management System, to enhance the security and standardization of intellectual property management.

Yuyuan also regularly conducts intellectual property training to enhance awareness of intellectual property protection. During the Reporting Period, Yuyuan conducted regular monthly meetings on intellectual property rights for personnel in the Intellectual Property Line. In total, it organized more than 20 hours of professional training, covering overseas registration of trademarks, application for design patents, and copyrights in kind.

During the Reporting Period, Yuyuan was granted 22 trademarks.

# 04 Responsible Operation

# 4.1 Lean Industrial Space

## 4.1.1 Quality and Safety Management

The Group strictly abides by laws and regulations related to the quality 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 products and services. The Group has set up a quality culture centered around customers with all employees' involvement. We provide high-quality products and services, improve continuously, and pursue excellence. We encourage member companies to establish quality management systems and pass the certification. As of the end of the Reporting Period, 13 member companies of the Group had obtained the quality or food safety management system (ISO 9001 or HACCP) certification.

We have set up the EHSQ Department as the responsible department for Fosun's quality and safety management, as well as a supervision and management system for member companies' product quality and safety. According to ISO 9001:2015 quality management system standard, we formulated the *Quality Manual of Fosun Group*, continuously reviewing and optimizing the quality management work of the Group through PDCA approach. We have also defined the responsibilities and authorities of relevant personnel for quality-related issues and formulated 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*, in a bid to ensure that they are held accountable for such responsibilities.

To ensure unified and standard quality management systems, we have established a quality system audit mechanism. In the *Quality Manual of Fosun Group*, we have defined the quality system audit requirements for each major segment and developed the *Fosun Group Quality Audit Form*. This enables member companies to conduct audits and self-audits with uniform standards on the same quality platform. To strengthen the quality management, our EHSQ Department conducted quality investigations and unannounced inspections 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. Different key quality indicators have been established for member companies after taking into account their industrial characteristics and are tracked on a regular basis. As of the end of the Reporting Period, we had conducted 3 quality system site audits on a number of key member companies, including Fosun Pharma, Fosun Health and Yuyuan, and all of them passed the audits.

To improve the Group's product safety management, we have further clarified the requirements for the formulation of product standards and control throughout the product life cycle and formulated the *Procedures for Product Standards and Release Control*. Additionally, we revised the *Fosun Group Product Recall Mechanism* in 2024, clarifying specific contents such as product safety management responsibilities, product recall principles and procedures. Through product safety risk assessments, we have defined conditions triggering recalls. On this basis, we conduct regular drills to continuously enhance product safety management and emergency response capabilities.

Being well aware of the critical role of employee training in ensuring product quality and safety, we encourage all member companies to organize regular quality culture-building initiatives. During the Reporting Period, the headquarters of the Group provided special quality training for 2 key member companies, to encourage them to strengthen their quality systems and constantly improve quality management levels.

We have established the short, medium and long-term goals of the Group's quality management as follows:

| | Short-Term: 2022 | Medium-Term: 2023-2024 | Long-Term: 2025-2031 |
|---|---|---|---|
| Current Progress | Completed | Completed | In progress |
| Core Strategic Work/Key Emphasis | Implement pilot projects for quality audit in member companies, namely Fosun Pharma, and Hainan Mining;<br>Draft and issue the quality manual, system policies and procedures, and organize training accordingly;<br>Implement pilot projects for EHSQ quality improvement in member companies of each segment, namely Fosun Pharma, Hainan Mining, Yuyuan and Fosun Care Group. | Promote EHSQ quality improvement projects to cover all member companies in each segment;<br>Continuously promote quality management and audit of all segments and the entire product cycle;<br>Establish and perfect product quality and safety standards for each segment;<br>Push core member companies to establish exemplary lines and factories of quality management within their respective groups;<br>Improve the quality indicators of member companies in each segment to continuously promote international quality management and enhance overseas organizations. | Help member companies to continuously improve their quality management and push member companies to achieve the goal of "zero defect, zero passive recall". |
| Quantitative Target | Conduct at least 5 quality system audits. | Establish and perfect product quality and safety standards for each segment;<br>Exemplary companies in different business lines achieve "zero defect, zero passive recall". | 80% of the target companies achieve "zero defect, zero passive recall". |

## Fosun Pharma

Fosun Pharma carries out the quality policy of "respecting life, prioritizing quality, surpassing perfection and pursuing excellence" throughout the entire life cycle of its products. Guided by the principle of "prioritizing quality", Fosun Pharma is committed to building "a quality management system that embodies domestic leadership, aligns with major international regulatory frameworks, and demonstrates proven competitiveness in global markets" .

### Quality Management System

Fosun Pharma has established a quality management system that covers the entire lifecycle, including raw material procurement, production, and finished product storage. The system operates through a four-level quality structure system (quality policy, group standard operating procedures/GMP guidelines and work instructions, corporate standard operating procedures and work instructions, documents and records based on standard operating procedures) to further ensure an efficient quality management system as well as safe and controllable product quality. As of the end of the Reporting Period, Fosun Pharma has issued a total of 16 Good Manufacturing Practices (GMP) technical guidelines, with the process of key quality elements increasingly standardized.

In order to ensure the effectiveness of quality management measures, all manufacturing member companies of Fosun Pharma have established comprehensive quality management systems in strict accordance with the requirements of GMP or ISO 9001, with a coverage rate of 100%, and have been certified by various parties. As of the end of the Reporting Period, all manufacturing sites of the domestic member companies in the pharmaceuticals segment of Fosun Pharma have met the requirements of the 2010 version of GMP.

### Quality Inspection Capability

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

### Quality Audit

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

### Product Recall

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

To ensure the effectiveness and timely response of the recall system, Fosun Pharma conducts simulation recall drills. During the Reporting Period, Fosun Pharma conducted 12 simulated recall drills. No product recalls due to drug quality issues occurred.

## FTG

FTG, a member company of the Group, prioritizes food safety management and has formulated an array of management regulations and standards concerning food safety such as the *Fosun Tourism Food Safety Management System*. To ensure effective food safety management, FTG conducts annual food safety and hygiene audits on resorts, thus forming a multi-dimensional and multi-level management and review system. During the Reporting Period, Atlantis Sanya, a member company of FTG, engaged a third party to perform Food Safety Management System (FSMS) audits on its hotel catering services. Another member company of FTG, Club Med, conducted 84 food and water quality inspections at its resorts in China, with an average score of 83 for food inspections and 89 for water inspections.

To bolster its preparedness for food safety emergencies, FTG has developed contingency drill plans and specialized exercises targeting food safety risks. These initiatives ensure rapid and effective response to potential incidents, thereby safeguarding consumer food safety.

## 4.1.2 Information Security and Privacy Protection

Network and data security is a vital foundation for gaining user trust and a fundamental prerequisite for safeguarding user information and privacy rights. 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*. The Group has set up a complete safety management system.

According to this system, the Board is the highest responsible organization for privacy protection and information security of the Group, and the Digital Intelligence Committee and the AI Line are the responsible departments that safeguard the network infrastructure and data assets during operations together with the Executive Team.

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

### Information Security Management

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

In 2024, we revised the *Fosun Group Information Security Management Policy* to strictly regulate employees' behaviors from the aspect of work environment security, user account security, information equipment usage, software usage, computer network usage, E-mail usage and anti-virus requirements, etc. In accordance with this policy, we incorporate information security protection in the assessment of employee performance. In addition, it has stipulated that the headquarters of the Group and our member companies should conduct publicity and training on information security awareness for employees every year and conduct cybersecurity tests or cybersecurity scenario drills at least every six months. We have also formulated operation guidelines to guide employees in dealing with abnormal situations such as computer virus infection, and data deletion and damage, so as to prevent intentional or unintentional damage to information safety.

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

Aiming to enhance the information security construction capabilities of member companies, the Group has deployed the situational awareness system in the computer room and throughout the office network, thus achieving a 360-degree coverage of intrusion detection. Additionally, to meet the national and industrial requirements for corporate information security construction, and ensure the 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 documents 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 security requirements, industry classification and other dimensions, members companies can be arranged for division into three categories to meet different security requirements.

The digital and intelligent transformation wave has exponentially increased cyber risks alongside the rapid growth of the digital economy. We place a high priority on cybersecurity risk management, with a dedicated security team in place for security monitoring and response. We manage cybersecurity risks through an emergency response mechanism for security incidents. In 2024, Fosun Pharma, a member company, participated in the Shanghai Municipal Industrial Cybersecurity Emergency Drill and ranked among top performers. To further enhance our cybersecurity protection capabilities, we regularly conduct information security inspections and penetration testing for our member companies, promptly identifying and addressing high-risk vulnerabilities to comprehensively improve our cybersecurity operations. During the Reporting Period, we engaged a third party to conduct outer net vulnerability analyses for the Company and core businesses, and penetration testing on their core systems, effectively mitigating cybersecurity risks and strengthening the Group's cybersecurity capabilities.

#### ◈ Information Security Certification

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

#### ◈ Security Culture Construction

To strengthen our information security resilience, we proactively promote the building of information security culture at the Group and business levels, and implement multi-layered safeguards to enhance all employees' awareness and skills of information security. We regularly release security warning education materials to all employees, conduct specialized data security and cybersecurity training for the Group and member companies, and inspect, supervise and guide member companies on their information security at regular intervals. During the Reporting Period, we held 5 information security committee meetings, where we shared and discussed the construction of data and information security systems, ransomware attack and defense case studies, and insights into the security situation with all people from the Group and various businesses. We also sent regular emails and DingTalk messages to remind employees to remain vigilant against phishing emails and to keep their accounts secure, thereby reducing the security risks to the office network.

### Privacy Protection

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

We have also formulated the *Fosun Information Security Emergency Response Guideline*. Pursuant to this policy, the Digital Intelligence Committee and AI Line will report incidents according to the level of the data leakage and cyber-attack events, and release emergency plans and carry out emergency response until successful handling of the emergency.

#### Fosun's Principles of Privacy Protection

**Principle of Compliance**

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

**Principle of Authorization**

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

**Principle of Confidentiality**

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

The Group upholds and protects employee privacy while strengthening privacy governance. We strictly safeguard the mobile phone numbers of employees in the "Fosun DingTalk" contact list, ensuring that data will not be directly exported or provided via interfaces without authorization. The Group also conducts data privacy management training for all employees once a year via "Fosun DingTalk", to ensure that our relevant privacy management and protection policies are thoroughly and effectively implemented.

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

# 4.2 Upgraded Customer Experience

## 4.2.1 Responsible Marketing

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

### Compliance Marketing

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

#### Fosun Pharma

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

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

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

Fosun Pharma conducts annual responsible marketing training for all employees, covering key areas such as relevant laws and regulations, company policies and procedures, and product knowledge. Especially for marketing personnel, Fosun Pharma has launched further responsible marketing training to increase their compliance awareness and expertise.

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

### Sustainable Consumption

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

#### Yuyuan

The traditional restaurant brands under Yuyuan are actively responding to the "Initiative on Stopping Food Waste and Promoting the Virtue of Thrift," taking practical actions to promote the "Clean Plate" spirit. Among them, Nanxiang Steamed Bun Restaurant not only preserves traditional culinary culture but also advocates for the noble practice of cherishing and saving food. In addition to posting promotional posters in its stores, the inheritor of intangible cultural heritage of Nanxiang Steamed Bun Restaurant proactively encourages customers to "order in moderation and take away leftovers" as part of a call to rationally order and dine civilly. This initiative helps foster and spread a culture of sustainable consumption.

#### FTG

Atlantis Sanya, Club Med and Miniversity Camp, member companies of FTG, are committed to promoting the sustainable tourism philosophy to consumers and encourage them to choose green products and services. Atlantis Sanya promotes the sustainable tourism philosophy of rejecting disposable supplies to customers through reminders visible in the electronic displays in the rooms, as well as booking platforms, encouraging customers to save water and minimize waste generation. Club Med reminds customers on every booking platform that hotels generally do not provide disposable supplies and encourage customers to make a concerted effort to take environmental actions related to water resources, biodiversity conservation and other aspects in the light of the "Bye-Bye Plastic" policy.

Miniversity Camp, aligning with the United Nations Sustainable Development Goals, has planned a series of summer camp activities around the world that focus on sustainable development and public welfare issues. Leveraging by the social impact of Fosun, these activities are designed to raise the awareness of children and adolescents, about the natural environment and sustainable social development, and to strengthen their sense of social responsibility as global citizens.

In January 2025, Miniversity Camp successfully held the Hong Kong Social Innovation and Sustainable Development Study Camp, working together with young people to implement SDGs goals. During the event, the youth visited top universities in Hong Kong, such as The Chinese University of Hong Kong and The Hong Kong University of Science and Technology, to deeply learn about the valuable experiences of young people in the field of public welfare social innovation. They turned their knowledge into practical action, participating in public welfare activities such as on-site visits to low-income households in subdivided flats, caring for disabled and elderly camps and distributing charity meals, becoming promoters and practitioners of the concept of sustainable development.

## Distributor Management

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

### Fosun Pharma

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

### Yuyuan

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

Shede Spirits evaluates, rates and guides its distributors on a quarterly basis with regard to their daily operations. These distributors are assessed from sales volume, target progress, year-on-year progress, inventory days and market order in a standardized and comprehensive manner. Using the Field Visit Evaluation Questionnaire of Distributors, the responsible department pays visits to the distributors to make timely corrections to the comprehensive evaluation results. The final ratings will serve as an important reference for the annual excellence distributor selection and contract renewal. During the Reporting Period, Shede Spirits conducted a total of 2 distributor evaluations, covering 100% distributors.

Shede Spirits has clarified the distributor incentive mechanism and specific methods according to the *Distributor and Team Campaign Incentive Program (Trial)*. After sufficient communication with distributors, Shede Spirits sets distributor performance evaluation objectives, regularly reviews the indicator setting, summarizes successful cases in a timely manner, and mentors distributors in underperforming areas. Shede Spirits regularly conducts distributor satisfaction surveys and formulates targeted improvement plans based on the feedbacks to increase distributor satisfaction. During the Reporting Period, Shede Spirits launched two online surveys targeting its top 1,000 distributors, each yielding 200 responses.

## 4.2.2 Premium Customer Experience

Under the FC2M model, Fosun always regards customers as a top priority (the "C-end") and conducts demand-driven product innovation and rapid iteration. As online and offline scenarios are integrated intelligently and digitally, Fosun continuously acquires users, elevates customer operations and provides customers with high-quality, considerate products and services based on in-depth insights into consumption needs and preferences. Fosun is committed to creating a FC2M happy family ecosystem. During the Reporting Period, Fosun maintained a total of 12 million consumer members as compared to the same period last year.

## Customer Satisfaction Management

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

**01**

Online customer feedback monitoring - We leverage multiple channels to monitor online customer feedback. This includes accurate data capture through machine learning, calculation of the Net Sentiment Rate (NSR) for each industry, and the issuance of feedback monitoring reports tailored to the characteristics of each industry.

**02**

Internal self-inspection of mystery customers – We obtain detailed and objective customer feedback through a combination of customer satisfaction questionnaires and internal mystery customer programs, where evaluators simulate real customer experiences to assess service quality.

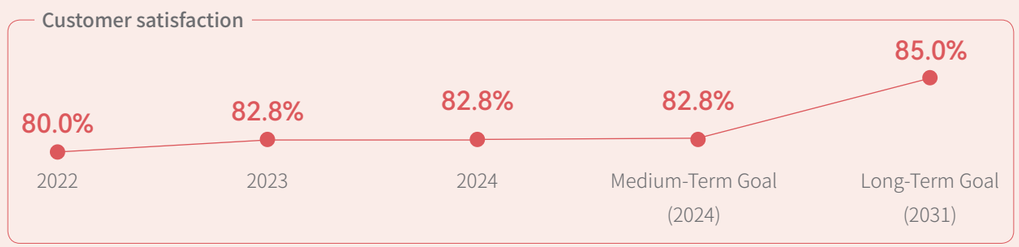
**03**

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

**04**

We have implemented a customer satisfaction assessment and incentive mechanism. Business units that demonstrate outstanding performance in customer satisfaction are recognized and rewarded on a quarterly basis.

The headquarters of the Group established the "Customer Satisfaction Team" to monitor the status of customer satisfaction of segments and member companies, and to provide feedback and guidance for the establishment and operation of the customer satisfaction management system for industries. Each member company designates responsible persons for direct connections to the Group, continuously improving the product and service capabilities of the industry. We have established customer satisfaction BI (business intelligence) system, achieving fully-automated online viewing and downloading of 42 industries' satisfaction monitoring data. This can help member companies gain a deeper understanding of the dynamic differences between their products and those of their competitors, strengthen the management efficiency of dedicated employees and enhance the self-monitoring ability of the industries.




The Group's customer satisfaction in 2024 was 82.8%. We are committed to optimizing our products and services across various fields through more personalized, intelligent, and integrated approaches and digital tools for our customers and improving their experience. We seriously address their feedback and protect their rights to enhance their satisfaction.

## FTG

### Customer Satisfaction Management

- Taicang Alps Resort conducts regular customer satisfaction surveys as well as specialized satisfaction surveys for its Ice and Snow Park and shows to fully understand consumer demands and efficiently optimize management. During the Reporting Period, Taicang Alps Resort collected a total of 10,018 customer feedback responses, with an overall satisfaction rate of 87.1% and a Net Promoter Score (NPS) of 81.2%.

### Online and Offline Quality Control Management

- Taicang Alps Resort regularly monitors online quality through FTG's Online Travel Agency (OTA). During the Reporting Period, the OTA average scores for Alps Snow Live, the resort, and the commercial street were 4.7 or above (out of 5).
- Taicang Alps Resort has established a comprehensive offline quality control inspection mechanism, which includes bi-weekly inspections, special joint inspections before major events, and departmental cross-inspections, to ensure service quality. During the Reporting Period, Taicang Alps Resort identified 2,376 issues, with a resolution rate of 97.3%.

## Fosun Pharma

Patients' satisfaction is the lifeline of medical services. Foshan Fosun Chancheng Hospital, a member company of Fosun Pharma, has formulated the *Patient Satisfaction (Service Quality) Management Measures* and established a patient satisfaction management system through the Plan-Do-Check-Act (PDCA) process, continuously enhancing the quality of medical services.

**Plan**

Gather opinions from patients and their relatives using methods such as questionnaires, mystery patient surveys and on-site observations and to identify key hospital service areas for improvement;

**Do**

Organize training for relevant departments or personnel based on the improvement plan, provide sufficient resource support, and implement measures to improve service processes or personnel services;

**Check**

Establish a phased feedback mechanism with monthly, quarterly, and annual cycles to continuously monitor patient satisfaction data and evaluate improvement of service deficiencies to ensure that problems can be identified and addressed timely;

**Act**

Optimize satisfaction goals and service plans continuously based on improvement results, summarize successful experiences, and take action with policy and standard warranty;

Foshan Fosun Chancheng Hospital has established a mystery patient survey mechanism and a patient satisfaction management mechanism. In December 2024, the hospital invited a third party to conduct the mystery patient survey, focusing on 7 departments from 6 dimensions, identifying service issues and deficiencies, and providing references for improving the service quality. During the Reporting Period, the hospital invited another third party to conduct satisfaction surveys for outpatients and inpatients, identifying key improvements for more than 10 service stages and 37 key service points in the treatment process. By these measures, the hospital is committed to providing a warmer medical environment for patients.

During the Reporting Period, Foshan Fosun Chancheng Hospital successfully collected and analyzed over 45,000 patient satisfaction questionnaires, with an overall satisfaction score exceeding 89 points.

## 4.2.3 Complaint Management

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

The Group and its member companies humbly collect customer feedback on product and service quality through customer complaint platforms and customer service mailboxes. To respond more quickly and effectively to customer feedback, we implement a "closed loop management" approach, which involves capturing consumer feedback through online channels, generating daily satisfaction reports, and proactively contacting consumers. As of the end of the Reporting Period, the Group's customer complaint platform of the headquarters had received approximately 102 customer complaints, and all customer complaints were guaranteed to be responded within 24 hours, with a response rate of 100% and a resolution rate of 100%.

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

| Guidelines on handling customer complaints of Fosun | Objective of handling customer complaints | Annual progress |
|---|---|---|
| • Active listening<br>• Quick response<br>• Compliance operation<br>• Continuous improvement | The transit rate and response rate shall be above 95%: a customer complaint should be transmitted within 48 hours after it was received, and the member company complained shall respond to the customer within 24 hours. | Achieved |

### FTG

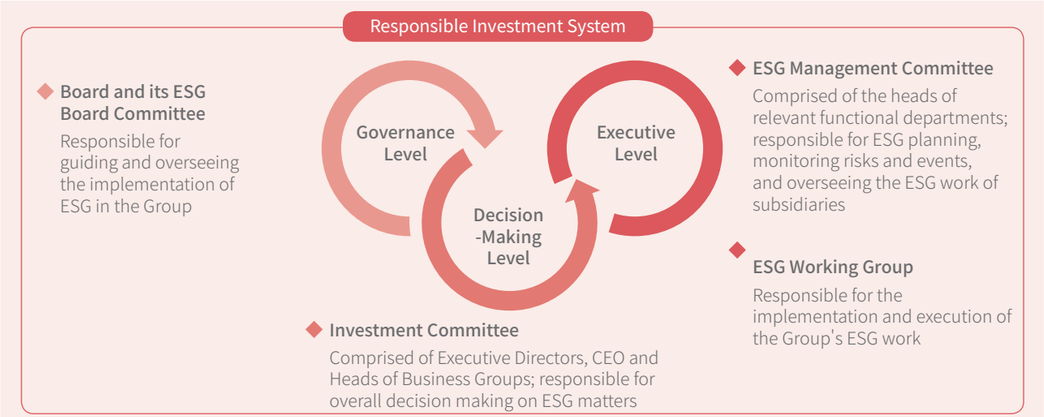
Taicang Alps Resort, a member company of FTG, has established an online quality control and customer complaint management mechanism to ensure smooth customer feedback channels. Taicang Alps Resort highly values customer opinions, regularly tracks negative reviews, and monitors negative sentiment in real time, ensuring that each customer complaint is properly addressed. During the Reporting Period, the Customer Experience Department of Taicang Alps Resort monitored a total of 420 negative sentiments, and answered 22,452 customer complaint calls with a 100% satisfaction rate.

# 4.3 Enhanced Responsible Investment

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

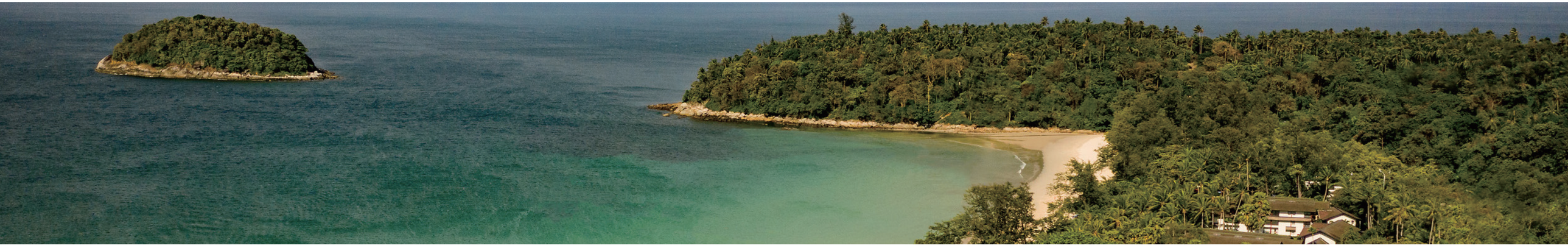
## 4.3.1 Responsible Investment System

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




The Group has established a responsible investment management system including 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. During the Reporting Period, the Group revised and released the *Fosun Group Measures of Responsible Investment Management (for Trial Implementation)*, integrating ESG considerations into the Proxy Voting.

To encourage segment heads to implement the responsible investment strategy, we assess and review their responsible investment activities on a segment-by-segment basis and incorporate their performance into the annual evaluation system. We also provide them with suggestions for improvements based on their responsible investment performance of the previous year. In addition, we have developed four internal management tools embedded throughout the entire responsible investment process to assist the management team in fully integrating ESG factors into investment decisions.



| ESG considerations for responsible investment | | Internal management tools |
|---|---|---|
| Corporate governance | Structure of the Board, remuneration of senior management, business ethics etc. | The ESG module of the online investment management system |
| Shareholder authority | Election of directors, amendment of Articles of Association, etc. | *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 | | |

We adhere to the philosophy of value investing that emphasizes prudence and the long-term nature of asset allocation. In this regard, we actively guide listed member companies to proactively manage their market value, and formulate share repurchase plans and medium-to-long-term dividend plans, thereby empowering these invested companies to achieve long-term sustainable development.

## International Organization Initiative

Having joined the UN Global Compact in August 2014, the Company strives to make our investment strategies in line with the Sustainable Development Goals.

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

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

# 4.3.2 Responsible Investment Actions

## Lifecycle ESG Management

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

### During the project screening stage

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

### During the pre-investment stage

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

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

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

## Responsible investment actions by asset category

| Covered Asset Category | | Responsible Investment Management Measures | |
|---|---|---|---|
| | | Existing projects | Incremental projects |
| Tier-1 equity investment | PEVC | Mostly ESG self-check | Certain due diligence and internal self-check |
| | Industrial merger and acquisition | Mostly ESG self-check | Focused due diligence and external assessment |
| | Incubation investment | Mostly ESG self-check | Internal self-check |
| Tier-2 equity investment | | Mostly ESG self-check and acquisition of investees' sustainability reports | Certain due diligence, internal self-check, and acquisition of investees' sustainability reports |
| Fixed income investment | | Mostly ESG self-check and acquisition of investees' sustainability reports | Certain due diligence, internal self-check, and acquisition of investees' sustainability reports |
| Property investment | | Mostly ESG self-check | Focused due diligence and external assessment |

### ESG Due Diligence

In 2024, Fosun Wine & Spirits strategically invested in a mid-to-high-end premium packaging enterprise that enhances packaging design for alcoholic beverages through its integrated design and structural R&D capabilities.

Prior to finalizing the investment decision, the Group's investment team conducted thorough ESG investment due diligence on the enterprise to ensure compliance with relevant investment norms. The findings revealed that the enterprise has established a comprehensive governance framework and standardized operational mechanisms in corporate governance; holds certifications including the Energy Management System, Global Recycled Standard (GRS) Certification, and China Environmental Labeling Certification in green environmental protection; and supports the construction of a government-backed green ecological food industrial park, thereby promoting local employment and economic development in social responsibility.

### Annual ESG Self-Check

In 2024, the Group required an environment-related enterprise which was invested by the Group to conduct an annual ESG self-check according to the *Annual ESG Self-Check Form* with respect to ESG management, climate change response and implementation of carbon neutrality roadmap, ESG practices and responsible investment/clean technology. The Group's Investment Management Department regularly conducts post-investment ESG interviews with the enterprise, and based on the results of the assessment and interviews, it makes ESG-related improvement recommendations to the enterprise and tracks the relevant progress on an ongoing basis.

## Stewardship

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 concern about whether the corporate governance, business management, working environment and climate-related issues of invested enterprises have undergone major adverse changes. Through the active role-playing of responsible directors in ESG issues, we support the long-term sustainable development of the invested enterprises and enhance their corporate value.

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

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

### Fulfilling ESG Responsibility through Proxy Voting

The Group exercises its proxy voting rights prudently and responsibly with respect to its investees, actively fulfilling its ESG responsibilities. In 2024, a member company of the Group proposed to invest in a pharmaceutical intermediate project. However, during the due diligence process, the team discovered compliance gaps in the project's production process. In response, Fosun's designated responsible director, after thoroughly assessing the ESG risks of the project, exercised the proxy voting rights in accordance with the Group's measures of responsible investment management and voted against the project, which ultimately led to the member company abandoning the project and effectively mitigating potential risks.

## Climate Change Response

To address the challenge of climate change and enhance climate resilience, the Group is actively investing in the sector of green consumption as well as carbon peaking and carbon neutrality. Through industrial integration and investment, we aim to realize the industrial layout of new energy, green materials, energy storage and recycling, environmental management, etc., and promote the achievement of the goals of energy saving and emission reduction, as well as high-quality products. In addition, when considering an investment, the Group will incorporate the carbon price into the existing valuation model and conduct carbon tax sensitivity analysis when applicable, taking full consideration of climate related risks and opportunities. Please refer to the section *3.2 Exploration of Clean Technology* of this report for the detail of carbon peaking and carbon neutrality sector, and please refer to the *Fosun International 2024 Climate Information Disclosures Report* for the cases of responsible investment related to green consumption and climate change.



## 4.3.3 Expertise in Responsible Investment

After launching an investment management system with a built-in ESG module, the Group conducts training and extensive communication both online and offline with internal investment personnel, focusing on the digital management and maintenance of ESG elements, in order to enhance their expertise in responsible investment. During the Reporting Period, we organized a responsible investment training event for the Group's internal investment management team and external investment institutions where we shared Fosun's practical experience and achievements in adding an ESG digital module to the investment management system. This event not only enhanced the ability to empower post-investment management by digital tools within the Fosun ecosystem, but also conveyed Fosun's commitment to responsible investment to external investment institutions.

We vigorously create opportunities through building platforms for communication and cooperation within the industry. We have held Ecosystem VC (EVC) forums, acceleration camps, seminars and other events related to ESG issues to bring together professional perspectives from all sides, share industry insights, discuss investment strategies and progress together.

### Fosun EVC Forum

Fosun EVC Forum aims to create the most industry-depth investment and communication platform specially for partners within the Fosun ecosystem. In September 2024, Fosun Global Industry Research Institute, in collaboration with Wansheng and Fosun Capital, held the 15th Fosun Group EVC Forum titled "the Fine Chemical Materials Industry Innovation and Development Forum" . During this event, we discussed the new trends in the fine chemical market and the future of industrial innovation with nearly 60 entrepreneurs, representatives from research institutes, and professionals from specialized agencies in the fields of fine chemicals and composite materials.

### FOSTAR New Materials Acceleration Camp

In March and November 2024, Fosun successfully held two sessions of FOSTAR New Materials Acceleration Camp. The first session was characterized by scene opening, industrial investment, investment attraction and landing, and post-investment empowerment. By gathering industry players, investors, and entrepreneurs, the camp empowered new materials companies in the "1-100" stage, exploring innovative paths together with industry partners. The second session focused more on the products of these companies and empowered them regarding the strategic development and planning of their products, helping them identify product value, risk points and future product strategies.

# 4.4 Responsible Supply Chain Management

Fosun regards building a responsible supply chain as a crucial development concept, and is dedicated to "building a supply chain ecosystem of low costs and high efficiency, ecosystem synergy, and responsible multiplying growth". We keep building a stronger supplier responsibility management system, and working with our supplier partners to improve supply chain resilience and create a win-win situation for mutual growth.

## 4.4.1 Supply Chain Ecosystem

### Supply Chain Management Mechanism

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

#### ◈ Policy Making

The Group complies with applicable international, national and local laws and regulations and has formulated several supplier management policies such as the *Fosun Group Supplier Management Policy 2.0,* the *Management Measures for Procurement and Bidding 4.0*, the *Detailed Rules of Fosun Group Procurement and Bidding Management,* the *Fosun Group Complaints Management Measures for Procurement and Bidding*, the *Implementation Rules for Supplier Integrity Management of Fosun Group,* the *Detailed Rules of Strategic Procurement Management*. 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 further strengthen the organization and capacity building of our supply chain lines.

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 | 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 *Letter of Commitment of Supplier Integrity and Self-discipline* and study the *Fosun Group Supplier Code of Conduct*. | 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. | We have established a reasonable supplier elimination and penalty mechanism. We will not cooperate with or will gradually phase out unqualified suppliers and punish the suppliers on the "blacklist" based on the evaluation results. |
| Fosun Pharma | Fosun Pharma selects suppliers through a multi-step process of supplier identification, risk assessment and grading audit; conducts risk assessment of potential suppliers on compliance, quality and climate risks etc.; grades potential suppliers based on the assessment results and the importance of product quality; conducts admission audits of suppliers based on the quality documents, production site operation, technical and technological level etc.; signs quality agreements with qualified suppliers and establishes supplier profiles. | Fosun Pharma conducts multi-dimensional performance evaluation and grading management for suppliers; conducts annual audits on suppliers, such as quality audits, document audits and on-site audits, regularly adjusts the ratings of suppliers based on the audit results and implements targeted continuous control measures. | Fosun Pharma pushes suppliers to make necessary quality improvements, and if necessary, carries out on-site specialized audits to confirm corrections; implements measures such as downgrading and rejecting suppliers which do not meet the quality requirements. |
| Yuyuan | During the admission process, supplier is subject to comprehensive assessment including qualifications, supply capacity, product quality and service etc. | Through the assessment of suppliers' quality risks, a comprehensive review of suppliers' operational quality and qualification risks is carried out. | Cease business cooperation with suppliers who fail to meet performance standards and those whose rectification efforts are unsuccessful. |
| 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 complete an Enterprise Supplier Investigation and Assessment Form, which shall be jointly signed by all the inspection panel members before the procedure of the approval of admission. | 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. |

## Responsible Procurement Training

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

## Digital Management

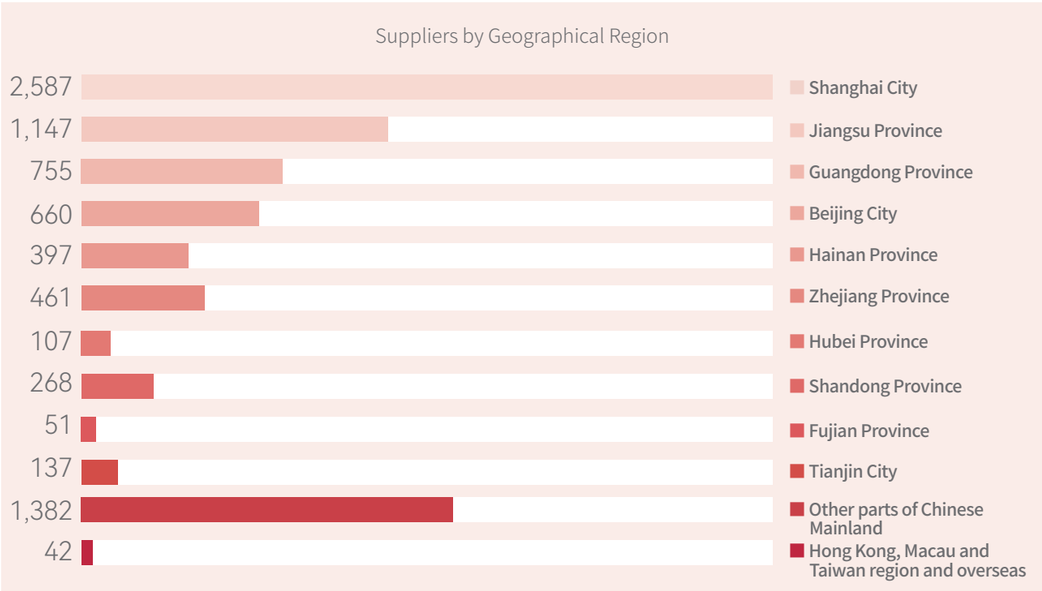
Supply Chain Digital Platform (Onelinkplus), established in 2017, serves as the supplier management and service platform of Fosun and the procurement and bidding management platform of Fosun's member companies. It supports more than 10 business forms such as pharmaceuticals, medical devices, financial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

By the end of 2024,

Supply Chain Digital Platform has offered more than **37,000** online bidding projects with more than **400** registered purchasers, and gathered more than **75,000** online potential supplier users.

## Global Distribution of Suppliers

As of the end of the Reporting Period, the number of cooperative suppliers managed by the Supply Chain Digital Platform was **7,994**.




# Supplier Management Strategy

## Management Based on Grading and Classification

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

| Category | Supplier category |
|---|---|
| Product classification | • Brand marketing<br>• Infrastructure engineering<br>• Hotel catering<br>• Administrative office<br>• Pharmaceutical raw materials<br>• Others |
| Partnership classification | • Directly used in production<br>• Not directly used in production |
| Strategy classification | • Strategic supplier<br>• Leverage type supplier<br>• Regular supplier<br>• Critical 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 and oversee the implementation of such policies.

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

## Strategic Supplier Management

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

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

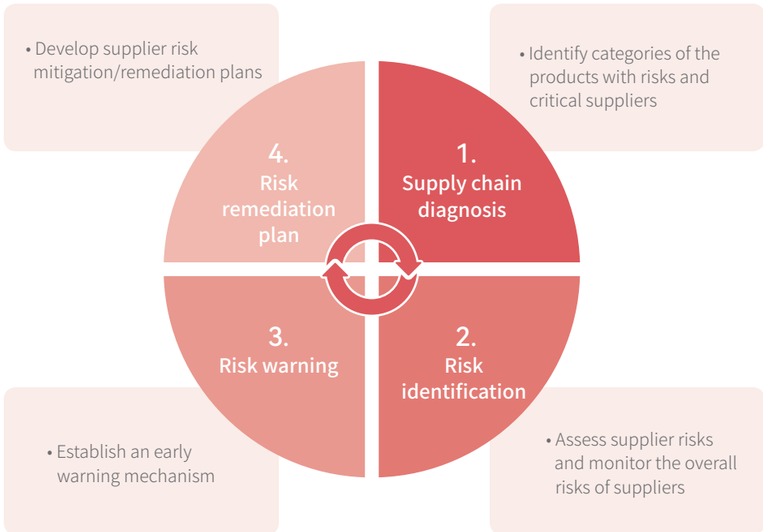
By the end of the Reporting Period, the Group had approximately **799** strategic suppliers (including group level, sector level and enterprise-level), accounting for **10%**.

### Supplier Operational Risk Management

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

**Risk Dimensions**

- Political and policy risks
- Geographical risk
- Pandemic and disaster risk
- Industrial risk
- Financial risk
- Globalization risk
- Supply risk
- Commodity-specific risk
- ESG risk




## 4.4.2 Sustainable Supply Chain

We recognize that building a transparent, fair, and resilient supply chain is critical to improve business performance and stability. To this end, we work closely with our ecosystem partners to jointly establish a supply chain ESG risk management system and to spread positive sustainable impacts in the community.

## ESG Risk Management

### Code of Conduct for Suppliers

We have formulated and regularly reviewed the *Fosun Group Supplier Code of Conduct* applicable to all member companies, and require all suppliers of the Group shall follow in their business activities, including human rights, fair labor conditions, business ethics, environment, health, safety and quality management, security and sustainability of business operations, fair competition, the Anti-Monopoly Law and intellectual property rights, personal information and privacy, procurement of suppliers, inspection and corrective actions, and reporting channels. We also regularly review and update the *Fosun Group Supplier Code of Conduct*.

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

During the Reporting Period,

**100%** of domestic suppliers managed by the Group through Supply Chain Digital Platform participated in the publicity and training sessions of the *Fosun Group Supplier Code of Conduct*, representing a total of over **17,444** participants.

### ESG Risk Assessments for Suppliers

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

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

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

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

During the Reporting Period, we conducted ESG risk assessment with member companies on suppliers managed through the Supply Chain Digital Platform. Among them, 0 ESG high-risk suppliers.

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

| Achieve 100% coverage of ESG risk assessments for Tier 1 strategic suppliers at group level in 2023 | Achieve 100% coverage of ESG risk assessments for Tier 1 strategic suppliers at sector level by the end of 2026 |
|---|---|
| Completed | In progress |

**FTG**

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

### Fosun Pharma

Fosun Pharma actively implements the green supply chain project to effectively ensure the stability of its supply chain. As of March 2025, Fosun Pharma has joined the Pharmaceutical Supply Chain Initiative (PSCI) as a prospective member, collaborating with partners to build a responsible value chain.

During the Reporting Period, Fosun Pharma conducted 21 green supply chain audits on key suppliers. A star rating system is used to categorize suppliers, i.e., one star for suppliers with the lowest rating and five stars for those with the highest rating. The audit results showed that in 2024, all major suppliers of Fosun Pharm were rated three stars or above, including 6 with three stars, 9 with four stars and 6 with five stars.

Fosun Pharma continues to advance its green supply chain project of "Green Fosun". Based on the *Basic Standards for Green Supplier Management (Trial Implementation)*, Fosun Pharma works closely with suppliers of raw materials, auxiliary materials, and packaging materials to promote environmental compliance, energy conservation, emission reduction, and resource recycling. Additionally, Fosun Pharma conducts implementation audits of suppliers to achieve terminal supervision and collaboratively enhance the environmental management capabilities across the supply chain.

## Suppliers' Human Rights Management

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

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

## Management of Conflict Minerals

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

### Yuyuan

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

- Zero tolerance policy for conflict minerals
- Actively promote suppliers to perform "conflict minerals" due diligence
- Include conflict minerals as one of the criteria for supplier admission review

# Sustainable Influence

While ensuring effective management of a responsible supply chain, we also leverage Fosun's sourcing capabilities to promote sustainable influence, which is reflected in the introduction of sustainable product choices, local purchasing plans, 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:

**Suppliers' Human Rights Management including:**

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

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

- By the end of 2025, 100% non-caged chicken egg products will be available in resorts in Europe and Brazil, with the rest of the world achieving this goal by 2027;
- By the end of 2022, all Club Med stores had removed products containing animal fur from their shelves;
- Since 2022, Club Med requires its suppliers to gradually implement the *Animal Welfare Policy*, and the suppliers will be subject to animal welfare assessment procedures.

## Prioritizing Local Procurement

### Fosun Pharma

Shanghai Henlius, a member company of Fosun Pharma, is dedicated to building a sustainable supply chain, optimizing the lifecycle supply chain operation mechanism, and strengthening supply chain risk management. It continues to explore local material sourcing and expand local GMP services to enhance its business sustainability.

By the end of 2024, Shanghai Henlius realized 90% coverage of its local material sourcing system, while 65% of the materials used in production were locally sourced. Meanwhile, during the Reporting Period, the average procurement cycle of Shanghai Henlius was reduced by two months, providing strong support for the stable operation of the supply chain.

### FTG

FTG adheres to the policy of giving priority to local procurement, and aims to continuously enhance local employment and procurement, while promoting collaborative development with local communities, as stated in its 2030 sustainable development goals. During the Reporting Period, the proportion of local procurement in Atlantis Sanya and Taicang Alps Resort, FTG's member companies, was 70% and 80% respectively.

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

## 4.4.3 Transparent Cooperation

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

**0.5 hours** Average training hours of anti-corruption training for suppliers representatives of the Company in 2024

**0.5 hours** Average training hours of anti-corruption training for contractors representatives of the Company in 2024

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 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. In 2024, the average training hours of anti-corruption training for suppliers representatives and contractors representatives of the Company were 0.5 hours respectively.

As of the end of the Reporting Period, 162 suppliers of the Group were blacklisted for their misbehaviors.

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

## 4.4.4 Friendly Exchange

We are committed to promoting the highest standards of ethical business conduct among our suppliers and working together to address difficulties and challenges across the supply chain and make a positive impact in the communities where we operate. Through regular business reviews, calls and emails, supplier conferences, or other meetings, we communicate with our major suppliers and maintain a win-win cooperative relationship with them. We also engage in dialogue with them 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 regularly engage in in-depth discussions with our suppliers on ESG issues, continuously enhancing their ESG awareness. For example, we held the "Responsible Procurement Seminar". Through the seminar, the member companies of the Group (Fosun Pharma, Yuyuan, FTG, Shede Spirits) joined hands with more than 30 partners to facilitate communication and integration among suppliers, and to share industry best practices and experiences.

Our member companies regularly conduct various supplier engagement activities based on their business needs and characteristics. During the Reporting Period, Shede Spirits, a member company of Yuyuan, successfully held a supply chain ecosystem forum. This event strengthened the understanding and recognition of Shede Spirits among supply chain ecosystem partners, facilitating future complementary benefits and joint successes.

# 05 People and Partner Oriented

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

P

# 5.1 Talent Development Strategy

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

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

| Award | Awarded by |
|---|---|
| "Mercer China Healthiest Workplace - Outstanding ESG Practice Award" | Mercer |
| "Excellent Provident Fund Employer" | Mandatory Provident Fund Schemes Authority of Hong Kong |
| "Excellent Enterprise for Best Employer Brand" and "Best Practices in Enterprise Culture Award" | KNX |
| "Global Talent Magnet Employer" | LinkedIn |
| "2024 China Best ESG Employer" | Aon |
| "Extraordinary Employers of 2024" | Liepin |
| "Best Employer Award 2024 Top 20" | zhaopin.com |

## Strategic Planning for Talent Development

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

| Establish a professionalized and institutionalized human resources framework to drive organizational evolution and enhance employee experience | Build digitalized and excellent human resources organizations, strengthen the organization for co-creation and high growth | Realize the comprehensive global operation and ecosystem construction of human resources, build intelligent organizations |
|---|---|---|
| Short-term: 2021-2022 (Completed) | Medium-term: 2022-2025 (In progress) | Long-term: 2025-2031 (In progress) |

Progress:

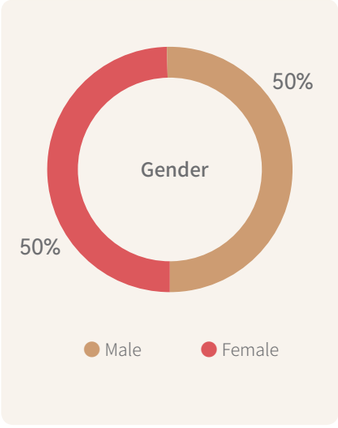
- Focus on business development and agile organizational transformation.
- Promote lean headquarters and continuously enhance personnel efficiency.
- Raise talent core competency standards and strengthen talent management, evaluation, and development.
- Strengthen talent mobility and build up Fosun's talent teams that tend to be more globalized and dynamic.
- Improve the enterprise incentive framework and innovate incentive mechanisms to encourage entrepreneurship.
- Provide comprehensive employee welfare within the Fosun ecosystem and create ecological value.

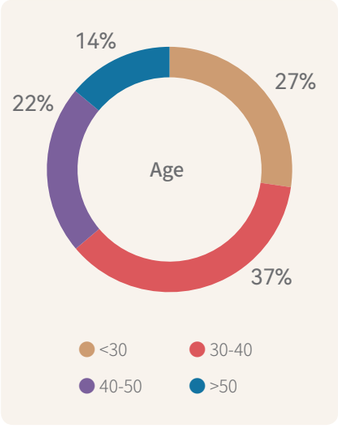
In order to better realize the development of a key talent team, the Group applies digital tools such as big data in strategic dialogues, analysis and forecast, internal and external talent analysis, and action plan formulation based on real-time data, promoting the effective implementation and evaluation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

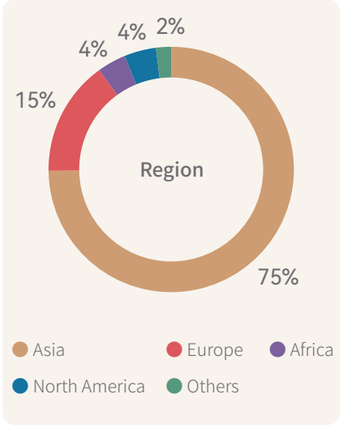
| Strategic Dialogue | Analysis and Forecast | Analysis of Internal and External Talents | Action Plan | Implementaton and Evaluation |
|---|---|---|---|---|
| • Draw Fosun's long-term talent development blueprint<br>• Determine the organizational capabilities and key positions required by Fosun in the future<br>• Anticipate future changes in competency requirements | • Select the driving factors and matching options of human resource planning<br>• 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 | • External talent market competition analysis<br>• Internal talent status assessment | • Develop human resource strategies<br>• Develop long-term talent plans and action plans | • Personnel budget<br>• Recruitment and appointment<br>• Succession plan<br>• Leadership and talent development strategy<br>• Retention and incentives |

| 01 | 02 | 03 | 04 |
|---|---|---|---|
| One Heart, One Mind | Key Talents | Incentive Mechanism | Organizational Assurance |
| Recognizing "co-creation" from the source | Building a team of talents with entrepreneurial spirit | Incentivizing key talents fully | Implementing a Customer-First Organizational Structure |

By the end of 2024, the number of employees of the Group was approximately 104,000. And the number of employees of the Company and 6 member companies[6] within the scope of the Report was around 78,000.




[6] The scope of data disclosure in this Chapter includes the Company, Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, FTG, and Fosun Insurance Portugal.

## 5.1.1 Attracting People Through Development

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

### Diversified Forms of Recruitment

Adhering to the talent recruitment principles of "fairness and impartiality", "legal and regulatory 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.

We have launched a series of recruitment programs with Fosun characteristics for different groups of people.

**"PoleStar" Internship Program**

The core program, designed to discover and cultivate young talent, serves as the starting point of the annual campus recruitment plans. Through structured internships and evaluations, the program selects and cultivates talent with high potential, offering outstanding interns the opportunity to become full-time employees to accelerate their integration into Fosun.

**FOSTAR Program**

It is a talent development program that targets new graduates from top global universities and colleges, selecting versatile talent with outstanding learning abilities and leadership potential through innovative offline and online recruitment forms. The program aims to cultivate future leaders for the Group.

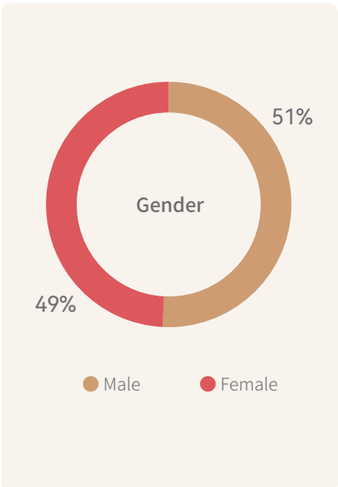
**FOSTAR + Program**

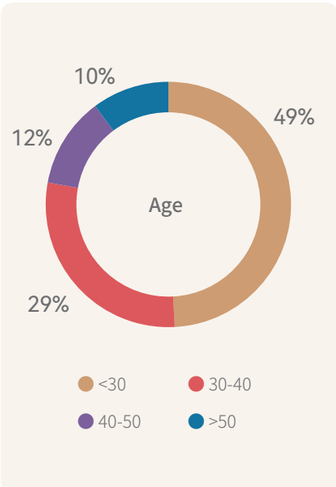
It is a premium recruitment program that targets talent with a certain number of years of work experience. The program, through deep cooperation with top EMBA/MBA universities and colleges and entrepreneur communities, adopts customized recruitment strategies to continuously attract global talent, fostering a workforce with international competitiveness.

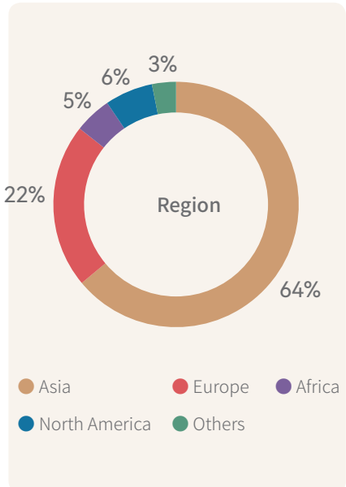
**MoveStar Program**

An important mechanism to drive internal talent flow and foster diverse career development. The program encourages employees to explore different career development paths, providing cross-function and cross-industry job transfer opportunities. As such, it optimizes the match between our people and job requirements, stimulating organizational vitality.

During the Reporting Period, the Company and the 6 member companies within the scope of the Report welcomed around 24,000 new recruits, with females accounting for nearly 50%. To align with the Group's strategic talent needs, we proactively promoted internal occupational mobility. During the Reporting Period, 12.1% of our job openings were filled internally. Meanwhile, we focus on the development of young talents, facilitating the rapid promotion of outstanding young talents in key positions. The promotion rate for outstanding young talents with more than two years of service reached 45%.




### Local Employment

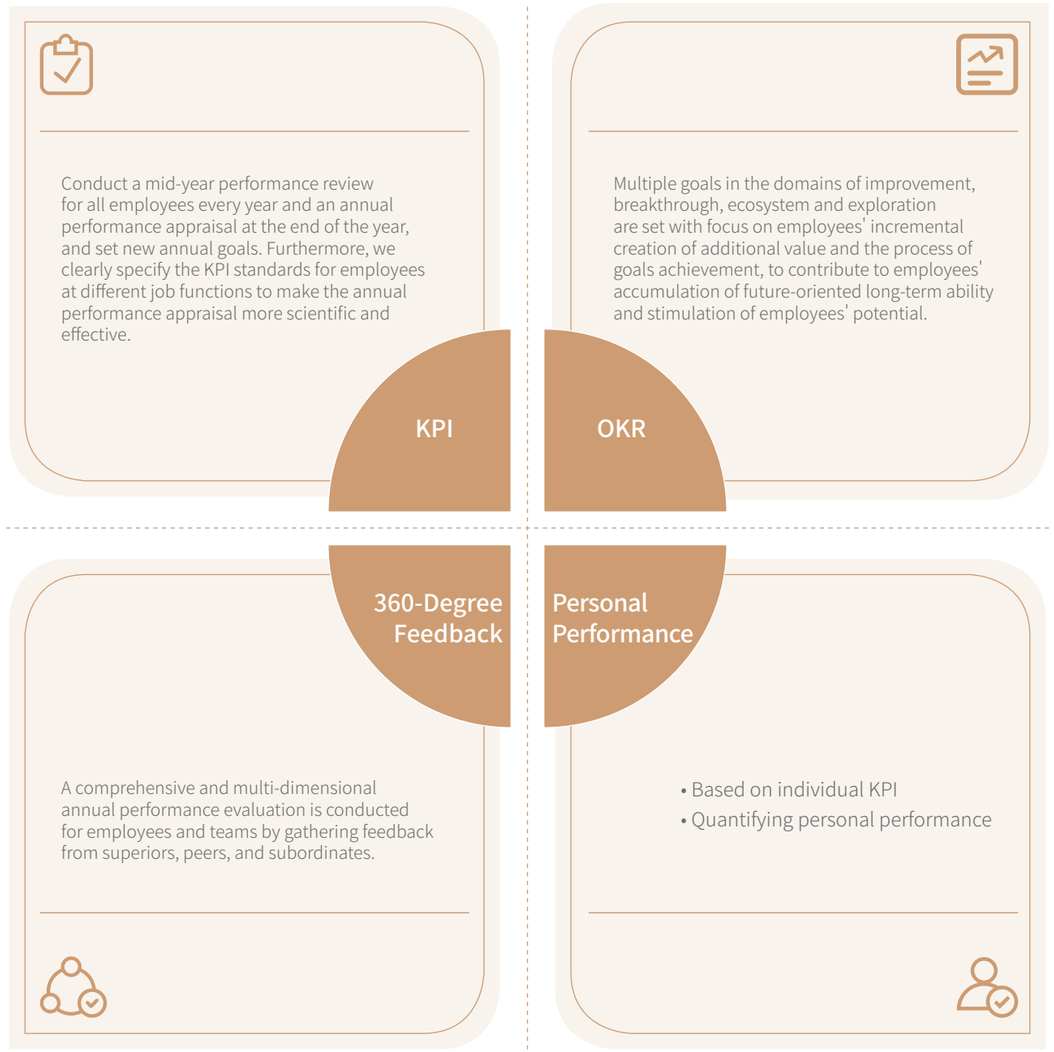
We firmly believe that implementing a localized employment policy helps deepen our understanding of local markets and community needs, thereby enhancing our ability to operate and expand our business locally. The Group actively promotes localized talent strategies, which not only strengthen our local operational capabilities across our global footprint but also contribute positively to local employment and economic development. We have clearly stated our commitment to prioritizing local hiring on our corporate recruitment website.

Member companies across the Group also actively implement local recruitment strategies in their daily operations. For example, Club Med, under Fosun Tourism Group, has maintained close ties with local communities and consistently adheres to a localized hiring approach. In 2024, employees from local communities accounted for 75% of Club Med's workforce.

## 5.1.2 Assessing People Through Performance

To standardize Fosun's performance management system and processes, we continuously optimize the performance appraisal mechanism in accordance with the *Performance Management System*, aiming to promote the achievement of strategic objectives and drive high growth in our business. We adopt both qualitative and quantitative approaches and a diversified performance appraisal mechanism combining KPI, OKR ("Objectives & Key Results") and 360-Degree Feedback to evaluate team and individual performance comprehensively and objectively.

Based on the results of performance evaluation, we implement development incentive policies in accordance with relevant regulations, including salary incentives, promotions, benefits, and training. Meanwhile, for those with poor performance, we carry out analysis and follow up with actions such as providing performance improvement plans, on-the-job training, job transfers, and necessary personnel optimization to enhance overall organizational effectiveness. During the reporting period, 100% of employees from our company and the 6 member enterprises within the report disclosure scope completed multidimensional performance and career development evaluations.




## 5.1.3 Rewarding People Through Incentives

Following the incentive principle of "value sharing based on value creation" and the incentive concepts of "diversified and comprehensive incentives under the twin-driver" with "market competitiveness", we have been motivating all employees to actively contribute to the Group's strategic implementation and personal growth through a multi-level remuneration and incentive system of full coverage.

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

### Incentives Mechanism and Scheme

In line with relevant remuneration policies in countries/regions where we operate, we provide employees with competitive compensation and incentives that exceed local minimum wage requirements. 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 applicable to the annual performance-related bonus, and the actual performance-related bonus is increased or decreased based on the diverse performance appraisal results. |
| Medium-and long-term incentive mechanism | Stock Incentive Plan | Key personnel of partners at all levels meeting the performance requirements, or other outstanding high-potential personnel approved by the Board can participate in the Group's stock incentive plan. Meanwhile, in order to allow the Group to attract talents for the continual operation and development of the Group, newly-joined high-level talents have been specially included in stock incentive plan. The grant date, scope of recipients, number of shares granted, and vesting conditions, etc. are determined by the Group in accordance with resolutions of the Board and the rules of stock incentive plans each year. Specific scheme will be implemented in accordance with prescribed procedures. Please refer to relevant content in the *2024 Annual Report* for details. |
| | Value Sharing Plan | In order to ensure that all employees contributing to business performance during the process of achieving goals (including the achievement of industrial operation targets and investment returns), have the right to share the excess earnings, we have established corresponding value sharing plan incentive mechanisms for both industrial operation personnel and investment personnel, including but not limited to the operation of value sharing plan mechanism and Carry incentive mechanism. Among them, the value sharing plan covers all employees, and sets annual incentive limits for highly paid employees. Any amount exceeding the limit is deferred to future years, without taking up the limit of subsequent year. |
| | Project Incentive | To encourage enterprises in Fosun ecosystem to keep building the FC2M happiness ecosystem, we have formulated the *Guidelines on Ecosystem Value Creation Project Incentive Mechanism of Fosun Group (Trial)*. Based on this, we encourage employees to give full play to ecosystem value in industry, regions, capital, hive, and inter-connection to deliver ecosystem multiplier effect. |

## Risk Protection Mechanism

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

### Clawback Mechanism

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

### Risk Pool

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

### Deferred Mechanism

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

### Co-Investment Standards

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

## 5.1.4 Uniting People Through Career

With the continuous "multiplier 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 to 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 value sharing. As of the end of the Reporting Period, Fosun had about 160 Global Partners, covering China, Japan, India, Germany, France, the United Kingdom, Portugal, the United States, Israel, Canada and other countries.

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 intercompany/department rotations and job transfers, employees can obtain more development opportunities and fully understand the status of the Group and member companies as well as the responsibility requirements of different positions. Furthermore, employees can understand themselves and tap their potentials to find more suitable positions for themselves, and thereby give full play to their personal value.

### Promotion Mechanism

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

The promotion assessment process can be initiated via self-nomination or departmental referral. The assessment will be jointly conducted by the employee's department and the Human Resources department through an objective and standardized procedure.

### Global Partners

We recognize and gather excellent talents with entrepreneurship through the partnership system, setting good examples to guide the growth of Fosuners.

Based on diversified global business needs, the Group has developed a pyramidal partner system with one core and multiple dimensions, including Hi-Po partners, enterprise partners, business group partners, and Global Partners. Hi-Po Partners, as the cornerstone of the partnership system, bring together outstanding young talents with high potential and capabilities, serving as the talent pipeline for future Fosun Global Partners.

We have developed robust different mechanisms for partner selection, discussion, incentive and withdrawal, including option incentive plans for partners, to ensure that the partner team is consistent with Fosun's pursuit of "creating high value for customers" in the long-term development.

## Talent Mobility

We assist employees in enhancing their work performance and personal capabilities through opportunities such as rotations across different enterprises, business sectors, and functions, promoting their growth alongside Fosun. Additionally, we leverage Fosun's global operational network to create domestic and international mobility opportunities for employees, continuously enhancing rotation quality.

We continuously improve flexible management policies and processes, such as personnel recruitment, compensation and benefits, and return management, to facilitate internal talent mobility. During the Reporting Period, we published the *Fosun Group Guidelines for Structured Job Rotation Management* to further standardize rotation mechanisms for critical and sensitive positions and support mobile talents in working in a compliant and efficient manner across our global member companies.

## 5.1.5 Building a Learning-Oriented Organization

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

### Fosun Global Leadership Academy

Fosun Global Leadership Academy is a dedicated department responsible for the training of employees within the Group. Fosun Global Leadership Academy draws up talent development plans according to Fosun's development strategy, integrates internal and external training resources in a timely manner and organizes cross-functional sharing, program-learning and case study, aims to find, train and reserve savvy business professionals and high-potentials for the Group. It is a "never-graduating university" for Fosun people. During the Reporting Period, the Company and 6 member companies within the scope of the Report invested around RMB 27.7 million in training expenses.

During the Reporting Period, the percentage of employees trained by the Company and 6 member companies within the scope of the Report was 85.4%, the accumulated training time was around 3,649,513 hours, and the training hours per person was around 54.8 hours.

### Training Design

According to the grade and actual work needs of our employees, we have a variety of training programs with Fosun characteristics to help employees deeply learn our strategic highlights and convey our values. We encourage employees to participate in various training activities, make continuous efforts to offer them more opportunities to upgrade their vocational skills and promote career development, and further enhance solidarity and cooperation. After training, we conduct satisfaction and engagement surveys to collect employees' opinions and suggestions, and adjust or innovate training schemes in a timely manner according to their actual needs to ensure the training content is more targeted and effective.

| Plan | Do | Check | Act |
|---|---|---|---|
| Define clear objectives and training programs based on needs analysis | Implement training through diverse teaching methods to ensure learning outcomes | Evaluate training effectiveness through assessments, feedback, and practical outcomes | Optimize content, adjust resource allocation, or overcome weaknesses based on identified gaps to continuously enhance training quality |

### ▶ Orientation Training

We have established a comprehensive training system and developed online course packages for new employees. This aims to help them integrate into the work environment and adapt to new roles in an efficient and enjoyable way. Additionally, building on our existing programs, we further optimized and increased new training programs for overseas new employees to help them accelerate their acclimation to corporate culture and work environment. In 2024, 343 new recruits from the United States, Portugal, Germany, Japan and other countries participated in the program.

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

### ▶ Leadership Training

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

#### FOSTAR Program

As of the end of the Reporting Period, FOSTAR cultivated **334** excellent high-potential talents.

We leverage the executive coaching mechanism and implement a series of endurance training, quality development cross functional/customized rotation, and professional competence training programs. By combining on-the-job training with practical experience, we aim to help new FOSTARs transition from students to workplace professionals, develop the future backbone of Fosun and cultivate young partners.

C2M Product Innovation Training – Fosun Global Liquor Technology Innovation Research Institute

#### Fosun Youth Training Camp

As of the end of the Reporting Period, the camp cultivated **441** excellent high-potential talents.

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

On-the-Job Training Through Business-Themed Fosun Training Platform

#### CFO Training Camp

As of the end of the Reporting Period, the camp cultivated **165** CFO talents.

To cultivate CFO partners with comprehensive management capabilities and global vision and drive sustainable growth across Fosun's ecosystem businesses, the Finance Function collaborates with the Fosun Global Leadership Academy to launch the "Fosun Global CFO Training Camp" . Through expert lectures, mentor guidance, and on-the-job training, participants gain comprehensive management capabilities in business-finance integration, globalization, and leadership.

AI Training in Finance

#### FEP Training Camp

As of the end of the Reporting Period, the camp cultivated a total of **58** finance talents from the Company and our member companies.

To reserve and cultivate CFOs with global operations capability, the Finance Function collaborates with the Fosun Global Leadership Academy to launch the "Finance Elite Program" (FEP). Through internal and external expert sharing, cross-sector learning, and Fosun Training Platform, the camp aims to enhance participants' financial management capabilities and foster learning-oriented, value-driven finance teams, thereby achieving Fosun's strategic goals of financial health and sustainable development.

FEP Opening Ceremony

## > Learning Culture for All Employees

Cases of diverse learning forms

### Mobile Learning Platform

We have developed a customizable and collaborative online learning platform with a high level of engagement. The courses cover a wide range of subjects including financial investments and soft skills. A total of 55 core member companies participated in the course content design, resulting in the creation of 17,641 high-quality courses. The platform has attracted over 37,000 employees, with more than 400,000 hours of online courses learning, effectively supporting continuous learning and capability enhancement for employees.

### Fosun Sharing

We have organized "Fosun Sharing" for three consecutive years, inviting both internal and external HR experts to share the latest HR policies and best practices. This initiative helps HR professionals and related personnel enhance their expertise and industry experience and address work-related challenges more efficiently. We have held over 11 thematic sharing sessions, with nearly 100 participants attending each event.

In addition, we periodically organize book sharing activities and have held the "Chasing the Star" activities during the month of International Book Day for three consecutive years. Through innovative initiatives like "Book Excerpt Wall", "Image-Based Book Search", "Speed Reading Challenge" , and "Books for Vegetables" , we foster a strong learning culture for all staff. We also periodically conduct book note sharing discussions on "Focuth" and establish offline reading corners as well as online discussion groups. Those activities are aimed at motivating the staff to cultivate good habits of "reading well, reading often and reading with passion" .

# 5.2 A Diverse and Equal Working Environment

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

## 5.2.1 Protecting Equal Rights of Employees

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

### Protecting Labor Rights

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

#### Respect for Political Rights and Association Freedom

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

#### Working Hours and Vacations

Based on the operation of the Group, Fosun launches the attendance management and leave policies in accordance with the laws and regulations 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 department head, and will be eligible for compensatory time off. Employees enjoy a variety of holidays such as national holidays, statutory annual leave, personal leave, sick leave, industrial injury leave, marriage leave, maternity leave, breastfeeding leave, bereavement leave, etc. We also set up additional paid leave according to the actual operating conditions of different countries and regions, such as family leave, childcare leave, public welfare leave, etc. for all employees of the Company.

#### Termination

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

#### Ensuring Full Benefits Coverage

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

# Human Rights Management System

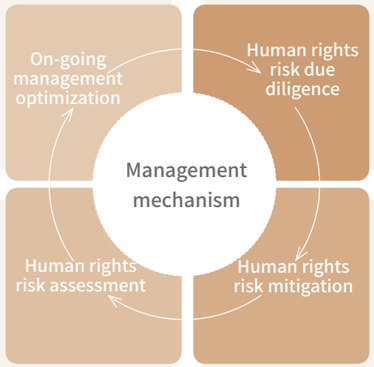
## Human Rights Reporting and Accountability Mechanism

We have established a human rights reporting and complaint mechanism and an investigation process. Any human rights violations will be reported to management and the Board, with mandatory prompt corrective action by leadership. For more details, please refer to the *Fosun Human Rights Statement*.

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

## Risk Management System for Human Rights

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




- Identify potential human rights related risks in our operations through peer research, analysis of historical information, external expert opinions, media data, etc.;
- Communicate with stakeholders to identify the Group's major human rights risks and the vulnerable groups.

- Formulate human rights management policies;
- Develop appropriate responses for significant human rights risks identified;
- Regularly conduct training on human rights.

- Conduct targeted human rights risk assessment through interviews, surveys and other ways based on type of significant risks, vulnerable groups and areas;
- Analyze the impact of significant human rights risks, and assess the effectiveness of the human rights policies and risk mitigation measures.

- Develop appropriate improvement measures based on the results of human rights risk assessment;
- Communicate with stakeholders on the effectiveness of the Group's human rights risk management;
- Disclose the Group's human rights risk management policies, processes, assessment results, responses and improvement measures, and further optimize human rights risk management.

| Management Process | Progress Made in 2024 | |
|---|---|---|
| Human rights risk due diligence | • The Group has industrial operations in over 35 countries and regions globally. The main human rights risks we face as assessed and summarized include: | |
| | **Developed countries** | **Developing countries** |
| | 1. Illegal employment of local immigrants<br>2. Collecting intermediary fees in the guise of employee employment | 1. Forced labor<br>2. Gender discrimination |
| Human rights risk mitigation | • The Group included human rights policies in the *Fosun Group Employee Code of Conduct* and released the *Fosun Human Rights Statement*.<br>• The Company and its member companies regularly conducted training on human rights.<br>• The Group developed appropriate responses for significant human rights risks identified, including: | |
| | **Developed countries** | **Developing countries** |
| | 1. 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;<br>2. Actively recruit local employees and refuse to cooperate with the agency that illegally employs migrants to protect migrants and local employees from disguised exploitation. | 1. 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;<br>2. Encourage business departments to recruit more female employees and take gender quality into account in internal promotion. |
| Human rights risk assessment | • 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 Malaysia 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: | |
| | **France (Developed countries)** | **Malaysia (Developing Countries)** |
| | Assessment results of member companies in France show that:<br>Diversity and inclusion are embedded in PAREF's culture, supported by fair recruitment, onboarding, and compensation policies that prevent discrimination and promote equal opportunity. Its Leadership access, internal mobility, and training are based on performance and skills, regardless of age or gender. Besides, PAREF is a multicultural team with 11 nationalities, 20+ languages, and diverse professional backgrounds — reflecting its strong commitment to human rights and workplace inclusion;<br>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, 89% of Club Med resorts obtained Green Globe certification. | Assessment results of subsidiaries in Malaysia show that:<br>Roc Oil Malaysia, a subsidiary of Hainan Mining, employs female staff from diverse cultural backgrounds. The company respects local culture and religious beliefs, providing equal development opportunities for women of all ethnic groups. Female employees stand out in management and technical fields, especially accounting for over 50% of engineering positions, becoming key contributors to the operational team at the company's oil and gas operations hub in Southeast Asia.<br> |
| | • Based on the results of comprehensive human right risk assessment, the Group developed effective policies and mitigation measures for potential human rights risks. | |
| On-going management optimization | • The Group opened multiple channels for communication over human rights issues. During the Reporting Period, the Group had sufficient communication with stakeholders, such as employees, partners and the public, over the effectiveness of its human rights risk management policies and measures;<br>• 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. | |

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

To further protect human rights with our business partners along the value chain, the Group incorporated human rights risk due diligence and assessment into its investment and procurement processes. For details, please refer to *4.3 Enhanced Responsible Investment* and *4.4 Responsible Supply Chain Management* sections of the Report.

## Equal Communication

We are committed to providing an open and transparent communication environment, and have established equal, efficient, and smooth multi-channel communication channels for employees. Employees can provide feedback, suggestions, and complaints through the communication channels. During the Reporting Period, the Group did not receive any complaints from employees. We also fully utilized new media tools such as WeChat official accounts, mini-programs, and DingTalk group chats to share information on employee benefits and activities. This effectively improves the convenience, timeliness, and interactivity of communication between the Group and employees.

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

### Voice on Focuth, We are ONE Fosun

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

## 5.2.2 Diversity and Inclusion

Fosun is committed to providing a work environment free from discrimination and harassment. We ensure equal opportunity regardless of gender, age, race and ethnicity, color, religion, nationality, sexual orientation, gender identity, marital status, pregnancy, or physical condition. In accordance with Fosun's policies and the *Employee Manual*, managers are prohibited from making hiring decisions based on these characteristics or interfering with employees' career development.

We manage the following four key areas of diversity:

| Type | Management Goals | Measures and Progress |
|---|---|---|
| Age | We are committed to creating a work environment that encompasses multiple generations | We provide career mentoring, learning partnerships, and other support mechanisms to support the personal development of young employees/new graduates. We also conduct activities such as cultural integration and skills training to help them adapt to the workplace.<br>We also care about our retired employees. Every September, we organize networking events and present each retired employee with a token of appreciation to enhance their sense of honor and belonging. |
| Gender | We are committed to bridging the gender gap at all levels, working to protect women's equal rights in the workplace, including equal opportunities and equal pay for equal work, enhancing women's happiness in the workplace, and empowering women to realize their potential in the workplace. | We offer leadership training and thoughtful care for female employees to help them balance work and family and realize their full potential in the workplace.<br>The ratio of male to female employees of the Company and all 6 member companies included in this Report has remained at 1:1 for four consecutive years. |
| Disability | We aim to eliminate disability discrimination and increase accessibility in the workplace, creating a comfortable work environment | We have established gender-neutral restrooms in public venues, including shopping malls, to meet the specific needs of individuals with disabilities. This initiative is designed to enhance the convenience and comfort of public facilities, while fostering the development of an inclusive and welcoming society. As of the end of the Reporting Period, the proportion of employees with disabilities in the Company and 6 member companies within the scope of the Report was about 0.6%. |
| Nationality | We are committed to balancing national cultural differences within the organization, and are concerned about the workplace adaptation and cultural integration of employees of different nationalities. | Considering the language integration barrier of foreign employees, our company provides full English induction training for new foreign employees every six months to help foreign employees better integrate into the local work environment. As at the end of the Reporting Period, the proportion of foreign (non-PRC) employees of the Company and the six member companies within the reporting area was approximately 34.3%. The distribution of employees by major nationalities is as follows: |

| | Chinese | French | Indian | Portuguese |
|---|---|---|---|---|
| Percentage of total staff (%) | 65.7% | 6.2% | 5.5% | 4.3% |
| Percentage of management staff (%) | 70.7% | 7.7% | 4.1% | 4.2% |

## Anti-Discrimination and Anti-Harassment

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

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

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

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

### FTG

At the end of 2024, FTG conducted training sessions on "Anti-Discrimination in Employment" and "Legal Issues Regarding Sexual Harassment in the Workplace" . All employees participated in these training sessions and passed the online assessments. All training videos and materials were uploaded to the online learning platform. The average training duration was 1 hour per employee. Club Med, a member company of FTG, has included anti-discrimination and anti-harassment training into its "KARE" training system, ensuring all employees receive the annual training. Taicang Alps Resort, another member company of FTG, has launched two anti-discrimination and anti-sexual harassment training activities in 2024. The total per capita training time was 2 hours.

## Equal Development and Promotion Opportunities for Female Employees

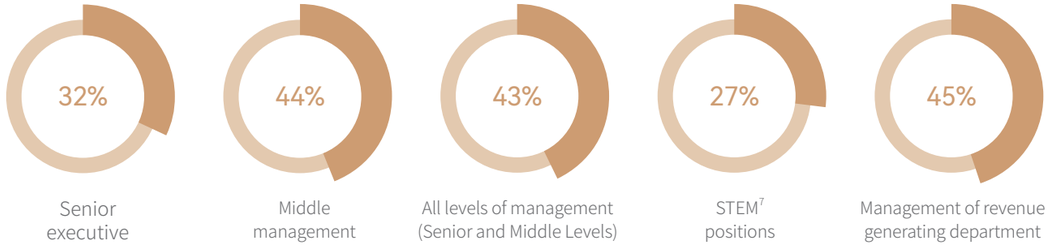
We support the cultivation of leadership and career development for female employees. Through transparent and equal recruitment, promotion, and performance assessment processes, we ensure that female and male employees have equal opportunities for development and promotion in the workplace. We also provide leadership training for female employees to enhance their leadership skills, build their confidence, and expand their professional influence.

### Shanghai Female Entrepreneurs' Visit to Fosun

In April 2024, the "2024 Shanghai Women Entrepreneurs Forum at Fosun" , themed "Blossom and Brilliance, Lighting Up the Era" , was held at Haishang Liyuan Theater in Yuyuan Garden, Shanghai. Nearly 100 outstanding female representatives from Fosun and various sectors of society gathered to engage in in-depth exchanges and insights on three key topics, including oriental lifestyle aesthetics, AI technology empowerment, and the collision of classical and modern thinking. Participants also held vigorous discussions on the rise of female influence in economic, political, and cultural areas, exploring how female entrepreneurs can learn from each other and foster continuous growth across industries.

Guo Guangchang, Chairman of Fosun International, delivered a speech at the opening ceremony, expressing his expectations for female entrepreneurs to collaborate for mutual success in the new era. He emphasized that Fosun will continue to support the growth of female entrepreneurs and work together to drive social progress.

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




The Group's member companies, BCP and PAREF, are signatories of the United Nations Women's Empowerment Principles (WEPs).

BCP has set a target of having no less than one-third female directors on its board. As of the end of the Reporting Period, 35% of BCP's board members were female.

PAREF upheld its commitment to promoting gender balance in the real estate sector, with women making up 51% of its Executive Committee and 36.3% of its Board of Directors.

## Care for Female

Fosun cares about both the physical and mental health of female employees, setting up nursery rooms in the workplace, provide special care to female employees. Every year during Women's Day, Fosun Labor Union and Fosun Women's Federation launch activities focusing on women's physical and mental wellbeing, empowering female colleagues to celebrate their day with ease and confidence. For example, we offer Fosun female executives' sharing on work and family time balance, jewelry appreciation courses, Yoga experience courses, skincare 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.

### Fosun's Philanthropic Initiative on Care for Rural Girls

In March 2024, Fosun Labor Union, Fosun Women's Federation, and the "Six-Star Plan"under Fosun Ecosystem Employee Experience Department collaborated with Fosun Foundation to expand their support for the Wonder Girl project. The initiative focuses on improving education conditions for rural girls, with Honghe County No.1 Middle School in Yunnan Province selected as the focal point for philanthropic actions. The team customized reusable handkerchiefs inspired by the girls' hand-drawn pictures and environmental concepts, which were gifted to all female students on International Women's Day. This action not only promoted the spread of the philanthropic initiative, but also actively practiced Fosun's ESG sustainable development concept, fostering care and hope in the campus.

[7] STEM refers to Science, Technology, Engineering, Mathematics four subjects.

# 5.3 Employee Satisfaction Ecosystem

To deepen the globalization of the Group and meet the needs of our diverse workforce, we have thoroughly upgraded systems employee welfare and development systems. These enhancements align with local laws, regulations and market practices, as well as Fosun's ecosystem strategy and corporate culture.

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

## 5.3.1 Employee Experience Management

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

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

### Employee Engagement and Satisfaction Surveys

In order to fully understand the demands of our employees and to efficiently improve our management level, the Company has cooperated with a professional third-party organization for consecutive years to conduct surveys on employee engagement and satisfaction. We actively listen to employee feedback, track the trend of change in the employee engagement index, evaluate the effectiveness of the existing management mechanism through various dimensions, and make targeted optimization measures.

26% of our employees participated in the 2024 Employee Engagement Survey, covering six key areas: corporate image, working environment, corporate culture, growth and development, organizational management, and compensation and benefits. According to the survey results, the proportion of employees who rated themselves as "Very Engaged"[8] reached 66%.

The survey indicates that employees have strong recognition in areas such as pride, support, value alignment, sense of responsibility, loyalty, sense of gain, trust, and product recognition, with all indicators exceeding 4 points. Based on a comprehensive analysis of the results on Employee Engagement and Satisfaction Surveys, we have developed optimization plans to address critical gaps. These plans include enhancing employees' perception of strategic alignment, improving the matching of personnel to job positions, and strengthening our focus on employee needs and experiences during critical stages such as recruitment, transfer, and departure. These efforts aim to comprehensively improve employee experience.

[8] The maximum score for the Company's Employee Engagement Rating is 5, with an overall rating of 4 to 5 being "Very Engaged".

## 5.3.2 Caring for Employees

Employee well-being is essential for ensuring long-term and efficient work performance. We strive to create a safe and healthy working environment for our employees, while offering good benefits.

| Issues | | Employee Well-Being and Care Program |
|---|---|---|
| Health management | Mental health | • Construction of EAP system<br>• Provide stress-relief channels such as opportunities for employees to vent |
| | Physical health | • Supplementary commercial insurance for employees and their family members/critical illness insurance for their parents<br>• Annual physical examination for employees<br>• Healthcare services for employees and their families, including online medical consultations, green channels for outpatient and hospital services, and medical escort services |
| | Workplace | • "Fosuner Club" and organizing nearly 20 sports programs, covering basketball, badminton and running<br>• Health-oriented areas within the office building, such as meeting rooms with standing tables and public fitness zones<br>• Gyms offering a variety of group exercise classes such as Tai Chi<br>• Pain management services such as shoulder and neck therapy |
| Work-life balance | Paid leave | • Additional sick leave<br>• Additional paid leave during the Spring Festival<br>• Half-day public welfare leave per year |
| | Remote and flexible working | • Flexible work policies in the Group and our member companies, such as remote working based on actual conditions |
| Family Responsibility | Marriage and maternity support | • Marriage and maternity benefits for employees, such as wedding banquet discounts and baby product vouchers |
| | Childcare facilities | • Setting up nursery rooms in the workplace |
| | Parent-child interactions | • Events such as "Fosun Family Day" and "BFC Happy Family Carnival" that invite employees and their families to participate together and foster their happiness and development |

### ◈ Mental Health Management System

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

| | |
|---|---|
| Mental health risk assessment mechanism | • Conducting mental status assessments for employees using methods such as assessment scales;<br>• Providing training courses on mental health risk identification to assist employees in recognizing potential mental disorders; |
| Long-term mechanism for mental health care | • Establishing the self-service online EAP platform that offers mindfulness courses and other mental health training programs to provide mental health care for employees; |
| Feedback and review mechanism | • Regularly reviewing the effectiveness of our mental health care measures through data collection and risk analysis, and continuously improving them. |

## Work-Life Balance

We are committed to fostering a corporate culture that prioritizes equity and inclusion, ensuring that all employees feel respected and supported.

### 515 Fosun Family Day

In 2024, the Group held the "515 Fosun Family Day" for the sixth consecutive year, uniting member companies to deliver a "1+1+N" employee event. Through care initiatives and exclusive benefits, the event aimed to elevate happiness for employees and their families. During the event, Fosun employees from various industrial ecosystems, along with their families, became "Fosun Lifestyle Experience Explorers". They participated in a series of creative engagement tasks to deeply experience Fosun's high-quality products and services, spreading happiness and warmth, and fostering the "Fosun Happiness" across millions of families worldwide.

The event covered 52 core companies of Fosun in the Chinese mainland, with 44 companies hosting 56 Fosun Family Day events that attracted 4,171 employee families, achieving 96.8% employee satisfaction. The event not only further promoted communication and interaction among global employees within the Fosun ecosystem, but also actively practiced the management philosophy of diversity and inclusion, contributing to a more cohesive corporate culture.

### Remote Working Agreement

Club Med, a member company of FTG, has signed remote working agreements with all employees. Club Med provides additional remote working days for disabled employees and offers a more flexible and autonomous work experience for all employees.

### Support for Children's Education

Fosun Insurance Portugal provides financial support for employees with children, rewards employees whose children excel at school, and supports employees to accompany their children on the first day of school.



# 5.4 Safeguarding Safety and Health

Fosun strictly follows the relevant laws and regulations in countries/regions where we operate or invest in such as *Work Safety Law of the People's Republic of China, Fire Protection Law of the People's Republic of China, Labor Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, etc. In accordance with such laws and regulations, we have established a management and supervision system to ensure the work safety and occupational health of our employees.

We have incorporated safety, occupational health and fire protection into Fosun's EHSQ management framework standards, management strategies and systems. This enables us to strictly control the work safety and occupational health of the Company and our member companies. We place great emphasis on occupational health and workplace safety management, and continuously optimize our management models. We strive to improve the risk management and responsibility system, strengthen supervision and inspection, and promote a safety culture and safety communication mechanisms. On this basis, we join hands with stakeholders to create a safe and healthy working environment, effectively safeguarding the lives and health of employees and partners. For details on the occupational health & safety management system, specified responsibilities, audit & supervision, communication mechanism and cultural development, please refer to section *6.1 Enhancing Management Systems* of the Report.

The Group regards the certification of the Occupational Health and Safety Management System (ISO 45001) as an important initiative to drive the member companies to continuously improve their work safety management. As of the end of the Reporting Period, the Company and the 6 member companies within the reporting scope had obtained a total of 34[9] ISO 45001 certifications.

In 2024, based on the industry standards of core business and Fosun's actual situations, we set the core annual target of "no significant EHSQ accidents" and the key indicators of "the lost time injury frequency rate per million working hours below 1" in China and "the lost time injury frequency rate per million working hours below 10" all over the Group with respect to work safety and occupational health management and successfully completed these goals.

## 5.4.1 Work Safety

The Group upholds the policy of "safety first, prevention dominated, comprehensive governance", and 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 safety indicators and safety precautions are stipulated, including special equipment, special equipment operators, mechanical protection, electrical safety, hoisting operation, fire operation and high-place operation, to ensure comprehensive safety management. The Group collects the safety performance data of member companies on a monthly basis and conducts regular supervision on their work safety performance, thus continuously enhancing safety management.

We regularly carry out identification and assessment of hazard sources and risks and have 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 on root causes of the accident, identify potential risks, trace its root causes, formulate and supervise the implementation of corresponding rectification plans to avoid recurrence of such accident. Meanwhile, we actively study and analyze production accident cases of peer companies, and conduct internal self-inspections, to prevent potential risks and ensure continuous improvement of safety management.

In addition, we have clarified the responsibilities of the management in the *Safety Management Policy for Major Hazard Sources*, refined management and control objectives, risk management and responses, and urged member companies to carry out emergency drills on a regular basis. Our aim is to enhance abilities to respond to emergencies and ensure safe and controllable business operations.

### Fosun Pharma

Guilin Pharma uses industrial-grade continuous flow reactors for the intrinsic safety transformation of the nitration process. The technology achieves highly efficient and controllable continuous reactions through micro-channels. Compared with traditional tank reactors, the heat exchange efficiency is increased by tens of times. Meanwhile, the liquid volume in the micro-channel reaction is very small, which can effectively reduce the explosion risk brought by heat accumulation, making the production process safer and more controllable. This transformation not only enhances safety, but also aligns with the concept of green chemical industry by optimizing the reaction process to reduce energy consumption and pollutant emissions.

[9] ISO 45001 certification has been obtained by 25 subsidiaries of Fosun Pharma, 5 subsidiaries of Yuyuan, 1 subsidiary of FTG, and 3 subsidiaries of Hainan Mining.

### FTG

FTG's EHSQ management is based on the PDCA (Plan, Do, Check and Act) approach to regularly identify relevant risks of member companies, and investigate and audit their potential dangers.

**Plan**

FTG regularly identifies risks of the Company and member companies, and formulates plans for EHS management, potential danger investigation and audit.

**Do**

FTG regularly carries out safety inspection and potential danger investigation at operation units.

**Act**

Based on the results of risk identification and assessment, FTG will inform corresponding member companies of corrective suggestions for identified risks, and require them to report the progress of corrective actions within the specified time.

**Check**

FTG irregularly conducts risk investigation and evaluation. The risk audit covers fire safety, operation safety, food safety, customer safety, and environment protection.

During the Reporting Period, through the improvement mechanism of the PDCA cycle, FTG set a target to complete EHS rectifications within 90 days, achieving a completion rate of 90%. For certain rectifications that have not been completed due to a long budget approval process or implementation cycle, rectification plans have been formulated to ensure that the follow-up work proceeds in an orderly manner.

To improve employees' emergency response and handling abilities and to safeguard business continuity, FTG has formulated and issued the FTG Emergency Response & Reporting Management Program, which requires all member companies to develop their own emergency drill plans according to their operational risks. The emergency drills are divided into comprehensive drills and special drills, covering different scenarios such as firefighting, food safety, infectious disease outbreaks, chemical spills, emergency rescue of large rides, pool drowning, first-aid in accidents, search and rescue of people travelling outside the resort and severe weather.

## Fire Safety

Fire safety is an important part of work safety. We strictly comply with the *Fire Management Manual of Fosun Group*, which sets the requirements for member companies with respect to fire-fighting facilities and fire safety management. Moreover, adhering to the principle of "prevention dominated", the Group aims to ensure the RAM management of the fire-fighting systems, namely the Reliability, Availability and Maintainability. At the same time, we give priority to the training and education of employees' fire safety awareness and skills, strengthening fire safety control at the source. Key fire safety companies are required to formulate annual fire safety training plans and fire emergency response plans. Fire evacuation drills shall be conducted at least once every six months, while every employee is required to participate in fire safety 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, to ensure effective implementation of fire safety management measures.

## 5.4.2 Occupational Health

Strictly complying with laws and regulations and the occupational health management regulations of the Group, the member companies ensure that the occupational disease prevention facilities are in place across the whole project lifecycle from design, construction to commissioning. In this way, occupational health protection is strengthened at source.

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 continuously monitor their health conditions. This ensures the effectiveness of occupational health management in the long term. All member companies are aware of the types of occupational disease hazards in their own workplace, and regularly identify occupational hazard factors there with corresponding preventive measures taken. In addition, the member companies actively improve the working environment to minimize the risks of occupational diseases and protect employees' health and safety.

### Fosun Pharma

Fosun Pharma attaches great importance to occupational health and safety management, integrating it into the lifecycle of product development, design, production & manufacturing and service. In the production process of Fosun Apexvac, a member company of Fosun Pharma, there was a high level of manual labor involved in changing the chick embryo trays, and there was also a risk of chemical exposure for employees during the disinfectant spraying process. To this end, Fosun Apexvac has independently designed and applied a full-automatic high-speed chick embryo tray changing and disinfecting linkage device, achieving fully automated operation for chick embryo tray change, disinfection and output. This device has not only significantly improved production efficiency, but also prevented disinfectant leakage through the design of a full-process sealed cover, effectively improving the working environment and reducing occupational health risks. During the Reporting Period, the device was granted a patent.

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

## 5.4.3 Contractor Safety Management

The Group attaches great importance to the safety risk control of contractors. We are committed to improving the working environment of contractors, and providing necessary personal protective equipment to protect contractors from safety or health hazards. We require our member companies to establish and improve the safety management system for contractors, implementing comprehensive risk management measures throughout the whole process and in all aspects. These aspects include contractor screening, contract notification, entry requirements, safety training, process supervision, and performance evaluation.

The Group has enhanced the safety supervision of construction sites for member companies involved in building construction, and implemented effective monitoring measures. Some key member companies have established mechanisms for contractor management assessment and accountability to ensure that the responsibilities for work safety are effectively implemented. In addition, each member company regularly organizes work safety training and publicity activities, which cover contractors' employees, to further enhance the overall safety management.

### FTG

FTG places great emphasis on contractor safety management and has formulated and implemented the *FTG High-Risk Work Permit Management Policy*. It implements effective risk identification and monitoring measures at the construction sites to reduce the safety or health hazards of contractors.

Taicang Alps Resort, a member company of FTG, strictly implements the *Hazardous Operations Management Measures* and the *FTG High-Risk Work Permit Management Policy*, and signs the security agreement with suppliers. These documents clearly define the responsibilities of the persons involved and the codes of conduct in the course of various operations, and enforce the identification and prevention of risks at the construction sites, thus ensuring safe operation. All staff members are required to apply for admission and sign a security agreement before entering the construction sites. Additionally, the safety qualifications, safety plans, emergency response plans, and personnel training records are reviewed. During the construction period, Taicang Alps Resort enhances safety inspections and supervision to ensure the safety of maintenance and construction work.

# 06

# Green Development[10]

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

[10] Unless otherwise stated, the data disclosure scope of this section includes Fosun Pharma, Yuyuan, FTG, Fosun Insurance Portugal, Peak Reinsurance, Forte, and Hainan Mining.

# 6.1 Enhancing Management Systems

Based on the international environmental management system, occupational health & safety management system, quality management system and national work safety standards, the Group has developed and implemented the Fosun EHSQ management framework standards and established a holistic management system covering environmental protection, occupational health, work safety and quality management. We have also standardized and optimized the 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 established the following strategic plan for 2025–2034 with an emphasis on overall EHS management (for quality management, please refer to the section *4.1.1 Quality and Safety Management* of this Report for details):

| Timeline | 2024-2025 | 2025-2027 | 2027-2034 |
|---|---|---|---|
| Vision | Compliant Operation, Improvement on Standards | Building of Benchmarks | Common Improvement |
| Current progress | Achieved | Ongoing | Under planning |
| Core strategic work/Key emphasis | Improve EHS management system, continue to conduct the audit of the Group's EHS system;<br>Formulate and improve the EHS risk map of member companies and conduct unannounced inspections for high-risk companies;<br>Establish a tracking mechanism for EHSQ targets and indicators, complete the ESG report, meet the requirements of Hang Seng Index, and implement ESG data collection and tracking of relevant targets and indicators;<br>Take the lead in Fosun's dual-carbon initiatives. Carry out carbon inventory across the Group, urge each business group to set medium- and long-term dual-carbon goals, and formulate an implementation roadmap for carbon neutrality;<br>Build a EHSQ talent pool, cultivate EHS experts, and achieve talent sharing. | Push core member companies to establish their own exemplary lines and exemplary factories of EHSQ management;<br>Promote core member companies to conduct EHSQ system internal audit;<br>Set several major ESG environmental protection goals and pathways through data research and inspection;<br>Promote the building of exemplary enterprises of intelligent EHSQ management. | Realize the full-scope coverage of EHS management system to escalate Fosun's globalization;<br>Continuously evolve the EHS system and reach world-class EHS management level;<br>Actively guide and assist member companies to promote energy conservation, emission reduction, clean production, carbon reduction, and investment in the field of clean energy to improve ESG ratings;<br>Help member companies to continuously improve their EHSQ management and push them to achieve the goal of "zero in five aspects. |
| Quantitative target | Conduct at least 10 system audits. | Establish an EHSQ indicator tracking system to generate monthly reports;<br>Role model companies for EHSQ management in different business lines achieve "zero in five aspects" and become industry leaders regarding the lost time injury frequency rate (LTIFR) per million working hours. | 80% of member companies achieve the "zero in five aspects" objectives;<br>A decrease of number of lost time accidents (LTA) by 10% every year. |

[11]"Zero in five aspects" refers to zero liability accident, zero environmental pollution incident, zero occupational disease, zero defect, and zero recall.

The Group has formulated relevant policies including the *Fosun Group Environment, Health, Safety & Quality Policy*, the *Fosun Group EHS Management System Manual,* the *Climate Change and Energy Policy*, the *Biodiversity Policy*, the *Environmental Pollutants Management Policy* and the *Water Policy*, and defined the EHS management responsibility and performance appraisal reward and punishment mechanism for member companies and their management personnel. During the Reporting Period, the Group formulated the *Fosun Group Safety, Quality and Environmental Due Diligence Management Policy for Investment, Merger and Acquisition.* This policy standardizes the management of occupational health, safety, environmental protection and quality in investment, merger and acquisition activities, effectively reducing EHSQ risks during the transaction process.

We regularly review our policies and management systems for safety, quality, and environment to ensure compliance with laws and industrial standards. We are also committed to transparently and honestly disclosing our progress in environmental issues and significant environmental issues in our annual ESG report or special reports. During the Reporting Period, the Group had no significant accidents with respect to environment.

We actively promote the improvement of environment and energy management systems among our member companies to enhance their sustainable development capabilities. Given the diversified business lines of the Group, each member company selects appropriate external certification systems based on its business characteristics and environmental impacts to strengthen its management.

As of the end of the Reporting Period, the certification figures of the Company and the 6 member companies within the reporting scope were as follows:

| Certifications | Number | Remark |
|---|---|---|
| Environmental management system certification (ISO 14001) | 27 | Mainly obtained by Fosun Pharma (20 subsidiaries, accounting for 83.33% of its total manufacturing subsidiaries[12]), Yuyuan (4 subsidiaries), and Hainan Mining (3 subsidiaries) |
| Energy management system certification (ISO 50001) | 11 | Mainly obtained by Fosun Pharma (7 subsidiaries), Yuyuan (2 subsidiaries), and Hainan Mining (2 subsidiaries) |

[12]Excluding subsidiaries under construction and planned relocation.

## 6.1.1 Specified Responsibilities

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

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

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

## 6.1.2 Audit Supervision

To enhance the EHS management awareness of member companies and ensure the effective implementation of the standard EHS management system, the Group implements a strict quantitative supervision mechanism (including annual EHS management system audit, special inspection, and unannounced inspection) for all member companies based on the EHS management system framework. We also identify opportunities and measures of water saving, energy saving and waste reduction through EHS supervision, further promoting the green operation.

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

In 2024, the Group conducted sample on-site audits of key domestic core member companies such as Fosun Pharma, Yuyuan and Hainan Mining, covering multiple management topics including occupational health, safety, and environmental protection. The audits focused on the identification, assessment and management of EHS risks by each member company, as well as its implementation of the Group's EHS policies. We promptly communicate with the member companies regarding the issues and risks identified during the on-site audits and follow up rectifications for closed-loop management. In addition, we regularly review and evaluate the implementation of EHS management system audits, summarize common issues, and share best practices and potential risks of member companies across the Group to continuously enhance EHS management.

During the Reporting Period, we further improved the EHS risk maps of member companies. We identified and sorted out EHS risks from our member companies based on the dimensions of fire protection priority enterprises, major hazardous sources and major pollution discharging enterprises, etc., and visually presented the geographic distribution and severity of the EHS risks in a risk map. This helps enhance the precision and visualization of risk management. We conduct classified risk control at all stages of project development and operation based on the EHS risk map, and carry out unannounced inspections and supervision and guidance according to the risk levels.

## 6.1.3 Cultural Development

During the Reporting Period, the Company and 5 member companies[13] within the scope of the Report conducted a total of 736,316 hours of EHS training, with an average of 11.2 hours of training per person, and a 100% completion rate of EHS program training. Through case studies, we emphasize the importance of work safety, prevention of occupational hazards, fire safety and environmental protection, so as to deepen employees' understanding and improve their awareness of EHS. The EHS departments of the Group and its member companies regularly organize employees and contractors at all levels to carry out EHS culture promotion activities in various forms, such as drills, trainings, theme weeks and others. These activities help infiltrate the safety concept into the whole operation process of member companies and enhance the effect of EHS cultural building from top to bottom. At the same time, the Group conducts advanced EHS group and individual awards and recognition activities to encourage member companies to work on EHS.

### Fosun Pharma

In June 2024, Fosun Pharma officially kicked off its eighth EHS Management Month with the theme "Cherish the Earth and Enhance Safety Together to Create a Harmonious Society and Beautiful Home". Focusing on the theme of the 23rd National "Work Safety Month" - "Everyone Understands the Importance of Safety, and Everyone Knows How to Deal with Emergencies -- Smooth Life Channels", this event was designed to enhance safety awareness, improve emergency response capabilities, and drive continuous improvement in Fosun Pharma's EHS management.

During the event, the subsidiaries of Fosun Pharma actively responded by organizing a series of diverse practical activities, such as hidden danger investigation, emergency drills, skills competitions and knowledge contests. These activities further deepened the EHS culture construction and strengthened employees' sense of safety responsibility. Meanwhile, Fosun Pharma fully implemented the three-year action plan for fundamental improvements in work safety, continuously optimized the safety management system, and consolidated the foundation of work safety.

## 6.1.4 Employee Communication and Engagement

The Group requires that each member company should establish an internal and external EHS communication mechanism and distribute EHS Manuals and other publications in order to facilitate effective communication of the EHS management system at each level within the enterprise and visitors to the site. We regularly hold EHSQ Line Meetings and EHS thematic meetings. At such meetings, we share best management practices of member companies and discuss management system optimization and workplace risk control. The meetings promote the exchange of experience, and help us address issues in a timely manner and continuously enhance EHS management.

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 encourage employees at all levels to participate in EHS management, thereby fostering a safety culture.

[13] Exclude Fosun Insurance Portugal and Peak Reinsurance

# 6.2 Environmental Compliance and Clean Production

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

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

## 6.2.1 Wastewater and Waste Gas

Apart from complying with the relevant laws and regulations of wastewater discharge, we strictly control wastewater discharge by ensuring that it is only released after meeting treatment standards and regulatory requirements, thereby minimizing its environmental impact. 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.

The Group also requires member companies to effectively manage wastewater and dust generated from projects under construction. Member companies of the Group have adopted a number of effective measures to strictly control dust emissions at construction sites and minimize dust levels. All construction materials and site wastes are properly covered to reduce dust diffusion. In addition, we have installed washing facilities for vehicle wheels and bodies at the entrances and exits of construction sites, which effectively prevent dust from spilling over and help maintain the cleanliness of the surrounding environment and air quality.

### Fosun Pharma

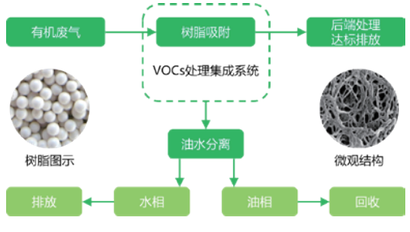
In active response to national and regional environmental protection requirements, Fosun Pharma continuously advances VOCs emission reduction, enhances pollution prevention and control, curbs the rise in ozone concentration, and promotes the improvement of air quality. Fosun Pharma has formulated emission targets for waste gas, and regularly tracks the progress of their completion to strictly control emissions. During the Reporting Period, Fosun Pharma has achieved its annual waste gas emission targets.

Waste Gas Emission Goal (2021-2025)

| The intensity of nitrogen oxide emissions: | The intensity of sulfur dioxide emissions: | The intensity of particulate matter emissions: | VOCs Emission Compliance Rate: |
|---|---|---|---|
| Decrease by 20% in 2025 compared to 2020 | Decrease by 20% in 2025 compared to 2020 | Decrease by 20% in 2025 compared to 2020 | In 2025, the annual VOCs emissions achieved a 100% compliance rate |

Since 2017, Fosun Pharma has invested over RMB100 million in conducting or upgrading VOCs treatment facilities at 11 subsidiaries,including Carelife, Dongting Pharma, and Guilin Pharma. Each subsidiary selects appropriate processes based on the composition of waste gases to ensure that emissions meet regulatory requirements or even stricter ones, thereby effectively improving the environment of workshops, office areas, and surrounding areas.

In 2024, to adapt to the adjustment of production capacity and product structure, Guilin Pharma has invested RMB6.49 million to upgrade its VOCs treatment system. It has introduced a regenerative thermal oxidizer (RTO) with an air volume of 25,000 $m^3$/h. Through high-temperature incineration technology, the VOCs are converted into water and carbon dioxide by the RTO. In addition, a flue gas treatment system has been newly added to ensure stable compliance with emissions standards.




### Yuyuan

Shede Spirits, a member company of Yuyuan, reduces pollutant emissions while actively promoting resource recycling. Shede Spirits' Purification of Biogas to Generate Bio-natural Gas project at its wastewater treatment station, adopting the process of "wet desulfurization + pressure swing adsorption PSA" (PSA), purifies biogas to produce biogas-based natural gas that meets the standards of Class I gas specified in the Biogas-Based Natural Gas (GB/T 41328-2022). In 2024, the project reduced carbon emissions by 39,281 tonnes, realizing a "win-win" situation of resource recycling and carbon reduction synergy. Thanks to its environmental protection innovation achievements, the project was selected into the *2023 Typical Cases of Synergistic Efficiency of Reducing Pollution and Carbon in China* issued by the Ministry of Ecology and Environment of the People's Republic of China, becoming the only enterprise in China's liquor industry to receive this honor. Additionally, in December 2024, the project was again selected into the *Collection of 2024 Tianfu Carbon Neutrality Technology Innovation Cases.*

### Hainan Mining

Hainan Mining strictly complies with national and local environmental regulations, and comprehensively controls the emissions of pollutants such as waste gas and wastewater. On the basis of ensuring compliance with emission standards, Hainan Mining continues to promote emission reduction measures to minimize its potential impact on the environment.

#### ▶ Waste Gas Management

Hainan Mining actively responds to national and local environmental requirements, strengthening waste gas management from two aspects: source control and organized collection. In 2024, Shilu Iron Ore Branch, a member company of Hainan Mining, completed the replacement of 4 bag dust collectors, which effectively improved dust removal efficiency. The particulate matter emissions were reduced by 639 kg compared to 2023. Roc Oil Company Pty Limited (ROC) reduced unorganized emissions of VOCs and methane through leak detection and repair (LDAR) technology, further lowering air pollution.

#### ▶ Wastewater Management

While ensuring compliance with pollutant emission standards, Shilu Iron Ore Branch continues to invest more in wastewater treatment facilities. This initiative aims to promote environmental risk prevention and control and resource recycling, thereby reducing the impact of wastewater discharge on the environment.

**Rainwater interception and tailings pond management**

A 3.5-kilometer-long flood intercepting ditch has been constructed around the Hongqi tailings pond, effectively intercepting rainwater flowing into the dam area and reducing the risk of wastewater discharge during the flood season.

**Groundwater monitoring and risk management**

11 groundwater monitoring wells have been constructed to regularly track the changing trends of groundwater in key areas, ensuring precise management of environmental risks.

**Zero production wastewater discharge**

Zero discharge of production wastewater is achieved by recycling the wastewater from mine processing and the overflow from the tailings pond.

**Domestic wastewater reuse**

Two sets of domestic sewage treatment facilities have been built to ensure that the treated domestic wastewater meets the standards and can be reused for production and landscaping, thereby reducing water consumption.

## 6.2.2 Waste Management

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

We actively carry out special investigations and compliance inspection on solid waste, as well as perform standardized and meticulous management on storage places and record ledgers. By doing so, we are committed to minimizing the environmental impact of solid waste generated during our operations. We regularly conduct waste audits and promote waste reduction practices from two aspects: source reduction and end-of-pipe utilization. This helps us continuously improve the efficiency of solid waste management and drive the recycling of resources.

**Source reduction**

Strengthen daily management of solid waste treatment equipment, and reasonably extend the replacement cycle to reduce the general solid waste and hazardous waste

**End-of-pipe utilization**

Increase the recycling rate of solid waste, properly treat the solid waste generated, and reuse recyclable solid waste in production to reduce the final disposal volume

### Fosun Pharma

Fosun Pharma actively responds to the goal of building "waste-free cities" set by China's Ministry of Ecology and Environment. It advocates that all its subsidiaries adhere to the principles of source reduction, in-plant recycling, and green and low-carbon practices. Fosun Pharma continuously minimizes and recycles solid waste, striving to maximize landfill reduction and reduce environmental impact.

After Guilin Pharma was awarded the title of the first batch of "Zero-Waste Factory" in Guilin City in 2023, Chemo Wanbang Biopharma, Hongqi Pharma and Erye Pharma actively responded to the requirements of "Waste-Free Cities" construction in 2024. The three companies comprehensively promoted the reduction, recycling and harmless management of solid waste. By saving energy, reducing carbon emissions, strengthening performance evaluation and promoting the concept of "waste-free", they have successfully fostered green and low-carbon production methods and were awarded the title of "Waste-Free Factory".

### Hainan Mining

Hainan Mining actively promotes the reduction and recycling of solid waste in its operations, continuously lowering its environmental impact. The solid waste of Shilu Iron Ore Branch of Hainan Mining mainly includes iron tailings and waste from the surrounding rock. The comprehensive utilization rate of the waste from the surrounding rock reaches 100%, while that of iron tailings is 18.93%. During the Reporting Period, Shilu Iron Ore Branch continued to advance the magnetic roasting technical transformation project. After commissioning, the project is expected to reduce tailings discharge by approximately 800,000 tonnes annually. During drilling operations, ROC of Hainan Mining entrusts general industrial solid waste (containing no oil-based drilling cuttings) to qualified manufacturers for use as brick-making materials, achieving recycling.

# 6.3 Climate Change and Energy

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

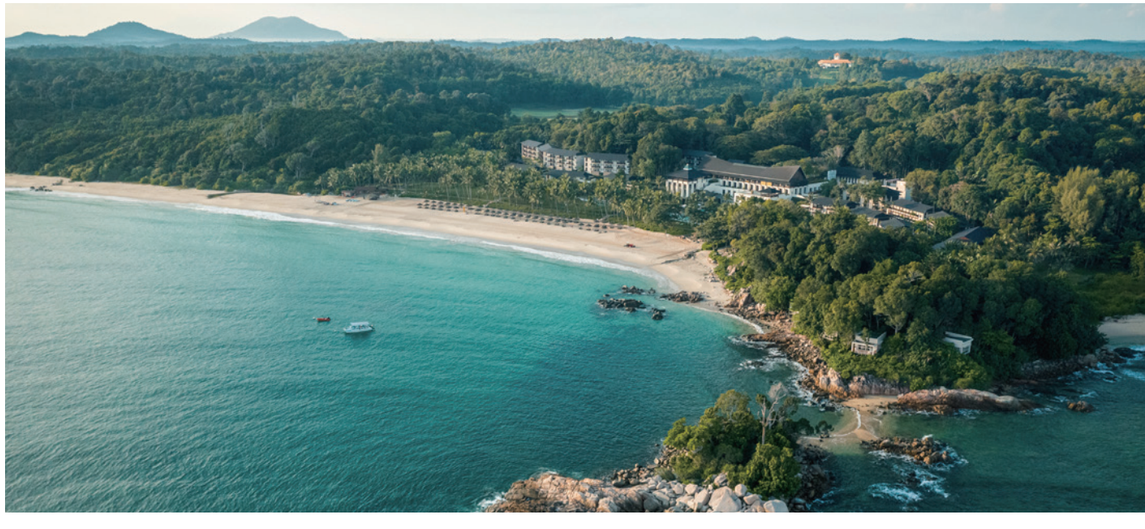
We realize that reducing GHG emissions from our operations is a top priority. We have involved climate change mitigation into our asset management and operation strategies. We have made a formal commitment to the society that "strive to peak carbon emissions by 2028 and achieve carbon neutrality by 2050". The year 2024 was the fourth year since Fosun put forward the carbon neutrality goal. During the Reporting Period, the Group achieved multiple key milestones. Specifically, the Group has integrated indicators related to "carbon neutrality" into the performance assessment for the management, developed a system and audit standards for carbon emissions management, and organized group-wide training on GHG inventory. The Company and member companies have formulated climate change adaptation and transition strategies. They are active in addressing climate change risks by taking into full account the high-emission and low-emission scenarios.

The Group's progress on key climate change indicators as of December 31, 2024 is outlined below:

GHG emissions intensity (Scope 1 and Scope 2) in 2024 was **10.5 $tCO_2e$/RMB million** of revenue, increased by **9%** from 2023. GHG emissions (Scope 1 and Scope 2) in 2024 were **1,565,175.3 $tCO_2e$** in total.

In 2024, the energy intensity was **24.1 MWh/RMB million** of revenue, which increased by **6%** compared to 2023. The total energy consumption was **3,608,561.9MWh**.

In 2025, the Group released the third *Climate Information Disclosures Report*. During the Reporting Period, we benchmarked against the Part D of Appendix C2 to the *Main Board Listing Rules* by HKEX, and also referred to the recommended framework of TCFD and the *IFRS S2 Climate-Related Disclosures* ("IFRS S2"). We deepened our analysis of the impact of climate change on our business, comprehensively reviewed the Group's response strategies, enhanced the transparency and scientific nature of our information disclosure, and consistently strengthened our climate risk management. For details, please refer to the *Fosun International 2024 Climate Information Disclosures Report.*



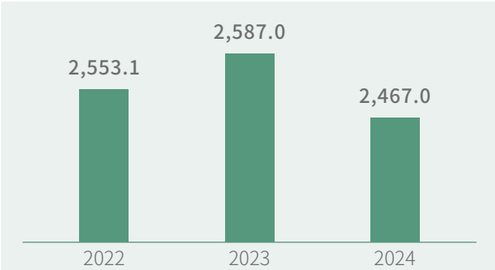
# 6.4 Water Resource and Material Management

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

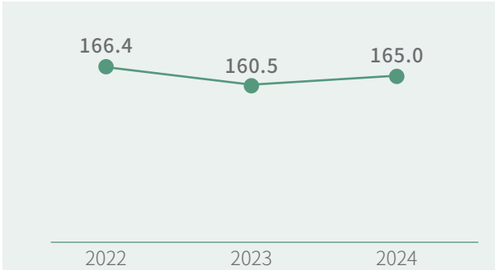
## 6.4.1 Water Resource Management

Fosun attaches great importance to the impact of water resource consumption on the environment and remains committed to the protection of water resource. We made a commitment to reducing water consumption intensity and incorporated it into the *Water Policy*, and actively encourage all relevant parties to work with us to fulfil the water resources commitments. During the Reporting Period, there was no significant issue in sourcing water within the Group.

We carry on efforts in innovating, applying and popularizing water-saving techniques, take various water-saving measures to explore a new water recycling pattern, and reuse reclaimed water, so as to reduce water resource consumption in production. During the Reporting Period, the Group's fresh water consumption decreased by 4.6% year on year.




Total Fresh Water Consumption
(ten thousand tonnes)




Fresh Water Consumption Intensity
(tonnes / RMB million of revenue)

To effectively manage water resource risks, we have implemented a series of management strategies. These include regularly collecting and evaluating the water usage performance of member companies, and promoting and supervising the establishment of comprehensive water resource management plans by member companies, with particular focus on production and operating sites located in high water stress areas. We continuously assess and review the effectiveness and adequacy of our water-saving strategies to optimize management measures. During the Reporting Period, we compiled and published the *Water Risk Report*, which systematically reviewed the best practices in water resource management of our core member companies. This report provides guidance on water risk response for enterprises in Fosun ecosystem and further strengthens the Group's capability in sustainable water resource management.

To comprehensively assess the Group's dependence and impact on local water resources in production and operations, and to further review and optimize our water resource management strategies, during the Reporting Period, we identified water stress[14] areas using the Water Risk Atlas Aqueduct™ developed by the World Resources Institute (WRI). The identification results show that, as of the end of 2024, 27% of the operating sites worldwide of the Company and the 6 member companies within the reporting scope (including headquarters offices and the operating sites of subsidiaries) had been located in areas with extremely high baseline water stress. Based on the water stress identification results, we will further develop and implement more targeted water resource management measures to reduce the impact of our business operations on water resources and enhance our overall performance in sustainable development.

### Fosun Pharma

Fosun Pharma continuously reduces water consumption through regular inspections and comprehensive maintenance. Most of the subsidiaries of Fosun Pharma use underground water supply networks. Once there is a leakage, it is not easy to detect, especially in factories that have been in operation for many years, where the risk of pipeline network aging is even higher. To address this risk, Fosun Pharma requires all of its subsidiaries, especially factories with higher water consumption, to regularly conduct leak detection work. Utilizing technologies such as micro-probes and small robots, they conduct a comprehensive investigation into pipeline network loss and aging. This enables them to promptly identify leak points or severely worn areas and swiftly carry out maintenance or renovation. For instance, concealed pipes are upgraded to exposed ones in order to reduce water resource waste.

[14] Baseline water stress measures the ratio of total withdrawals at a given operating site to locally available surface water and groundwater.

### FTG

Water resource sustainability and quality are crucial for the business operations of hotels and resorts. 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 18% (by bed capacity), 19% (by hotel night sold) and 14% (by revenue) compared to 2019.

FTG identifies and assesses water stress areas for all of its hotels and resorts worldwide on an annual basis. In 2024, a total of 9 operating sites were identified as being located in water stress areas defined by extremely high baseline water stress values. FTG has installed rainwater and reclaimed water recycling systems at all resorts and hotels to promote water recycling and reduce water consumption. FTG has also equipped every resort and hotel with the best water-saving technologies, regularly reviews the effectiveness of water-saving measures, continually looks for ways to recycle water and acts proactively to minimize the negative impact on water resources.

FTG guides and monitors the adoption of targeted water management approaches by its member companies to improve the efficiency of water consumption at each operating site. Atlantis Sanya, a member company of FTG, has adopted water recycling measures such as rainwater collection, overflow water reuse and condensed water recovery, saving approximately 172,000 $m^3$ of water annually.

### Hainan Mining

Subsidiaries of Hainan Mining implement water recycling according to their respective production characteristics to enhance water resource utilization efficiency: Shilu Iron Ore Branch, a member company of Hainan Mining, has constructed a 5,000 $m^3$ elevated water reservoir within the mining area to collect and reuse underground mining groundwater and atmospheric precipitation for production, and built a 3,000 $m^3$ water recycling pool at the Hongqi tailings pond to recycle and reuse pond overflow water; ROC, a member company of Hainan Mining, promotes fresh water recycling during drilling and completion operations, achieving fracturing wastewater recycling through technical improvements in the Bajiaochang project, treating 16,400 $m^3$ of wastewater and saving nearly RMB 3.6 million in treatment costs.

## 6.4.2 Green Materials

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

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

### FTG

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

| Plan | Achievement status |
|---|---|
| Phase out single-use plastic such as straws, cups, mugs, plates, cutlery and trays. | 100% of Club Med resorts have achieved target by the end of 2019 (excluding the tableware used in the resorts in Brazil). |
| Use of reusable large bottles for shower gels, shampoos and creams in bathrooms. | 100% of Club Med resorts have achieved the target by the end of 2022 (excluding Brazil, exclusive series and suites). |
| Phase out plastic packaging of accessories in guest room by the end of 2021. | 100% of Club Med resorts had achieved the target by the end of 2021. |
| Reduce progressively the consumption of plastic water bottles compared to 2019: by 10% in 2022, 25% in 2023, 50% in 2024. | In 2021, 7 resorts achieved the target. 3 resorts ran their own bottling plant using reusable glass bottles. Disposable plastic water bottles are no longer available to hiking customers. While reusable water bottles are available in resort shops.<br><br>Compared with 2019, the usage of plastic bottled water decreased by 34%. |
| Gradually replace disposable plastic supplies in rooms with those made from alternative materials since 2023. | Since 2023, single-use plastic accessories in rooms have been replaced by accessories made primarily of alternative material. |

### Fosun Pharma

Under the premise of meeting regulations on drug safety, Fosun Pharma continues to promote the innovation of green packaging and the reduction of packaging materials to lower its environmental footprint.

Guilin Pharma, a member company of Fosun Pharma, has upgraded its two-pack product of artesunate for injection by optimizing the design of the plastic pallet and the packaging paper box, making them smaller and lighter, with an average weight reduction of 1.25 grams per set. During the Reporting Period, the usage of lightweight packaging was close to 3.3 million sets, which cumulatively reduced the use of plastic and paper packaging materials by approximately 4 tonnes.

Chongqing Yao Pharmaceutical Company Limited, another member company of Fosun Pharma, has reduced paper consumption by downsizing the package inserts for some of its products. Meanwhile, it has optimized the layout of product arrangement to reduce the use of blister and aluminum foil materials. It is estimated that for every 50 million pieces of products manufactured, the usage of packaging materials can be reduced by approximately 4.9 tonnes.

# 6.5 Biodiversity and Animal Welfare

## 6.5.1 Biodiversity Protection

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

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

### Hainan Mining

Hainan Mining strictly adheres to national regulations on ecological protection red lines, ensuring the timely and orderly withdrawal of production and operational sites that involve ecological protection red line areas. As of the end of the Reporting Period, all production and operations of Hainan Mining do not involve the scope of ecological protection red lines.

Hainan Mining attaches great importance to mine greening, reclamation, and ecological restoration. Shilu Iron Ore Branch, a member of Hainan Mining, has established a dedicated greening team to plant trees and grass annually. In 2024, Shilu Iron Ore Branch signed a mine ecological restoration cooperation agreement with Shanghai Jiao Tong University. Two pilot demonstration areas were designated in the mining area, where the technology of coupling soil biodiversity restoration with strains and earthworms was introduced. This technology was used to improve the soil environment in the reclamation area, thereby promoting the growth of secondary forest trees in the iron mining area and accelerating the coordinated restoration of biodiversity and the ecological service system in the mining area.

### FTG

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

#### Assessing Biodiversity Risks

All member companies of FTG actively assess potential biodiversity risks during the project planning and development process through the Environmental Impact Assessment. Club Med, Atlantis Sanya and Lijiang Club Med Resort, member companies of FTG, have all completed biodiversity surveys around their operations.

#### Identifying Vulnerable Areas

FTG assesses and updates biodiversity risks in the areas of operation every year. According to the latest assessment in 2024, 41% of the total surface area of resorts under FTG is located adjacent or near protected sites[15], with another 21% located at less than 3 km from the protected sites.

#### Setting Biodiversity Goals

FTG actively sets biodiversity protection targets based on the biodiversity assessment results and the actual operations. Club Med joined Act4Nature[16] in 2018 and has made public commitment by setting targets and committing to regularly review their achievement in order to contribute to global biodiversity conservation.

#### Developing Biodiversity Protection Measures

FTG carries out a series of biodiversity protection measures and awareness-raising activities to minimize the impact on biodiversity and promote biodiversity self-rehabilitation. Atlantis Sanya, a member company of FTG, has also taken proactive measures to rescue marine life like pilot whales and sea turtles, assisting in the breeding of rare marine life.

#### Making Continuous Optimization

FTG continues to track the progress towards biodiversity management targets, assesses the effectiveness of management and actions, and develops targeted optimization measures.

[15]The resorts in or next to protected sites are either concerned by a marine zone or concerned by the adhesion zone of national parks in the mountains (this is an area outside the heart of the park itself), which do not belong to the core reserve of the nature reserve and are allowed to carry out tourism development.

[16]Act4nature program, led by the non-profit organization EpE (Entreprises pour l'Environnement), is a long-term, continuous improvement initiative based on 10 common measures and voluntary actions, in line with the French national policy to preserve biodiversity.

## 6.5.2 Animal Welfare

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

### Fosun Pharma

Fosun Pharma attaches great importance to ethical issues in the R&D process. During the breeding of laboratory animals and the animal experiments, Fosun Pharma strictly adheres to ethical guidelines and requirements for the protection of animal welfare. Fosun Pharma fully implements animal ethics and welfare policies in three aspects: laboratory animal management, animal experimental processes, and operation of facilities, ensuring that laboratory animals are raised and used in a scientific and humane manner. Fosun Pharma continuously optimizes the breeding environment to ensure the well-being of laboratory animals and actively explores refined experimental technologies. It is committed to reducing and replacing animal experiments to promote scientific research in a more ethical and sustainable way.

### FTG

Club Med, a member company of FTG, has released and followed the Animal Welfare Policy and made commitments to protecting the welfare of elephants, cetaceans, wild animals, sea turtles, etc. in the policy, in an effort to improve animal welfare together with all stakeholders. Club Med has added a commitment that all hotel egg products in Europe, Brazil and the United States will come from cage-free suppliers starting in 2025, which will be rolled out to all sites from 2027. In addition, from 2022 onward, Club Med has required all suppliers to strictly comply with and implement the *Animal Welfare Policy* and conduct audits on related suppliers, thereby ensuring the effective implementation of the policy.

Atlantis Sanya, a member company of FTG, has demonstrated a strong sense of responsibility in protecting animal welfare. Atlantis Sanya has taken a comprehensive approach to optimizing the comfort and safety of animal living environment in the resort, focusing on four key dimensions: environmental improvement, health management, animal conservation, and themed education. This initiative aims to create a more comfortable and secure habitat for the animals.

# 07

# Business for Good

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

P

# 7.1 Philanthropy for A Better Life

## 7.1.1 Revisiting the Path of Philanthropy

Fosun Foundation was founded in November 2012. As a "5A China Social Organization", Fosun Foundation vigorously contributes to major areas such as emergency disaster relief, rural revitalization, healthcare, youth entrepreneurship, education, community development and culture & art. We fulfill our social responsibility through these concrete actions. During the Reporting Period, the foundation's annual expenditure on charitable initiatives surpassed RMB110 million, accumulating to more than RMB1.14 billion.

We have developed a five-year philanthropy strategy (2023-2027) of "Together for A Better Life" in line with the UN SDGs and China's strategies like rural revitalization:

| Vision | Mission | Objectives |
|---|---|---|
| Together, for a better life | Respond to global demand, create greater social value by mobilizing Fosun ecosystem | 1. Make families happier through philanthropy and social innovation<br>2. Make Fosun a more responsible global citizen |

**Focus Areas**

## Honors and Responsibilities

The China Charity Alliance (CCA) is a national, unified, non-profit social organization. In December 2024, the Third Member Representatives' Conference of the CCA was held in Beijing. Li Haifeng, Director General of Fosun Foundation, was elected as a vice president and standing director.

At the subsequent Eleventh China Charity Annual Conference, themed "Law-based Philanthropic, Contributing to Chinese Modernization", Li Haifeng was invited to participate in the "Industry Self-regulation Roundtable". He said, "Fosun Foundation will continue to uphold itself to high standards, maintain the warmth of charity and the enthusiasm for innovation, and continuously develop high-quality philanthropic programs."

## 7.1.2 Volunteering Together for A Better Society

### Staff Engagement in Volunteering

Upholding the values of "Contribution to Society" from the enterprise to the employee, we encourage global employees to participate in community services and philanthropic activities on a regular basis. During the Reporting Period, we took a number of initiatives to engage our employees in CSR activities. These included continuously launching diversified and innovative employee philanthropy programs worldwide, further improving staff volunteering mechanism, and regularly organizing such activities.

Annual employee volunteer goal:
**30,000 hours**

In 2024, Fosun employees worldwide contributed a total of **32,160** community service hours. A total of **1,991** individuals participated in CSR activities across various fields, and **118** CSR projects of employees were organized.

**Highlights of Staff Engagement in Volunteering**

- A "half-day leave for community service" was included in the Employee Manual.
- A branding CSR project - the "WE Volunteer" platform was launched. This project earned the "ESG Leading Enterprise Award 2024 – Outstanding Community Initiative" from *The Asset* magazine.
- The"Together For A Better Life · Fosun Pharma Night" with Fosun Foundation 12th Anniversary Ceremony was hosted to present the "Philanthropy Corporate of the Year"and"Annual Special Contribution" awards.
- PAREF, a member company of Fosun, established "PAREF 4 Good", an online volunteer service platform, where each employee is entitled to 1 day's leave to volunteer.

## Mobilizing Social Forces for Compassion: The First "Fosun e+" Digital Philanthropy Event

From September 5 to 9, 2024, Fosun Foundation launched the first "Fosun e+" Digital Philanthropy Event in collaboration with platforms such as Tencent Foundation and Alipay Philanthropy Platform. This event mobilized extensive social forces through both online and offline efforts, and raised over RMB717.1 thousand for various charitable projects. It reached more than 32.9 thousand people and achieved a total more than 8.35 million shares.

### Fosun Partner Teams

Nearly 130 Fosun Global Partners led 6 teams of "One Fosun" to raise money for 4 charitable projects initiated by Fosun Foundation. These 6 teams represented the Group's headquarters, the Health Segment, Happiness Segment, Wealth Segment, Intelligent Manufacturing Segment, and Fosun Hive Greater China.

### Rural Doctors Program Team

Across the 4 major regions of the Rural Doctors Program, nearly 40 on site volunteers and Star Team members[17] carried out both online and offline fund-raising activities among the public. They mobilized 666 people to donate nearly RMB10 thousand to support the Young Rural Doctors Empowerment Project.

### FOSTAR Team

Nearly 40 FOSTARs for the year 2024 formed the "More and Most" team and raised funds for the Taiji Project through activities such as charity bazaars and sales.

### Online Publicity

- Invited celebrities including Wang Churan, Qin Lan, Tao Xinran, Chongqing Wolves, and Lin Chi-ling to serve as 99 Compassion Ambassadors to support the Wonder Girl project;
- Featured 6 philanthropy stories in the main hall of Tencent Foundation's 99 Giving Day - "Shake It", making the "good deeds" visible to the public;
- Created and shared a short video featuring the youth role models of the first batch of warm-hearted Rural Doctors, which received over 2.376 million views and more than 52 thousand likes on TikTok.

### Offline Publicity

- Tong Han Chun Tang donated RMB0.95 to support the "Rural Doctors Program" for each beverage sold at its tea beverage stores;
- Charity project posters were placed in these locations: Shanghai Hongqiao Airport, Hangshaotai Railway stations, various commercial and office buildings, and residential communities, reaching more than 5 million people.

[17] Member companies of "One Fosun" send high-potential employees (with 12 to 36 months) to participate, either full-time or part-time, in the operations of Fosun Foundation's Rural Doctors Program.

## Honoring Top Ten CSR Projects and Top Five Volunteer Stars of 2024

During the seventh ONE FOSUN CSR Week, Fosun collected 43 CSR projects and 13 individual/ team cases from One Fosun ecosystem and presented awards to the top ten CSR projects and the top five outstanding volunteer stars (including individuals and teams) of the year, expressing Fosun's appreciation and encouragement to employees who spread kindness around the world.

### Top Ten CSR Projects of 2024

| | |
|---|---|
| Christmas Baskets Initiative<br>Fosun Insurance Portugal | Bougouni Beautiful Community Project<br>Hainan Mining Co., Ltd. |
| World Heart Day & Life Guardian Action<br>Luz Saúde, S.A. | Rural Revitalization New Year Gift Package<br>Shanghai Old City God Temple Catering Co., Ltd. |
| Worldwide Snack & Happy to Care<br>Club Med | Full Cycle Companion Service for Pregnancy<br>Beijing Sanyuan Foods Co., Ltd. |
| PAREF 4 Good Online Volunteering Platform<br>Paref | Charity and Happiness - Happiness Lighting Plan<br>Yuyuan Foyo Life |
| Corporate Social Responsibility Actions<br>BCP | Double-Healthcare Program<br>Shenyang Hongqi Pharma |

### Top Five Volunteer Stars of 2024

- Henlius Volunteer Team
- Marine Life Rescue and Outreach Team
- Phoebe Zhang's Pearl Scholarship Program
- Chongqing Wolves' 487 Youth Caring Action
- BFC Safety Management Department's Search and Rescue Dog Xiaojiu and Baidou to Support the Wonder Girl project

In addition, to recognize the "Fosun Global Partners CSR Team" that has been at the forefront of philanthropy for five consecutive years, we specially presented the "2024 Outstanding Pioneer - Fosun Global Partners CSR Team" award to Jianjia Medical, Fosun Pharma, and Hainan Mining.

# 7.2 Health Care

With deep roots in the healthcare industry, Fosun continues to contribute wisdom and strength in areas such as improving the grassroots healthcare, eradicating malaria, and using Taiji to help treat chronic diseases, thereby protecting more families and contributing to the realization of the "Healthy China" goals.

## 7.2.1 Rural Doctors Program

Strengthening grassroots healthcare is not only a common expectation of the entire population but also a key foundation for rural revitalization. Rural doctors are the most basic "health guardians" in China's three-tiered medical system at the county, township, and village levels. Fosun launched the Rural Doctors Program in 2017 to protect, empower, and motivate the group of rural doctors, thereby promoting the implementation and achievement of the "Healthy China 2030" initiative. During the Reporting Period, Fosun's "Empowerment of Rural Medical Service with Rural Doctors Program" was honored as one of the UN Global Compact's"Twenty Case Examples of Private Sector's Sustainable Development in China for Twenty Years".

According to the Rural Doctors Strategy (2023-2027), we have set a vision as "To safeguard grass-root families and contribute to Healthy China and Rural Revitalization strategies", and goals as "To enhance the poverty alleviation accomplishments and community health, to improve health literacy and develop rural economy". By doing so, we strive to build a better rural health ecology.

As of the end of 2024,

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

assisting more than **14 thousand** village clinics,

supporting **25 thousand** rural doctors,

benefiting **3 million** rural families (16.34 million rural residents).

| The Five Initiatives | In 2024, we: |
|---|---|
| 1. Providing Supplementary Commercial Insurance | Donated group accident insurance and critical illness insurance policies to rural doctors:<br>・Donated a total of 18,327 accident insurance policies and 942 critical illness insurance policies to rural doctors, with a total value of RMB1.22 million;<br>・Completed accident insurance claims for 37 rural doctors, with a total payout of RMB500 thousand, and critical illness insurance claims for 3 rural doctors, with a total payout of RMB300 thousand; |
| 2. Offering Training Courses | Provided tailored training to rural doctors through a combination of online and offline methods:<br>・The "Dragon Gate Program" is a philanthropic project to support the rural doctors to obtain rural general practitioners' assistance qualification certificate. In 2024, the "Dragon Gate Program" 2.0 was launched, shifting from post-exam incentives to pre-exam training. A total of 1,019 rural doctors participated in online training, and 612 of them passed the practical skills examination with a pass rate of 67.2% for the year;<br>・The first "Expert-Mentored Advanced Training Camp" was launched at Foshan Fosun Chancheng Hospital, where 14 rural doctors were paired with medical experts for 1-3 months of specialized advanced training;<br>・4 online training sessions "Famous Doctors Talk" were held, and nearly 6,000 rural doctors were trained; |
| 3. Upgrading Village Clinics | ・Carried out intelligent upgrading for 63 clinics or hospitals in 15 counties with a total investment of RMB3.38 million; |
| 4. Honoring Exemplary Rural Medical Practitioners | ・Rewarded 10 "Warm-hearted Rural Doctors", 10 "Warm-hearted Township Hospital Directors", and 5 "Young Role Models"; |
| 5. Formulating Respective Development Strategies Accordingly (the former Assisting Patients with Serious Illnesses) | ・To promote grassroots health and rural development through tailored and sustainable approaches, the project has formulated respective development strategies accordingly in 12 pilot counties across Guizhou and Hainan provinces. The program aims to create tailored rural revitalization plans that enhance local self-sustaining capabilities while addressing the unique conditions of each region. |

## New Pilot Provinces of the Rural Doctors Program

In 2024, the Rural Doctors Program initiated a new strategy pilot in Guizhou and Hainan provinces. Fosun Foundation, in collaboration with Sinopharm Group Guizhou Co., Ltd., FTG and Hainan Mining (Fosun's member companies), provided comprehensive and multi-dimensional support and medical assistance to rural doctors in Guizhou and Hainan through a long-term (five-year) cooperation model, promoting the characteristic development of the project counties according to local conditions.

In response to the implementation of the National Rural Doctor Special Program for College Students released in 2023 by the National Health Commission, the State Commission Office of Public Sectors Reform (SCOPSR), the Ministry of Education, the Ministry of Finance, and the Ministry of Human Resources and Social Security, Fosun conducted a special pilot program for college students as rural doctors in Hainan. This program is designed to help the target counties to better retain the college students recruited as rural doctors and make a greater impact there.

Starting from 2025, we will focus on two aspects: on the one hand, we will provide special fund support to further improve the remuneration of young rural doctors already in service and make the position more attractive; on the other hand, we will encourage young rural doctors to improve their professional skills and provide more advanced study opportunities for those who have obtained the assistant doctor qualification, so as to provide them with a broader career development path, and cultivate high-quality talents for the rural healthcare workforce.

Announcement of the Pilot Provinces for the New "Healthy and Heartwarming - Rural Doctors Program" Strategy

## Advanced Training for Rural Doctors

Advanced training is a key to enhance professional skills and service levels of rural doctors. Foshan Fosun Chancheng Hospital was designated as one of the "Training Bases for Rural Doctors" by the China Population Welfare Foundation and Fosun Foundation in 2023. Since then, extensive preparations had been made and the first "Expert-Mentored Advanced Training Camp" was officially launched in June 2024. The first batch of trainees, consisting of 14 rural doctors from Guizhou, Hainan and Sichuan, were paired one-on-one with experts from Foshan Fosun Chancheng Hospital and embarked on a customized training program lasting 1-3 months.

During the Reporting Period, 9 additional privately-owned enterprises joined the Rural Doctors Program as supporters of the advanced training program. They have provided additional professional training sessions and explored higher quality training models for rural doctors. In the future, Fosun Foundation will collaborate with more responsible private hospitals and warm-hearted companies to make the program more streamlined and sustainable, based on the actual needs of different regions.

Kick-off of the "Expert-Mentored Advanced Training Camp" at Foshan Fosun Chancheng Hospital

Rural Doctor Advanced Training Supporters

## The Progress of the Rural Doctors Program's Assistance for Counties in Tibet

At the opening ceremony of "Shanghai Charity Week 2024", the representative of the Rural Doctors Program connected with the main venue in Shanghai via video. The representative was dispatched by Fosun Foundation and stationed at the Health Commission of Rikaze City in Tibet for the implementation of the Rural Doctors Program. At the event, the achievements of Shanghai's paired assistance to Tibet over the past year was reviewed. During the talk, Fosun Foundation stated that it would make every effort to meet the physical needs of grassroots medical institutions, and help their staff to continuously improve their professional knowledge and skills. Under the "Dragon Gate Program", 45 rural doctors from Rikaze City received specialized training to prepare for the Rural General Practice Assistant Physician Qualification Examination.

Fosun Foundation has been conducting medical aid and emergency disaster relief projects in the Tibet region for twelve consecutive years, covering five counties under the paired assistance by Shanghai, with a total investment of RMB13 million.

Video Connection with A Tibetan Rural Doctor at Shanghai Charity Week 2024

## Rural Doctors at CIIE

In November 2024, Fosun Foundation invited representatives of rural doctors from the program counties to attend China International Import Expo (CIIE) for the fifth consecutive year. This initiative was designed to broaden the horizons of grassroots healthcare workers and expose them to the latest advancements in medical technology. During the event, the expert and rural doctors convened at Fosun Health's booth and held the "Famous Doctors Talk" live broadcast at CIIE for the third time, discussing the inheritance and innovation of primary healthcare.

Rural Doctors Operated the Da Vinci Surgical Robot

### Experts for Free Rural Clinics

Relying on the Rural Doctors Program platform, the Fosun ecosystem, especially its Health sector, actively joins the ranks of safeguarding grassroots health. Free clinic activities were jointly carried out by Fosun Foundation, Shanghai Henlius, and Fosun Wanbang Pharma Group. They organized a medical team of renowned domestic experts to delve into the target counties of the program. These experts conducted academic lectures, large-scale free clinics, and departmental guidance, enabling the local people to access quality medical resources at their doorsteps, while enhancing the diagnostic and treatment skills of grassroots medical workers.

#### "Renowned Doctors' Support" - A Rural Healthcare Journey

Fosun Foundation, in collaboration with Shanghai Henlius, launched a rural healthcare support project - "Renowned Doctors' Support", which aims to improve medical conditions, diagnostic standards, and hospital management capabilities in remote rural areas of China, and raise awareness of breast cancer and other cancers among rural residents. The project invited renowned domestic oncology experts and a hospital management team to visit villages and towns, where they conducted free clinics, donated supplies, provided academic training, guided hospital construction, and visited rural clinics.

In 2024, the experts and the team visited the target counties in the Rural Doctors Program, including Pingbian in Yunnan, Zhijin in Guizhou, Dongxiang in Gansu, Mianyang in Sichuan, Wuzhishan in Hainan, and Jeminay in Xinjiang, benefiting more than 1,800 patients and 550 medical workers, and donating over RMB100 thousand worth of supplies to support local county hospitals and village clinics.

#### "Hand in Hand" Rural Medical Talent Revitalization Plan - Renowned Doctors' On-site Support

To further implement the strategic decisions and policies of the Central Committee of the Communist Party of China and the State Council on the development of Traditional Chinese Medicine (TCM), and in response to the call for TCM development during the "14th Five-Year Plan" period, the 2024 Rural Medical Talent Revitalization Plan emphasizes the integration of Chinese and Western medicine. Under the offline "Renowned Doctors' on-site Support" initiative, renowned medical experts in both Chinese and Western medicine were invited to visit remote rural areas and provide targeted assistance.

In 2024, about 60 medical experts in Chinese and Western medicine participated in this initiative. They formed a philanthropy team to visit the target counties including Yongping in Yunnan, Zhouzhi in Shaanxi, and Jinzhai in Anhui. By demonstrating medical technologies and integrating Chinese and Western treatment skills, they effectively helped rural doctors improve their diagnosis and treatment skills, thereby enabling grassroots families to enjoy worry-free disease management.

Experts for Free Clinics · Cangxi, Sichuan

Experts for Free Clinics · Anji, Zhejiang

## 7.2.2 Building A "Malaria-Free World"

For a long time, Fosun has been contributing a unique "Fosun Power" to the global vision of a "malaria-free" world through innovative pharmaceutical products and global resources. As a member of the "Roll Back Malaria", a global initiative advocated by WHO, Fosun Pharma, a member company of Fosun, has been committed to fulfilling responsibility to guard the health of people. By the end of 2024, Fosun Pharma had supplied more than 400 million vials of its proprietary injectable artesunate to the global market, helping a total of more than 80 million severe malaria patients worldwide to recover their health. In addition, more than 300 million African children had benefited from the "Seasonal Malaria Chemoprevention Program", effectively reducing the incidence of malaria among African children under the age of 5.

As of the end of the Reporting Period, Fosun Pharma had 33 antimalarial pharmaceutical products prequalified for production by the WHO (WHO-PQ). It has been a significant supplier of antimalarial drugs to the Global Fund, the United Nations International Children's Emergency Fund, WHO and national drug purchase centers in African countries for many consecutive years.

### Fosun Pharma Sponsored the Eighth MIM

In April 2024, at the Multilateral Initiative on Malaria (MIM) Eighth Pan-African Malaria Conference, Fosun Pharma, as one of the main sponsors, introduced the latest drugs and clinical management solutions for severe malaria to over 300 global malaria researchers, malaria control and prevention technical officials, and NGO representatives in attendance.

The Eighth MIM

### Fosun Foundation was invited to participate in the Seventh China-Africa People's Forum

In July 2024, Fosun Foundation was invited to attend the Seventh China-Africa People's Forum. This forum was co-hosted by the International Department of the Communist Party of China Central Committee and the Hunan Provincial Committee of the Communist Party of China, with over 200 participants including dignitaries, youth leaders, representatives from NGOs, and think tanks from more than 50 African countries.

At the parallel forum on "China-Africa Economic and Trade Cooperation and Corporate Social Responsibility", Zhang Yifei, the Secretary-General of Fosun Foundation, introduced Fosun's community welfare projects in Africa, as well as Fosun's vision and experience in creating a "Malaria-Free World".

The Seventh China-Africa People's Forum

## 7.2.3 Proceeding the "Taiji for Chronic Diseases" Program

2024 marks the tenth year of Fosun Taiji philanthropy projects. Our commitment remained steadfast in projects such as "Taiji Anti-Parkinson's Disease", "Taiji for Relieving Alzheimer's Disease", and "Community Taiji". By blending traditional Chinese health culture with scientific research evidence, we continue to support patients with chronic diseases and individuals experiencing sub-health conditions in achieving a higher quality of life.

### Taiji for a Better Life

Fosun Foundation and Sino Taiji have jointly initiated the philanthropic programs "Taiji for Chronic Diseases" - "Taiji Anti-Parkinson's Disease" and "Taiji for Relieving Alzheimer's Disease", helping patients alleviate their conditions and regain confidence in life. Fosun Foundation conducted research in collaboration with the Professor Chen Shengdi team from the Neurology Department at Shanghai Ruijin Hospital. The results revealed that long-term Taiji training can effectively inhibit the symptoms of Parkinson's disease and delay cognitive decline in Alzheimer's patients. As of the end of the Reporting Period, the "Taiji Anti-Parkinson's Disease" program had a total of 610 registered students.

Fosun Foundation also initiated the "Community Taiji" CSR project, which aims to help the elders in the community to balance their physical and mental health and improve their quality of life. As of the end of the Reporting Period, the "Community Taiji" CSR project had covered 46 communities and trained 192 volunteers in total. During the Reporting Period, Fosun Foundation, in collaboration with Standard Chartered Bank (China), carried out the "Taiji for the Elderly" activity, where Sino Taiji instructors trained the bank's employee volunteers, who then taught Taiji courses to community seniors. On the Double Ninth Festival in 2024, Sino Taiji, through Fosun Foundation, donated "Sino Taiji" internal cultivation courses to several residential community committees in Shanghai, providing more care and support for the elders in those communities.

As of the end of the Reporting Period:

| | "Taiji Anti-Parkinson's Disease" | "Taiji for Relieving Alzheimer's Disease" | "Community Taiji" |
|---|---|---|---|
| Conducting Philanthropic Taiji Courses | 4,933 hours | 221 hours | 454 hours |
| Cumulative Participation | 31,814 participants | 1,420 participants | 6,747 participants |

## 7.3 Community Co-development

Adhering to the concept of co-development and sharing, we encourage member companies as well as all stakeholders in society to join us in creating vibrant and thriving communities together.

### A Better Sino-Africa Community

In April 2024, the "Sino-Africa Community Action Network on Sustainable Development" of the UN Global Compact was formally established in Beijing. The aim is to strengthen exchanges and cooperation between Chinese and African enterprises in community sustainability, and to mobilize more Chinese enterprises operating in Africa to make positive contributions to the achievement of the Sustainable Development Goals.

Fosun Foundation, together with Zhejiang Huayou Cobalt Co., Ltd., Shenzhen HiTHIUM Energy Storage Technology Co., Ltd., Zhejiang Jack Technology Co., Ltd., and Shanghai Boke Foundation, among others, designed the "Goromonzi Community Development Project" in Zimbabwe. The project consists of three sub-projects: "Wellness Community - Community Health", "Weaving the Future - Women's Empowerment", and "Warming Community with Electricity - Equal Access to Electricity".

At the kick-off meeting of the "Sino-Africa Community Action Network on Sustainable Development", Hainan Mining, a member company of Fosun, officially announced its "Bougouni Beautiful Community Project" in Mali. The project includes: reopening village schools to provide educational opportunities for local children, ensuring that the school enrollment rate of children aged 5-11 reaches 100%; investing in the construction of water storage dams to provide villages with a stable and reliable water storage service; and donating tractors to improve agricultural production conditions and increase the efficiency of agricultural production and villagers' income.

Fosun Pharma, another member company of Fosun, provided anti-malarial medicines for the project. Furthermore, it has also pledged to donate artemisinin-based anti-malarial medicines worth RMB10 million to Africa in the next three years to support the construction of healthy communities.

The Kick-off Ceremony of the "Sino-Africa Community Action Network on Sustainable Development"

### "Shanghai Summit of Philanthropy"

In September 2024, under the guidance of the Shanghai Civil Affairs Bureau, Fosun Foundation and several foundations co-organized the Fifth "Shanghai Summit of Philanthropy" in the Yuyuan Garden.

The forum invited numerous social organizations, experts and scholars, and representatives of philanthropic enterprises. These participants discussed the ways to make Shanghai more warm-hearted and compassionate to promote the sustainable development of Shanghai's philanthropic undertakings in a variety of ways like keynote speeches and round-table forums.

Welcome Address by the Honorary Chairman of Fosun Foundation

2024"Shanghai Charity Week"Round-table Forum

### The Green Farmers Program

Club Med, a member company of FTG, has partnered with the NGO Agrisud for sixteen consecutive years to guide local peasants in places where its resorts are located to grow crops more sustainably based on agro-ecological principles. It has integrated local agricultural products into the resorts' food procurement network and realized a win-win situation for the local ecology and economy. In 2024, the project was implemented in 11 resorts in 8 countries; supported 13 small farms, benefiting a total of 653 farmers; nearly 132 hectares of land were used for ecological farming, with an average of 30 crops grown per project; provided a cumulative financial contribution of EUR421,000.

### Christmas Initiative - "Christmas Baskets"

Fosun Insurance Portugal, a member company, has been running the Christmas Initiative - "Christmas Baskets" for more than fifteen years, presenting well-designed Christmas baskets to low-income people and families in the neighborhood. In doing so, it supports the underprivileged to celebrate the traditional festivals in a more dignified manner. In 2024, 170 volunteers participated in this program, engaging with more than 600 people and delivering 2,400 baskets to beneficiaries, bringing warmth and comfort during the cold winter.

### Community Care in Hong Kong

Fosun has partnered with the Hong Kong Federation of Youth Groups, a non-profit organization, to launch the "Rice-Giving" CSR program for nine consecutive years, distributing rice packs to low-income families in Hong Kong to ease their burden. In 2024, Fosun International and Fosun Foundation were once again awarded the "Heart to Heart Company" logo by the Hong Kong Federation of Youth Groups, as well as the "Caring Company" / "Caring Organisation" logo and certificate of appreciation by the Hong Kong Council of Social Service.

## 7.4 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 UN Global Compact and the United Nations International Children's Emergency Fund and implements the ten principles of the *Children's Rights and Business Principles.* Fosun is dedicated to safeguarding children's rights, promoting their healthy development, and providing ongoing assistance to children in need.

### 7.4.1 Protecting Children's Rights

#### Club Med Safeguarding the Growth of Children

Club Med, a member company of FTG, actively identifies relevant risks and protects children's rights and interests by working with local NGOs, developing uniform procedures for answering questions from and identification of underage guests, conducting regular staff training, and other means. Since 2005, to combat the sexual exploitation of children in the tourism industry, Club Med has signed a cooperation agreement with ECPAT[18] and has jointly published leaflets on the initiative against child sexual exploitation, which are regularly made accessible to guests visiting resorts in high-risk destinations. The leaflets have been replaced with digitalized information in a more sustainable form since a few years ago.

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

[18] ECPAT is an international non-profit organization with a presence in over 70 countries worldwide. It works to minimize child prostitution, child pornography and the sale of children for sexual purposes. Many professional travel organizations have joined ECPAT's efforts to protect children from sexual exploitation in the tourism industry.

## 7.4.2 Supporting Child and Youth Development

### Care for Rural Teenage Girls

Launched in 2022, the Wonder Girl project aims to improve rural girls' awareness of body cognition as well as their ability of self-protection during puberty by conducting puberty physiological education care courses and offline growth care camps through professional educational institutions. In doing so, we are able to reduce the risk of gender-based violence and sexual assault, and safeguard the healthy growth of rural children.

During the Reporting Period, the project was conducted in Honghe County of Yunnan, Rangtang County of Sichuan, Lancang County of Yunnan, Dongxiang County of Gansu, Rikaze City of Tibet, Guangnan County of Yunnan, Kashi Region of Xinjiang and Yongsheng County of Yunnan. In 2024, Fosun Foundation, together with Tencent Charity Foundation, Sina Micro-charities netizens and caring enterprises, donated 7,215 care packages (containing more than 170 thousand units of feminine hygiene and care products) and conducted 2 offline growth ceremonies, benefiting 7,100 teenage girls in total.

During the Children's Day, the project, in collaboration with Sina Micro-charities and Wolves eSports Club under Fosun, launched a philanthropy campaign themed "Elder Friends, Please Answer". This activity invited Xiaopang, Xiangyu, Guiqi, 487 and Chongai, the e-sports players from Wolves eSports Club, to act as the "Growth Guardians" and guide children to positively face the confusion in their growth, and to grow up in a healthy and confident way. In the 72 hours since the launch of the activity, the campaign's topic has been read more than 1.48 million times, driving 9,560 interactive discussions and engagements among Weibo users.

In addition to strengthening cooperation with Internet-based public fundraising platforms and caring enterprises, the project has also actively responded to projects and platforms such as the "Special Funds for Targeted Support and Cooperative Exchange Project" of the Office for Cooperation and Exchange Affairs of the Shanghai Municipal People's Government, the "Strength Gathering Program" of the Shanghai Social Organization Service Center, and the "Hand in Hand for Good" of the Alliance of Shanghai Private Enterprise Philanthropy Foundations. Together, they contribute to Shanghai's support and cooperation work for Tibet and the Kashi Region.

Care Packages for Rural Teenage Girls by the "Growth Guardians" of Wolves

### China Red Ribbon Foundation Education Base and "2024·My Country and Me" Summer Camp

In July 2024, Fosun Foundation was invited to attend the opening ceremony of the China Red Ribbon Foundation (CRRF) Education Base as well as the "2024·My Country and Me" Summer Camp. Supporting youth development is a common concern of the whole society and one priority of Fosun Foundation. As the vice-chairman unit of CRRF, Fosun has been a long-term supporter of the development of AIDS prevention and treatment, donating RMB3.2 million through CRRF in total.

Students from Liangshan Yi Autonomous Prefecture, Sichuan Province participated in the "2024·My Country and Me" Summer Camp

## 7.4.3 Consolidating the Basis of Innovation

### Emerging Visionaries Award

"Emerging Visionaries Award(EVA)" is an award that aims to support youth from 12-18 years old to practice the UN SDGs through innovative public service projects. Through the Youth Visionaries Summit Roadshow and the "Venture Capital" Campaign, the award provides resource support to outstanding projects for efficient operation, thus accelerating positive social change. In 2024, the award received 390 valid applications submitted by individuals and groups from 128 schools nationwide. After strict evaluation by the organizing committee, it awarded 2 "EVA Ambassadors", 10 "Emerging Visionaries Awards", 20 "Potential Visionaries Awards", and 5 groups of "EVA Best Teams Awards".

Ye Zheyi, one of the 2024 "EVA Ambassadors", initiated the "Lupus Patients Supportive Program". The program aims to provide psychological counselling and support to children and teenagers suffering from lupus erythematosus by organizing activities such as the psychological care "Lupus Patients Monopoly" games and science popularization lectures. During the Reporting Period, the program was successfully launched on the Shanghai United Foundation public fundraising platform to raise long-term financial support. Meanwhile, through the design and distribution of the "Packages for Lupus Patients", the program offered more hospitalized children mental health manuals, sunscreen and body warming products, paying constant attention to the physical and mental health of the children.

Concerned about the basic needs of African children for drinking water and electricity, Ke Chengrui, the other 2024 "EVA Ambassador", innovatively designed a "LightUp Filtered Bottle" integrating a filter pump, a solar light and an emergency aid function to provide drinking water and light to African children in distress. During the Reporting Period, the philanthropy idea came to fruition. And the first batch of 500 "LightUp Filtered Bottles" was donated to Burkina Faso in Africa.

Fosun Foundation has collaborated with Shanghai World Foreign Language Academy, Shanghai High School International Division, Shanghai Qibao Dwight High School, Shanghai Wenlai Middle School and Shanghai Jiu Long Model Middle School to initiate the "Emerging Visionaries School Alliance SEEDING Program". The program designs professional philanthropy training courses tailored for secondary school students in line with the UN SDGs, to assist them in designing and facilitating the implementation and long-term development of their own philanthropy projects. In addition, Fosun Foundation has established partnerships with nine schools from Shanghai, Beijing, Zhejiang as well as other provinces and cities in the Emerging Visionaries School Alliance. Jointly, they share social resources and empower more secondary school students to participate in philanthropy activities for comprehensive development.

### Protechting Open Innovation Program

"Protechting Open Innovation Program" was jointly initiated by Fosun Foundation and Fosun Insurance Portugal in 2016. Derived from the words "Protection" and "Technology", "Protechting" signifies the contribution to social sustainability through technology innovation. Focusing on key areas such as finance, insurance, healthcare and ESG, the program provides an exchange platform for young entrepreneurs around the world to promote innovation and social development. Since 2018, Protechting has incubated 40 pilot projects and led to 5 commercial collaborations, continuing to drive the commercialization of sustainable innovation achievements.

The Seventh "Protechting Open Innovation Program" (Protechting 7.0) was launched in October 2024 in Portugal. Protechting 7.0 considers sustainability as a core pillar, concentrating on innovative solutions in InsurTech, HealthTech, Tech-Enablers and other technology areas. The competition received 346 project submissions from over 50 countries and regions, setting a new record for the number of submissions. To help the startup teams better showcase their ideas and exchange experiences, the competition specially planned four live broadcasts of Protechting Talks, inviting industry professionals, investors and previous outstanding teams to share their insights, thereby inspiring and guiding the participants.

After a thorough screening process, the 15 most promising innovation teams advanced to the pilot stage and gained opportunities to communicate deeply with industry leaders, investors and corporate partners. In the Matching Day session held in Lisbon, Portugal, the shortlisted teams were accurately matched with potential partners and industry professionals. They had in-depth discussion on market application scenarios and commercialization paths, laying a foundation for the subsequent pilots. The final winning team was granted the opportunity to participate in the China Roadshow. And thus, the team could speed up its technology transformation and global market expansion.

The Third Protechting Talk

17 Outstanding Teams' Showcase at Protechting 7.0 Final Evaluation Stage

Protechting 7.0 Matching Day

## 7.5 Emergency Relief

Fosun remains steadfast in its mission as a "Corporate Citizen" by actively responding to the global emergency relief work and keeping a close eye on the progress of the disaster relief, to practice its responsibility and commitment with solid actions.

### Relief for Flood Hit Areas in Liaoning

In June 2024, parts of Liaoning Province suffered severe natural disasters due to heavy rains and typhoons. Fosun Foundation, together with celebrities of the Hand in Hand for Tomorrow project, PCRC and Trafigura China, donated 2,000 sets of emergency family kits to Huludao and Chaoyang. Besides, they donated 1,200 sets of stainless steel chopsticks and dinnerware based on the actual needs of Huludao. At the same time, Fosun Foundation donated 2,000 pairs of cut-resistant professional gloves to 5 rescue organizations, including the Green Boat Emergency Rescue, to actively contribute to the rescue work.

### Relief for Typhoon "Gemei" Affected Areas in Chenzhou, Hunan

In August 2024, under the influence of Typhoon "Gemei", Zixing County, Chenzhou City, Hunan Province, was hit by an exceptionally heavy rainstorm, resulting in multiple road collapses and affecting more than 100 thousand people. After the disaster, Fosun Foundation, joining hands with Lang Lang Arts Foundation, quickly mobilized supplies and donated relief materials to Chenzhou, Hunan, including petrol generators, drinking water and rice. All these were sent to the affected residents in the resettlement sites at the first time to deliver our care to them.

### Relief for Typhoon "Capricorn" Affected Areas in Hainan

In September 2024, Super Typhoon "Capricorn" made landfall in Hainan, causing severe disasters. Fosun Foundation, celebrities of the Hand in Hand for Tomorrow project, actress Bai Lu, Trafigura China and the China Siyuan Foundation jointly donated emergency supplies such as generators, water pumps, chainsaws, folding buckets, damp-proof mats as well as 1,080 family emergency supply kits, 100 large tents, 2,800 thickened damp-proof mats, and 9 large elevating and lifting emergency lighting sets to Hainan in support of rescue and reconstruction work in the disaster-stricken areas.

# 7.6 Culture & Art

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

## 7.6.1 Inheritance of Cultural Heritage

### Yuyuan Lantern Festival · Showcasing the Brilliance of China's Intangible Cultural Heritage

The Shanghai Yuyuan Lantern Festival is one of the longest-running, best-known and most popular Chinese New Year lantern-viewing events in China, and has been listed as one of China's national intangible cultural heritage programs. In 2024, the Yuyuan Lantern Festival went global for the first time on the eve of the Year of the Loong and held in Jardin d'Acclimatation in Paris, France. It was designated as part of the opening festivities celebrating the 60th anniversary of the establishment of diplomatic relations between China and France, as well as the China-France Year of Culture and Tourism. It also served as the series of highlighted events for the bilateral cooperation between China and France in 2024.

To create a tourist-friendly and effective Festival Dragons et Lanternes, we have adopted a comparative presentation of Eastern and Western life scenes to enable the French people to visualize Chinese aesthetics, such as "qin (stringed instrument), Chinese chess, calligraphy, painting, poetry, liquor and tea". We are also promoting quality brands, including China Time-honored Brands, along with cultural and commercial initiatives, to engage French consumers through the Yuyuan Lantern Festival, thereby further advancing Chinese brands and "Made in China" onto the global stage.

We organized the Springtime Appreciation Event in Yuyuan, inviting more than 100 consular officials from nearly 40 consulates in Shanghai along with international friends to visit the Yuyuan. Together, we appreciated Chinese culture represented by the Oriental Lifestyle Aesthetics. Led by Fosun volunteers, guests from afar experienced the brilliance of fine traditional Chinese culture brought by Chinese folk music, traditional opera and the Fondant Artwork Exhibition.

## 7.6.2 Art Promotion

### Fosun Foundation Shanghai (FFS)[19]

In 2024, Fosun Foundation Shanghai was awarded among the 2024 Top Ten Art Institutions of "National Fine Arts·Golden Star Award". Afterwards, it will continue to focus on the bridge connecting art with the public. It serves not only as an art museum, but also as a landmark destination that brings together diverse creative possibilities.

Fosun Foundation Shanghai always adheres to the principle of advancing the Chinese contemporary art development. It also disseminates diversified art concepts to the public through various media and disciplines, and promotes global cultural and art exchanges and collaborations. During the Reporting Period, Fosun Foundation Shanghai reinterpreted contemporary art exhibitions as well as works in the main direction of cross-media multi-formity from a new perspective. It presented exhibitions of many famous domestic and international artists including Thomas Heatherwick, Anne Morris, and Erwin Wurm.

Fosun Foundation Shanghai actively promotes the development of art communities, and integrates art into public space, seamlessly integrating art into public spaces to elevate urban aesthetics and make art accessible to all. In 2024, Fosun Foundation Shanghai created the Fourth Bund Art Season, which presented a solo photography exhibition together with an art installation to draw public attention to the new wave of art. Fosun Foundation Shanghai also launched the First "Bund International Art Festival | Terrace Art Season", which broke down the boundaries of art by integrating art with AR and MR technologies, encouraging the public to participate in art interactions.

Fosun Foundation Shanghai insists on fulfilling its social responsibility of art education and strives to achieve the goal of "nurturing people with knowledge and aesthetics". During the Reporting Period, Fosun Foundation Shanghai organized 68 public education activities. These events provided the public with nearly 300 free tours led by volunteer guides, allowing the public to experience different aspects of art from multiple perspectives.

### Thomas Heatherwick's Premiere Exhibition in China - "Building Soulfulness"

In January 2024, Thomas Heatherwick, the designer of the Fosun Foundation Shanghai, returned to the building he designed for a retrospective exhibition of his work. Through architectural models, sketches, furniture designs, and interactive exhibits, the exhibition presented more than 30 iconic projects from Heatherwick Studio across the globe in six themes and highlighted a number of its projects in China. This exhibition helps visitors gain insights into how the studio embraces the natural world and establishes a better connection with its surroundings through its flexible working methods.

"Building Soulfulness" Exhibition Hall

### Fosun Foundation Chengdu

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

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

# Key Performance Indicators

## People and Partner Oriented

| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Employee Indicator | | | | |
| The total number of employees within the scope of the Report | | Approximately 78,000 | Approximately 80,000 | Approximately 74,000 |
| By gender | Female (%) | 50.4 | 49.2 | 49.2 |
| | Male (%) | 49.6 | 50.8 | 50.8 |
| By position | Senior executive (%) | 1.4 | 1.5 | 1.7 |
| | Middle management (%) | 10.9 | 13.7 | 14.1 |
| | General staff (%) | 87.7 | 84.8 | 84.2 |
| By age | ＜30 (%) | 27.3 | 27.7 | 29.5 |
| | 30-39 (%) | 36.5 | 36.5 | 37.7 |
| | 40-49 (%) | 22.3 | 22.2 | 20.4 |
| | ⩾50 (%) | 13.9 | 13.6 | 12.4 |
| By region | Asia (%) | 74.82 | 71.65 | 81.39 |
| | Europe (%) | 15.20 | 14.03 | 12.75 |
| | Africa (%) | 3.78 | 8.3 | 1.92 |
| | North America (%) | 4.20 | 4.17 | 3.35 |
| | South America (%) | 1.97 | 1.82 | 0.56 |
| | Oceania (%) | 0.03 | 0.03 | 0.03 |
| By employment type | Full-time (%) | 97.6 | 97.7 | 98.3 |
| | Part-time (%) | 2.4 | 2.3 | 1.7 |
| New Employee Indicator | | | | |
| The total number of new employees within the scope of the Report | | Approximately 24,000 | Approximately 27,000 | Approximately 27,000 |
| By gender | Female (%) | 49.2 | 47.0 | 54.3 |
| | Male (%) | 50.8 | 53.0 | 45.7 |
| By age | ＜30 (%) | 49.5 | 46.9 | 57.2 |
| | 30-39 (%) | 28.4 | 29.5 | 29.2 |
| | 40-49 (%) | 12.0 | 14.1 | 9.4 |
| | ⩾50 (%) | 10.1 | 9.5 | 4.2 |

| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| By region | Asia (%) | 63.94 | 62.54 | 62.13 |
| | Europe (%) | 21.66 | 20.59 | 27.62 |
| | Africa (%) | 4.89 | 6.63 | 2.62 |
| | North America (%) | 6.33 | 7.42 | 5.52 |
| | South America (%) | 3.16 | 2.78 | 2.06 |
| | Oceania (%) | 0.03 | 0.03 | 0.05 |
| Employee Turnover Indicator[20] | | | | |
| Employee turnover rate (%) | | 21.8 | 23.8 | 21.6 |
| Voluntary turnover rate (%) | | 14.5 | 16.5 | 15.7 |
| By gender | Female (%) | 20.8 | 23.1 | 19.7 |
| | Male (%) | 20.8 | 24.5 | 23.4 |
| By age | ＜30 (%) | 26.0 | 29.2 | 30.1 |
| | 30-39 (%) | 21.4 | 23.4 | 20.2 |
| | 40-49 (%) | 16.3 | 18.5 | 14.4 |
| | ⩾50 (%) | 22.2 | 21.4 | 13 |
| By region | Asia (%) | 21.7 | 24.5 | 20.2 |
| | Europe (%) | 18.6 | 19.1 | 24.2 |
| | Africa (%) | 17.3 | 19.7 | 13.2 |
| | North America (%) | 30.9 | 32.1 | 36.9 |
| | South America (%) | 30.6 | 28.5 | 54.6 |
| | Oceania (%) | 6.9 | 21.4 | 30 |

[20] 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%.

| | | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Employee Training Indicator[21] | | | | |
| Percentage of employees trained (%) | | 85.4 | 85.3 | 82.6 |
| Training hours per capita (hour) | | 54.8 | 47.3 | 53.6 |
| By gender | Female (%) | 85.8 | 79 | 77.9 |
| | Male (%) | 85.0 | 91.3 | 87.1 |
| By position | Senior executive (%) | 84.4 | 85.4 | 87.4 |
| | Middle management (%) | 87.4 | 81.8 | 68.6 |
| | General staff (%) | 85.1 | 85.8 | 84.8 |
| By gender | Female (hour) | 54.7 | 45.9 | 51.1 |
| | Male (hour) | 54.8 | 48.4 | 56.5 |
| By position | Senior executive (hour) | 35.6 | 35.5 | 30.3 |
| | Middle management (hour) | 41.5 | 42.4 | 51.5 |
| | General staff (hour) | 56.7 | 48.2 | 54.4 |

| Safe and Health Indicators[22] | 2024 | | 2023 | |
|---|---|---|---|---|
| | Member companies in China | The Group | Member companies in China | The Group |
| The number of work-related injuries | 65 | 722 | 71 | 654 |
| Lost days | 1,693 | 10,244 | 7,821 | 15,820 |
| Lost day rate[23] | 15 | 64 | 66.69 | 98.68 |
| Number of lost time injuries (LTI) | 65 | 748 | 71 | 681 |
| Lost time injury frequency rate (LTIFR)[24] | 0.56 | 4.70 | 0.61 | 4.25 |
| Incidence rate of occupational disease | 0 | 3 | 0 | 0 |
| Number of dead due to work | 0 | 0 | 1 | 1 |

[21] (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%.

[22] (1) Occupational safety and health data for the Group's member companies in China only include statistics from Fosun Pharma, Yuyuan, Hainan Mining, Forte and Atlantis Sanya; the Group's occupational safety and health data include the statistics from Fosun Pharma, Yuyuan, Hainan Mining, FTG, Forte, Fosun Insurance Portugal, Peak Reinsurance. (2) The Group recorded no work-related fatalities in 2022 and 2024. However, one work-related fatality was reported in 2023.

[23] Lost Day Rate = Lost workdays * 1,000,000 / Total work hours.

[24] Lost Time Injury Frequency Rate (LTIFR) = (Number of lost time injuries + *Number of work-related fatalities) *1,000,000 / Total work hours.



## Green Development

| | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Water[25] | | | | |
| Total Fresh Water Consumption | tonnes | 24,670,120 | 25,870,120 | 25,531,067 |
| Municipal water | tonnes | 22,498,291 | 23,882,723 | / |
| Surface water from rivers and lakes | tonnes | 271,439 | 254,654 | / |
| Groundwater from wells | tonnes | 1,753,138 | 1,579,289 | / |
| Purchased recycled water | tonnes | 145,538 | 153,454 | / |
| Rainwater | tonnes | 1,714 | 0 | / |
| Fresh Water Consumption Intensity | tonnes / RMB Million of revenue | 165.0 | 160.5 | 166.4 |
| Total Seawater Consumption | tonnes | 4,856,741 | 4,530,565 | 4,538,107 |
| Wastewater[26] | | | | |
| Total Amount of Wastewater | tonnes | 15,184,575 | 11,183,572 | 16,251,079 |
| Municipal water | tonnes | 9,878,895 | / | / |
| Surface water from rivers and lakes | tonnes | 5,242,700 | / | / |
| Groundwater from wells | tonnes | 62,979 | / | / |
| Chemical Oxygen Demand (COD) | tonnes | 1,319 | 1,202 | 1,267 |
| Ammonia Nitrogen (NH3-N) | tonnes | 257 | 225 | 210 |
| Wastegas[27] | | | | |
| NOx | tonnes | 142 | 219 | 208 |
| SO2 | tonnes | 88 | 152 | 121 |

[25] (1) During the Reporting Period, the Group did not encounter any significant issues in sourcing water. (2) The total water withdrawal is based on the aggregated statistical data from seven member companies within the scope of the Report.

[26] (1) As the wastewater generated by Peak Reinsurance, Fosun Insurance Portugal, FTG, and Forte is domestic in nature and has no material impact on the ESG aspects of their business operations, the wastewater data disclosed only includes statistics from Hainan Mining, Yuyuan, and Fosun Pharma. (2) For member companies equipped with continuous wastewater quality monitoring systems, pollutant discharge volumes are based on online continuous data. For other companies, pollutant discharge is calculated by multiplying the volume of wastewater by the concentration of pollutants obtained from periodic testing. (3) Due to a significant increase in annual rainfall in the area where Hainan Mining's wastewater discharge outlet is located, the volume of wastewater discharged by Hainan Mining increased during the Reporting Period. This led to a year-on-year rise in the Group's total wastewater discharge, as well as in COD and ammonia nitrogen emissions.

[27] (1) As Peak Reinsurance, Fosun Insurance Portugal, FTG, and Forte do not generate air emissions or generate only minimal emissions during their operations, which have no material impact on the ESG aspects of their business, air emissions data disclosed only includes statistics from Hainan Mining, Yuyuan, and Fosun Pharma within the scope of the Report. (2) For member companies with continuous air emissions monitoring systems, pollutant discharge volumes are recorded as online continuous data. For other companies, emissions are calculated by multiplying the volume of exhaust gas by the concentration of pollutants obtained from periodic testing. (3) During the Reporting Period, air emissions fluctuated within a normal range due to capacity adjustments at relevant member companies.

| | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Non-hazardous waste[28] | | | | |
| Total Amount of Non-hazardous waste | tonnes | 2,028,800 | 3,613,132 | 3,394,613 |
| Reuse | tonnes | 222,794 | 1,572,543 | / |
| Storage | tonnes | 1,733,914 | 1,919,094 | / |
| Composting | tonnes | 3,907 | 45,214 | / |
| Landfill | tonnes | 21,963 | 33,881 | / |
| Incineration | tonnes | 22,865 | 9,514 | / |
| Recycling | tonnes | 4,849 | 4,940 | / |
| Other | tonnes | 18,508 | 30,322 | / |
| Non-hazardous Waste Intensity | tonnes / RMB Million of revenue | 14 | 22 | 22 |
| Hazardous waste[28] | | | | |
| Total Amount of Hazardous waste | tonnes | 11,269 | 20,342 | 8,056 |
| Non-hazardous Waste Intensity | tonnes / RMB Million of revenue | 0.08 | 0.13 | 0.05 |
| Packaging material[29] | | | | |
| Total | tonnes | 24,122 | 23,694 | 25,830 |
| Glass | tonnes | 6,548 | 5,278 | 5,318 |
| Wood | tonnes | 8 | 32 | 40 |
| Metal | tonnes | 1,004 | 1,222 | 401 |
| Plastics | tonnes | 2,351 | 2,428 | 3,961 |
| Paper | tonnes | 13,239 | 13,658 | 15,552 |
| Others | tonnes | 972 | 1,077 | 558 |

[28] (1) Waste data is aggregated from the individual statistics of seven member companies within the scope of the Report. Note that kitchen waste oil generated by FTG was not included in the data from 2022 to 2024. (2) During the Reporting Period, the disposal volume of non-hazardous waste at Hainan Mining decreased year-on-year due to business adjustments. As mineral waste from Hainan Mining accounts for a significant proportion of the Group's total non-hazardous waste by weight, this led to a noticeable decline in the Group's overall non-hazardous waste volume. (3) The scope of hazardous waste statistics was expanded in 2023 to include Rock Oil, a subsidiary of Hainan Mining. As a result, the total amount of hazardous waste in that year was relatively high.

[29] (1) As Forte, Peak Reinsurance, FTG, and Fosun Insurance Portugal do not engage in production activities, and Hainan Mining does not produce products requiring packaging materials, the disclosure scope of packaging material usage includes only Fosun Pharma and Yuyuan within the scope of the Report. (2) Given the diversified nature of the Group's products and services, the indicator of packaging material used per unit of product is considered not applicable.



| | Unit | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Energy Consumption[30] | | | | |
| Direct energy | MWh | 1,137,645 | 1,155,260 | 1,340,718 |
| Indirect energy | MWh | 2,470,917 | 2,522,723 | 2,379,135 |
| Total energy consumption | MWh | 3,608,562 | 3,677,983 | 3,719,853 |
| Total renewable energy consumption (including self-owned solar PV, biomass power generation, and purchased clean electricity) | MWh | 91,281 | 39,406 | 67,717 |
| GHG Emission[30] | | | | |
| Scope 1 | $tCO_2e$ | 336,346 | 330,279 | 440,337 |
| Scope 2 | $tCO_2e$ | 1,228,829 | 1,215,404 | 1,156,430 |
| Scope 1+Scope 2 GHG emissions | $tCO_2e$ | 1,565,175 | 1,545,683 | 1,596,767 |
| Scope 1+Scope 2 GHG emissions intensity | $tCO_2e$/ RMB Million of revenue | 10.5 | 9.6 | 10.4 |
| Scope 3 | $tCO_2e$ | 2,185,160 | 1,019,820 | / |

[30] For detailed information on energy consumption and GHG emissions data, please refer to the *Fosun International 2024 Climate Information Disclosures Report*.

# Glossary

| Abbreviations | Full Names |
|---|---|
| AI | Artificial Intelligence |
| BCP | Banco Comercial Português, S.A., a company whose shares are listed on the Euronext Lisbon with stock code BCP |
| BFC | The Bund Finance Center (外灘金融中心) |
| Baiwang | BaiWang Co.,Ltd. |
| Company | Fosun International Limited |
| Group or Fosun or we | Fosun International Limited and its subsidiaries |
| C2M | Customer to Maker |
| Club Med | Club Med SAS |
| CSR | Corporate Social Responsibility |
| Director(s) | The director(s) of the Company |
| Board | The board of Directors |
| Peak Reinsurance | Peak Reinsurance Company Limited |
| EHS | Environment, Health and Safety |
| EHSQ | Environment, Health, Safety & Quality |
| ESG | Environmental, Social and Governance |
| ESG Report | The Environmental, Social and Governance Report of the Company |
| ESG Reporting Guide | Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules |
| FC2M | Family/Fosun Customer to Maker |
| Forte | Shanghai Forte Land Co., Ltd |
| Lanvin | Lanvin Group Holdings Limited (復朗集團), a company whose shares are listed on the NYSE with stock code LANV |
| Henlius | Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司), |
| Pramerica Fosun Life Insurance | Pramerica Fosun Life Insurance Co., Ltd.* (復星保德信人壽保險有限公司) |
| Fosun Pharma | Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥（集團）股份有限公司) |
| Fosun Foundation | Shanghai Fosun Foundation |
| FTG | Fosun Tourism Group |
| Fosun Insurance Portugal | Fidelidade – Companhia de Seguros, S.A. |
| GMP | Good Manufacturing Practices |
| GRI | Global Reporting Initiative (GRI) Universal Standards 2021 |
| Guilin Pharma | Guilin South Pharma Co., Ltd.* (桂林南藥股份有限公司) |
| Hainan Mining | Hainan Mining Co., Ltd. (海南礦業股份有限公司) |

| Abbreviations | Full Names |
|---|---|
| Hong Sheng New Material | Zhejiang Hong Sheng New Material Technology Group Co., Ltd.* (浙江鴻盛新材料科技集團股份有限公司) |
| Hongqi Pharma | Shenyang Hongqi Pharmaceutical Co., Ltd. |
| CIIE | China International Import Expo |
| JM Intelligence | JM Intelligent Equipment Co., Ltd. |
| Jinsheng New Energy | Guangdong Jinsheng New Energy Co., Ltd.* (廣東金晟新能源股份有限公司) |
| KPI | Key Performance Indicator |
| ROC | Roc Oil Company Pty Limited |
| Macau | The Macau Special Administrative Region of the PRC |
| MSCI | MSCI Inc. |
| PSI | Principles for Sustainable Insurance |
| PAREF | Paris Realty Fund SA, a company whose shares are listed on the Euronext Paris with stock code PAR |
| RMB | Renminbi, the lawful currency of the PRC |
| Atlantis Sanya | Fosun Tourism Group's tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC |
| Shede Spirits | Shede Spirits Co., Ltd. (舍得酒業股份有限公司) |
| Listing Rules | The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |
| Advance Foundation | Liaoning Advance Foundation Semiconductor Material Co.,Ltd. |
| Tai Chi Anti-Parkinson's Disease | Tai Chi Adjuvant Therapy for Parkinson's Disease |
| UN SDGs | United Nations Sustainable Development Goals |
| UN Global Compact | United Nations Global Compact |
| Wansheng | Zhejiang Wansheng Co., Ltd* (浙江萬盛股份有限公司), a company whose shares are listed on the SSE |
| WHO | World Health Organization |
| Hong Kong | The Hong Kong Special Administrative Region of the PRC |
| Hong Kong Stock Exchange | The Stock Exchange of Hong Kong Limited |
| Easun Technology | Shanghai Easun Technology Co., Ltd.* (上海翌耀科技股份有限公司) |
| Elco | Elco (Tianjin) Electronics Co., Ltd.* (宜科（天津）電子有限公司) |
| Yuyuan | Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城（集團）股份有限公司) |
| Yuyuan Foyo Life | Yuyuan Fosun Joy Life Industry Group |
| PRC or China | The People's Republic of China |
| Intuitive Fosun | Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.* (直觀復星醫療器械技術（上海）有限公司) |

# GRI Standards Index

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| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Business Ethics | 060 |
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| | 207-2 Tax governance, control, and risk management | Corporate Governance | 047 |
| | 207-3 Stakeholder engagement and management of concerns related to tax | / | / |
| | 207-4 Country-by-country reporting | / | / |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Water Resource and Material Management | 147 |
| | 301-2 Recycled input materials used | / | / |
| | 301-3 Reclaimed products and their packaging materials | / | / |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Climate Change and Energy | 146 |
| | 302-2 Energy consumption outside of the organization | Climate Change and Energy | 146 |
| | 302-3 Energy intensity | Climate Change and Energy | 146 |
| | 302-4 Reduction of energy consumption | Climate Change and Energy | 146 |
| | 302-5 Reductions in energy requirements of products and services | Climate Change and Energy | 146 |

| GRI Standards | Disclosure Title | Section(s) | Page |
|---|---|---|---|
| GRI 303: Water 2018 | 303-1 Interactions with water as a shared resource | Environmental Compliance and Clean Production<br>Water Resource and Material Management | 143<br>147 |
| | 303-2 Management of water discharge-related impacts | Environmental Compliance and Clean Production | 143 |
| | 303-3 Water withdrawal | Water Resource and Material Management | 147 |
| | 303-4 Water Discharge | Environmental Compliance and Clean Production | 143 |
| | 303-5 Water Consumption | Water Resource and Material Management | 147 |
| 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 | 150 |
| | 304-2 Significant impacts of activities, products, and services on biodiversity | No significant impacts | / |
| | 304-3 Habitats protected or restored | Biodiversity and Animal Welfare | 150 |
| | 304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations | No relevant operation sites | / |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Climate Change and Energy | 146 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Climate Change and Energy | 146 |
| | 305-3 Other indirect (Scope 3) GHG emissions | Climate Change and Energy | 146 |
| | 305-4 GHG emissions intensity | Climate Change and Energy | 146 |
| | 305-5 Reduction of GHG emissions | Climate Change and Energy | 146 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | No emission of such substances | 146 |
| | 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | Environmental Compliance and Clean Production | 143 |
| GRI 306: Effluents and Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Environmental Compliance and Clean Production | 143 |
| | 306-2 Management of significant waste related impacts | Environmental Compliance and Clean Production | 143 |
| | 306-3 Waste generated | Environmental Compliance and Clean Production | 143 |
| | 306-4 Waste diverted from disposal | Environmental Compliance and Clean Production | 143 |
| | 306-5 Waste directed to disposal | Environmental Compliance and Clean Production | 143 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | Responsible Supply Chain Management | 101 |
| | 308-2 Negative environmental impacts in the supply chain and action taken | Responsible Supply Chain Management | 101 |

| GRI Standards | Disclosure Title | Section(s) | Page |
|---|---|---|---|
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Talent Development Strategy | 113 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | A Diverse and Equal Working Environment<br>Employee Satisfaction Ecosystem | 124<br>131 |
| | 401-3 Parental leave | A Diverse and Equal Working Environment | 124 |
| 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 | / |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Enhancing Management Systems | 139 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Safeguarding Safety and Health | 134 |
| | 403-3 Occupational health services | Safeguarding Safety and Health | 134 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Enhancing Management Systems | 139 |
| | 403-5 Worker training on occupational health and safety | Safeguarding Safety and Health | 134 |
| | 403-6 Promotion of worker health | Safeguarding Safety and Health | 134 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Safeguarding Safety and Health | 134 |
| | 403-8 Workers covered by an occupational health and safety management system | Enhancing Management Systems | 139 |
| | 403-9 Work-related injuries | Safeguarding Safety and Health | 134 |
| | 403-10 Work-related ill health | Safeguarding Safety and Health | 134 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Talent Development Strategy | 113 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Talent Development Strategy | 113 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Talent Development Strategy | 113 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Corporate Governance<br>Talent Development Strategy<br>A Diverse and Equal Working Environment | 047<br>113<br>124 |
| | 405-2 Ratio of basic salary and remuneration of women to men | / | / |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | A Diverse and Equal Working Environment | 124 |
| 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 | A Diverse and Equal Working Environment | 124 |

| GRI Standards | Disclosure Title | Section(s) | Page |
|---|---|---|---|
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | A Diverse and Equal Working Environment | 124 |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | A Diverse and Equal Working Environment | 124 |
| GRI 410: Forced or Compulsory Labor 2016 | 410-1 Security personnel trained in human rights policies or procedures | / | / |
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | No violations occurred | / |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Business for Good | 154 |
| | 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 | Responsible Supply Chain Management | 101 |
| | 414-2 Negative social impacts in the supply chain and actions taken | Business Ethics<br>Responsible Supply Chain Management | 060<br>101 |
| GRI 415: Public Policy 2016 | 415-1 Political contributions | No such contributions | / |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Lean Industrial Space | 083 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | No violations occurred | / |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | Upgraded Customer Experience | 089 |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | No violations occurred | / |
| | 417-3 Incidents of non-compliance concerning marketing communications | No violations occurred | / |
| 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 | Description | Section(s) | Pages |
|---|---|---|---|
| **A1** | **Emissions** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(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 | Environmental Compliance and Clean Production<br>Climate Change and Energy | 143<br>146 |
| A1.1 | The types of emissions and respective emissions data | Environmental Compliance and Clean Production | 143 |
| A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity | Climate Change and Energy | 146 |
| A1.3 | Total hazardous waste produced and, where appropriate, intensity | Environmental Compliance and Clean Production | 143 |
| A1.4 | Total non-hazardous waste produced and, where appropriate, intensity | Environmental Compliance and Clean Production | 143 |
| A1.5 | Description of emissions target(s) set and steps taken to achieve them | Environmental Compliance and Clean Production<br>Climate Change and Energy | 143<br>146 |
| 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 | 143 |
| **A2** | **Use of Resource** | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials | Climate Change and Energy<br>Water Resource and Material Management | 146<br>147 |
| A2.1 | Direct and/or indirect energy consumption by type in total and intensity | Climate Change and Energy | 146 |
| A2.2 | Water consumption in total and intensity | Water Resource and Material Management | 147 |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | Climate Change and Energy | 146 |
| 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 | 147 |
| A2.5 | Total packaging material used for finished products and, if applicable, with reference to per unit produced | Water Resource and Material Management | 147 |
| **A3** | **The Environment and Natural Resources** | | |
| General Disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources | Environmental Compliance and Clean Production<br>Climate Change and Energy<br>Water Resource and Material Management<br>Biodiversity and Animal Welfare | 143<br>146<br>147<br>150 |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | Environmental Compliance and Clean Production<br>Climate Change and Energy<br>Water Resource and Material Management<br>Biodiversity and Animal Welfare | 143<br>146<br>147<br>150 |

| KPI | Description | Section(s) | Pages |
|---|---|---|---|
| **A4** | **Climate Change** | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer | Climate Change and Energy | 146 |
| A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them | Climate Change and Energy | 146 |
| **B1** | **Employment** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | Talent Development Strategy<br>A Diverse and Equal Working Environment<br>Employee Satisfaction Ecosystem | 113<br>124<br>131 |
| B1.1 | Total workforce by gender, employment type, age group and geographical region | Talent Development Strategy<br>A Diverse and Equal Working Environment | 113<br>124 |
| B1.2 | Employee turnover rate by gender, age group and geographical region | Talent Development Strategy | 113 |
| **B2** | **Health and Safety** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards | Safeguarding Safety and Health<br>Enhancing Management Systems | 134<br>139 |
| 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 | 134 |
| B2.2 | Lost days due to work injury | Safeguarding Safety and Health | 139 |
| B2.3 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year Lost days due to work injury | Safeguarding Safety and Health<br>Enhancing Management Systems | 134<br>139 |
| **B3** | **Development and Training** | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities | Building a Learning-Oriented Organization | 121 |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management) | Building a Learning-Oriented Organization | 121 |
| B3.2 | The average training hours completed per employee by gender and employee category | Building a Learning-Oriented Organization | 121 |
| **B4** | **Labor Standards** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor | A Diverse and Equal Working Environment | 124 |
| B4.1 | Description of measures to review employment practices to avoid child and forced labor | A Diverse and Equal Working Environment | 124 |
| B4.2 | Description of steps taken to eliminate such practices when discovered | A Diverse and Equal Working Environment | 124 |

| KPI | Description | Section(s) | Pages |
|---|---|---|---|
| **B5** | **Supply Chain Management** | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain | Responsible Supply Chain Management | 101 |
| B5.1 | Number of suppliers by geographical region | Responsible Supply Chain Management | 101 |
| 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 | Responsible Supply Chain Management | 101 |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | Responsible Supply Chain Management | 101 |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | Responsible Supply Chain Management | 101 |
| **B6** | **Product Responsibility** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress | Lean Industrial Space<br>Upgraded Customer Experience | 083<br>089 |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | Lean Industrial Space | 083 |
| B6.2 | Number of products and service related complaints received and how they are dealt with | Upgraded Customer Experience | 089 |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights | Protection of Intellectual Property | 079 |
| B6.4 | Description of quality assurance process and recall procedures | Lean Industrial Space | 083 |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored | Lean Industrial Space | 083 |
| **B7** | **Anti-corruption** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering | Business Ethics | 060 |
| B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases | Business Ethics | 060 |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored | Business Ethics | 060 |
| B7.3 | Description of anti-corruption training provided to directors and staff. | Business Ethics | 060 |
| **B8** | **Community Investment** | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests | Business for Good | 154 |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport) | Business for Good | 154 |
| B8.2 | Resources contributed (e.g. money or time) to the focus area | Business for Good | 154 |





# Readers Feedback Form

Thank you for reading the Group's 2024 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 2024 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 |

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

☐Excellent ☐Good ☐Fair ☐Poor ☐Terrible

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

| | | | | | |
|---|---|---|---|---|---|
| Clarity | ☐ 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:**

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# Assurance Statement

SGS

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## ASSURANCE STATEMENT CN25/00002498

### SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE 2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT OF FOSUN INTERNATIONAL LIMITED

**NATURE OF THE ASSURANCE/VERIFICATION**
SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by FOSUN INTERNATIONAL LIMITED (hereinafter referred to as Fosun International) to conduct an independent assurance of the Chinese version of the 2024 Environmental, Social and Governance Report of Fosun International Limited (hereinafter referred to as the Report).

**INTENDED USERS OF THIS ASSURANCE STATEMENT**
This Assurance Statement is provided with the intention of informing all Fosun International's Stakeholders.

**RESPONSIBILITIES**
The presentation of the Report and its information is the responsibility of the governing body and the management of Fosun International. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Fosun International's stakeholders, especially for the verification of Key Performance Tables in the Report.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**
The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of the Report has been conducted according to the following Assurance Standard:

| Assurance Standard Options | Level of Assurance |
|---|---|
| AA1000AS v3 Type 2 | Moderate |

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**
The scope of the assurance included evaluation of quality, accuracy and reliability of sustainablility performance information in the Report and evaluation of the adherence of the Report to the following reporting criteria:

- HKEX Environmental, Social and Governance (ESG) Reporting Guide
- GRI Standards 2021 (Reference)

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**ASSURANCE METHODOLOGY**
The assurance comprised a combination of pre-assurance research, onsite interviews with relevant Fosun International employees at Shanghai office of Fosun International located at the Bund Finance Center, Huangpu District, Shanghai; documentation and record review and validation were conducted when necessary.

**LIMITATIONS AND MITIGATION**
Data drawn directly from independently audited financial reports was not checked back to source as part of this assurance process.

The greenhouse gas emissions data in the Report was only sampled and checked during this assurance process, without being verified comprehensively. The assurance results will not be used as evidence for third-party verification.

This assurance engagement was restricted to the group level of Fosun International and did not include traceability of original data from all subordinate institutions.

The assurance process only involved interviews with the heads of relevant departments and certain employees, and did not involve external stakeholders.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**
The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from Fosun International, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

**FINDINGS AND CONCLUSIONS**

**ASSURANCE/VERIFICATION OPINION**
On the basis of the methodology described and the assurance engagement performed, the information and data included in the Report is accurate, reliable, and has fairly stated on Fosun International's sustainable development activities in 2024.

The Report conforms to the four principles of the AA1000AP v3 to the following extent:

**ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)**

**INCLUSIVITY**
The Report has identified the organization's stakeholders, collected their expectations and concerns, established methods for stakeholder communication and engagement, and undertaken various forms of dialogue and interaction with them.

**MATERIALITY**
The Report has reasonably disclosed significant issues and indicators that materially affect stakeholder evaluations and decisions, reflecting the organization's most significant impacts on economic, environmental, and social matters based on the concerns raised by relevant stakeholders.

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**RESPONSIVENESS**

The Report has demonstrated the established channels for stakeholder interaction and has fully addressed stakeholder concerns and expectations. Additionally, it has provided transparent responses on material issues to an appropriate extent.

**IMPACT**

The Report has provided an account of the monitoring and measurement of the principal activities' impacts concerning environmental, social, and governance (ESG) issues.

**CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON *GRI STANDARDS 2021 and HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORTING GUIDE***

The assurance team concludes that the Report has referred to the requirements of *GRI Standards 2021 and has presented in accordance with the reporting principles, mandatory disclosure requirements and the KPIs disclosures of the HKEX Listing Rules appendix C2 'Environmental, Social and Governance Reporting Guide'*.

**FINDINGS AND RECOMMENDATIONS**

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of Fosun International to serve as a reference for their ongoing efforts towards continuous improvement.

**Signed:**

**For and on behalf of SGS-CSTC**

**David Xin**
**Sr. Director – Business Assurance**
**16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China**

**Apr. 19th, 2025**
**WWW.SGS.COM**

FOSUN 复星