

# FOSUN 复星

## 復星國際有限公司

FOSUN INTERNATIONAL LIMITED

*(Incorporated in Hong Kong with limited liability) (Stock Code: 00656)*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021



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# KEY PERFORMANCE HIGHLIGHTS<sup>1</sup>

Aspects	KPIs	2021	2020	2019	Unit
Economy	Total assets	806,372.1	767,720.2	715,681.2	RMB Million
	Revenue	161,291.2	136,741.6	142,982.1	RMB Million
	Profit before tax	24,652.9	16,958.0	27,517.3	RMB Million
	Net profit	17,085.8	11,082.2	20,169.4	RMB Million
	Tax	7,567.1	5,875.8	7,348.0	RMB Million
	Research and development costs	4,193.1	3,004.5	2,182.3	RMB Million
	Research and development costs/ Sales ratio	2.60	2.20	1.53	%
Environment	Number of member companies obtained the environmental management system certification	20	18	19	Companies
	Number of member companies obtained the energy management system certification	6	3	/	Companies
	EHS inspection times	20,529	16,812	14,558	Times
	EHS training completion rate	100	100	100	%
	Energy consumption intensity	274.4	324.4	311.6	MWh/ RMB Million of Revenue
	GHG emission intensity	103.9	130.7	126.6	Tonnes/ RMB Million of Revenue
	Water consumption intensity	263.0	292.3	319.4	Tonnes/ RMB Million of Revenue
Green building certifications	35	29	20	Certificates	

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

Aspects	KPIs	2021	2020	2019	Unit
Society	Response rate of customer complaints	100	100	100	%
	Resolution rate of customer complaints	95	95	98.6	%
	Percentage of suppliers received credit investigations through a third party	100	100	100	%
	Total number of employees	Approximately 96,000	Approximately 76,000	Approximately 71,000	Persons
	Proportion of female employees	48.2	47.2	45.8	%
	Percentage of employees received regular performance and career development reviews	100	100	100	%
	Global Partner <sup>2</sup>	>140	>110	>50	Persons
	Accumulative training time	1,505,959.4	1,349,476.1	1,310,600.0	Hours
	Employee training rate	70.7	74.4	72.8	%
	Number of member companies obtained occupational health and safety management system certification	19	20	18	Companies
	Number of member companies obtained quality or food safety management system certification (ISO 9001 or HACCP)	10	6	/	Companies
	Donation by Fosun Foundation during the Reporting Period	Approximately 154	Approximately 208	Approximately 73	RMB Million

<sup>2</sup> It is different from the legal concept of "partner" in partnership enterprises.

# CHAIRMAN'S STATEMENT



After 30 years of development, Fosun has grown into one of the few domestic enterprises that are equipped with global operation and investment capabilities, as well as accumulated profound technology and innovation capabilities. Over the years, Fosun has endured different stages of development, but we have always adhered to the values of "Self-improvement, Teamwork, Performance, and Contribution to Society". Through the continuous upgrade in strategic evolution, we remain committed to our mission of serving one billion families worldwide and creating happier lives for families worldwide. Fosun has developed business for good with a customer-oriented focus. We have always believed that people's pursuit of happier and brighter life remains unchanged regardless of the external situation. The significance of the existence of an enterprise is to bring more warmth and love to the society.

- Chairman, Guo Guangchang

In 2021, surging uncertainties in global politics and economy posed serious challenges to capital markets, supply chain management, and production and operation of enterprises. We rose to the challenges effectively, relying on our experience in industry operations, plan-ahead strategies and tactics adjustments. In addition, we deployed global resources while gave full play to our "multiplier growth" effect of internal ecosystem, to protect the interests of customers and shareholders and create more value.

Our unique globalization capability allows us to have a global mindset while stay rooted in China. As a participant in UNGC, we support the ten principles of UNGC in the areas of human rights, labor, environment and anti-corruption, relentlessly promoting their close integration with Fosun ESG strategies, and actively engaging our member companies in the implementation of ESG strategies. In order to further strengthen our sustainable development management, we set up ESG Executive Committee and ESG Management Committee under the ESG Board Committee for supervision over ESG work in pursuit of "maintaining steady and sustainable growth". 2021 is the first year of Fosun heading towards Carbon Neutrality. We, herein, make a commitment to the society - "to achieve emission peak by 2028 and carbon neutrality by 2050", and contribute to the 1.5°C target of *Paris Agreement* by developing effective climate change mitigation and adaptation strategies. In the course of continuous development, Fosun has leveraged its increasingly sophisticated business ecosystem to actively promote community development, improve people's livelihood and social welfare through fighting against the pandemic, flood relief, running the Rural Doctors Programme, and fostering education, culture and entrepreneurship.

Over the past year, we have made impressive achievements in sustainable development. Fosun International's MSCI ESG Rating was upgraded from A to AA, and FTSE Russell ESG Rating and S&P CSA ESG Scores were also significantly raised, with all ratings higher than the industry average. Fosun International was selected as a constituent of the MSCI CHINA ESG LEADERS 10-40, Hang Seng ESG50 Index<sup>3</sup>. All those achievements are not only the recognition of Fosun International's ESG management performance, but also a praise for our adherence to original aspirations, which have further strengthened our determination to continuously improve our ESG performance. Our employees, business partners and stakeholders have given great support and made extensive efforts in improving Fosun's ESG work. I would like to thank everyone for your support for our sustainable development efforts.

After 30 years of development, Fosun has grown into one of the few domestic enterprises that are equipped with global operation and investment capabilities, as well as accumulated profound technology and innovation capabilities. Many industries in Fosun ecosystem have lived through the 0 to 1 start-up stage, and we are about to usher in the infinite vision of 1-N growth. In the future, we will spare no effort to build our comprehensive globalization capabilities, uphold the aspirations of "Business for Good" and "Contribution to Society", actively assume more social responsibilities and implement the ESG concept, in a manner to continuously create value, give back to society, as well as promote high-quality development and common prosperity.

Guo Guangchang  
Chairman

<sup>3</sup>These indexes will adjust the composition of constituent stocks from time to time according to certain rules. As of the release date of the Report, Fosun International is still the constituent of the MSCI CHINA ESG LEADERS 10-40 and Hang Seng ESG50 index.

# BOARD STATEMENT

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

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## 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 headed ***ESG Governance*** in the Report.

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## Management Policy and Strategy

In 2021, due to changes in the external business environment and policy trends, the Group reassessed the key issues concerned by various stakeholders. We collected and compiled focused topics of stakeholders and continued to respond to key issues and suggestions from stakeholders after conducting extensive and in-depth communication with them through various channels. 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 headed ***ESG Strategies*** and ***Materiality Assessment*** in the Report.

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## Performance Review

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

Looking ahead, the Board will continue to optimize the ESG management of the Company, actively respond to concerns of our stakeholders, 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".

# ABOUT THIS REPORT

The Company hereby issues the *Environmental, Social and Governance Report 2021* to elaborate the Group's strategies, policies, measures and achievements on sustainable development to stakeholders during the Reporting Period in an objective and balanced manner.

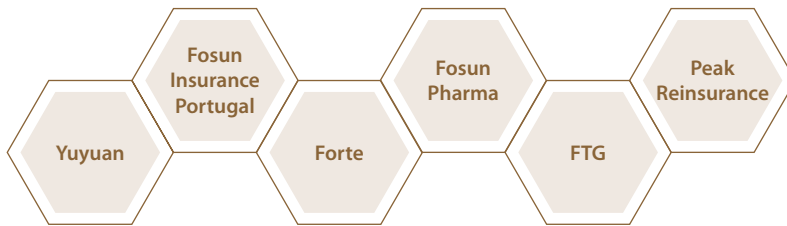
## ■ Reporting Period

The Report is the sixth annual ESG Report released by the Company. The *Environmental, Social and Governance Report 2020* for the previous reporting period was released on 27 April 2021.

## ■ Reporting Boundary

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 2021 to 31 December 2021. Description in some parts of the Report goes beyond the above period.

In accordance with the relevant definition regarding the significant subsidiary in the Listing Rules and the principle of above 2/3 accumulated equity attributable to owners of the parent of the Group, we selected 6 subsidiaries besides the Company to be included in the reporting scope to meet the requirements of material disclosure in all ESG aspects; part of the description is beyond the above-stated reporting scope. The 2021 revenue of subsidiaries finally included in the disclosure scope of this Report accounted for more than 82% of the Group's revenue.



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

The scope of the Report is consistent with the *Environmental, Social and Governance Report 2020*.



## ■ Standards of the Report

The Report is prepared in compliance with the *ESG Reporting Guide*, and the core option of the *GRI Standards*.

## ■ Principles of the Report

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

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

**"Quantitative"**: This Report uses quantitative data to present KPIs at the environmental and social aspects, explaining its purpose and impacts. Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for environmental and social KPIs is also disclosed in the relevant chapters of the Report. We also provide comparative data on KPIs in the Report.

**"Consistency"**: The methods and KPIs used in the Report is consistent with those used in the *Environmental, Social and Governance Report 2020*.

**"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 2021, which have been independently audited by Ernst & Young, while other data is sourced from internal statistical reports and official documents of the Group. All monetary amounts quoted in the Report are shown in Renminbi ("RMB").

## ■ Report Availability

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

## ■ Contact Information

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





# CAMPAIGN:

**COPING WITH CLIMATE CHANGE –  
BUILDING CLIMATE RESILIENCE AND  
CONTRIBUTING TO CARBON PEAK  
AND CARBON NEUTRALITY**

## CAMPAIGN: COPING WITH CLIMATE CHANGE - BUILDING CLIMATE RESILIENCE AND CONTRIBUTING TO CARBON PEAK AND CARBON NEUTRALITY

The greatest challenge in this 20-year odyssey is posed by global climate change. In 2020, China has made a firm commitment to reduce the overall greenhouse gas (GHG) emissions and aims to have CO<sub>2</sub> emissions peak before 2030 and achieve carbon neutrality before 2060. Meeting and addressing the challenge of climate change is a duty-bound for Fosun. The Group actively responds to China's "carbon peaking by 2030 and carbon neutrality by 2060" decarbonization goal and has promised to promote the achievement of carbon neutrality. We are committed to enhancing our climate governance, formulating effective strategies for climate change mitigation and adaptation, and strengthening disclosure of climate-related data to align with the "1.5°C" temperature control target set in the *Paris Agreement*.

To address climate change, Fosun joined UNGC in August 2014 and made a global commitment to support global sustainable development and promoting the achievement of the UN SDGs through participating in related activities globally and locally.

The Group's *Climate Change and Energy Policy* describes our dedications to manage climate change risks and mitigate climate change impacts at all business levels and also encourages our stakeholders to join us in delivering on our commitments in energy and climate change. Due to the complexity of climate-related risks, we leverage our existing corporate risk management system to remain vigilant, assessing and addressing climate-related risks across businesses, and, meanwhile, integrating counter measures into our corporate strategies.

In 2021, the Group set and announced an ambitious carbon reduction target - "from now on, start the journey of and move toward carbon neutrality in an all-round manner, and strive to reach a carbon emissions peak by 2028 and achieve carbon neutrality by 2050". To achieve this target, we will continuously build a green and low-carbon management system and take measures to mitigate, adapt to and resist climate change. The Group has integrated energy saving and GHG emissions reduction as key considerations into the EHS audit system, and annually conducts the group-level audit on member companies to urge their self-supervisions.

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



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**Goal: to Achieve Peak Carbon Emissions by 2028 and to Achieve Carbon Neutrality by 2050**

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## Climate Change Governance

As a responsible global enterprise, the Group has been investing vigorous efforts in response to climate change, and by virtue of its global industrial resources and industrial investment experience, exploring solutions to climate change.

The Company's Board is responsible for guiding and overseeing the Group's ESG-related tasks and risks, including climate change-related risks. The Company has established an ESG Board Committee under the Board, an ESG Executive Committee, an ESG Management Committee and an ESG Working Group at the executive level to fully implement the Company's ESG strategies and actions, including the response to climate change. For detailed information about the Company's governance framework, please refer to the section headed [ESG Governance](#) in the Report.

To further advance our "2050 Carbon Neutrality Target", we have established a Carbon Neutrality Committee and a Carbon Neutrality Working Group. The Carbon Neutrality Committee, composed of the Directors and directors of our member companies, is responsible for supervising and promoting the overall carbon neutrality strategy, and regulating and monitoring climate-related risks and opportunities. The Carbon Neutrality Working Group, led by core employees of the Company's key departments in addressing carbon neutrality, is responsible for implementing carbon neutrality projects and regularly reports achievements to the Carbon Neutrality Committee.

During the Reporting Period, we added the indicator of "carbon neutralization management" to the ESG management performance appraisal mechanism of the Group's CEO and business groups' leaders, with the aim of further assessing the achievement rate of carbon neutral projects of their managing operating entities, promoting further implementation and enforcement of carbon neutral management across the Group.

In order to ensure the step-by-step promotion of carbon neutralization work, the Group, according to the analysis of carbon emission data for four consecutive years, listed those enterprises with intensive carbon emissions as the pilot companies (namely Nanjing Iron & Steel, Fosun Pharma, FTG, Hainan Mining, Yuyuan and Forte), recommending those pilot companies to incorporate their own carbon strategy into daily operation management, and to actively carry out carbon neutralization work by selecting applicable path and measures according to the national green development requirements. Pilot companies are required to specify the organizational structure, objectives, measures, schedules, responsible departments and incentive and reward mechanisms. The EHSQ Department will regular assess pilot companies' performance. We also encourage other member companies to formulate a carbon neutrality management framework and measures to facilitate the achievement of global carbon reduction targets.

The Group also integrates carbon neutrality into the EHS audit and management system, and requires member companies to actively carry out carbon-related work in team construction, training, talent training, project implementation and industry empowerment, so as to help the Group achieve its carbon neutralization goal. The Group's EHSQ Department assesses the implementation of carbon neutrality in member companies through EHS audit and unannounced inspection. The audit results will directly affect EHS scores and rankings of member companies, and are directly linked to the performance and bonuses of the responsible persons.

## Climate Change Management Policy

We abide by the climate-related laws and regulations of the countries/regions where we operate. Adhering to the principle of maximizing the output with the minimum consumption of social resources, we strive to improve the energy utilization of the Group and member companies, and to reduce GHG emissions by taking measures in the process of production and operation including but not limited to: improving the energy structure, promoting the reusing of energy, increasing our use of renewable energy, actively exploring new energy, accelerating the application of clean technologies and low-carbon materials, as well as participating in carbon offset activities.

**We regularly review our climate strategies, goals and plans by:**

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(1) constantly studying and forecasting risks and opportunities: in order to reduce or avoid the impact of climate-related risks on our business in the long term, we are conducting research in accordance with the recommendations of the TCFD to identify significant risks and opportunities posed by climate change to our assets and business operations. We plan to publish our TCFD report in due course to disclose our relevant practices;

(2) actively managing climate-related risks and opportunities in business operations;

(3) promoting low-carbon transformation and investing in carbon-neutral products and services (Please refer to the section headed ***RESPONSIBLE INVESTMENT AND VALUE DRIVING*** in the Report for specific measures);

(4) annually disclosing and reviewing the progress of our carbon neutrality strategy;

(5) actively cooperating and communicating with partners, external experts and other stakeholders.

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### ■ Industrial Association and Communication

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

## Climate-Related Financial Disclosure

The Financial Stability Board (FSB)<sup>4</sup> established the TCFD in 2015 to assist companies in disclosing climate-related financial risks voluntarily. In 2017, the TCFD released recommendations for voluntary disclosure of climate-related financial data to provide lenders, insurers and investors with practical information conducive to their decision-making. The Group is striving to build long-term climate adaptive capacity and drive the transformation towards a low-carbon economy through gradual implementation of the TCFD recommendations.

We have integrated climate-related risks into our corporate risk management framework. During the Reporting Period, based on the TCFD recommendations, we strengthened climate-related risk assessment to understand climate-related risks and opportunities in our business, including physical risks and transition risks. We have conducted fundamental analysis for various climate-related risks and opportunities, and planned to formulate countermeasures for those key risks identified recently, so as to improve our resilience in response to climate change.

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

In addition, Fosun is dedicated to effective communication with stakeholders on policies and strategies for managing climate-related risks and opportunities. We plan to publish the Group's TCFD report in due course with reference to the TCFD recommendations to disclose transparent, reliable and consistent climate-related information to stakeholders.

<sup>4</sup>The Financial Stability Board is an international body that oversees the stability of the global financial systems and formulates related recommendations.

## Performance of the Group

The Group actively monitors and records GHG emissions of each member company for continuous improvement. The Group's total GHG emissions for Scope 1, 2 and 3 in 2021 amounted to approximately 21.965 million tonnes.



### ■ Specific emission data is shown in the table below:

GHG Emissions	2021	2020	2019
Scope 1: Direct GHG Emissions (tonnes)	19,090,518.5	19,602,119.6	18,685,636.5
Scope 2: Energy Indirect GHG Emissions (tonnes)	2,879,472.0	2,528,344.6	2,824,580.6
Scope 3: Other GHG Emissions (tonnes)	9,831.8	1,138.6	/
GHG Emissions Reduction (tonnes)	15,139.0	/	/
Total GHG Emissions (tonnes)	21,964,683.2	22,131,602.8	21,510,217.1
GHG Emissions Intensity (tonnes/RMB Million of Revenue)	103.9	130.7	126.6

#### Notes:

(1) Based on the member companies' business characteristics and statistical data of each member company, GHG emissions, mainly CO<sub>2</sub>, include the direct GHG emissions (Scope 1) released from fuel combustion and industrial production process, added with energy indirect GHG emissions (Scope 2) from purchased electricity and steam.

(2) The GHG is presented as CO<sub>2</sub> equivalent. According to the member companies' industrial characteristics, GHG emissions are calculated based on the *Guide of Accounting and Report of Greenhouse Gas Emissions* released by the National Development and Reform Commission, the average CO<sub>2</sub> emission factors of grid in China or the International Energy Agency 2017 database.

(3) Other indirect GHG emissions (Scope 3) mainly include the GHG emissions produced by the air travelling purchased by the headquarters of the Group, Yuyuan and FTG through the corporate airline agents. The figure in 2021 represents a significant increase compared to 2020 due to the enlargement of statistical scope by adding FTG to its statistical scope this year.

(4) The GHG emission reductions are derived from the participation of FTG's subsidiary, Atlantis Sanya, in the forestry carbon sequestration project in Le'an County, Jiangxi Province, through the purchase and write-off of certified emission reductions (VCUs) based on the International Verified Carbon Standard (VCS) to complete the carbon neutralization of a total of 15,139 tonnes of Scope 1 and Scope 2 GHG emissions generated from 1 April 2021 to 30 June 2021.

(5) In 2020, some of the Group's member companies were impacted by the epidemic and experienced fluctuations in revenue, resulting in a slight increase in GHG emission intensity compared to 2019.



The total energy consumption of the Group in 2021  
about **57.974** million MWh.

The renewable energy consumption, consumed by  
FTG, Nanjing Iron & Steel and Fosun Pharma

about **54,108.0** MWh.



Total Energy Consumption Intensity in 2021  
**274.4** MWh/ RMB million of revenue  
decreased by **15.43%** from 2020

Energy Use	2021	2020	2019
Direct Energy (MWh)	53,150,256.1	50,608,952.4	48,687,267.0
Indirect Energy (MWh)	4,823,533.6	4,347,599.1	4,248,902.7
Total Energy Consumption (MWh)	57,973,789.7	54,956,551.5	52,936,169.7
Energy Consumption Intensity (MWh/ RMB Million of Revenue)	274.4	324.4	311.6

#### Notes:

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

(2) During the Reporting Period, the total direct energy consumption included 27,521.2 MWh of renewable energy, mainly from FTG, Nanjing Iron & Steel and Fosun Pharma; the total indirect energy consumption included 26,586.8 MWh of renewable energy, mainly from Fosun Pharma.

(3) In 2020, some of the Group's member companies were impacted by the epidemic and experienced fluctuations in revenue, resulting in a slight increase in GHG emission intensity compared to 2019.

## Our Measures

As of the end of the Reporting Period, our pilot companies have set their own carbon targets. The Group and its member companies aim at becoming carbon reduction pioneers in their industries by taking the following ways:

- 1 taking energy conservation measures such as energy-saving transformation, energy management, and optimization of energy equipment to reduce GHG emissions by reducing energy consumption;
- 2 reducing GHG emissions from stationary sources through electrification of energy equipments and national electricity reform;
- 3 increasing clean energy use through electricity transactions, photovoltaic roofs, fossil raw materials and fuel replacement to reduce energy indirect GHG emissions;
- 4 carrying out green building design and operation to reduce building energy consumption and GHG gas emissions, thereby reducing operating costs and increasing asset value;
- 5 developing green and low-carbon products to reduce GHG emissions throughout product life cycle, thereby reducing the cost of product exports and enhancing product competitiveness;
- 6 intensifying afforestation to offset GHG emissions, or developing carbon sink assets to increase corporate income;
- 7 participating in carbon trading to increase income of energy-saving and carbon-reduction, and reduce the emission cost of emission-controlled enterprises;
- 8 developing Carbon Capture, Utilization and Storage (CCUS) to explore new channels for revenue growth.

## Focus: Construction of Green Buildings

During the operation of our self-owned commercial and office buildings, we actively conduct effective management on water and electricity to save water and energy, striving to reduce resource consumption as much as possible to minimize environmental negative impact. In the architectural design process, we try to adopt the concept of green design, apply suitable measures according to local conditions, and manage to implant the concept of environmental protection and health in the development and construction of each construction project. We try to make use of the natural or environment-friendly materials to reduce GHG emissions from buildings, and construct high-quality buildings that achieve harmony between man and nature as best as we can, so as to create a healthy, appropriate and efficient living environment for customers. As of the end of the Reporting Period, member companies within the scope of the Report obtained 35 green building certifications.

### BFC

With an advanced energy-saving design and the green and sustainable operation principle, the Bund Finance Center (BFC), one of the leaders in the low-carbon building market, has won numerous awards over the years, including: LEED v4.1 O+M:EB platinum certification (the global highest score of 97 points), three-star certification of domestic green building, LEED v2009 BD+C:CS gold certification, and Golden Keys' authorization.

BFC is committed to integrating green, low-carbon and energy-saving management into daily operations for sustainable development in building operation and management.

#### ■ LEED Green Building Certification

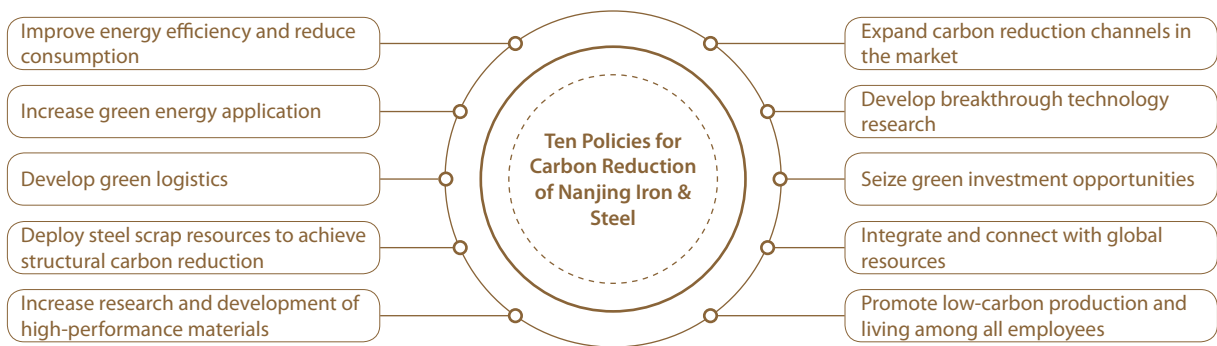
LEED (Leadership in Energy and Environmental Design) is known as the 'Oscars' of the green building industry. LEED is one of the most comprehensive and influential of the various standards used to assess the environmental, green and sustainable aspects of buildings around the world.



## Nanjing Iron & Steel

In alignment with China's "30-60" decarbonization goal and the requirements to the member companies of the Group to reduce carbon emissions and its actual operation situation, Nanjing Iron & Steel has set up a leading group on green and low-carbon development to co-ordinate research on low-carbon policies for steel and related industries, the R&D of green and low-carbon technologies, and the enhancement of cooperation with external partners.

In 2021, Nanjing Iron & Steel comprehensively reviewed the list of technologies to cope with climate change in the steel industry. With the consideration of the development stage and characteristics of the industry, Nanjing Iron & Steel proposed to systematically promote the research and application of low-carbon technologies such as metallurgy with hydrogen energy and carbon capture and utilization during the "14th Five-Year Plan" period to implement the "ten policies for carbon reduction" through management, structures, markets, and technologies, etc. All above mentioned actions will help Nanjing Iron & Steel move continuously towards green and low carbon development.



In 2021, Nanjing Iron & Steel formulated detailed energy control indicators and measures and implemented them in a top-down manner. Nanjing Iron & Steel paid close attention to the energy-saving transformation and adopted measures such as reducing the iron-steel ratio, increasing the hot charging rate, optimizing the material structure, and reducing the fuel ratio and solid fuel consumption to improve energy efficiency and reduce carbon emissions. In 2021, Nanjing Iron & Steel was qualified in the assessment by the Ministry of Industry and Information Technology of the PRC, maintaining the title of a "Green Factory". In addition, Nanjing Iron & Steel won the title of "Green Development Benchmark Enterprise" in the steel industry for the year again, leading the industry.

In 2021, Nanjing Iron & Steel hit a record low comprehensive energy consumption of 545.0 kgce per tonne of steel, with a slash in carbon emissions per tonne of steel as well.

Indicator	Unit	2021	2020	2019
Energy Consumption Intensity <sup>5</sup>	kgce/ tonne of steel	545.0	551.7	553.7
Carbon Emissions Intensity <sup>6</sup>	tonne/tonne of steel products	1.96	2.03	1.99

<sup>5</sup> Covering the energy consumption of direct production systems (coking, sintering, pelletizing, ironmaking, steelmaking, steel rolling), subsidiary production systems (surplus gas power generation, lime, etc.) and auxiliary production systems (offices, etc.).

<sup>6</sup> Covering CO<sub>2</sub> emissions from the combustion of fossil fuels, the industrial production processes and the net purchase and use of electricity, and embodied emissions from carbon sequestration products.

## ■ Product Lifecycle Management

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

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

## ■ Photovoltaic Power Generation

Nanjing Iron & Steel has built a photovoltaic power generating unit on the existing plant roof. The Phase I photovoltaic power generation project was fully put into operation in March 2021, expecting to generate about 25.11 million kWh annually. The Phase II photovoltaic power generation project is also under development. The completion of photovoltaic power generation will optimize the company's energy mix and reduce CO<sub>2</sub> emissions.



## ■ Green Logistics

The new intelligent rail electric locomotive "Nanjing Steel", developed by Nanjing Iron & Steel and National Grid Jiangsu Integrated Energy Services Company Limited and the New Energy Research Centre of China Electric Power Research Institute, was officially put into operation in October 2020. This is the first new intelligent rail electric locomotive in China, promoting the dispatching locomotive of large industrial and mining enterprises into a new era of clean energy. Compared with the internal combustion locomotive, each car reduces about 637 tonnes of carbon dioxide emission per year, which strongly enhances the green and low-carbon development of Nanjing Iron & Steel. At present, it has run around 12,000 kilometers. The second new electric rail locomotive is organized and transformed by Nanjing Jinhuan Environmental Protection Technology Co. Ltd. and will strive to be completed and put into operation in early 2022.



## ■ Research on Innovative Technology

For a more comprehensive utilization of carbon resources, Nanjing Iron & Steel and University of Science and Technology Beijing jointly carried out the project of "Resourceful use of CO<sub>2</sub> in steelmaking". They have completed basic tests and some plant tests on converter steelmaking and refining furnaces, achieving a CO<sub>2</sub> reduction of about 100kg per tonne of steel and an energy saving of 30kg of standard coal.

## FTG

FTG's Atlantis Sanya project adheres to the green development design concept at the beginning of the design, and fully integrates the concept of "Ecology and Sustainability" into the whole life cycle of buildings, and strives to build up green, ecological, environmental and sustainable resorts in modern times. Atlantis Sanya project obtained the "Green Island Cup" of Hainan construction engineering, the National Certificate of Three-star Green Building Design and Operation Label, the "National Quality Engineering Award - Luban Award", LEED Gold Certification issued by the U.S. Green Building Council, Green Globe silver certification, "China Five-leaves Green Hotel", "Water-saving Hotel in Hainan Province" and other honors and awards. In 2020 and 2021, it won the honor of EarthCheck Silver Certification and became a new benchmark for sustainable development in China.

In 2021, Atlantis Sanya set clear carbon reduction targets and pathway to build low-carbon hotels.

- By 2030, reduce the intensity of Scope 1&2 GHG emissions by 50% compared to 2019 and strive to reduce Scope 3 carbon emissions
- By 2040, achieve net zero GHG emissions in Scope 1 and Scope 2

During the Reporting Period, Atlantis Sanya implemented a number of improvements in lighting, refrigeration, water supply and heating, elevators to reduce energy consumption. Besides, the hotel managed to achieve a significant reduction in energy consumption intensity and GHG emissions through technological innovation, investment in science and technology, use of renewable energy, and increased awareness of energy conservation among all employees.

During the Reporting Period, Atlantis Sanya participated in the forestry carbon sequestration project<sup>7</sup> in Le'an County, Jiangxi Province, purchased and offset Verified Carbon Units (VCUs) based on the international Verified Carbon Standard (VCS), and completed the carbon neutrality of approximately 15,139 tonnes of Scope 1&2 GHG emissions from 1 April 2021 to 30 June 2021. After carbon verification by the China Quality Certification Centre (CQC), Atlantis Sanya passed the project and was awarded the carbon neutrality certificate by the CQC. The certificate is also the first carbon neutrality certificate obtained by tourism enterprises in Hainan Province.

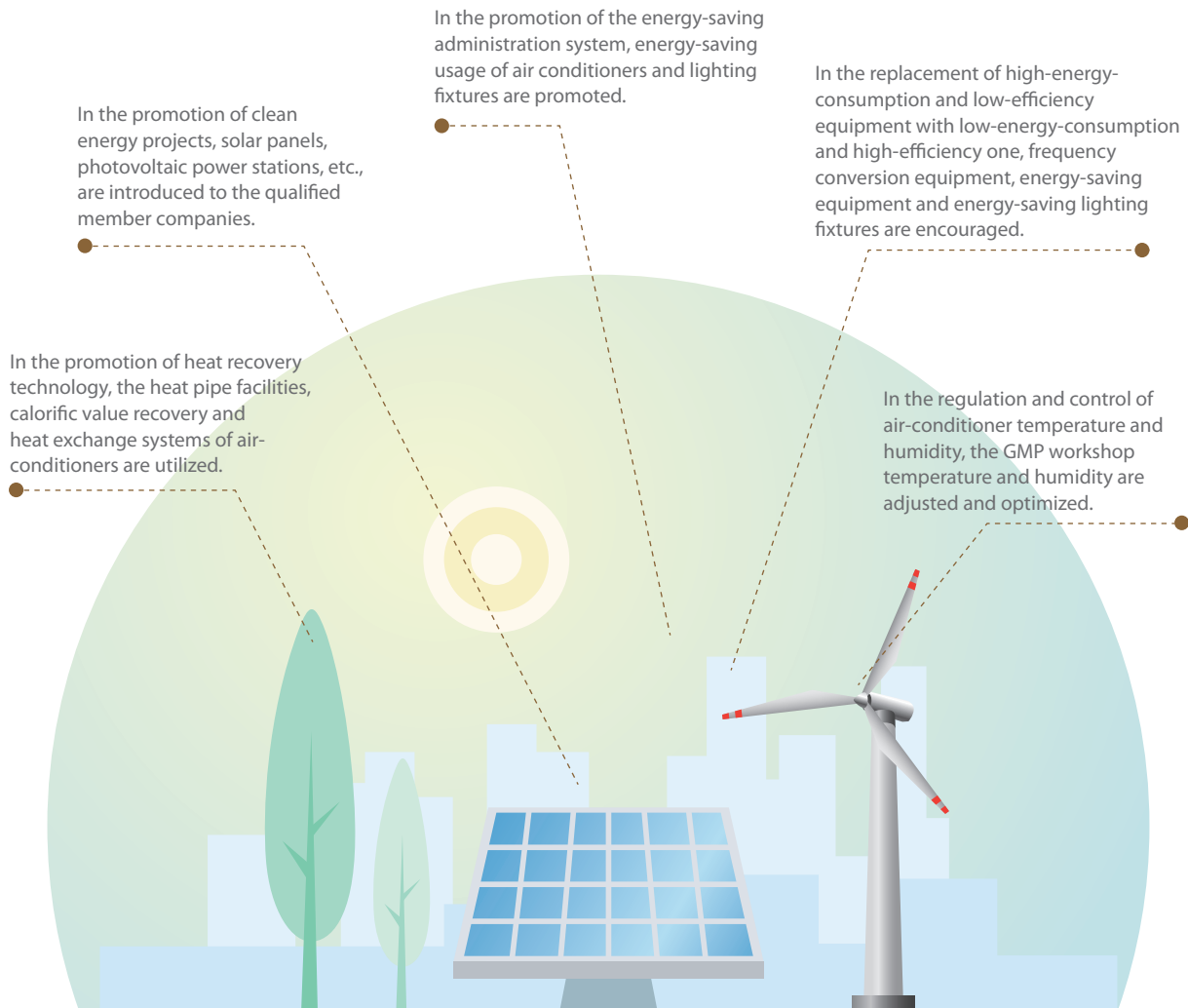


<sup>7</sup>The forestry carbon sequestration project in Le'an County, Jiangxi Province: Launched in 2006, it is the first forestry carbon sequestration project related to forest management in China based on the international VCS.

## Fosun Pharma

Continuing to improve carbon management, Fosun Pharma has set forth five-year strategic objectives of GHG emissions and energy management. Besides, it has identified five strategic core approaches at five levels by continuously improving energy utilization efficiency, adjusting energy structure, promoting renewable energy and clean energy projects in a well-planned manner to promote the achievement of carbon reduction targets in an orderly manner.

Strategic Objectives (base year: 2020)	2021 Target Value	2021 Actual Value	Status
By 2025, reduce carbon emission intensity by 15% compared to 2020, namely 0.23 tonne/RMB10,000 of revenue	0.26 tonne/RMB10,000 of Revenue	0.23 tonne/RMB10,000 of Revenue	Accomplished
From 2021 to 2025, the cumulative carbon emission reduction from energy saving projects will reach 30,000 tonnes	6,000 tonnes	7,900 tonnes	Accomplished
By 2025, reduce the combined energy intensity by 10% compared to 2020, namely 2.29 GJ/ RMB10,000 of revenue	2.48 GJ/RMB10,000 of Revenue	2.06 GJ/RMB10,000 of Revenue	Accomplished



In 2021, Fosun Pharma invested a total of RMB1.378 million for the implementation of various energy-saving measures. A total of 7,465,000 kWh of electricity, 339,000 cubic meters of natural gas and 5,546 tonnes of purchased steam have been saved through a variety of energy-saving and emission-reduction measures adopted by its member companies, correspondingly reducing emission by 7,916 tonnes. A total of 16,230 tonnes of carbon emissions has been reduced by purchasing 26.59 million kWh of green electricity.

## ■ Purchasing Green Electricity and Investing in Internal Photovoltaic Power Generation

In 2021, Fosun Pharma encourages the companies that are qualified for the installation of distributed renewable energy power generation systems to invest in the construction of such systems for self generation and self use, such as roof photovoltaic projects. As of the end of the Reporting Period, Jiangsu Wanbang Biopharmaceutical Co., Ltd., Shanghai Zhaohui Pharmaceutical Industry Co., Ltd., Suqian Zhongwu Hospital Co., Ltd., and Suqian Xinxing Rehabilitation Physical Examination Co., Ltd. had built internal photovoltaic power generation systems, which generated a total of 1,579,084 kWh of electricity in 2021.

In addition, for the companies that are unqualified for the installation of distributed renewable energy power generation systems or lack of resources for green electricity consumption, Fosun Pharma recommends them to purchase green electricity according to the types of transaction services available on the local power trading market, and timely participate in the market-oriented transactions of distributed power generation. In 2021, a total of 15 member companies purchased green power at their production bases, with a total of 3,152,391 kWh of new energy, 22,162,113 kWh of hydropower and 1,272,281 kWh of nuclear power purchased, accounting for 0.5%, 3.3% and 0.2% of the total power consumption respectively, reducing carbon emissions by 1,6,230 tonnes.

## Investments in Energy Transformation

To transform the energy system, we must invest in various energy transformation facilitators. We have defined strategic targets for medium-term and long-term clean technology investments. The Group's Energy Industrial and Utility Group with a focus on carbon neutrality and environmental governance, has maximized full-scope environmental governance on wastewater, exhaust gas and solid wastes through industrial integration and investments, assisting the Group to meet pollutant discharge standards, resolve challenges in environmental protection and governance, and fulfil the strategic mission of green industrial transformation.

Please refer to the section headed *Clean Technology* in the Report for detailed information.

FOSUN

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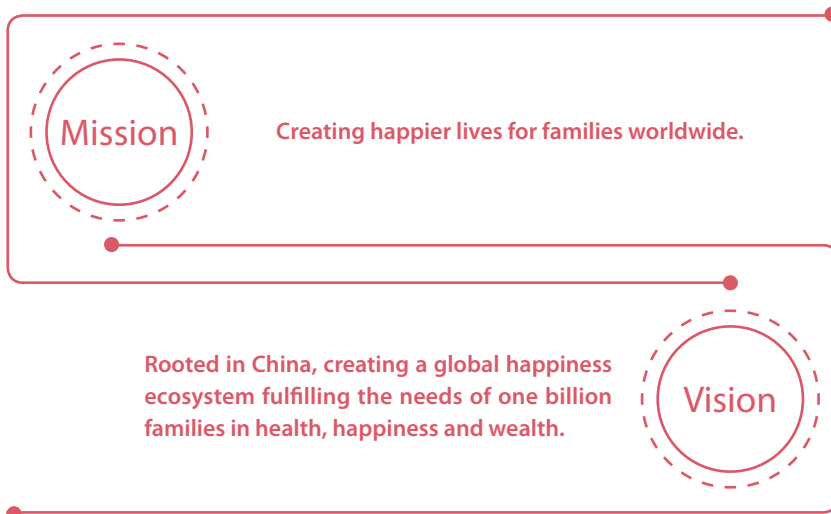
**AN  
INTRODUCTION  
TO FOSUN -  
INNOVATION -  
DRIVEN TO  
CREATE A  
HAPPIER LIFE**



## 1.1 About Fosun

### 1.1.1 Overview of the Group

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



### 1.1.2 Industrial Footprint

After nearly three decades of development, the Group has grown into a global innovation-driven consumer group, strengthening its presence in four business segments, namely Health, Happiness, Wealth and Intelligent Manufacturing. The Group is one of the few companies in China which possesses global operation and investment capabilities, and at the same time accumulates technology and innovation capabilities. Currently, we seek to accelerate the implementation of "profound industry operations + industrial investment" strategy, driving the sustainable development of Fosun's ecosystem and providing high-quality products and services to families around the world.

After having gone through two stages of its development, namely those of "Taking roots in China" and subsequently "Combining China's growth momentum with global resources", the Group began in 2018 to target billions of families around the world as customers to build a family-oriented happiness ecosystem. Since 2019, the Group has fully embraced its twin-driver strategy of "Profound Industry Operations + Industrial Investment", and dedicated itself to providing more high-quality products to customers through its profound industry operations, with a view to creating a multiplier effect within its ecosystem. The Group's growth has attained a solid support and a "multiplier growth" effect is expected to achieve through a series of strategic measures and management tools, to help the Group overcome the difficulties during the epidemic period and promote the deepening of its global industry development. After breaking out of pandemic, global capabilities have become increasingly valuable. The Group has been adapting its business models to the changes in social and economic activities as regular pandemic control measures have become the norm, shaping unique global operations and investment capabilities.

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

**HAPPINESS SEGMENT** The Group targets the consumption needs of family customers in the happiness aspect, and has built a globalized, industry-wide happiness ecosystem. Centering on brand consumer and tourism and leisure, we actively create people, goods and venues that interact with customers directly. The platforms for brand consumer business include Yuyuan, Lanvin Group and Fosun Sports, etc., which engage in such businesses as jewellery and fashion, liquor and spirits, C-end platforms, fashion brands, food, catering, beauty and health, sports, cultural business and pet care. Meanwhile, FTG is the platform for the tourism and leisure business, engaging in such businesses as the operation of tourism destinations, resorts, hotels, content services and solutions.

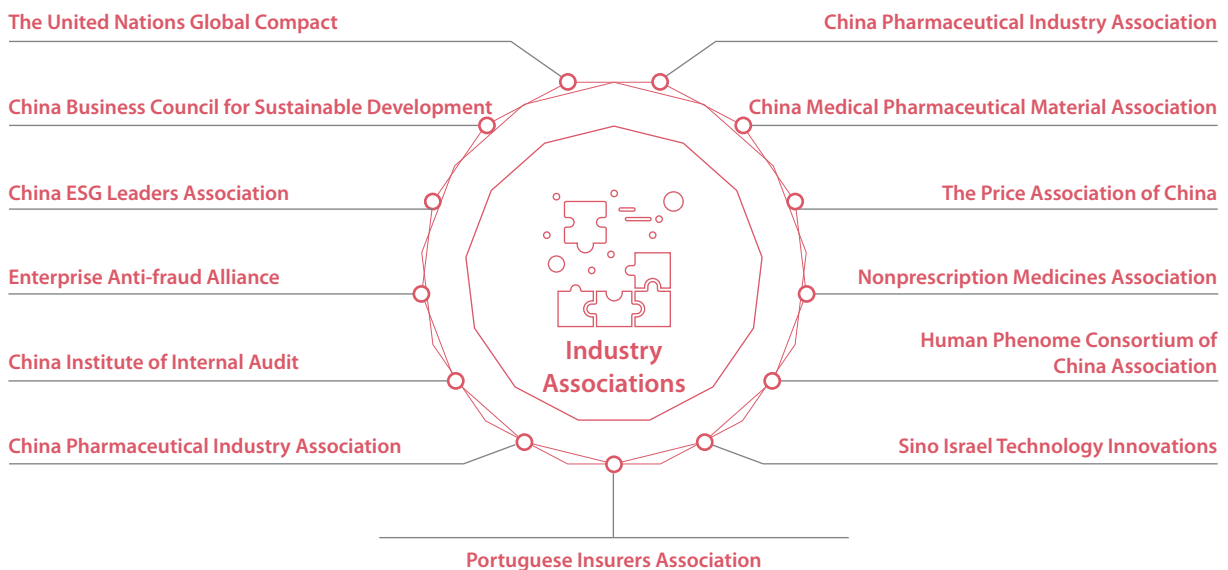
**WEALTH SEGMENT** The Group's Wealth segment mainly consists of financial services with insurance as the core business. On the basis of achieving synergy between insurance and industrial asset allocation, it leverages the Group's profound industry operations capability and global investment capability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

**INTELLIGENT MANUFACTURING SEGMENT** The Group's Intelligent Manufacturing segment which mainly consists of resources & environment, technology & intelligent manufacturing. In a cyclical boom in the global commodity trade, the Group's steel and mineral resources businesses, represented by Nanjing Iron & Steel and Hainan Mining, has continued to realize rapid growth. The Group is actively expanding its extension businesses intergrading along the value chain with high added value the addition of science and technology in the fields such as industrial internet and new materials. It is also strategically deploying resources to develop the business of equipment and core components for smart transportation.

Please refer to the [2021 Annual Report](#) for detailed business performance and prospects.

### 1.1.3 Industry Associations

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



## 1.1.4 Awards & Accolades<sup>8</sup>

Award	Organizer	Member Company or Project
Golden Key Excellence Award	<i>China Sustainability Tribune</i>	Rural Doctors Programme
National Poverty Alleviation Advanced Group	The CPC Central Committee, the State Council of PRC	Fosun High Technology
China Social Organization Evaluation Grade 5A	Shanghai Civil Affairs Bureau (Shanghai Administration Bureau of NGOs)	Fosun Foundation
ESG Benchmark Awards – The ESG Leader Gold Award	The Institute of ESG & Benchmark	Fosun International
CSR Award: Best Asian Corporate Social Responsibility Company	<i>Global Banking and Finance Review</i>	Fosun International
China Charity Award	The Ministry of Civil Affairs of the People's Republic of China, China Charity Federation	Rural Doctors Programme
Shanghai Public Welfare Selection - Top 10 Public Welfare Institutions 2021	Shanghai Public Welfare New Media Center, SMG Integrated Media Center, Shanghai Oriental Media Technology Co., Ltd	Fosun Foundation
2021 Hong Kong ESG Reporting Awards - Recognition for ESG Disclosure	Supported by the Environment Bureau and Invest HK under the Government of the Hong Kong Special Administrative Region, Organized by Hong Kong ESG Reporting Awards	Fosun International
2021 CEIBS Alumni Public Welfare Selection - Model Public Welfare Enterprises	CEIBS, CEIBS Alumni, CEIBS Charity Union	Fosun High Technology
2021 CEIBS Alumni Public Welfare Selection - Model Public Welfare Projects	CEIBS, CEIBS Alumni, CEIBS Charity Union	Rural Doctors Programme
2021 Shanghai Branded Social Organization	Shanghai Social Organizations Service	Fosun Foundation
ESG Leading Enterprise Award (Enterprise Group I: Over HK\$20 Billion in Market Capitalization)	<i>Bloomberg Businessweek/Chinese Edition</i>	Fosun International
Leading ESG Initiative Awards	<i>Bloomberg Businessweek/Chinese Edition</i>	"Fosun Global Epidemic Relief" Programme "Fosun/BioNTech COVID-19 mRNA Vaccine" Programme
The 13th Session of Outstanding Young Volunteers Organization Award in China	The National Office of Selection Committee of Chinese Young Volunteers Association for Excellent Organization Awards	Rural Doctors Programme Team
Outstanding Social Caring Organization Award ESG Investment Excellence Award	Social Enterprise Research Academy	Fosun International
China Benefit Corporation Award	Tencent Atom Think Tank, the National School of Development at Peking University	Fosun International
Asia's Best CSR Award, Best Corporate Communications Award, Best Environmental Responsibility Award	<i>Corporate Governance Asia</i>	Fosun International
CSR China Top100 Best Responsible Enterprise Brand of the Year	Organizing Committee of CSR China Education list in 2021	Fosun Foundation
The Asset ESG Corporate Awards 2021	Asia Financial Magazine <i>The Asset</i>	Fosun International
2021 China Top 100 Private Enterprise Social Responsibility (Rank 5th)	All-China Federation of Industry and Commerce	Fosun High Technology
2020-2021 Advanced Collective of Social Service Work of Shanghai Municipal Committee of Civil Engineering Construction	Shanghai Committee of China Democratic National Construction Association	China Democratic National Construction Association Fosun Branch
2021 Hurun China Private Companies SDG Readiness 100 (rank 4th)	Hurun Research Institute	Fosun International

<sup>8</sup> Awards are sorted by awarded date.

## 1.2 Regulating Corporate Governance

### 1.2.1 Optimizing Governance

As of the issue date of the Report, the Board currently comprises

**15** Directors

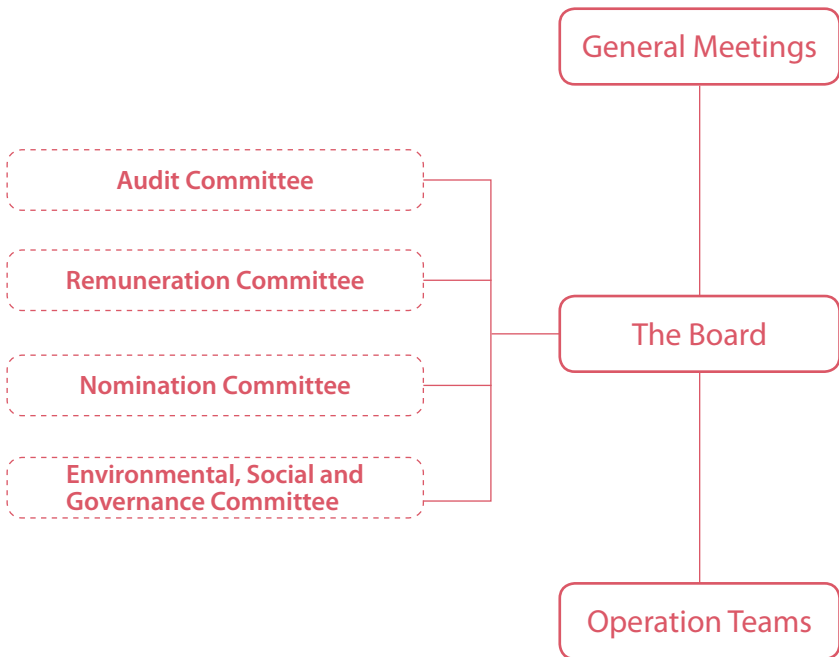
with **7** Executive Directors

**3** Non-Executive Directors

**5** Independent Non-Executive Directors

The Group is committed to safeguarding the interests of shareholders through high-standard corporate governance and ethical business operations and to enhance its corporate value and accountability.

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



^ Governance Structure Framework

The Audit Committee, Remuneration Committee and Nomination Committee of the 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 15 years. The Company sets out the requirement of the rotation of the audit engagement partner for independence in the *Policy for the Selection, Appointment and Rotation of External Auditors*, requiring the audit engagement partner to rotate at least every seven years. Selection criteria and procedures are in place for candidates for the position of the Company's external auditor to ensure, to the extent possible, that external auditors with appropriate expertise, knowledge and experience are appointed.

## ■ Diversified Governance

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

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

During the Reporting Period, the Nomination Committee reviewed the implementation of the *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. As of the end of the Reporting Period, the Board appointed 2 female Directors.

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[Learn more about  
Fosun International Limited  
Board Diversity Policy](#)

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## ■ Performance and Remuneration

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

To continuously facilitate Fosun's sustainable development, the Company established ESG performance-related pay mechanism to link the Board and senior management' salary progression to an assessment of ESG performance. Assessment indicators including ESG rating, responsible investments, climate change, etc.

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 headed ***GATHERING TALENTS TO ACHIEVE EXCELLENCE*** in this Report for detailed information.

## ■ Tax Transparency

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

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

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## 1.2.2 Enterprise Risk Management

The Group has established risk management and internal monitoring systems targeted for risk control. We have set up the following enterprise risk management objectives: based on our C2M strategy and development needs, to provide an important guarantee for the Group to achieve its strategic and business objectives by formulating enterprise risk management plan, implementing proactive ex-ante, in-process and ex-post risk management, and building a systematic tiered risk management system that empowers and adds value to the Group.

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

### ■ 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 should provide a confirmation to the Board on the effectiveness of these systems.

The Audit Department of the Company conducts independent reviews and assessments on the adequacy and effectiveness of the current risk management and internal control systems according to the audit strategy and annual audit plan of the Company on an annual basis. The Audit Department is responsible for monitoring the stable and proper operation and improvement of the risk management and internal control systems. According to the annual audit plan, the Audit Department conducts independent audits and reports audit findings directly to the Audit Committee.

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



## ■ Risk Control with Line of Defence

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

### The First Line of Defence - Business Departments

Each business department, as the first line of defence assuming direct responsibility for risk management of the Company, is responsible for identifying, assessing and managing various business risks, and formulating and implementing measures required to mitigate these risks.

### The Second Line of Defence - Functional Departments

The second line of defence is the Finance, Legal, Risk Management and other functional departments. The Company strengthens the second line of defence through ex-ante assessment, in-process management and ex-post alignment.

#### Ex-Ante Assessment:

Conducting risk due diligence and pre-review of the investment projects.

#### In-Process Management:

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

#### Ex-Post Alignment:

Effectively aligning the third line of defence, the Audit Department, and the fourth line of defence, the Anti-Corruption and Supervision Department.

### The Third Line of Defence - Audit Department

The Company builds the third line of defence for risk management to transfer the risk management from reactive to proactive, promote the establishment of risk control self-assessment system, and realize the self-supervision and audit supervision of business units.

The Company's Audit Department, sticking to a risk-oriented audit strategy, continues to improve internal control audits, efficiency audits, compliance audits and anti-fraud audits, and maintain a high-suspicion audit attitude towards high-risk areas identified such as major projects and major procurements. Based on interviews with the Board and management, historical risk issues, previous major audit findings identified, audit frequency and business coverage, etc., the Audit Department formulates audit plans every year, and conducts audits on key projects and businesses at least once every three years.

During the Reporting Period, the Group's Audit Line completed 322 audit projects and identified 324 major risks, mainly in areas of procurement management, project management and embezzlement. In response to such major common problems, the Audit Line worked with management to review and formulate management improvement measures, and supervised and implemented the rectification of internal control deficiencies.

### The Fourth Line of Defence - 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 headed [Anti-Corruption and Supervision](#) in this Report for detailed information.



### ■ Risk Culture Building

The Group organizes appropriate risk management trainings for staff at all levels to enhance their risk management awareness and capability; meanwhile, we aim to cultivate risk control experts by enhancing our internal auditors' capabilities of risk analysis and assessment through those trainings. In addition, we take technical measures to carry out comprehensive risk analysis and assessment, establish database for business risk control and responding, and enhance the capabilities and methods of special risk audit (e.g. IT audits, fraud audits, etc.).

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

### ■ ESG Risk Management

We consider ESG risks (including the climate risk) in our risk management framework, integrate sustainability into our business operations, and adapt to increasingly stringent requirements in these areas. The Group's ESG Management Committee regularly reports ESG trends and ESG risks and opportunities and provides related suggestions to the Board and ESG Executive Committee for continuous monitoring.

We also try to comprehensively identified the physical and transition risks related to climate change exposed to the Company and member companies in accordance with the recommendations of the TCFD. We plan to formulate detailed countermeasures for the identified key risks to enhance corporate resilience in response to climate change.

## 1.2.3 Public Opinion Management

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

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

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

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

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

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## 1.3 Practising Business Ethics

The Group strictly abides by the *Anti-Unfair Competition Law of the People's Republic of China*, *Interim Provisions on Banning Commercial Bribery*, *Anti-Money Laundering Law of the People's Republic of China*, *Counter-terrorism Law of the People's Republic of China* and various laws and regulations of China and other countries or regions where the Group operates or invests in, including laws and regulations in the fields of prevention of bribery, extortion, fraud, money laundering and unfair competitions, etc. In accordance with such laws and regulations, the Group is required to establish an anti-corruption and supervision mechanism to prevent all forms of the aforementioned corruption risks.

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

**- Chairman, Guo Guangchang**



### 1.3.1 Anti-Corruption and Supervision

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

#### ■ Anti-Corruption and Supervision System Building

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

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

The Group regularly conducts risk assessments and reviews by way of traffic lights. Main businesses of industrial groups and enterprises are classified by the industry operation committees to identify fraud risk points in each type of enterprises, with the frequency of occurrence and possible losses classified based on the classification principle of traffic light, that is, red light for high-frequency and high-loss risk points, green light for low-frequency and low-loss risk points, and yellow light for other scenarios. For the high-risk points (red light), the Anti-Corruption and Supervision Department carries out a random inspection every year, and assigns special personnel to pay attention to these points at any time. For the medium-risk points (yellow light), the Anti-Corruption and Supervision Department ensures that random inspections are carried out every three years to cover the full range. For the low-risk points (green light), the Anti-Corruption and Supervision Department carries out irregular random inspections according to the business operations and the fraud clues received.

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

Learn more about

[Fosun Group Incorruptible Working Regulations for Employees](#)

[Fosun Group Global Whistleblowing Policy](#)

[Fosun Group Measures for the Protection and Reward of the Informants and Witnesses](#)



## ■ Code of Conduct

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

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

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

The Group also expressly prohibits transfer of property in the form of business entertainment expenses, office expenses and facilitation payments in operating activities for illegitimate benefits. During the Reporting Period, the Group made no political lobbying or political donations.

## ■ Culture of Integrity

The Group is rigorously committed to fostering an atmosphere of anti-corruption. During the Reporting Period, the Company carried out relevant anti-fraud and anti-corruption awareness trainings 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 occur, the Group would organize education and introspection activities of "Rethink" to alert key departments and staff and emphasize the impacts of case investigation. The Company's coverage rate of staff anti-corruption education reached 100%. The per capita integrity training hours were about 1 hour. In addition, we also arranged anti-corruption training for our suppliers and contractors. During the Reporting Period, the anti-corruption training coverage rate of the Company's suppliers and contractors reached 100%, the per capita anti-corruption training hours of the Company's suppliers reached about 0.5 hour, and the per capita anti-corruption training hours of the Company's contractors reached about 0.5 hour.

The Company's coverage rate of staff anti-corruption education reached

**100%**

The per capita integrity training hours were about

**1** hour

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

In January and September 2021, the Company carried out two publicity campaigns on warning education at the themed training of "Fosun 30 Minutes" to publicize anti-corruption to the Group's staff through morning video courses. In addition, during the Reporting Period, the Group conducted two trainings for FOSTAR management trainees and Fosun Youth high-potential outstanding staff to introduce the Group's anti-corruption and risk control policies, and to publicize the Group's integrity culture.

## ■ Whistleblowing Management

We have set up a comprehensive whistleblowing mechanism. The Group released the *Fosun Group Global Whistleblowing Policy*. The whistleblowing can be submitted in multiple anonymous whistleblowing channels. The Group encourages all staff, suppliers and partners to participate in the anti-corruption and supervision system to oversee the integrity and diligence of staff. We have opened our complaint channels to the public, hoping that more stakeholders can participate in the supervision and create good business practices with us.

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

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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 evidences they provided in the process of acceptance, registration, storage, investigation, etc., so as to prevent any leakage and loss. We provide protection to whistleblowers and witnesses in accordance with relevant laws and regulations. The Group has set up the "Special Protection List of Informants and Witnesses" for real-name informants who provide real and valid evidence and witnesses who make honest testimony, and the list is reserved by the Anti-Corruption and Supervision Department. The Group strictly prohibits retaliating against and framing informants and witnesses in any form; otherwise, serious punishment will be imposed, and alleged criminal cases will be transferred to a judicial organ.

After receiving internal and external reports, the Anti-Corruption and Supervision Department assesses and investigates each piece of the reported information. The 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 risk through handing over, anti-corruption inspection, and sampling inspection from time to time. Where fraud cases are verified, the staff who has committed fraud will be severely punished, and those suspected of having committed crimes will be transferred to a judicial organ. We identify, rectify and prevent relevant operation risks in the process of investigating and handling fraud cases, endeavor to recover economic losses as much as possible while punishing the responsible persons and block the relevant anti-corruption and management loopholes.

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

## ■ Business Atmosphere

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

During the Reporting Period, the Group and member companies received **48** non-compliance complaints (concerning corruption, human rights, sexual harassment, etc.) through whistleblowing channels. The Group and member companies investigated and concluded a total of **10** corruption and bribery cases. The Group and member companies handled **23** cases of dismissal or disciplinary punishment, totalling **54** employees, due to non-compliance with the company's anti-corruption policies.

### 1.3.2 Anti-Money Laundering

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

#### ■ Peak Reinsurance

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

Peak Reinsurance also complies with the counterparty due diligence ("CDD") mechanism and record retention requirements. Sticking to the risk-based CDD mechanism, Peak Reinsurance regularly maintains and screens sanctions lists issued by the government and competent authorities, constantly monitoring the anti-money laundering risk. Meanwhile, it regularly provides trainings to its employees on AML/CTF and other compliance matters.

#### ■ Fosun Insurance Portugal

Fosun Insurance Portugal has formulated *Anti-Money Laundering Policy*, and related management mechanisms and measures to prevent the anti-money laundering risk. In addition to the policy, Fosun Insurance Portugal has two Handbooks for Anti-Money Laundering Procedures, detailing relevant procedures for controlling and reporting activities. Fosun Insurance Portugal has an automatic online and batch detection process for Politically Exposed Persons (PEPs) and "Sanctioned" persons and entities prior to the establishment of the contractual relationship in the Life business and in any transaction carried out relating to new premiums, underwriting of new products, claims and redemptions, in all business channels.

Meanwhile, Fosun Insurance Portugal, has the means to, in an automatic and systematic way, monitor transactions with potential risk in terms of money laundering, that is, high value transactions, an unusual number of transactions from the same customer, redemptions made during the first two years of the policy, payments of premiums made in cash, so as to prevent relevant risks.

### 1.3.3 Anti-Unfair Competition

The Group strictly complies with the *Anti-Unfair Competition Law of the People's Republic of China* and other related laws and regulations of China and other countries or regions where the Group manages or invests in. We proactively safeguard the healthy economic development, advocate and protect fair competition and combat unfair competition. During the Reporting Period, no material breach of anti-unfair competition laws and regulations occurred.

#### ■ Challenges of Overseas Compliance and Responses

In April 2021, the Company conducted a training of "Issues Regarding Anti-Trust Compliance in Corporate Operation". Third party professionals were invited to deliver a themed training to share their insights about the compliance with anti-trust law and competition law.





# 02

## ENHANCING RESPONSIBILITY TO CONSOLIDATE FOUNDATION



## 2.1 ESG Strategies

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

The Group is committed to working with various international initiatives to promote sustainable development. In August 2014, the Group joined the UNGC and is devoted to the global commitment to sustainable development. Two member companies, namely Fidelidade - Companhia de Seguros, S.A. and IDERA Capital Management Ltd., also joined the UNGC in 2019 afterwards and made public commitments that they would comply with standards released by the United Nations in areas such as environment, labor and anti-corruption. In 2020, the Company joined China ESG Leaders Association and became a member of the CBCSD.

As of the release date of the Report, the Company was awarded an "AA" rating by MSCI ESG and was selected as a constituent of the MSCI CHINA ESG LEADERS 10-40, etc. The Company was also selected as a constituent of the Hang Seng Corporate Sustainability Benchmark (HSSUSB) Index and Hang Seng ESG50 Index, with a rate of "A". Besides, the Company's ESG scores by FTSE Russell and the S&P CSA were also improved significantly, both of which were higher than the industry average.

### 2.1.1 ESG Vision

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

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





## 2.1.2 Strategies and Goals

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

### 4 Strategic Pillars

Strategies	Self-improvement: Unity of knowledge and action - We believe, so we do	Teamwork: Concerted efforts and cooperation lead to win-win situation	Performance: Pursuit of perfection and excellent quality	Contribution to society: Business for good
Objectives	<ul style="list-style-type: none"> <li>Through continuous self-reflection, we comprehensively review our strengths and weaknesses, objectively evaluate ourselves and ultimately achieve self-improvement upon repeated revisions and continuous enhancement. Keep a strong passion for learning, develop excellent learning ability, strive to build a learning organization and push beyond limits to achieve a higher level of success</li> </ul>	<ul style="list-style-type: none"> <li>To establish a Fosun team with entrepreneurial spirit and status and to build a harmonious partnership and an enduring business ecosystem, through complementary advantages and sharing mutual benefit to achieve win-win situation.</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging on innovations and services in "health, happiness, wealth and intelligent manufacturing" to deliver more products and services with excellent user experiences to families across the world, bringing happiness to every family.</li> </ul>	<ul style="list-style-type: none"> <li>To make use of and to integrate the existing resources with the advantage in knowledge and technology; to contribute to green planet through energy conservation and environmental protection; to contribute to society by creating wealth; to serve society by building the brand; and to benefit the society by participating in public welfare.</li> </ul>
Key issues	<ul style="list-style-type: none"> <li>Employee learning and development</li> <li>Employee interests and caring</li> <li>Advanced corporate governance</li> <li>Risk and crisis management</li> <li>Business integrity and supervision</li> <li>Employee health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Responsible investment</li> <li>Responsible procurement</li> <li>Responsible marketing</li> </ul>	<ul style="list-style-type: none"> <li>Research &amp; development and innovation</li> <li>Diversified products and services</li> <li>Product quality and safety</li> <li>Protection of intellectual property</li> <li>Customer service and satisfaction</li> <li>Customer privacy and data security</li> </ul>	<ul style="list-style-type: none"> <li>Participation in social welfare</li> <li>Green products and clean technology</li> <li>Climate change mitigation and energy management</li> <li>Water resource management</li> </ul>
2021 progress review	<ul style="list-style-type: none"> <li>Average training hours per capita 30.5 hours</li> <li>Approximately 37,000 new employees</li> <li>The anti-corruption inspection covered all key member companies of the Group within the planned annual inspection scope</li> <li>The Company's coverage rate of staff anti-corruption education reached 100%, and the per capita integrity training hours were about 1 hour</li> <li>There is no major ESG crisis incident</li> </ul>	<ul style="list-style-type: none"> <li>The Energy Industrial and Utility Group has invested in more than 20 companies, including 3 companies listed on the Main Board of the A-share market. The total investment in energy environment and intelligent equipment exceeded RMB 10 billion, accounting for over 50% of the total investment in this sector</li> <li>All on-boarded and new suppliers signed the <i>Supplier Code of Conduct</i></li> <li>The anti-corruption training of the Company's suppliers and contractors was about 0.5 hour per capita</li> </ul>	<ul style="list-style-type: none"> <li>The Group invested nearly RMB 8.9 billion in total to deepen technology and innovation capabilities (including expensed and capitalized R&amp;D investment). In particular, the R&amp;D expenses amounted to about RMB 4,193.1 million, accounting for approximately 2.60% of revenue</li> </ul>	<ul style="list-style-type: none"> <li>Announced a carbon reduction target—"strive to reach a carbon emissions peak by 2028 and achieve carbon neutrality by 2050", and promoted carbon neutralization in a planned and step-by-step manner</li> <li>Formulated EHSQ management short, medium and long-term goals for 2022-2031</li> <li>Donation of Fosun Foundation was over RMB 153,803,621</li> </ul>

## 2.2 ESG Governance

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

Guidance and oversight	Governance Body: Board ESG Board Committee	Decision-Making Body: ESG Executive Committee
Coordination and monitoring	Executive Body: ESG Management Committee	
Diffusion	ESG Working Group: EHSQ Department, Finance Management Department, Product & Technology Innovation Center, Office of Board Secretary, Legal Department, Risk Management Department, Fosun Foundation, Brand and Corporate Communications Department, Labor Union, Anti-Corruption and Supervision Department, Global Supply Chain Center, Human Resources Global Shared Service Center, Audit Department, Tax Management Department, Investment Management Department, User Operation Center, Marketing Center, Intelligence Technology Business, Intellectual Property Management Department, Markets and Investor Relations Department and Treasury Management Department	
Implementation	All staff network of the Group and member companies	

### 2.2.1 Governance Body

The Board is the top governance organization 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 end of the Reporting Period, the Committee comprises 6 members of the Board, with an independent non-executive Director serving as the chairman.

During the Reporting Period, the ESG Board Committee of the Company held 2 meetings. In March 2021, the ESG Board Committee reviewed *ESG Report 2020* and debriefed the ESG Working Group to report work progress and annual work plan and discussed the Group's latest ESG developments. In December 2021, the ESG Board Committee reviewed the ESG achievements in 2021, deployed the ESG work plan in 2022 and discussed the ESG development trend in both international and domestic capital markets.

### 2.2.2 Decision-Making Body

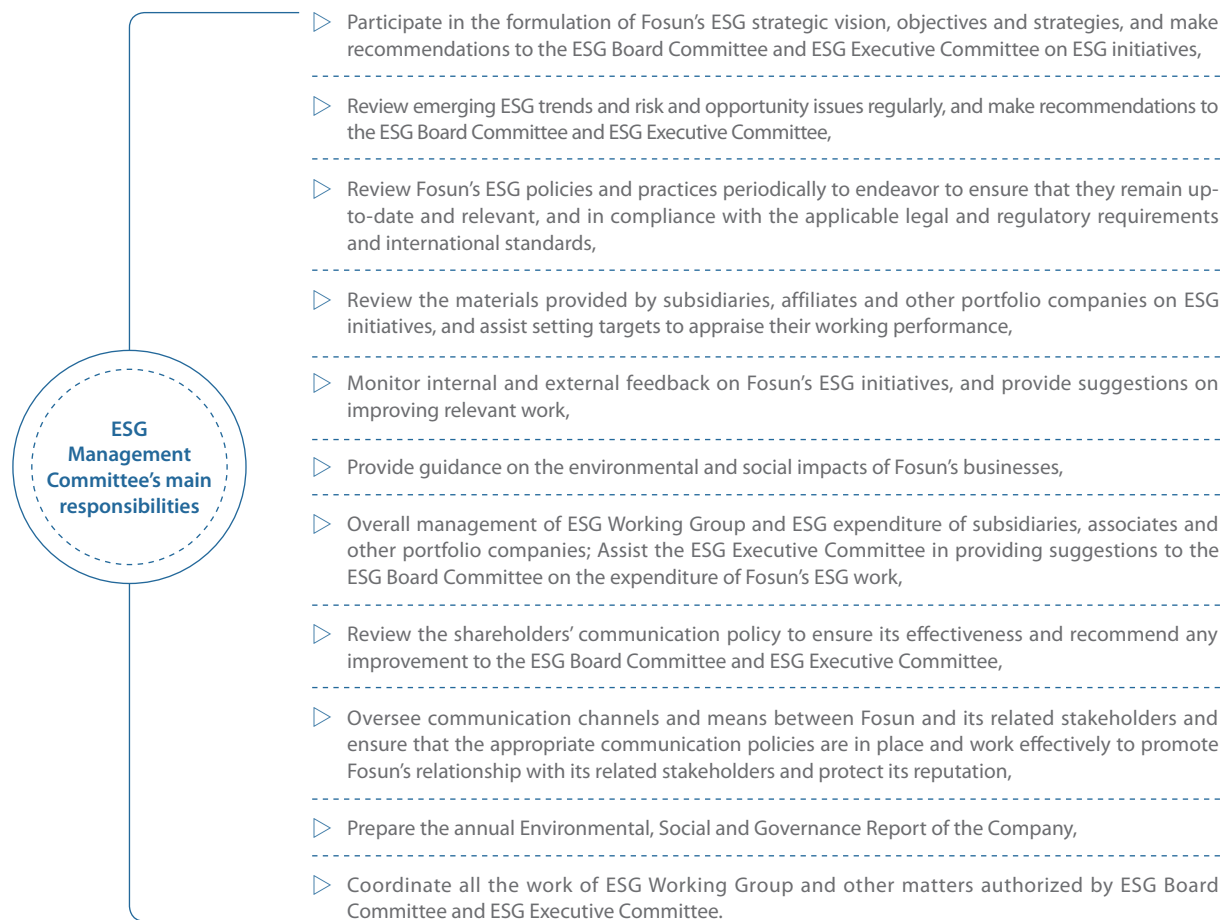
In order to promote the implementation of the ESG strategy of the Board, in 2021, the Company established an ESG Executive Committee at the management and decision-making level with involvement of several executive directors of the Company. The ESG Executive Committee is responsible for making decisions 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 Group identifies and assesses the importance of ESG issues through annual risk assessment and regular stakeholder activities. Corresponding measures are implemented to manage those key ESG issues.

### 2.2.3 Executive Body

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

■ **ESG Management Committee's main responsibilities include:**



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

In 2021, the Company's ESG Management Committee and ESG Working Group held several meetings to discuss the priorities, objectives and plans of ESG in 2021, and to plan the ESG Report for 2021. In addition, the ESG Working Group actively communicated with external ESG rating agencies and kept abreast of market concerns.

## 2.2.4 Capacity Building

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



^ ESG Culture Week Poster



^ ESG Fosuners 2.0

In November 2021, we collaborated with major member companies to hold the ESG Culture Week to further improve the awareness of ESG within the headquarters of Group and member companies, so as to enhance the ESG capabilities of all the staff and achieve a multiplier effect. The mascot named "ESG Fosuners 2.0" was released and exhibited through various channels and in various places to promote the ESG culture among all employees. ESG basic knowledge was conveyed through Fosun Morning Assembly, themed training on ESG, information publicization of "ESG Fosuners' Talk" and ESG knowledge competitions and other activities.

### Themed training

According to the Group's key ESG issues, we launched a variety of courses through lunchtime sharing sessions and online learning, including *Anti-Monopoly and Anti-Bribery*, *Sharing of ESG Cutting-edge Trends*, *Corporate Awareness of Cybersecurity and Risks*, *Opportunities and Actions of Zero-Carbon Enterprises*, so as to discuss the hot topics and development status of ESG, the management of responsible investment, risk management, cybersecurity, carbon neutrality, workplace diversity and other topics, improve staff's awareness of ESG and introduce relevant knowledge to staff.



## ESG Fosuners' Talk

We publicize ESG information to all staff of the Group, introducing hot topics such as carbon neutrality, product carbon footprint, green finance and ESG investment, and introduce Fosun's ESG governance structure and how the Group promotes common prosperity in the rapid development.



## ESG Quiz

We held ESG Quiz through online channel and facilitated the participation by our staff who can join the event anytime and anywhere. The initiative enhanced the understanding of ESG issues among our staff so as to improve their cooperation with the Group in its ESG initiatives.



## 2.2.5 Performance Appraisal

In order to establish a top-down long-term mechanism for ESG improvement and continuously promote Fosun's sustainable development, the Group has set up relevant mechanism to link the Group's ESG performance with the performance appraisal of the Board. We include ESG management performance as an evaluation factor in the Executive Directors' performance assessment and remuneration assessment. Besides, the performance requirements for Executive Directors in optimizing ESG work, improving the quality of ESG reports and promoting ESG ratings are specified in *Executive Director Performance Assessment of Fosun* to promote our top management to optimize ESG management.

During the Reporting Period, in order to promote ESG management within the Group, we extended the ESG management performance appraisal mechanism to the CEOs of the Group and the personnel in charge of each business group. The assessment indicators mainly include ESG rating, responsible investment implementation, carbon neutralization management, ESG risk management, etc., so as to enhance the management of important ESG issues and promote close integration with business operation.

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

The Group continues to increase the investment of resources (including physical resources, information resources, human/expert skill resources, etc.) to improve Fosun's ESG performance in various areas such as employee training and care, environmental protection, safety and health, innovation and R&D, and clean technology, so as to ensure the achievement of the Group's ESG strategies and goals.

## 2.3 Stakeholder Engagement

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

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

Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Activities and Results
<b>Governments and regulators</b>	Product quality and safety	Policy seminars	Multiple times per month	The Group actively responds to governments and regulators. Taking poverty alleviation as an example, we report the progress of counterpart poverty alleviation to the Shanghai Cooperation and Communication Office quarterly, and report the progress of the Rural Doctors Programme to the National Health Commission at least every six months. Each on-site member is required to report their work progress to the Poverty Alleviation Office of the county where he or she is located monthly. In 2021, the Group continued to maintain sound communication and exchanges with governments and regulators and contribute to the epidemic prevention and control and resumption of work. During the CIE, we also actively carried out good exchanges with government agencies to understand their concerns about us.
	Protection of intellectual property	-----		
	Business integrity and supervision	Reporting to governments at all levels and other authorities in charge		
	Gas emission management	-----		
	Waste management	-----		
	Water resource management	Government affairs reception		
	Climate change mitigation and energy management	-----		
Participation in social welfare	Regulator supervisions and inspections			
<b>Customers</b>	Diversified products and services	Social media	Multiple times per year	The Group positively establishes customer communication channels to promote sustainable consumption. In 2021, we continued to hold 515 Fosun Family Day, 920 Fosun Family Season and other activities, focusing on the needs of terminal customers and linking with Fosun's ecosystem brands, so as to meet the consumption needs for family health, happiness and wealth, and creating a better online and offline happiness experience for each family.
	Product quality and safety	-----		
	Customer service and satisfaction	Fosun official website		
	Customer privacy and data security	Email and telephone communications		
	Responsible marketing	-----		
<b>Suppliers</b>	Responsible procurement	515 Fosun Family Day	Multiple times per month	The Group pays attention to communications with suppliers. In 2021, we conducted specific communication on strategic cooperation with suppliers such as M&G, Staples, Quanshi, Deloitte, PwC, HP, Lenovo, Huawei, JD.com, SF Express, Haier, etc., and organized the 2021 Supplier Conference.
		-----		
		Onelinkplus.com		
		Email and telephone communication		
		-----		
Working meetings	Multiple times per month	The Group pays attention to communications with suppliers. In 2021, we conducted specific communication on strategic cooperation with suppliers such as M&G, Staples, Quanshi, Deloitte, PwC, HP, Lenovo, Huawei, JD.com, SF Express, Haier, etc., and organized the 2021 Supplier Conference.		
Supplier conferences				
Supplier site audit				
Complaints hotline				

Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Activities and Results
<b>Non-governmental organizations</b>	Participation in social welfare	Industry associations ----- Fosun Foundation -----	Multiple times per quarter	In order to enhance the communication and cooperation, the Group frequently interacts with the CBCSD, China Population Welfare Foundation, China Foundation for Guangcai Programme, Shanghai Fudan University Education Development Foundation, etc. The Group held the "Shanghai Summit of Philanthropy" for two consecutive years. In 2021, guided by the Shanghai Civil Affairs Bureau (Shanghai Municipal Administration of Social Organizations) and co-hosted by the Shanghai Fosun Foundation and a number of other foundations, the summit held in-depth discussion on "Social Welfare, as the Soft Power of a City", invited college scholars, non-profit organizations, think tanks and media to share the latest academic achievements and practices, and provided suggestions for promoting the development of Shanghai's social welfare, philanthropy and the city's soft power.
	Business integrity and supervision	Cooperation and exchange meetings -----		
	Green products and clean technology	Seminars -----		
	Climate change mitigation and energy management	Email and telephone communications -----		
		Work meetings		
<b>Communities and the public</b>	Participation in social welfare	Social media -----	From time to time	The Group opens multiple social media accounts to actively communicate with the public from all walks of life, including domestic platforms like WeChat, Weibo, Headline Today and Tik Tok, and international platforms like Facebook, Twitter and LinkedIn.  In addition, in response to the hot topics such as global anti-COVID 19 and CIIE, we have demonstrated Fosun's participation in and contribution to these projects via proactively dispatching press release to the public, the Company's website and social media accounts, etc.
		Fosun official website -----		
	Responsible marketing	Email and telephone communications		
<b>Media</b>	Responsible marketing	Brand/product presentations -----	Multiple times per year	The Group adopts innovative ways to communicate with the media. In 2021, we invited the founders and chief editors of media or KOLs visiting Fosun headquarters and Fosun member companies to further enhance their understandings towards Fosun.
		Annual and interim results conferences -----		
	Participation in social welfare	Media roadshows -----		
		Social media ----- Fosun official website		
<b>Peers and association</b>	Research & development and innovation	International forums -----	From time to time	The Group actively participates in inter-industry exchanges to improve corporate transparency. In October 2021, Fosun participated in the International Biopharma Industry Week Shanghai, and the Co-CEO of Fosun International attended and delivered a speech, sharing the international development strategy of innovator drug companies, with ESG mentioned in the speech; in November 2021, Fosun attended the first Asia Summit on Global Health held by Hong Kong Trade Development Council, actively promoting global collaboration.
	Protection of intellectual property	Round-table conferences -----		
	Responsible investment			
	Advanced corporate governance	Industry summits/ Association meetings		

Stakeholders	Focus Areas	Communication Channels	Communication Frequencies	Communication Activities and Results
<b>Limited Partner (LP)</b>	Responsible investment	Work meetings	Multiple times per quarter	The Group continues to strengthen exchanges with partners, through online LP meeting and regular exchanges with partners to communicate investment strategies to strengthen the mutual trust.
		Investment strategy meetings		
		Email and telephone communications		
<b>Shareholders and investors</b>	Diversified products and services	Brand/product presentations	Multiple times per year	The Group attaches great importance to information disclosure. In 2021, we held the Investor Open Day activities with one listed company within Fosun ecosystem on a monthly basis to let investors experience and gain an understanding of the Company's businesses to close the gap between the investors and the businesses. In addition, as one of the first Chinese companies whose senior management visited overseas financial institutions in person, we conducted 105 overseas roadshows and other activities in four European countries (Germany, the United Kingdom, Portugal and France).
	Business integrity and supervision	Annual and interim results conferences		
	Advanced corporate governance	Investor meetings		
	Risk and crisis management	Shareholders' meetings		
	Green products and clean technology	Investor roadshows		
	Climate change mitigation and energy management	Email and telephone communications		
		Industry seminars		
<b>Employees and management</b>	Employee health and safety	Workers and employees' congress	Multiple times per year	The Group collects employees' opinions by establishing internal communication channels between employees and management, setting up multiple internal communication platforms and organizing internal communication activities. In 2021, the Company conducted employee engagement survey, so as to understand employees' needs.
	Employment and labor standards	Online official account		
	Employee learning and development	Fosun DingTalk App		
	Employee benefits and welfare	Themed Training		
		Fosun Global Chief Communication Officers		
		Monthly video communications		
		Fosuners		
	Fosun 30 Minutes			



## 2.4 Materiality Assessment

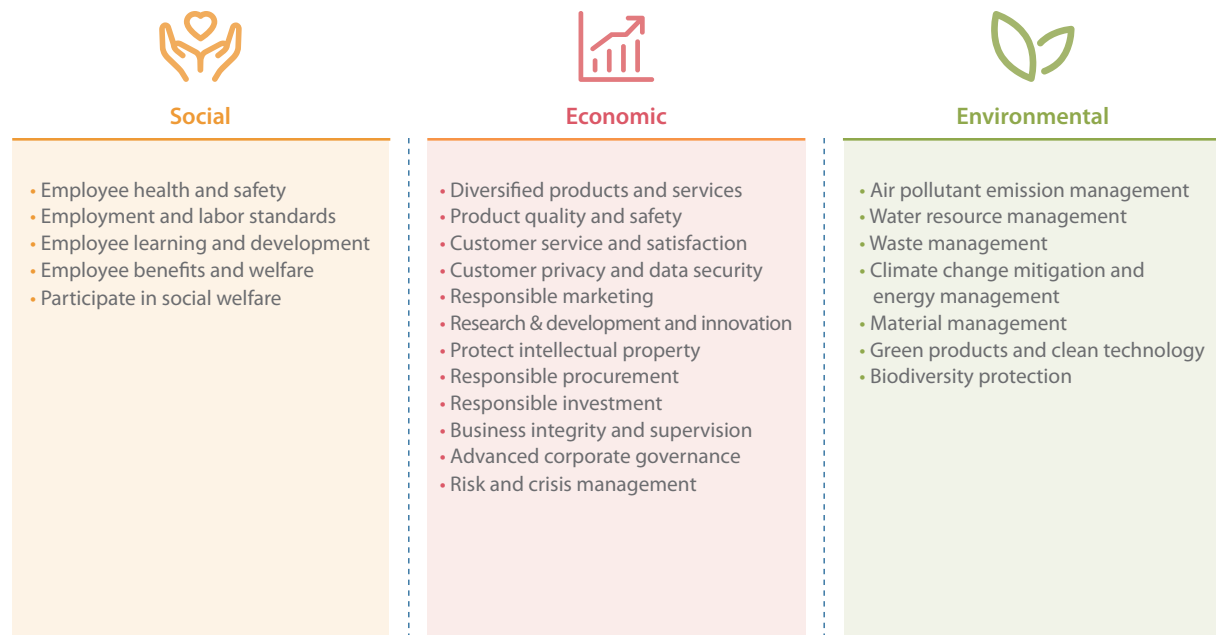
The Group regards the expectations and demands of stakeholders as an important factor in formulating its ESG strategy. We regularly review ESG issues and the corresponding scope of influence to accurately grasp their relevance and importance to the Group.

In 2021, due to changes in the external operating environment and policy trends, the Group re-assessed the key issues concerned by various stakeholders. We conducted extensive and in-depth communication with stakeholders through various channels, and identified the ESG issues most relevant to our business and stakeholders through the following four steps.

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

We invited third-party ESG experts to identify relevant major trends in 2021 and gained an understanding of their potential risks and opportunities for the Group.

We identified potential major issues for disclosure, taking into consideration the major ESG trends, the Group's ESG strategic goals, the UN SDGs, *GRI Standards*, the *ESG Reporting Guide* issued by the Hong Kong Stock Exchange, as well as the issues focused by mainstream international ESG ratings (including MSCI rating, Dow Jones Sustainability Index rating, Hang Seng sustainability rating, etc.). After assessment, the 24 ESG issues identified in 2019 were still relevant to the Group's businesses and still identified as the Company's important ESG issues in 2021.



### ■ Step 2: Identify Stakeholders

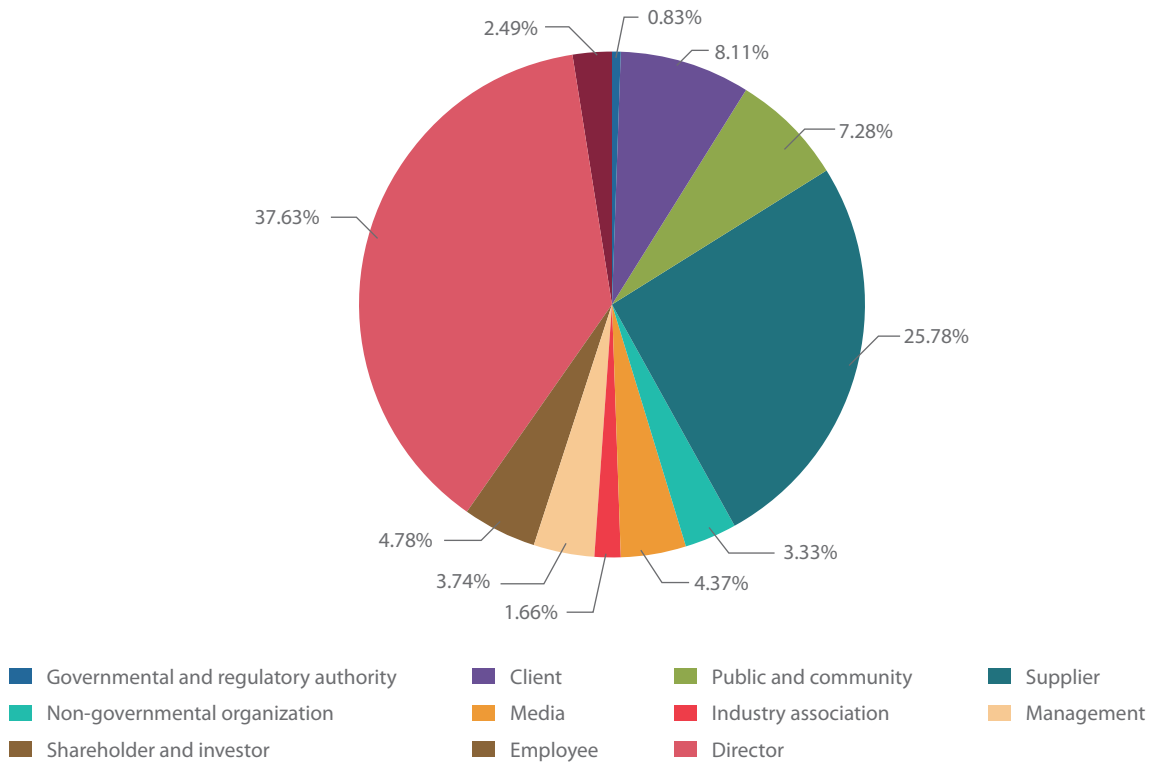
From the two perspectives, namely "Affected by Fosun" and "Effect on Fosun", the Group has identified customers, suppliers, NGOs, the public, the media, industrial peers and industry associations, partners, shareholders and investors, employees, management and other stakeholders as the main survey objects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

### Step 3: Conduct Survey Activities

The Group 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

A total of 481 valid questionnaires were collected in the survey. 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.



### Excerpts from stakeholders' comments

I hope that the Company can invest more resources in ESG, which is very important for the well-being of all mankind. I hope that the Company can organize more social welfare activities that employees can participate in.

— Employee

We hope that Fosun will attach more attention to the industries related to carbon neutrality. It should increase its engagement in the fields related to carbon neutrality and carbon emission reduction, and regard ESG as a main factor for making strategies in order to guide the management of internal and external supply chains.

— Suppliers

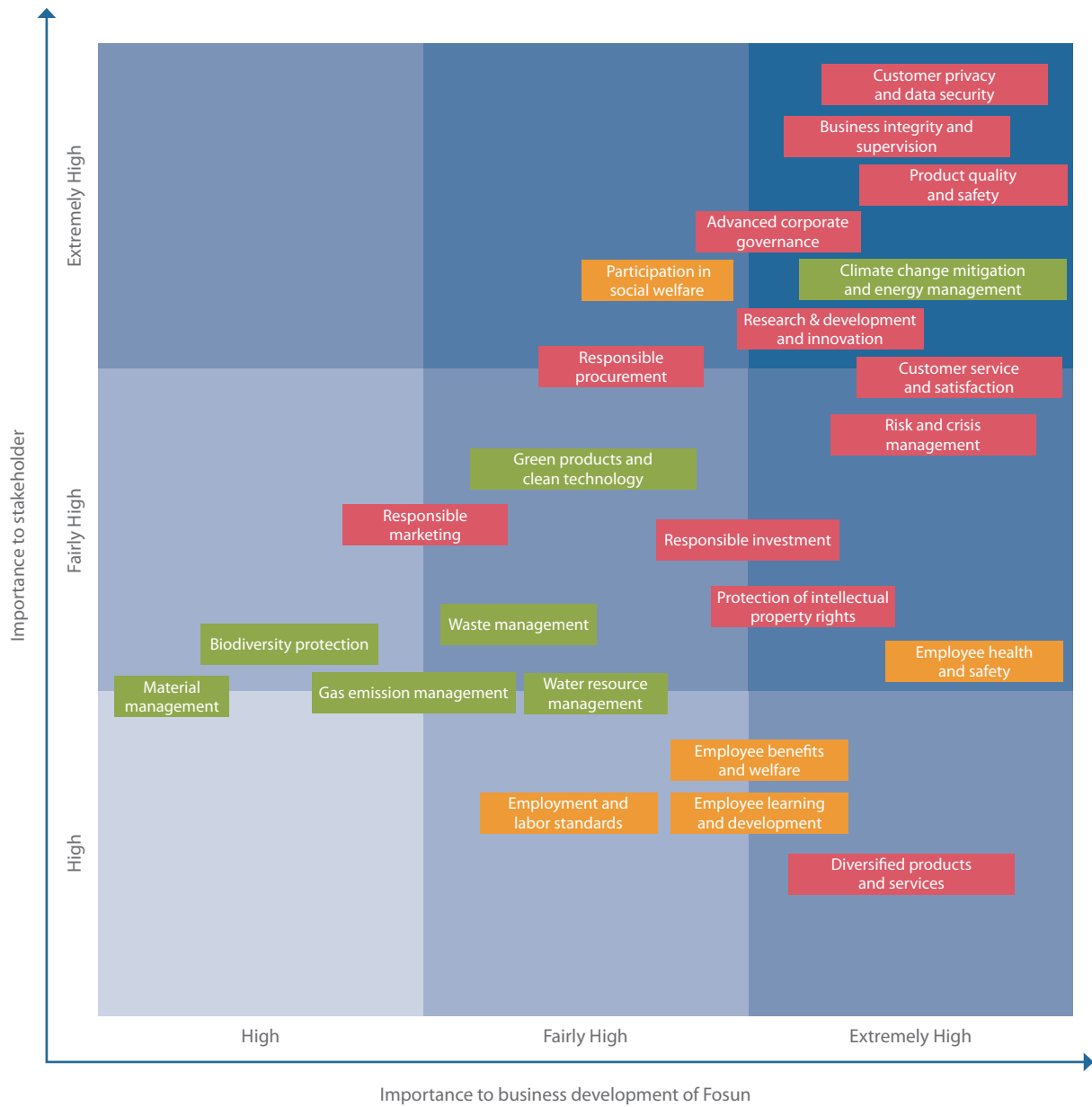
I am very happy to see that Fosun can pay attention to the social value of sustainable development in strategy and other aspects, and learn various ideas from others from time to time and maintain good interactions, so as to ensure the implementation of the Group's strategies and rationalize its strategic plans regularly. I am very happy to see that Fosun is such an excellent multinational enterprise.

— Public and community

### Step 5: Internal Confirmation

We submit the results of the materiality assessment to the Group's ESG Board Committee for discussion, so as to confirm the material ESG issues disclosed in this Report.

### 2021 Fosun ESG Materiality Assessment Matrix



■ Social    
 ■ Economic    
 ■ Environmental

## 2.5 Response to UN SDGs

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

Title of sections	Issue	Section Introduction	UN SDGs
<b>AN INTRODUCTION TO FOSUN - INNOVATION-DRIVEN TO CREATE A HAPPIER LIFE</b>	Business integrity and supervision Advanced corporate governance Risk and crisis management	We are fully aware that corruption and bribery will affect the foundation of the Group seriously. The business ethics monitoring system is established to make the awareness of integrity be rooted in the daily work of employees.	
<b>GLOBAL LAYOUT AND LEAN OPERATION</b>	Diversified products and services Product quality and safety Customer service and satisfaction Customer privacy and data security Responsible marketing Research & development and innovation Protection of intellectual property	Leading the industry development with innovation, the Group continuously improves the user experience of the Group's clients and advances product strength with operational excellence. We focus on the needs of family customers for "health, happiness, and wealth", and lay out the in-depth implementation and responsible industry operation. We positively guide consumers to establish healthy consumption concepts and strictly protect their information as well.	  
<b>SAFETY AND ENVIRONMENTAL PROTECTION, STEADY AND SUSTAINABLE GROWTH</b>	Employee health and safety Gas emission management Water resource management Waste management Climate change mitigation and energy management Material management Green products and clean technology Biodiversity protection	Adhering to the principle of sustainable development, the Group supervises and guides its member companies to mitigate the impact of production and business activities on the environment and the human body. We develop green cycle economy by ensuring work safety, protecting the physical and mental health of employees, actively tackling climate change, carrying out energy conservation and emission reduction, reducing the emissions of solid waste, wastewater and atmospheric pollutants, effectively utilizing resources, and at the same time seeking opportunities to recycle wastes.	   

Title of sections	Issue	Section Introduction	UN SDGs			
<b>RESPONSIBLE INVESTMENT AND VALUE DRIVING</b>	Responsible investment	Practising the concept of sustainable development in the investment activities, Fosun continuously increases investments in clean technology and contributes to tackling climate change.	   			
	Green products and clean technology		<b>ECOSYSTEM SYNERGY AND COOPERATIVE MULTIPLIER GROWTH</b>	Responsible procurement	Under the development strategy of "Concerted efforts and cooperation lead to win-win situation", Fosun persists in jointly building a harmonious partnership and an enduring business ecosystem through complementary advantages and sharing mutual benefit to achieve win-win situation.	   
<b>GATHERING TALENTS TO ACHIEVE EXCELLENCE</b>	Employment and labor standards	Fosun regards its employees as its most valuable capital. With its motto of "Together We Make a Difference", we make use of the talent supply chain system to integrate the external introduction of talents into the internal training, so as to gather leading talents from various industries.		  		
	Employee learning and development		<b>LOVE AND CARE</b>	Participation in social welfare	Fosun Foundation, with an aim to disseminate Fosun's values and give back to society with practical actions, has launched more than 30 projects such as health, poverty alleviation, culture, education, art and youth entrepreneurship, covering multiple countries and regions worldwide.	   
	Employee benefits and welfare					



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Innovation for Good Health

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Delighting You Always

至今累计20万台中国患者受益于达芬奇手术机器人

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# 03

## GLOBAL LAYOUT AND LEAN OPERATION

Having experienced two stages of development which were respectively driven by China's growth momentum and our strategy of "Combining China's growth momentum with global resources", the Group identified one billion families worldwide as its target customers in 2018, and has since been building a family-oriented FC2M happiness ecosystem. Since 2019, the Group has positioned itself as a "Global Innovation-driven Consumer Group". With its strategy of "Global + China" twin-driver, the Group has accomplished the layout of "globalization + industries". Besides, adhering to the concepts of "Innovation-driven" and "Profound industry operations + Industrial investment", the Group has been cultivating in "Health, Happiness, Wealth and Intelligent Manufacturing" segments, firmly fulfilling its mission of "fulfilling the needs of one billion families and creating happier lives for families worldwide".

## 3.1 Creating Industrial Space Intelligently

### 3.1.1 Innovation Driven

Pursuing Fosun's strategy of "driving development with innovation", we have established a Science and Technology Innovation Committee during the Reporting Period, which is engaged in coordinating the Company's resources, attracting, motivating and retaining top scientific and technological talents, assisting the race in the industries featured by cutting-edge technology innovation, empowering business with technological innovation, propelling the rapid development of the industry and achieving multiplier growth.

#### Participating in CIIE

In November 2021, Fosun, together with several overseas member companies and partners, participated for the fourth time in CIIE, demonstrating Fosun's world-leading capabilities of technological innovation and resource integration, as well as its excellent products and services for family customers around the world.



**Fosun Health:** Focuses on cutting-edge technology and on the display of industry-leading medical devices and innovative drugs from the United States, Europe, Israel and other countries. Among them, ECMO negative pressure ambulance and other products are unveiled at the CIIE for the first time. As one of the most popular products in the past CIIE, Da Vinci surgical robot and CAR-T product Yescarta®, Artas hair transplant surgery assistant robot and Breas ventilator will continue to meet with the public at Fosun Health booth to amplify the "spillover effect" of entering the CIIE.



**Fosun FOLIDAY:** FTG's booth focuses on the upgrading demand of domestic tourism and vacation consumption with international, high-end, ecological and digital innovative cultural and tourism products to help China's cultural and tourism development with higher quality. Fosun's happiness flagship platform Yuyuan, together with Shanghai brand watches, Tong Han Chun Tang, Nanxiang Steamed Bun Restaurant, Songhelou, Chunfeng Songyuelou, Meimei Wine and other classic consumer brands, showcase the "China-Chic" at the Shanghai Pavilion, with a view to demonstrating Oriental Aesthetics and expressing Chinese culture to the world.



### Innovative Models

In 2021, the Group invested nearly RMB **8.9 billion** in total to deepen technology and innovation capabilities (including expensed and capitalized R&D investment).

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 innovation system, focusing on home scenario units and taking the lead in the race of innovation in the globe, and we are committed to developing excellent Fosun products with attraction and competitiveness. In 2021, the Group invested nearly RMB 8.9 billion in total to deepen technology and innovation capabilities (including expensed and capitalized R&D investment), accounting for approximately 5.52% of revenue. In particular, the R&D expenses amounted to about RMB 4,193.1 million, accounting for approximately 2.60% of revenue.

### Innovation and Research and Development

Proprietary research and development, develop new products



### China-Israel Innovation and Entrepreneurship Contest - Open Innovation

On 16 December 2021, the Group was invited to "The 5th China-Israel Innovation and Entrepreneurship Contest Challenge Grand Final" and the Signing Ceremony of Joint Innovation Center by Large Enterprises at the site of the contest. The contest of this year focused on three major fields of life and health, intelligent technology and green technology. As one of the invited enterprises, the Group, Sino Israel Technology Innovations (Shanghai Center) and other institutions have jointly established the Joint Innovation Center by Large Enterprises to help large enterprises enter into the overseas network of innovation service effectively, explore the mechanism of industrial collaboration on research and development, and promote cooperation in the cultivation of innovative talents.



## Fosun Pharma

### > Research and Development by Scientific and Technological Innovation

Under the guidance of the "4 IN" ("Innovation, Internationalization, Integration and Intelligentization") strategy, Fosun Pharma has continuously improved its product attraction, brand awareness, innovation ability, ability of resource integration and internationalization ability to achieve highly-efficient operation. During the Reporting Period, R&D expenses (including capitalized expenditure) of Fosun Pharma amounted to RMB 4.975 billion, with an year-on-year growth of more than 24.28%.

Adhering to the "patient-centered, clinical demand-oriented and high-tech-driven" policy for research and development, Fosun Pharma spares no effort to promote research and development by innovation. During the Reporting Period, Yescarta® (Axicabtagene Ciloleuce) produced by Fosun Kite, a joint venture of Fosun Pharma, was approved for launch in the mainland of China in June. It has become the first CAR-T cell therapy product approved for launch in the mainland of China, bringing hope and opportunity for high remission and long-term survival to patients with relapsed or refractory lymphoma. As of the end of the Reporting Period, Fosun Pharmaceutical had more than 240 projects in the research and innovation of new drugs, biopharmaceutical drugs, generic drugs and consistency evaluation, including 64 research and innovation new drugs (including 27 independently-developed small molecule innovative drugs, 26 independently-developed biological innovative drugs and 11 licensed innovative drugs), 14 independently-developed biological analogues, 105 generic drugs and 25 consistency evaluation projects

### > Incubation by Scientific and Technological Innovation

Fosun Aitrox is a digitalized medical technology enterprise incubated by Fosun's internal scientific and technological innovation, and also the only AI medical enterprise in China that has realized the integration of multiple departments. Fosun Aitrox is committed to making breakthrough in the application of intelligent technology by utilizing big data and deep learning for the purpose of realizing early screening of diseases, clinical assistance, precise diagnosis and treatment services based on medical images. As of the end of the Reporting Period, Fosun Aitrox had applied for 105 invention patents and completed the medical R&D and transformation of 14 products, covering cardiovascular, imaging, pathology, gynecology, orthopedics, etc., of which 6 products had obtained the registration certificate of medical devices. By the end of the Reporting Period, Fosun Aitrox products had applied more than 40 medical AI models and served hospitals at all levels for more than 30 million times across China.

Shouldering the mission of "building up a healthy life for 1 billion families in the world by AI", Fosun Aitrox improves the diagnostic capability and efficiency of grassroots hospitals through the integration of AI and facilitates remote consultation to provide better and more sustainable medical services for remote grassroots hospitals. During the Reporting Period, it cooperated with a dozen of top universities (such as Fudan University and Tsinghua University) to jointly undertake the important project of "Scientific and Technological Innovation 2030 - New Generation AI" launched by the Ministry of Science and Technology, and provided an AI-assisted platform to support the decision-making for hundreds of childhood diseases.

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**24.28%**

By the end of the Reporting Period, Fosun Aitrox products had applied more than 40 medical AI models and served hospitals at all levels for more than

**30 million times**

across China



## Yuyuan

Yuyuan continues to focus on the R&D and operation of cultural and creative products that blend classic tradition with stylish fashion, starts the journey to rejuvenate the time-honored brands, and constantly explores brand value to lead the trend of Chinese cultural revival.

### > Design-empowered Jewelry

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

As of the end of the Reporting Period, 20 design studios, more than 500 independent designers and 300 design college students have launched business on the designer platform. During the Reporting Period, we joined hands with Bazaar Jewelry and 6 new-generation emerging designer brands on the platform to make a debut at the 1st China International Consumer Products Expo held in Haikou.

As of the end of the Reporting Period,

**20** design studios

have launched business on the designer platform



### > R&D-empowered Beauty

Fosun Cosmetics Innovation Center is an innovation center of cosmetic research and development under Yuyuan, engaged in practising the distinctive concepts of "smart beauty lab" and the FC2M ecosystem, satisfying the needs of oriental consumers with formulas suitable for their skin and empowering the smart beauty lab with digital and intelligent measures. Fosun Cosmetics Innovation Center always regards independent innovation as the essential driver of enterprise development, independently develops core raw materials and technologies by utilizing its own advantageous resources, and provides technical services of research and development for the major brands within the Group. At present, the technical services provided by Fosun Cosmetics Innovation Center include formula development, packaging material design and development, product quality verification, product safety, efficacy verification, consumer preference research, etc.

In the future, Fosun Cosmetics Innovation Center will adhere to the concept of "continuous innovation for beauty", and strengthen the cooperation with global research and development centers, domestic and overseas well-known universities and international suppliers, so as to continuously improve the special research and development capabilities in the field of raw material and formulation technology for high-end functional cosmetics.

## ■ Protection of Intellectual Property

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

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

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

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

As of the end of the Reporting Period, the headquarters of the Group directly managed 87 domain names, possessed 530 domestically-registered valid trademarks, 4 trademarks under application, 177 internationally-registered trademarks and 2 artwork copyrights.

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

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

The headquarters of the Group directly managed 87 domain names, possessed

**530**

domestically-registered valid trademarks

## Fosun Pharma

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

During the Reporting Period, the pharmaceutical sector of Fosun Pharma had 186 patent applications, including 35 U.S. patent applications and 26 PCT applications, and 62 invention patents were authorized.

The pharmaceutical sector of Fosun Pharma had

**186** patent

applications

### 3.1.2 Quality Management

The Group strictly abides by the national and local laws, rules as well as the regulations related to health and safety of products supplied in the countries/regions where our businesses operate including the *Product Quality Law of the People's Republic of China*, the *Food Safety Law of the People's Republic of China*, *General European Union Food Law Regulation*, etc. In accordance with such laws and regulations, the Group is required to establish a management and supervision system to ensure the quality, health and safety of our product and service. The Group has set up the quality culture centered around customers with all employees involvement. We provide high quality products and service, improve continuously, and pursue excellence.

Setting up the EHSQ Department as the responsible department for Fosun's quality management, we promote the improvement of the product powered by standardization and establishment of supervision and management on the product quality systems of the member companies in accordance with the *Guidance for Fosun's Member Companies to Establish the Mechanism of Product Recall, 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*. During the Reporting Period, according to ISO9000:2015 quality management system standard, we formulated the *Quality Manual of Fosun Group*, which provided the guidance and approach for the establishment of the quality management system, quality management activities and continuous improvement on quality management behaviors of member companies, and we also defined the responsibilities and authorities of relevant personnel for quality-related issues to ensure that they are held accountable for such responsibilities.

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

	2022	2023-2024	2025-2031
<b>Strategic Priority</b>	<p>Carry out quality survey and establish a quality assessment system;</p> <p>Promote the quality and cost control on the product lines of the companies controlled by the Group;</p> <p>Promote the Lean Quality management of member companies and comprehensively reduce costs and increase efficiency.</p>	<p>Improve the quality indicators of member companies in each business sector and continue to promote international quality management;</p> <p>Establish quality management platform, corporate KPI and agile event management at the levels of the Group and member companies.</p>	<p>Help member companies to continuously improve their quality management and push member companies to achieve the goal of "zero defect, zero recall".</p>
<b>Quantitative Target</b>	<p>Conduct at least 16 audits, inspections and surveys on the quality system every year</p>	<p>Establish quality indicator follow-up system to generate monthly reports</p>	<p>80% of the target companies achieve "zero defect, zero recall"</p>

We encourage member companies to establish quality management system and pass the certification. By the end of the Reporting Period, 10 member companies of the Group had obtained the quality or food safety management system (ISO9001 or HACCP) certification.

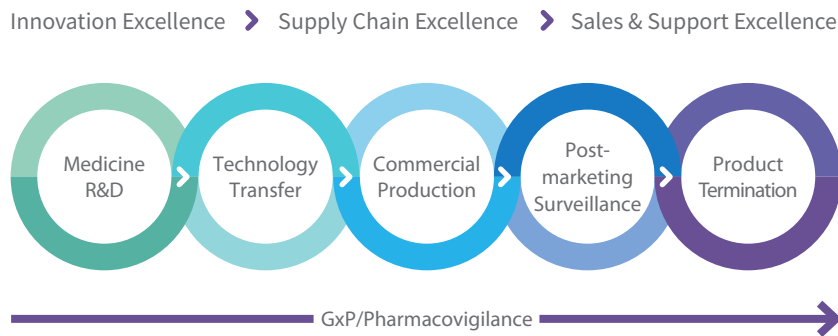
Quality investigations and unannounced inspections are conducted to drive member companies to improve their quality management system. Measures taken include but not limited to raw and auxiliary materials incoming stock examination, production process control, finished product check, storage and logistics monitoring. Key quality indicators of each company are established after taking into account the characteristics of that company and are tracked on a monthly basis. During the Reporting Period, we conducted quality risk assessments of the member companies of the Group, and performed the quality surveys of key member companies (such as Nanjing Iron & Steel, Fosun Pharma, Hainan Mining, Yuyuan, Forte, FTG, etc.) in accordance with the newly-formulated *Quality Audit Checklist*, establishing a solid foundation for further improving the quality indicators and international quality management of member companies.

## Fosun Pharma

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

### > Whole Lifecycle Management

Fosun Pharma has built up an improving management system as well as pharmacovigilance system throughout the whole lifecycle of products<sup>9</sup> (medicine R&D, technology transfer, commercial production, post-marketing surveillance and product termination) with the establishment of pre-publishing R&D system, supply chain management system in production, post-marketing service system of products. Fosun Pharma has set up effective guarantee on the quality and safety of products.



### > Quality System Audit

Adopting a four-level quality architectural system (quality manual, GMP guidelines, management discipline, files of member companies), Fosun Pharma leads and helps member companies to enhance and improve their quality system from top to bottom. As of the end of the Reporting Period, Fosun Pharma has issued a total of 19 GMP technical guidelines, with the process of key quality elements increasingly standardized.

In 2021, Fosun Pharma continued to conduct quantitative assessment of the quality systems of member companies with reference to FDA requirements by comprehensively assessing and multi-dimensionally scoring in the six aspects of quality, production, documentation, materials, laboratories, equipment and facilities, to quickly identify the weak points in the quality system of the member companies and urge them to make improvements. At the same time, Fosun Pharma has engaged chief quality consultants with rich experience in international official inspections, and actively cooperated with third-party quality management consulting companies.

In 2021, Fosun Pharma conducted a total of 9 quality system audit of the member companies in pharmaceutical industry and medical device industry, and all have passed the audit. Meanwhile, member companies were driven to establish quality systems that comply with domestic and international requirements and continuously improve the level of compliance through various means including gap analysis, unannounced inspection, special inspection, special training, etc.

<sup>9</sup>In a broad sense, the life cycle of a drug refers to the whole process from the research and development of the drug, to registration and evaluation, market entry and use, re-evaluation, and market withdrawal due to market and other reasons. In a narrow sense, it refers to all measures taken to maintain and increase the sales and profits of the drug after the development and marketing of the first dosage form and indication, and to prevent the sales and profits of the drug from being impacted by competitive drugs.

### > Certification of Quality System

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

In 2021, all the pharmaceutical member companies of Fosun Pharma complied with the requirements of GMP (2010 version), and actively went through international (such as the United States, the European Union and WHO) quality system certifications; all the member companies of medical devices complied with the *Norms on the Quality Management for Production of Medical Devices*. In addition, 8 companies completed the certification of ISO13485: 2016, 3 companies were granted the certification of ISO9001:2015, products of 5 companies were granted CE product certification; Fosun Diagnostic Medical Laboratory passed the annual review on laboratory accreditation by CNAS.

### > Quality Risk Management

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



Poster of Fosun Pharma Quality Management Month >

### > Product Recalls

The pharmaceutical member companies of Fosun Pharma abide by the *Administrative Measures for Drug Recalls* and other national relevant regulations to create their own *Rules of Management on Product Recalls*. Its pharmaceutical member companies regularly exercise simulated drug recall drills, with 8 simulated recalling drills being conducted and 1 recall occurred in 2021. The recall was initiated due to the misprinting of the approval number on the label of some batches of product bottles. The member company submitted to the Provincial Medical Products Administration a statement clarifying the implementation of the initiative recall and notified their downstream distributors with the Product Recall Notification Letter within 72 hours. To ensure medicine accessibility to patients, the member company conducted returns and exchanges to downstream distributors in an orderly manner. By the end of 2021, all products have been recalled back.

Within the Reporting Period, no product recall occurred in the member companies of medical diagnosis and medical devices.

### > Distributor Management

Fosun Pharma attaches great importance to the compliance of drug sales and motivates distributors by 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.

## FTG

FTG attaches great importance to food quality and safety. FTG has formulated an array of management regulations and standards concerning food safety (e.g. the *Fosun Tourism Food Safety Management System*) to guide subsidiaries in food safety management, and conducts food safety and hygiene audit on resorts on an annual basis, thus forming a multi-dimensional and multi-level management and review system. During the Reporting Period, the FTG's EHSQ department conducted a total of 30 EHSQ inspections at various operation sites, covering operational safety, food safety, public health, epidemic prevention and control, etc. Besides, they concluded corrective recommendations for specific problems, and requested the subsidiaries to report on the corrective actions within the required time. FTG's subsidiary Club Med has implemented an audit policy at all Club Med resorts, working with CRISTAL International Standards (an internationally renowned health and safety consultancy) aboard and with China Certification and Inspection (Group) Company Limited (CCIC) in China to conduct food safety audits at each resort every 2 months. During the Reporting Period, Club Med Global conducted 252 food safety and drinking water safety audits, with an average score of 82.14, higher than the 80 points required by the Standards.

All catering staff of FTG's subsidiaries are required to receive adequate trainings before and after onboarding. During the Reporting Period, FTG's subsidiaries updated the food safety emergency plan and drill mechanism respectively in accordance with the *FTG Control Guideline of Infectious Gastroenteritis Such as Norovirus*, and carried out food safety emergency drills, to effectively improve their emergency response capabilities.

FTG also places great emphasis on supply chain food safety management. FTG's subsidiary Atlantis Sanya has formulated strict annual audit policies for food suppliers. It strictly manages and controls food quality and safety of food suppliers through annual routine qualification review and on-site audit. During the Reporting Period, Atlantis Sanya performed food safety audits on all 71 existing food suppliers, with a coverage rate of 100%. Unqualified suppliers identified during reviews have all taken rectification measures, or relevant cooperation has been discontinued. Additionally, Club Med draws up a risk map of suppliers in high-risk food categories (e.g. fresh meat, fish and frozen products) and, based on this risk map, requested the suppliers concerned to conduct annual self-assessments and, if necessary, on-site audits.

## Fosun Care

Since the implementing of the Ningbo Sungin Garden Project in 2020 with DNV (Det Norske Veritas), a global-leading standard certification company, Fosun Care, as the core healthcare platform of the Group, has been practicing the indicators of DNV MYCARE, strictly complying with the EHSQ in all aspects and creating an IP related to health care services for the elderly - public health system certification. In 2021, Fosun Care established public health management procedures with reference to DNV MYCARE standards. For the battle against the epidemic, Fosun Care regularly conducts MYCARE infection control training based on the infection risk management system as the primary guideline. Assessments and prevention and control measures are carried out in all aspects including infection risk analysis, environmental management requirements, infection prevention and control, emergency response, publicity and education, and continuous follow-up to ensure environmental sanitation, and the health and safety of the elderly living in the community.



### 3.1.3 Responsible Operation

After the development of nearly 30 years, Fosun has formed four business segments of "health, happiness, wealth and intelligent manufacturing". Regarding industry operations as the core of our business, we are committed to providing high-quality products and services to global family customers by responsible operations.

#### ■ Health Accessibility

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

We focus on the fields of severe malaria, tuberculosis, chronic diseases and rare diseases, and take advantages 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 grassroots and underdeveloped areas, and actively work with relevant stakeholders, including but not limited to governments, medical institutions and non-governmental organizations, to run public welfare campaigns with a theme of caring patients to help address health problems in developing countries. For the details of the above projects, please refer to the section headed [LOVE AND CARE](#) in this report.



## Fosun Pharma

Fosun Pharma continues to increase investment in the research and development of innovator drugs and biosimilars, actively promotes the introduction and registration of drug licenses and the consistency evaluation of generic drugs, and continuously strengthens the exploration in the fields of cutting-edge innovations and rare disease to satisfy the clinical demands. One wonder drug or orphan drug product (avatrombopag tablet for CLDT) for rare diseases has been launched on the market and 10 research and development projects related to rare diseases and orphan drugs are in progress.

Shanghai Henlius, a member company of Fosun Pharma, with the vision of "providing high-quality biosimilars at low prices", is committed to providing more affordable high-quality biologic drugs to patients around the world, with its product lines covering tumors, autoimmune diseases, ophthalmic diseases, etc.

During the Reporting Period, Shanghai Henlius's independently-developed Bevacizumab Injection (漢貝泰®) has been approved for launch in Chinese mainland. The efficacy and safety of this drug are of high similarity to the original drug, and its approval will make bevacizumab drug much more available and provide patients with a new option of high-quality drug. At the same time, the biosimilar Adalimumab Injection (漢達遠®) has been officially incorporated in the catalogue of medicines covered by national medical insurance system, and the small molecule innovator drug Doptelet® (Avatrombopag Maleate Tablets, 蘇可欣®) has adopted the price stipulated in the system. The above achievements have further reduced the economic burden of patients and afforded more choices of medication for doctors and patients.



During the Reporting Period, the Cote d'Ivoire subsidiary of Tridem Pharma, a member company of Fosun Pharma, officially put into operation the first drug distribution center in Africa that meets the EU GDP. Tridem Pharma's high-quality services will help improve the supply capacity of medical and health products in Cote d'Ivoire and surrounding areas, reduce the risk of drug shortages and initiate emergency response to help countries in the region respond to various public health crises.

## Responsible Insurance

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

## Peak Reinsurance

Peak Reinsurance, a signatory to the Principles for Sustainable Insurance (PSI) of UN Environment Programme Finance Initiative (UNEP FI), is committed to implementing PSI throughout the life cycle of reinsurance business. Over the past year, Peak Reinsurance has further integrated ESG practices, corporate resilience and sustainability into its operations, management and strategies, actively taking measures to address climate risks, and working closely with stakeholders to promote ESG and sustainable insurance.

### > ESG Risk Management

Peak Reinsurance's ESG strategy is integrated with the company's risk management framework in a seamless manner, which means that it takes into account the risk factors of the negative financial impact that ESG might bring to the business, and incorporates the ESG strategy into the governance of insurance underwriting, investment allocation and operations. During the Reporting Period, Peak Reinsurance enhanced scenario analysis to assess the performance of its existing tools, processes and documents in key scenarios, and developed corresponding training modules for potential risks to promote the effective implementation of ESG practices.



### > Response to Climate Change

Peak Reinsurance attaches importance to addressing both the physical and transition risks arising from climate change. Since climate risk is a major threat to property reinsurance business, Peak Reinsurance has taken proactive measures to enhance its relevant risk management capabilities, and leverage global diversification and retrocession to mitigate the risk of global warming.

Peak Reinsurance makes active efforts to limit greenhouse gas emissions and decarbonize the economy together with the international community. On the one hand, Peak Reinsurance provides clients with recommendations on emission reduction based on its extensive risk management knowledge. On the other hand, Peak Reinsurance partners with customers through reinsurance portfolio management to accelerate their transition to alternative energy sources and away from carbon-intensive activities.

## > Responsible Reinsurance Products

Peak Reinsurance actively explores opportunities that can effectively close the (re)insurance protection gap, designs products that meet the needs of customers and communities and promotes social equity. Through various reinsurance solutions, Peak Reinsurance enables a faster energy transition in order to secure a better future of sustainable development.

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### COVID-19 Vaccination Programme

In order to promote the rapid deployment of COVID-19 vaccines in the Asian market, Peak Reinsurance has partnered with clients and local governments in assessing and designing a customized and affordable reinsurance solution to cover potential severe side-effects from vaccination, in order to address public concerns over vaccine safety. The success of this solution illustrates Peak Reinsurance's superior knowledge of risks and insurance underwriting.

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### National Insurance Trust Fund - Sri Lanka

The Sri Lankan government, through the National Insurance Trust Fund (NITF), provides citizens with guarantees against natural disasters (including personal injury, accidental death and emergency expenses), providing a safety net for many people who cannot afford insurance. Peak Reinsurance spares no efforts to support this governmental project to help the government realize greater financial certainty and stability and promote insurance coverage for more Sri Lankans.

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### Insurance for Vulnerable Groups

Peak Reinsurance, together with its business partners, has developed a solution to provide critical illness insurance for children with autism. This is a rare reinsurance solution for vulnerable groups in the existing market.

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### Protecting Farmers

Peak Reinsurance cooperated with banks in emerging markets to provide farmers with loans to protect them from potential crop losses caused by climate disasters.

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### Promoting Renewable Energy

With its partners, Peak Reinsurance supports different markets with reinsurance in the fields of environmental assessment, loss control, risk management and pollutant reduction, promoting the application of renewable energy around the world and building a cleaner environment.

## > Engagement Activities

Peak Reinsurance actively supports the communication and cooperation with governments, regulators, academia, research institutions and other stakeholders on issues related to sustainable insurance, and actively participates in ESG related research to further promote public awareness of ESG and sustainable development.

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### Partnership with Shanghai Typhoon Institute

Since 2015, Peak Reinsurance has cooperated with the Shanghai Typhoon Institute ("STI") to carry out research projects on tropical cyclones in the Northwest Pacific Basin and the South China Sea, aiming to realize accurate forecasts of typhoon to help insurance companies gain a better understanding of cyclone movements and reduce risks. STI and Peak Reinsurance release their pre-season cyclone forecast in May and seasonal reviews and forecast adjustments in August on an annual basis.

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### Engagement in ESG Events

Eckart Roth, Chief Risk Officer at Peak Reinsurance, joined Moody's Corporation's Insurance Week on 24th June 2021, as a speaker on the session, "Embedding ESG Risks in APAC Insurers' Business Strategy". The panel discussion focused on how ESG factors are incorporated into the investment process, and about the ESG initiatives that APAC insurers have implemented.

He spoke at the Philippine Insurance Summit 2021 organized by the Insurance Institute for Asia and the Pacific, Incorporated (IIAP) and Insurance Philippines Magazine, where he discussed topics including climate risks faced by insurers and the associated challenges for the industry. He also covered the opportunities – such as sustainable investment and green innovation.

## Fosun Insurance Portugal

Fosun Insurance Portugal closely aligns its business strengths and development with ESG factors. During the Reporting Period, Fosun Insurance Portugal defined its 2023 & 2025 sustainable development goals, focusing ESG integration goals in four aspects: investment, offer, value chain customers and value chain partners.

	2023	2025
<b>Investment</b>	<ul style="list-style-type: none"> <li>To define its investment policy and framework based on ESG criteria</li> </ul>	<ul style="list-style-type: none"> <li>To reassess 100% of the portfolio based on ESG criteria</li> </ul>
<b>Offer</b>	<ul style="list-style-type: none"> <li>To review the products portfolio according to ESG criteria</li> <li>To release 5 to 10 sustainable Life and Non-Life products</li> </ul>	<ul style="list-style-type: none"> <li>To make sure that the ESG solutions have a 30% to 50% weighting in the total product offer or representativeness in annual premiums</li> </ul>
<b>Value Chain Customers</b>	<ul style="list-style-type: none"> <li>To review the code of conduct in line with the best ESG practices</li> <li>To ensure the existence of 3 to 5 programmes that promote sustainable experiences for the customer throughout the entire process</li> </ul>	<ul style="list-style-type: none"> <li>To reduce in 25% the exposure to customers from polluting industries</li> </ul>
<b>Value Chain Partners</b>	<ul style="list-style-type: none"> <li>To adjust the partners' selection process</li> <li>To adapt the partners' Code of Conduct</li> <li>To review the current partner assessment methodology</li> </ul>	<ul style="list-style-type: none"> <li>To ensure the training of at least 25% of partners (banking sector, agents, brokers, insurance service suppliers, for example, hospitals)</li> <li>To ensure that at least 50% of the agents, the banking sector, brokers and insurance service suppliers follow ESG criteria</li> </ul>

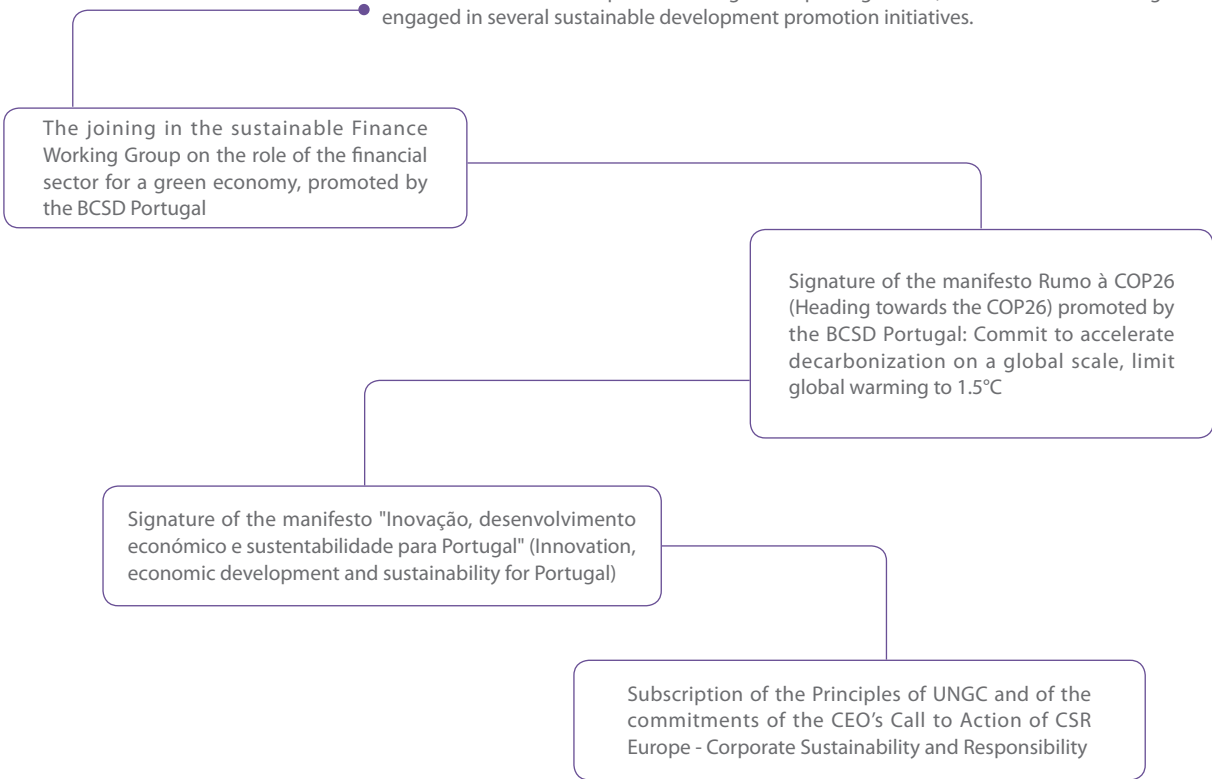
### > Sustainable products and projects

Fosun Insurance Portugal has begun to explore the integration of climate related risk considerations and ESG standards into the design and investment policies of products and projects.

<b>Sustainable products</b>	<p><b>PPR 40+ ESG</b> With the purpose of associating retirement savings to the promotion of good ESG practices, Fosun Insurance Portugal developed a financial solution where asset indexes are aligned with the UN SDGs and with the Principles for Responsible Investment. As such, they exclude from their portfolio controversial sectors or those with a negative environmental impact or also those that do not comply with the international procedures related to human rights, work, environment and corruption – according to the UNGC Principles. The PPR 40+ ESG index invests over 50% in shares of companies that comply with good ESG practices.</p> <p><b>Climate Indexes Agricultural Insurance</b> The Indexed Agricultural Insurance was a pilot project which covered 15 agricultural holdings in the region of Cuamba, Mozambique, in 2021, whose purpose was to help reduce extreme poverty through the support to vulnerable families. The indexation of an agricultural insurance to climate indexes is an ideal solution, as it avoids the insurance company having to visit the agricultural holding to assess damages and negotiate compensation amounts.</p>
<b>Sustainable projects</b>	<p><b>Vitality Programme</b> The Programme aims at the promotion of health and wellbeing, combining a reward system with the adoption of a healthy lifestyle.</p> <p><b>We Care Programme</b> The Programme was created within the scope of support to victims of accidents, seeking their social, family and professional reintegration.</p> <p><b>Fidelidade Drive App</b> The APP is a free app for motor insurance customers, with customized tips about driving and information on fuel consumption or risk events during the trip, helps reduce traffic accidents and encourages and rewards sustainable driving behavior through reward point exchange.</p>

> **Involvement, Participation and Advocacy**

Fosun Insurance Portugal actively cooperates with all sectors of society to jointly promote social sustainable development. During the Reporting Period, Fosun Insurance Portugal has engaged in several sustainable development promotion initiatives.



## 3.2 Improving Customer Experience

### 3.2.1 Responsible Marketing

As a responsible corporate, the Group actively carries out the assessment of the rational consumption correlation of internal products and services, and conducts responsible consumption guidance activities from multiple dimensions such as product packaging, promotion, and after-sales services. The Group strictly abides by the rules and regulations about our products and services, related advertising and labelling of the countries/regions where we operate, such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, *Advertising Law of the People's Republic of China*, *French Consumer Code*.

During the Reporting Period, we formulated and released the *Fosun Group Responsible Marketing Policy*, making commitments with respect to compliance marketing and sustainable consumption, and striving to conduct sales and marketing practices that comply with laws, regulations, social norms and ethical standards.

[Learn more about the Fosun Group Responsible Marketing Policy](#)



#### Fosun Pharma

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

In order to implement responsible marketing, Fosun Pharma regularly conducts professional trainings on product knowledge and marketing trainings for all members of marketing and sales team to enhance their awareness of products, and supervise responsible marketing, with regular assessment on the training contents.

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

In 2021, in terms of market promotion and publicity, no member companies of Fosun Pharma were reported and investigated by the regulatory authorities for illegal advertising nor promotion; no member companies had related violations in terms of product and service labelling.



## Yuyuan

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

In 2021, during the "Ointment Festival" held by Tong Han Chun Tang, a brand under Yuyuan, a total of 25 lectures on traditional Chinese medicine and 7 free community clinical programmes were held with the cooperation of communities, member companies and business partners to meet the needs of residents in surrounding communities. The health service of traditional Chinese medicine was extended to communities, with the role of traditional Chinese medicine in elderly care deepened.

Jewelry brands under Yuyuan held a number of jewelry appreciation seminars to popularize the knowledge of jewelry appreciation to consumers, and let consumers to gain a new understanding of gold and jewelry so as to avoid traps in consumption.

In addition, Songhelou, a catering enterprise under Yuyuan, encouraged consumers to avoid food waste and make sustainable consumption by posting relevant placards in its restaurants. In July 2021, the volunteer service project of "Empty Plate Campaign" was launched in Suzhou, Jiangsu Province. Songhelou was among the first batch of pilot restaurants, and its restaurant in Suzhou Central Mall became the first batch of exemplary stores of the campaign.



### 3.2.2 Customer Care

In order to create a FC2M happy family ecosystem, we always regard customers (the "C-end") as a top priority of FC2M, and are committed to creating value for users as well as creating ecosystem value by the continuous acquisition and operation of users through the methods such as internet platform and digitalization, and combination of online and offline scenarios. As of the end of the Reporting Period, Fosun has accumulated 396 million operational members<sup>10</sup>.

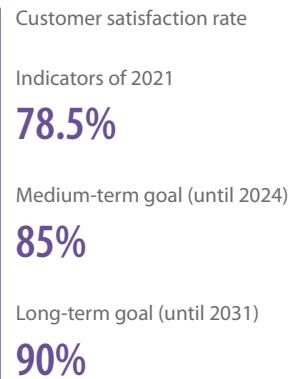
Fosun builds up the reputation of "Fosun Family Season", aiming to integrally push forward the synergistic connection of C2M ecosystem and the realization of ecosystem multiplier effect through the release of a series of scientific and innovative new products and large-scale online and offline marketing activities. In 2021, "920 Fosun Family Season" focused on the theme of China-Chic, comprehensively linked 72 brands in Fosun ecosystem, held nearly 2,000 China-Chic themed consumer activities, and continued to build the mental connection of Fosun as a family consumption industry at the C end through China-Chic scene experience.



#### Customer Satisfaction Management

During the Reporting Period, the headquarters of the Group established the Customer Satisfaction Team to monitor the status of user satisfaction of various segments and member companies, and provide feedback and guidance for the establishment and operation of the user satisfaction management system in various industries. Each member company designates responsible persons for direct connection to continuously improve the product power and service ability of the industry.

The Group has gradually established a multi-angle and multi-mode user satisfaction system including user feedback monitoring, internal self inspection of mysterious visitors, customer service center customer feedback and so on, so as to improve the product and service power of the industry, and improve user satisfaction. Online user feedback monitoring uses multiple channels to monitor online consumer feedback, accurately captures it through machine learning, calculates the net love index (NSR) of each industry, and issues a feedback monitoring report in combination with the characteristics of the industry. The internal self-examination of mysterious visitors can get detailed and objective consumption feedback through the distribution of consumer satisfaction questionnaire and arranging mysterious visitors to experience consumption as consumers. In addition, we also incorporate the customer service data from a customer's active communication with the industry into the online feedback monitoring (NSR) to conduct comprehensive analysis with the data of mysterious visitors, and regularly generate weekly, quarterly and yearly user satisfaction reports and communicate with member companies. Each member company adopts the indicators in the reports as reference, and continuously improves its products and services for the purpose of enhancing satisfaction. At the same time, we upgrade the satisfaction scoring system by adding an incentive mechanism for satisfaction assessment. The industries with excellent performance in customer satisfaction are awarded on a quarterly basis. During the Reporting Period, the customer satisfaction rate increased significantly compared with that of the previous year. In the future, we will continue to optimize products and services in various fields through refined industrial operations, systematic testing and management, and utilization of digital tools to enhance the overall business capabilities of Fosun.



<sup>10</sup> Customers agreed to official member terms of the brand and authorized privacy right, provided personal information, including phone numbers in any channels, and who are identifiable, accessible and traceable, are defined as registered members (e.g. available members). Starting from 2021, this number includes customers accumulated in Fosun Health ecosystem.



## FTG

FTG established a Customer Experience Department during the Reporting Period and launched targeted campaign to improve customer satisfaction. Through methods such as active or passive reach, and mysterious visitors from expert perspective and objective perspective, FTG keenly listened to customers' feedbacks. Meanwhile, based on the feedback pain points of key customers, FTG actively cooperated with various industries to take rapid action to form an effective optimization solution. During the Reporting Period, the Customer Experience Department of FTG organized customer experience workshops (nearly 200 hours in total) at Atlantis Sanya, Casa Cook and Miniversity to sort out the customer experience procedures and create the best experience.

FTG has established a customer satisfaction survey system for market users. During the Reporting Period, FTG collected customer feedbacks in China through data center, and the overall average satisfaction rate increased to 93%, while the Net Promoter Score (NPS) increased to more than 60%. By cooperating with third-party companies, FTG conducts weekly analysis on its appearance to domestic customers and all their comments, no matter positive or negative, to find out deficiencies, provide practical suggestions for improvement, and drive the rectification of problems.

Customer experience workshop in Atlantis Sanya >



Customer experience workshop in Casa Cook >



## Yuyuan

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

In order to fully guarantee customer services, Yuyuan has established a supervision and management working group led by the board member to be fully responsible for leading the supervision and management of customer services and product quality. Besides, it has clearly defined the management responsibilities of each department and business line, and continuously improves the mechanisms for customer feedback, complaint handling and quick response. In order to track customers' experience concerning products and services, Yuyuan continuously improves the quality of products and services. During the Reporting Period, Yuyuan conducted a survey on customer satisfaction, and also obtained customers' comments and suggestions on our products and services through activities such as "Mysterious Customers" and "Yuyuan Experience Officers".

### 3.2.3 Complaint Management

We have set up a Customer and Marketing Center as the responsible unit for Fosun's complaint management, and established the Group's standard management mechanism for the customer service and product quality supervision system of member companies to continuously promote the improvement of Fosun's user experience and product power, so as to continuously improve the customer service management mechanism and better customer satisfaction.

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

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

Fosun has launched a "Global Customer Complaint Platform" with Group's customer service mailbox groupcst@fosun.com, and joined hands with its portfolio companies in setting up "Fosun Pharma's Customer Complaint Platform", "FTG's Customer Complaint Platform", "Yuyuan's Customer Complaint Platform", to collect customer feedback on product and service quality while monitoring and handling customer complaints. As of the end of the Reporting Period, the Group's customer complaint platform of the headquarters received approximately 156 customer complaints, and all customer complaints were guaranteed to be responded within 24 hours, with a response rate of 100% and a resolution rate of 95%.

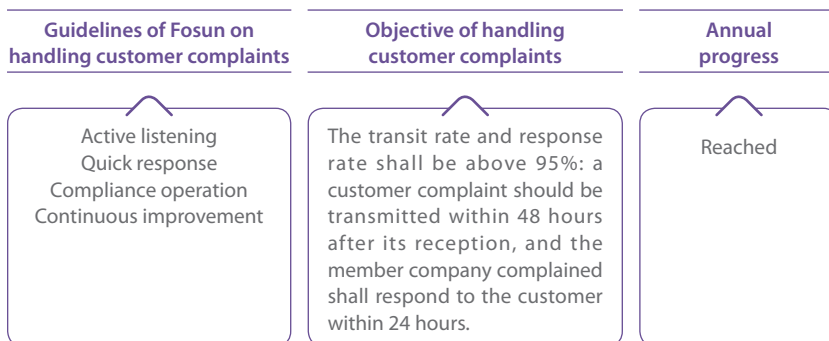
Upholding the principle of "active listening, quick response, compliance operation and continuous improvement", we continue to improve the quality of products and services through multiple measures, such as daily supervision and inspection, internal review, management review and questionnaire of customer complaint satisfaction survey. We set goals on the transit rate, response rate and satisfaction of dealing with customer complaints, and publish the statistical data of complaints and the achievement of goals such as complaint resolution rate to the public in the company's Annual Report every year.

At the same time, we will hold the relevant persons accountable as appropriate for the failure to handle any customer complaint on time which causes severe loss or major negative impact upon the company and the Group due to the fault or negligence by relevant departments.

The Group's customer complaint platform of the headquarters received approximately **156** customer complaints

With a response rate of **100%**

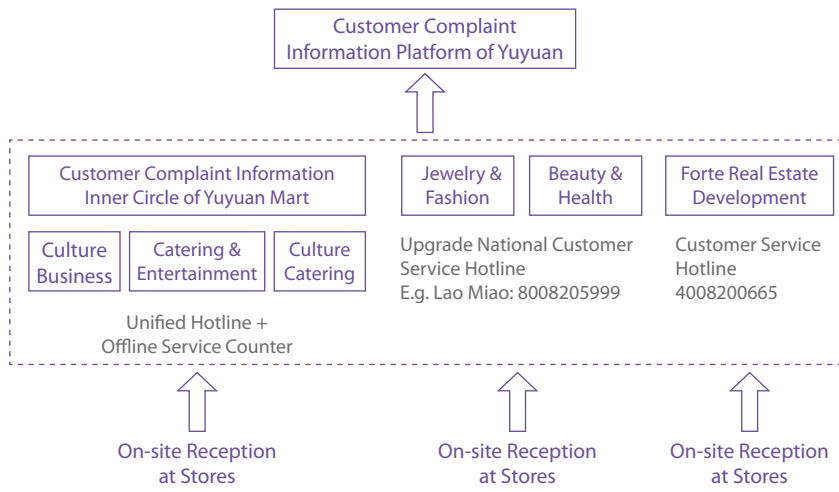
A resolution rate of **95%**



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

## Yuyuan

Yuyuan continuously improves the customer complaint service management mechanism of its member companies to maintain sound internal communication channels. Through information exchange and resource integration, it establishes a collaborative response mechanism with the risk control line, marketing line, and strategic empowerment line to jointly respond to the requirements of customers in various supply chains, and improve the quality of customer services. At present, a variety of complaint channels and methods have been established to provide customers with an all-round platform of feedback and communication. During the Reporting Period, Yuyuan further improved customer complaints platform and processing procedures, and comprehensively improved customer service. On the basis of the original customer complaint channels and platforms, the Company supplemented the entrance of the customer complaint platform, completed the reply within 24 hours and the closed-loop process of 48 hours, and is committed to solving the customer complaint problems efficiently.



^ Major Channels and Platforms of Customer Complaint of Yuyuan



## 3.3 Ensuring Information Security

The Group strictly abides by the rules and regulations regarding privacy protection and information security of the countries/regions where we operate, such as *Administrative Measures for Internet Information Services of China*, *Cybersecurity Law of the People's Republic of China*, *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *European Union's General Data Protection Regulation*. In accordance with such laws and regulations, the Group is required to establish the management system to ensure the cybersecurity, data security and privacy protection of our operations. The Board is the highest responsible organization for privacy protection and information security of the Group, and the Fosun Tech+ Business Group is the responsible department and regularly reports to the co-CEO in charge of information security of the Company.

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

### 3.3.1 Information Security

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

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

We established a data security level management mechanism to improve the Group's whole information security. According to the value, content sensitivity and contact scope of information, sensitive information is divided into three categories, namely most confidential, classified, and confidential, for hierarchical management and control.

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

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

The Group strengthens the construction of website security capabilities, fills high-risk vulnerabilities, and improves operational capabilities by conducting information security inspections and penetration testing on member companies regularly. In October 2021, the technology middle platform of the Group's information technology line conducted cyber emergency response drill, simulating the emergency response process when website applications were under massive attack. The weak links in information security were identified and rectified, enhancing the overall capabilities to respond to and handle information security issues.

## Information Security Certification

The Group actively carries out the construction and certification of information security system. As of the end of the Reporting Period, "Fosun Cloud" system and "Fosun Mailbox" system of the Group had obtained the national classified protection of cybersecurity level 3 and level 2 respectively. In addition, the Group summarized the classified cybersecurity protection of member companies on a quarterly basis, and assisted them to develop and implement classified protection certification projects. As of the end of the Reporting Period, the Group's major core companies started the construction and certification of classified protection.

## Security Culture Construction

The Group enhances all employees' awareness of information security by strengthening the construction of information security culture across the Group. On the one hand, we release security warning education materials to all employees of the Group (for example, we regularly push cybersecurity knowledge to all employees on the mobile office platform), on the other hand, we also carry out trainings on data security and cybersecurity for the core leaders of the Group and member companies. In November 2021, we held a training on cybersecurity and data security with the theme of "promotion and implementation of information security awareness" for the core leaders of the Group's member companies to enhance their awareness of cybersecurity.

### 3.3.2 Privacy Protection

One of the Group's key missions is to strictly protect user data and all other sensitive information and prevent them from leakage. Rigorously following the requirements of laws and regulations in the areas where we operate, we have formulated the *Fosun Group User Privacy Policy*, which is applicable to the whole Group and has been released on the Group's website.

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



## Fosun's Principles of Privacy Protection

### Principle of Compliance

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

### Principle of Authorization

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

### Principle of Confidentiality

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

In 2021, we formulated the *Guidelines for the Self-Assessment of Personal Information Privacy Protection of Fosun Group* for its product lines and service systems to conduct self-assessment and improve relevant measures for user privacy protection. As of the end of the Reporting Period, member companies, including FTG, Yuyuan, Forte, Fosun Pharma, Fosun Insurance Portugal, and Peak Reinsurance, had formulated user privacy protection policies and related guidelines applicable to their respective business operations in accordance with the *Fosun Group User Privacy Protection Policy*.





# 04

## SAFETY AND ENVIRONMENTAL PROTECTION, STEADY AND SUSTAINABLE GROWTH<sup>11</sup>



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

<sup>11</sup> Unless otherwise stated, the disclosure scope of data in this section includes Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, FTG, Fosun Insurance Portugal, Hainan Mining and Nanjing Iron & Steel.

## 4.1 Intensifying System and Consolidating Foundation

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

Timeline	Short-term: 2022	Medium-term: 2023~2024	Long-term: 2025~2031
Vision	Compliant Operation, Improvement on Standards	Build Benchmark	Common Improvement
Current progress	On-going	Under planning	Under planning
Target	<p>Improve EHS management system, continue to conduct the audit of the Group's EHS system, supervise the self-audit and follow-up rectification of significant EHS issues of member companies;</p> <p>Improve the EHS risk matrix of member companies and conduct unannounced inspections in a scientific manner based on the level of risk;</p> <p>Promote the design and application of ESG data collection and monitoring platforms;</p> <p>Promote the implementation of the strategies for carbon peak and carbon neutrality and formulate an implementation roadmap for carbon neutrality;</p> <p>Establish a fire monitoring and inspection system.</p>	<p>Promote the building of exemplary enterprise of intelligent EHS management, and push core companies to establish exemplary lines and exemplary factories of the EHS management within their respective groups;</p> <p>Urge core companies to conduct internal audit of the EHS system;</p> <p>Set ESG environmental protection goals and pathways according to the business status and risks of member companies through data research and inspection;</p> <p>Improve the collection and analysis of the accidents with respect to work safety, and keep track of LTA data.</p>	<p>Realize the full-scope coverage of EHS management system;</p> <p>Continue to modify EHS system to achieve world-class EHS management;</p> <p>Actively guide and assist companies to promote energy conservation, emission reduction, clean production, reduction of carbon emissions, and investment in the field of clean energy;</p> <p>Help companies continuously improve their EHSQ management.</p>
Quantitative Target	Conduct at least 10 system audits every year.	<p>Establish an EHS indicator tracking system to generate monthly reports;</p> <p>Role model companies in different business lines are able to achieve "zeros in five aspects" (i.e., zero liability accident, zero environmental pollution incident, zero new occupational disease, zero defect and zero recall) and lead in the Lost Time Frequency Injury Rate among the industries.</p>	Urge member companies to achieve the goals of reducing Lost Time Frequency Injury Rate by 10%, zero liability accident, zero environmental pollution incident, zero occupational disease, zero defect, and zero recall.



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



The Group formulated relevant policies including *Fosun Group Environment, Health, Safety & Quality Policy*, *Fosun Group EHS Management System Manual*, *Fosun Group's Measures for Penalizing Leaders of Units involving Safety, Quality, Environment Accidents*, *Reporting Policy of Major Safety, Quality and Environment Accidents* to define the EHS management responsibility and performance appraisal reward/punishment mechanism for member companies and their management personnel. We regularly review our policies and management systems for safety, quality, and environment to ensure compliance with laws and industrial standards. We also commit to transparently and honestly disclosing our progress in environmental issues in our annual ESG report. During the Reporting Period, the Group had no significant accidents with respect to safety, quality and environment.

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

Certifications	Number of member companies
Occupational health and safety management system (OHSAS18001/ISO450001) certification	19
Environmental management system certification (ISO 14001)	20
Energy management system certification (ISO 50001)	6

In 2020, we became a member of CBCSD and acted actively in fostering conversation, exchanges and cooperation in the field of sustainable development among enterprises, governments and social organizations. In 2021, the Group participated in the conferences on the carbon peak and carbon neutrality organized by CBCSD twice. The Group attended the exchanges and discussions on carbon emission reduction and carbon neutrality, sharing Fosun's concepts, information and experience with respect to sustainable development while actively learning from the good practices of other companies to provide better assistance for member companies to cope with the challenges of global climate change and achieve sustainable development through joint efforts. At the same time, relevant learning materials of CBCSD were distributed to the EHS personnel of the headquarters of the Group and member companies, so as to improve the professional knowledge of energy saving and emission reduction of the relevant personnel.

### 4.1.1 Specified Responsibilities

By the end of the Reporting Period, there were **780** EHS related practitioners in the Company and its member companies.

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, 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 objectives, indicators and action plans, as well as major risk control plans, and constantly promoting the implementation of EHS policies. EHS Management Committee regularly holds meetings for the purpose of assigning key EHS tasks, coordinating and resolving major EHS issues, studying and reviewing major EHS issues, summarizing and analyzing EHS issues, and urging the elimination of major potential EHS hazards. By the end of the Reporting Period, there were 780 EHS related practitioners in the Company and its member companies.

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

We have an EHS accident follow-up investigation and punishment mechanism in place, under which "the top manager takes the primary responsibility" and "regional responsibility system" are introduced. The objects of punishment include the top management of the Group, the top management of business segments, the top management of core member companies, the persons in charge of the production plants and directly responsible person(s) for the accident, and such punishments shall be strictly supervised by the EHSQ Department.

### 4.1.2 Audit Supervision

In order to enhance the EHS management awareness of member companies and ensure the effective implementation of the standard EHS management system, the Group implements a strict quantitative audit mechanism for all member companies based on the EHS management system framework. Our inspections include annual EHS management system audits, special inspections, unannounced inspections, etc. Through the Group's on-site audit, internal cross audit and self audit among member companies, 100% of domestic member companies shall be audited every year and 100% of domestic key core enterprises shall pass the Group's audit every three years.

We have established comprehensive EHS performance indicators for the two major business lines of Fosun (namely manufacturing industry and service industry) with respect to the five factors of system, environment, safety, occupational health and fire protection, according to which member companies are scored; the actual management status of the EHS management level, equipment, technology and personnel operations of the enterprises under the Group are classified into 5 score levels (0-1.5, 1.6-2.5, 2.6-3.5, 3.6-4.5, 4.6-5) based on which a quantified assessment will be conducted. Enterprises with relatively low scores (less than 1.5) will be classified as "red light" enterprises and brought under close supervision. Meanwhile, we added some requirements for dangerous operation such as fire operation to the checklist of contractors, striving to avoid EHS risks to the greatest extent. In 2021, we will further refine the EHS assessment indicators, increase the dimension and difficulty of evaluation, establish new assessment standards, as well as incorporate more member companies into our EHS assessment system, so as to maximize the effect of supervision, and urge member companies to continuously carry out EHS management and improvement.

During the Reporting Period, we continued to improve the EHS risk matrix of the member companies, managed and controlled EHS risks at various development and operation stages of projects based on risk levels, and conducted unannounced inspections in a scientific manner based on risk levels. In 2021, the Group ensured that each member enterprise was supervised through EHS management system audits, special inspections and unannounced inspections.

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

### 4.1.3 Communication Mechanism

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

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

#### 4.1.4 Cultural Development

During the Reporting Period, the Company and its member companies conducted a total of 495,400 hours of EHS training, with an average of 7 hours of training per person, and a 100% completion rate of EHS programme 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 and EHS practitioners.

#### Hainan Mining

Within Hainan Mining, the safety and environmental protection management system applies to everybody at anytime and anywhere without exception. Hainan Mining has set the goal of "100% safety education coverage for in-service employees", and continuously enhances the education and training of all employees. It has formulated an annual plan for EHS education and training, according to which position-specific trainings are carried out for management personnel and safety management personnel, the trainings are also arranged for newly recruited employees, transferred employees, team leaders and operators at various positions, and training courses of various types are available throughout the year.

In 2021, Hainan Mining launched activities namely "Work Safety Month", "Month of Skills", "Hundred Days without Accidents", "Safety & Health Cup", "Building Excellent Teams in Work Safety", "Occupational Disease Prevention Publicity" and "Month of Fire Fighting" to enhance employees' awareness of job responsibility, improve their skills and continuously promote safety culture.



## 4.2 Health Protection and Safety Building

We strictly abided by the relevant laws and regulations in countries/regions where we operate or invest in such as *Work Safety Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases*, *Labor Law of the People's Republic of China*, etc. In accordance with such laws and regulations, we are required to establish a management and supervision system to ensure the work safety and occupational health of our employees. Safety, occupational health and fire protection have been included in our EHS audit scope to control and manage the work conducted by the Group and member companies, so as to provide a safe working environment and protect employees from occupation hazards. We always regard employees' health and workplace safety management as our top priority. We continuously carry out a series of measures, including optimizing management methods, improving work safety responsibility system, carrying out in-depth supervision and inspection, performing cultural education of safety, etc., and establish an online submission system to control work safety risks, to strengthen occupational disease prevention, to build a safe working environment and to protect the health and safety of employees.

In 2019, one of the Group's employees tragically passed away from an occupational injury. Following the incident, we have taken immediate remedial measures and further strengthened our safety management in the corresponding areas. There were no work-related fatalities of the Group's employees in 2021 and 2020.

In 2021, the detailed work safety KPIs are as follows:

Indicator	Female	Male	Total
The Number of Work-related Injury	33	51	84
Lost Day (days)	1,688	2,093	3,781
Lost Day Rate <sup>12</sup>	28.66	27.58	28.05
Lost Time Injury Frequency Rate (LTIFR) <sup>13</sup>	0.53	0.67	0.62
Incidence Rate of Occupational Disease	0	0	0
The Number of Lost Days Accidents	31	51	82
Number of Dead Due to Work	0	0	0

**Note:**

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

### 4.2.1 Work Safety

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

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

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

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

<sup>12</sup> Lost Day Rate = Lost days \* 1,000,000 / Total working hours

<sup>13</sup> Lost Time Injury Frequency Rate (LTIFR) = (Number of lost time injuries + Number of work-related fatalities) \* 1,000,000 / Total working hours. The Group's recordable injury statistics do not include minor (first-aid level) injuries, so the Group's recordable injury rate is also equal to the LTIFR here.

## Nanjing Iron & Steel

Nanjing Iron & Steel is actively engaged in peer benchmarking. In 2021, Nanjing Iron & Steel organized management personnel to visit advanced foreign-funded enterprises for peer benchmarking, focusing on the management measures for maintenance safety and the advanced management tools of foreign-funded enterprises, such as BBS (behavior-based safety), MOC (management of change), PSSR (pre-start-up safety review), PSM (process safety management), etc. In December 2021, Nanjing Iron & Steel passed the re-assessment and acceptance as a Standardized Production Safety Level 2 Enterprise.

### > Intrinsic Safety

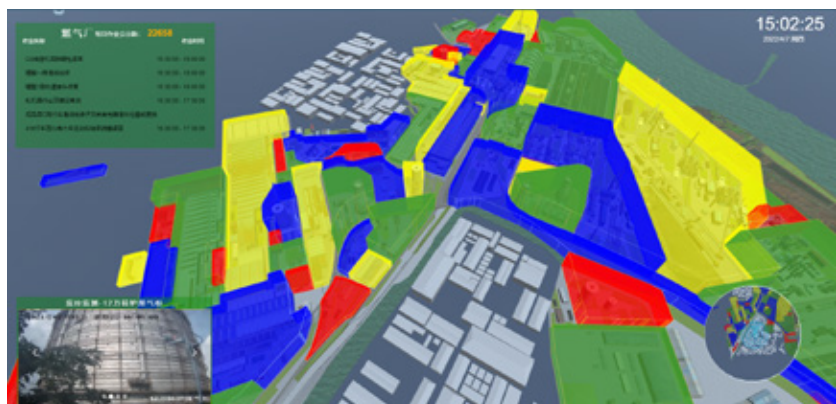
Nanjing Iron & Steel organized several internal and external professional third-party organizations to conduct risk assessment on posts and hereby formulated risk reduction and control measures to ensure that the safety hazards of high-risk operations and special equipment are eliminated. The intelligent EHS is increasingly applied to comprehensively lift the management quality and efficiency, discover and eliminate the unsafe personnel behavior and the unsafe status of things.

In 2021, Nanjing Iron & Steel formulated the *Regulations on Management of Equipment Startup and Shutdown in Periods with Limited Power Supply* and the *Management Rules for the Safety of Temporary Maintenance*, and strengthened the management and control of equipment inspection to ensure a whole-process safety of production, equipment inspection and equipment startup and shutdown. It also carried out a full-scale inspection of the safety of gas equipment and facilities for better identifying gas hazards, and enhancing its capability of gas hazard control and emergency responses. In addition, it formulated a system of safety management standards concerning "molten iron ladles, molten steel ladles, tundishes + converters", to secure a whole-process safety of molten metal production.

### > Smart Safety Platform

On 24 August 2021, the smart safety platform of Nanjing Iron & Steel was officially launched, realizing multiple functions like real-time monitoring of safety data and information, standardization and online management and control of hazard rectification and management, refined analysis of accidents and incidents, overall online registration and management of information about personnel from contractors. Information technology has been fully utilized to strengthen safety risk control, and ensure intrinsic safety.

In addition, by virtue of intelligent safety devices and alert systems, such as smart helmets, smart access control, video surveillance, electronic fences, 3D visualization based on the smart safety platform and smart helmets, Nanjing Iron & Steel established smart work safety, smart construction sites and other preventive systems to realize timely, transparent and visible, and closed-loop management of every alert on sites.



### > Safety Training

Through safety inspection and safety management assistance at all levels, Nanjing Iron & Steel vigorously deals with safety hazards and strictly supervises dangerous operations. It enhances all employees' participation and their safety awareness by involving them in various safety activities as well as safety drills.

Nanjing Iron & Steel pays attention to the safety training for employees, tests the learning effect of employees, and urges all employees to pass the safety examinations before starting daily work to ensure 100% certificate-taking rate and 100% safety training rate. In 2021, Nanjing Iron & Steel conducted monthly safety-themed activities, summarizing and promoting the advanced experience in safety management of plants through special inspections, exchanges and benchmarking to raise the safety management level of each plant.

To further enhance the awareness of safety management among senior and middle management, during the Reporting Period, Nanjing Iron & Steel invited external experts to conduct special training on safety management and safety leadership for relevant management and staff. They were also organized to study the new *Production Safety Law*.



### > Management of Contractors

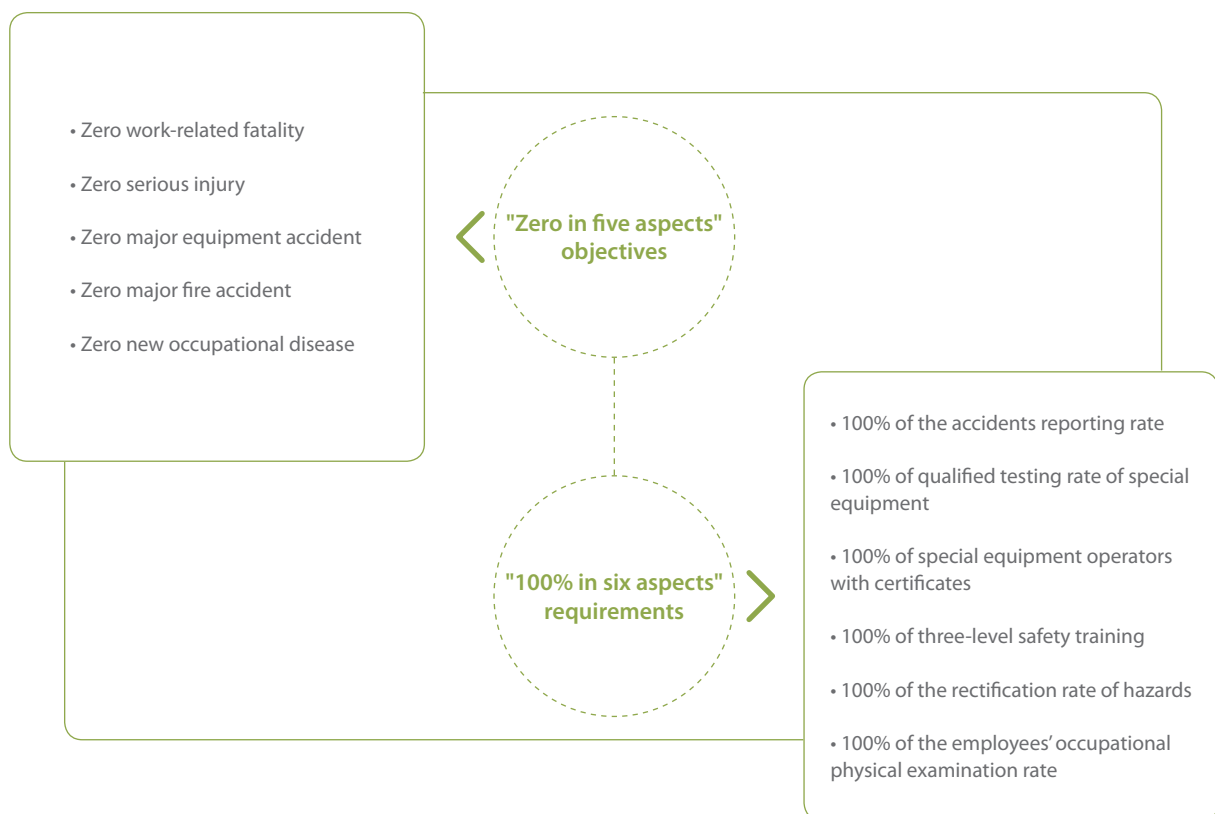
Nanjing Iron & Steel attaches great importance to the safety management of contractors and considers their safety as important as that of full-time employees. It has formulated a monthly safety performance evaluation system for contractors and formed ranks based on the work and safety performance of labor service, outsourced personnel, and construction units. In addition, Nanjing Iron & Steel supervises the safety performance of contractors intelligently. In 2021, Nanjing Iron & Steel used "5G" ultra-high-definition monitoring and control technology to monitor the online process of the Company's eight major projects, production and maintenance sites. It also carries out safety trainings and examinations for contractors in an active manner, and holds "Safety Learning Day" activities regularly held for construction units.



## Hainan Mining

Firmly establishing the concept of "people-oriented, safe development and green mines", Hainan Mining strictly implements the work safety standardization system and EHS management system based on the ISO management system. Hainan Mining establishes and improves the dual mechanism of safety risk classification control and accident hazards investigation and management system, as well as strictly conducts the process of hazard sources identification and risk assessment to ensure that all kinds of hazard sources are under control. By the end of the Reporting Period, Hainan Mining has been certified by ISO45001 Occupational Health and Safety Management System.

Hainan Mining has set a goal of "zero in five aspects" and identified the requirements of "100% in six aspects" to further control work safety risks. Meanwhile, the work safety responsibility system "applies to everybody at anytime and anywhere without exception". *Work Safety Responsibility Letter* is signed. Safety assessment indicators are decomposed, and persons responsible for work safety are specified; rewards and punishments for safety are linked with the assessment results of responsible persons; those who fail to follow the rules would be vetoed for any selective competitions.



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

## 4.2.2 Occupational Health

We strictly comply with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations in countries/regions where we operate on labor protection. The Group and member companies stipulate that the facility for occupational-disaster-prevention must be designed, constructed and put to use or into operation simultaneously with the main part of a construction project. Besides, we clearly classify occupational hazards and regularly conduct occupational hazard factors tests in the workplaces, taking preventive measures for the corresponding occupational disease in a timely manner, actively improve the operation environment.



### Fosun Pharma

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

Fosun Pharma establishes and improves the responsibility management system for all employees of occupational disease prevention and control by actively assuming its primary responsibility of occupational health as an enterprise. Meanwhile, Fosun Pharma strictly implements occupational health risk notification, employees' personal protection, on-site supervision and sampling, employees' health examination and other requirements put forward by national regulators in routine supervision, so as to realize a closed-loop management of occupational health. In addition, Fosun Pharma accelerates the automation of the pharmaceutical process and improves its working conditions to reduce the exposure of operators to harmful elements. In 2021, Fosun Pharma invested RMB81.920 million in occupational health and safety for upgrading safety facilities in member companies, ensuring normal operation and maintenance of safety and firefighting facilities and protecting employees' occupational health.

In 2021, Fosun  
Pharma invested RMB  
**81.920** million in  
occupational health

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



## Nanjing Iron & Steel

Attaching great importance to employees' occupational health, Nanjing Iron & Steel is committed to minimizing the negative impacts of operations on occupational health and safety.

Nanjing Iron & Steel has formulated occupational health policies and procedures such as *Measures for the Management of Radiation Safety and Protection* and *Key Points of Occupational Disease Prevention and Control of Nanjing Iron & Steel*. It performed the "three simultaneities" acceptance of occupational disease protection facilities for construction projects in strict accordance with *Measures for the Supervision and Administration of "Three Simultaneities"*.

### > Health Protection

Nanjing Iron & Steel formulates policies including the *Standard of the Distribution of the Personal Protective Equipment for Employees* to further standardize the management of personal protective equipment. The allocation and standard notification form of personal protective equipment was distributed to each post. All personal protective equipment, such as safety shoes, work clothes, emergency facilities are guaranteed to be quality qualified.

In 2021, Nanjing Iron & Steel piloted the application of integrated intelligent equipment in some plants of a new pre-job health supervision model, conducting faster medical examinations with higher accuracy. In addition, on the premise of following data compliance requirements, it established long-term effective data files for employees, enabling remote supervision and management and pre-job health monitoring (physical check of health indicators such as face recognition, alcohol inspection, body temperature check, blood pressure measurement, heart rate measurement before employment), and functioning attendance registration and check, fingerprint recognition, data storage, etc.

### > Awareness Enhancement

To enhance the occupational health awareness of all employees, each plant conducted annual training and assessment on occupational health knowledge to its employees, who are not allowed to work without training. In 2021, the coverage of occupational health and knowledge education and training of Nanjing Iron & Steel has reached 100%.

In June 2021, Nanjing Iron & Steel cooperated with the Nanjing Occupational Disease Prevention and Control Institute to shoot a short video on the regulation of wearing personal protective equipment, which was broadcasted in public places such as the underground.

### > Occupational Health Management of Contractors

Units of Nanjing Iron & Steel sign the *Notice on Responsibility of Occupational Disease Prevention and Control* with the cooperated outsourced personnel units, and conduct supervision and inspection on the outsourced personnel units in accordance with the management requirements of occupational disease prevention and control for full-time employees. Senior management and occupational health management of contractors are required to be trained and certified.

### 4.2.3 Fire Safety

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

We drew up the *Guidelines of Fosun Group for Fire Safety Management and Control* which is expected to go public in 2022 with research ongoing within the Fosun corporate system. In the guidelines, we clarify the safety responsibilities, system requirements, training and drill requirements of relevant responsible persons of member companies, acceptance of contractors' firefighting systems, so as to standardize our fire safety management and ensure the reliability, availability and maintainability of the firefighting system.

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

During the Reporting Period, we identified fire risks within the whole group and its key fire safety units to collect their information regarding fire emergency organization, certificates of on-duty personnel of fire control rooms, informatization degree of fire alarm control panels, number of mini-sized fire stations. Meanwhile, we developed a fire inspection plan at group level and conducted unannounced inspections at the identified key fire safety units, covering key member companies such as FTG, Fosun Pharma, Yuyuan, Forte and Nanjing Iron & Steel. All findings identified in these inspections have been rectified by corresponding companies under our supervision.



## Yuyuan

Yuyuan firmly holds the faith that the development cannot be achieved at the expense of safety, and always puts safety in the first place. Yuyuan built a fully equipped mini-sized fire station equipped with professional clothing and personal equipment, as well as a number of full-time firefighters. The mini-sized fire station won the fifth national 119 fire fighting advanced collective of the Ministry of Emergency Management. During the Reporting Period, its mini-sized fire station carried out more than ten trainings among Yuyuan's member companies, with nearly 100 participants. It was awarded as "Shanghai Municipal Two-star Mini-sized Fire Station".

In order to conduct fire safety management more intelligently, Yuyuan has specially incorporated fire emergency plans into the overall management process of "Smart Yuyuan", and set up a mini-sized fire station in the command centre to assess the fire safety environment in the core area at any time and monitor dynamic fire hazards. Yuyuan has also organized a fire brigade at company level, which is responsible for firefighting and rescue tasks within the company, as well as social tasks concerning firefighting, emergency rescue and disaster relief.

## BFC

To fully implement the firefighting policy of "prioritizing fire-prevention while combining with fire-fighting", BFC organized a full-time fire brigade to patrol the Fengjing Weekend Market and timely address issues on site every Saturday and Sunday. This brigade also checks the fire hydrants and supporting devices in the BFC building, reports those to be repaired in time, and invites lecturers from the Fire Protection Association to give free fire lectures to tenants. To ensure the safety of tenants and property management personnel and raise their awareness of fire safety, in November 2021, BFC organized a fire-fighting drill to show tenants about the evacuation routes, and demonstrated them how to use fire extinguishers to put out the fire to improve their awareness of safety.



^ Patrolling	Fire hydrant check
Free fire safety lecture	Large fire drill

## 4.3 Environmental Compliance and Clean Production

To effectively monitor the various pollutants generated in the operation of the Group, minimize or reduce their impact on the environment and regulate the corporate environmental protection management, we strictly comply with relevant laws and regulations in countries/regions where we operate, such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, etc. 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 solemn 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.

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



### 4.3.1 Wastewater and Waste Gas

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

Wastewater	2021	2020	2019
Total Amount of Wastewater (ten thousand tonnes)	3,024.4	2,157.2	2,885.1
Chemical Oxygen Demand (COD) (tonnes)	1,534.7	1,316.2	1,364.5
Ammonia Nitrogen (NH <sub>3</sub> -N) (tonnes)	201.9	132.0	160.9
Suspended Solids (tonnes)	614.3	276.6	280.1

**Note:**

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

The Group is committed to reducing air pollution to improve air quality. Member companies take emission reduction measures and treat different categories of waste gases in an effective manner through the most feasible technologies according to characteristics of business forms. For some member companies, we optimize their production process and raw materials to achieve the reduction in waste gas generation from the source. For those member companies that are less capable in waste gas treatment, we increased labor service and resources input, such as adding new efficient treatment facilities or upgrading the existing ones, which can optimize internal management, urge and support them to make progress, so as to reduce the waste gas generated in the operations.

We also urge member companies to effectively manage wastewater and dust generated from projects under construction. Our member companies have taken effective measures to manage emissions generated from construction sites and reduce the waste gas and dusts there to an acceptable level. Construction materials and site waste are properly covered. Vehicle washing facilities are installed at the entrance and exit of construction sites to prevent flying dusts.

Waste Gas	2021	2020	2019
NO <sub>x</sub> (tonnes)	2,638.5	3,235.6	6,168.9
SO <sub>x</sub> (tonnes)	1,399.5	1,619.1	3,168.3

**Notes:**

(1) As Peak Reinsurance, Fosun Insurance Portugal, FTG and Forte do not generate waste gas or only generate minor gas emission, with no material impact on the ESG aspect of their business operation, the disclosure scope of waste gas only contains the statistical data of each of Hainan Mining, Yuyuan, Nanjing Iron & Steel and Fosun Pharma. In 2021, Nanjing Iron & Steel added particulate matter monitoring indicators, so within the statistical scope of exhaust gas, the Group's particulate matter emission was 9,048.3 tonnes.

(2) The NO<sub>x</sub> and SO<sub>x</sub> emissions in 2021 are lower compared to previous years since Nanjing Iron & Steel passed the evaluation of ultra-low emission for "organized emissions" and "clean logistics" in 2021.

## Fosun Pharma

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

During the Reporting Period, Fosun Pharma's member companies such as Guilin Pharma and Chongqing Yaoyou Pharmaceutical Co., Ltd. actively carried out process improvements to reduce discharge and emission.

Member Companies of Fosun Pharma	Transformation	Effectiveness
Guilin Pharma: Systematic improvement and transformation of sewage stations	Invested more than RMB13 million in the systematic transformation of the sewage treatment system. The "acid hydrolysis + iron-carbon" technology was introduced to treat high-strength wastewater in a targeted manner. The capacity and automation level of the wastewater treatment system were comprehensively improved.	Realized intelligent control to lay a foundation for the application of unattended sewage treatment system in the future.
Chongqing Yaoyou Pharmaceutical Co., Ltd.: "Near-zero" discharge of industrial wastewater	Shuitu Site is designed to lay the pipes separately for industrial wastewater and domestic wastewater. Corresponding sewage treatment facilities were set up respectively, and the production wastewater was treated and reused in the circulating water system, realizing "near-zero" discharge of industrial wastewater.	In 2021, approximately 46,000 tonnes of water was reused, accounting for about 70% of the total water replenishment.

## Nanjing Iron & Steel

Nanjing Iron & Steel strictly abides by the national and local environmental protection laws and regulations, consciously performs its social responsibility and implements its policy of sustainable development. Nanjing Iron & Steel has been increasing investment in environmental protection. It actively controls emissions and achieves the governance goal of "Mines, coals and production materials are used and transported without being exposed to the open environment and no dust beheld in iron smelting production". The environmental quality of the plant is significantly improved.

In 2021, Nanjing Iron & Steel passed the evaluation of ultra-low emission for "organized emissions" and "clean logistics" in the iron and steel industry. Since then, it has become one of the only two iron and steel companies in Jiangsu province which have passed the evaluation, and thus is among the first echelon of ultra-low emission in the industry. In addition, it has also been recognized as "Green Factory" by the Ministry of Industry and Information Technology of the PRC.

### > Ultra-low emission goals

With the goal of "creating a green steel mill as a beautiful city", Nanjing Iron & Steel sets aggressive indicators to strictly control waste gas emission and wastewater discharge.

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

Nanjing Iron & Steel strives for a better control of emissions above the first-level standard of the Assessment Indicator System of Cleaner Production

> Ultra-low emission transformation projects

Nanjing Iron & Steel has established an environmental monitoring system and installed facilities to monitor various indicators for air pollutants, wastewater, and ambient air quality throughout the plant in real time. Meanwhile, Nanjing Iron & Steel sent employee representatives in several batches to investigate European advanced steel plants for ultra-low emission benchmarking and invited domestic industry experts to conduct research and exchanges and point out the direction for Nanjing Iron & Steel to implement ultra-low emissions.

In 2021, Nanjing Iron & Steel conducted a number of key environmental protection projects such as the construction of enclosed depots at the feedstock plant, the "mean pressure recovery" of blast furnace gas, coking VOC treatment, sintered plate filters at the wide and heavy plate factory, and the upgrading of steel slag treatment technology, which further reduced pollutant discharge and improved the environment quality within the plant.

Project	Description and results
	Transport units are encouraged to turn to transport vehicles compliant with National V or National VI emission standards and all vehicles that do not meet national standards have been eliminated. As a result, 637 trucks were updated and 65 non-road mobile machines were replaced.
Clean logistics	It promotes "rail transport instead of road transport" and "waterway transport instead of road transport", encouraging the transportation of fluxes, scrap billets and finished steel by water or by railway instead of by truck to the greatest extent, so as to reduce the emission of waste gases generated in the logistics process.  The whole-process data such as the supply of raw materials & ingredients and output of finished products has been integrated for an intelligent control of logistics, and a platform for transportation vehicle supervision system has been established to ensure efficient and intelligent logistics and transportation.
Enclosed depots at the feedstock plant	Construct the C1 enclosed depot with a total area of 21,000 square meters at the feedstock factory. The fully enclosed iron ore depot can store 180,000 tonnes of iron ore fines and realize that "materials are used without being exposed to the open environment". Besides, the C2 fully enclosed depot with an area of 36,000 square meters is under construction, which can store 500,000 tonnes of iron ore. Once it is put into use in January 2022, the old storage yard will be fully enclosed to resolve problems fundamentally like material losses and flying dusts, meeting the ultra-low emission requirements.
"Mean pressure recovery" of blast furnace gas	Adopt the most advanced mean pressure recovery process in China with the recovery rate over 90%, far higher than the domestic average rate of 70%. Impacts of the damping down of blast furnaces and gas release on the environment can be removed. The project has remarkable economic and environmental benefits.
Upgrading of steel slag treatment technology	Upgrade steel slag treatment to introduce the advanced technology for crushing through rolling and hot soaking. The emission of dusts is less than 10mg/Nm <sup>3</sup> as they will be treated by a wet electrostatic precipitator before being emitted. After the project is completed, the dust pollution will be effectively reduced and the internal environment of the steel slag treatment plant will be improved, thus meeting the ultra-low emission requirements.

By now, the wastewater of Nanjing Iron & Steel has been treated and discharged in accordance with the highest standard within the company. In 2021, Nanjing Iron & Steel has strengthened its water quality management through enhancing water quality monitoring and management, increasing the reuse channels of recycled water, conducting management and control of inter-process drainage reporting, and implementing the project of water diversion and adjustment. Additionally, during the Reporting Period, it completed the gas liquor seal water collection for hot soaking of steel slag or slag flushing in the iron plant, eliminating source pollution. Nearly RMB 14 million has been invested by Nanjing Iron & Steel and its member company in the overhaul and upgrading of the coking biochemical water equipment to meet enhanced standards of total nitrogen. The total nitrogen in treated biochemical wastewater has reduced to less than 10mg/L while the COD has been reduced to about 40mg/L, both of which are above the standard of direct coking wastewater discharge.

### 4.3.2 Solid Waste

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

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

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

Solid Waste	2021	2020	2019
Non-hazardous Waste (tonnes)	9,858,377.1	11,032,456.5	9,252,135.7
Non-hazardous Waste Intensity (tonnes/ RMB Million of Revenue)	46.7	65.1	54.5
Hazardous Waste (tonnes)	23,190.2	26,799.8	27,917.7
Hazardous Waste Intensity (tonnes/ RMB Million of Revenue)	0.1	0.2	0.2
Total Solid Waste (tonnes)	9,881,567.3	11,059,256.3	9,280,053.4
Total Solid Waste Intensity (tonnes/ RMB Million of Revenue)	46.8	65.3	54.6

#### Notes:

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

(2) In 2020, the output of Hainan Mining increased and, due to the COVID-19 pandemic, the revenue of some member companies fluctuated, resulting in a slight increase in 2020 in the solid waste intensity compared to 2019.



## Nanjing Iron & Steel

Nanjing Iron & Steel carries out internal and external comprehensive utilization of all general solid wastes, creates an industrial chain of comprehensive utilization of wastes, decomposes and digests internal waste resources, realizes localized management of solid wastes, and controls the whole process of disposal environment. In the production process, Nanjing Iron & Steel regards pollutants as "misplaced resources", and thus controls and utilizes them, in order to achieve the "recycling in four aspects: ferrite, solid waste, wastewater and energy" gradually.

### > Non-hazardous Waste

In 2021, in response to the requirements in 2020 revision of the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution from Solid Wastes*, Nanjing Iron & Steel revised the *Management Measures of Nanjing Iron & Steel for the Prevention and Control of Environmental Pollution from General Solid Waste*. It strictly screens entrusted units for general solid waste disposal, focusing on the review of their treatment capacity and environmental protection procedures. Qualified units are required to ensure every step controllable with environmental protection agreements signed and key transfer information uploaded in real time.

Nanjing Iron & Steel strengthens the comprehensive utilization of dusts and sludge with iron and zinc within the company. During the Reporting Period, Nanjing Iron & Steel planned to start a project with a capacity to handle 300,000 tonnes of dusts and sludge with iron and zinc annually, and all the products (metallized iron pellets) under this project will be comprehensively utilized. During the Reporting Period, the preparatory work was completed.



### > Hazardous Waste

Nanjing Iron & Steel obtained the approval from the Department of Ecology and Environment of Jiangsu Province in 2019 of the *Pilot Work of Disposal, Reproduction and Reuse of Waste Oil Cans, Waste Painting Buckets and Other Hazardous Wastes*, and completed the pilot work in 2021. In 2021, Nanjing Iron & Steel complied with the disposal of 820.28 tonnes of hazardous waste such as waste oil drums and waste oil. On the basis of 100% compliant disposal, Nanjing Iron & Steel fully utilized the advantages of the electric furnace process and signed a cooperation agreement with the surrounding hazardous waste incineration enterprises to jointly dispose of 166.94 tonnes of hazardous waste steel scrap.

In 2021, Nanjing Iron & Steel reclaimed an aggregate

**6.029 million**

tonnes of general solid waste for comprehensive utilization.

Its safe disposal rate of hazardous waste also reached

**100%.**



**FTG**

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

**Sustainable waste management measures:**

Waste Sorting	Reduce and Recycle Waste	Quantitative waste monitoring	Limit food waste
40% of Club Med resorts use recycling channels for the five most common types of waste (paper, cardboard, plastic, metal and glass). Within reporting period, Club Med's recycling volume reached 2,125 tonnes.	<p>Set targets for reducing waste that is not recycled with the aim of moving toward zero waste.</p> <p>Reduce waste at the source via purchasing (minimizing packaging) and changes in services (eliminating some individual packaging).</p> <p>Villages continue to work with their suppliers and carriers on the recovery and reuse of packaging (containers, pallets, plastic crates for fish to replace polystyrene bins, etc.).</p>	Continue quantitative waste monitoring, with a standardized waste monitoring procedure charged by Inventory and Supply managers for all sites.	<p>A poster for raising customer awareness of food waste has been put in place at main restaurant entrances.</p> <p>Since 2017, Club Med has been deploying the Winnow solution, whose smart, connected bin technology enables teams to measure and limit food waste. The solution is already in use in villages in the Asia-Pacific region (excluding Japan) as well as in two villages in China.</p>

In 2021, FTG's subsidiary Atlantis Sanya positively responded to the activity of Hainan provincial government to create a "zero-waste hotel". Atlantis Sanya established a special management and responsibility organization, developed the creation goals, quantitative indicators and relevant action plans for creating "zero-waste hotels". The corresponding assessment and reward system was well incorporated into the hotel performance assessment system, with the establishment of a special ledger for solid waste management (including domestic waste, renewable resources, kitchen waste, hazardous waste, etc.). In such ways, Atlantis Sanya managed to promote the implementation of reduction at source, resource utilization and harmless management of solid waste. As of the end of the Reporting Period, Atlantis Sanya had replaced all the products in the plastic prohibition catalogue of Hainan provincial government with degradable products.



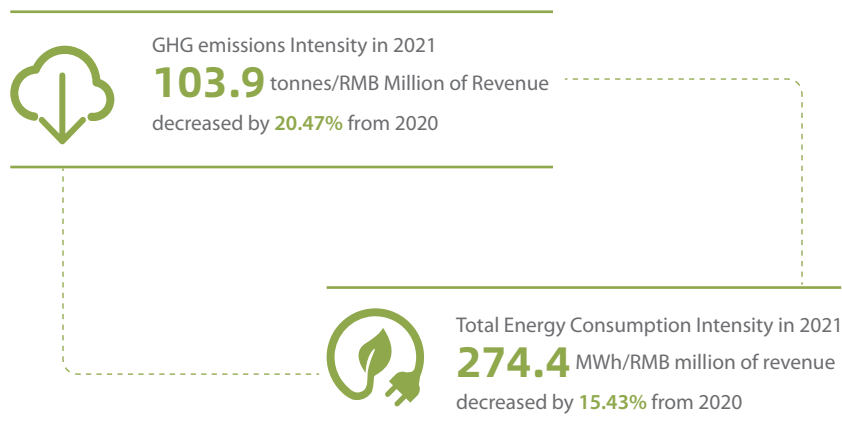
## 4.4 Climate Change and the Energy

To address climate change, the Company joined UNGC 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 make a solemn commitment and write it into our *Climate Change and Energy Policy*, and actively encourage all relevant parties to work with us to fulfil energy and climate change commitments.

We realize that reducing GHG emissions from our operations is a top priority. 2021 marks the first year of our carbon neutrality. Considerations about climate changes have been integrated into our asset management and operation strategy. We have made a formal commitment to the society that "Strive to reach a carbon emissions peak by 2028 and achieve carbon neutrality by 2050". To achieve this commitment, we have been working with member companies to carry out GHG emission reduction actions variously, including energy conservation transformation, clean energy use, green and low-carbon products, innovative technology research and development, etc.

During the Reporting Period, we further strengthened disclosures in accordance with the recommendations of TCFD. We focused on strengthening the analysis of climate change risks and opportunities in specific markets, and developed different climate scenarios and corresponding responses for the markets in which our business operates. The Group intends to officially disclose the TCFD report in due course, which will be uploaded on the Company' Sustainability Page.

As of 31 December 2021, the Group's progress on key climate change indicators is outlined below:



For details about management policies, measures, environmental data and cases, please refer to the section headed [CAMPAIGN: COPING WITH CLIMATE CHANGE – BUILDING CLIMATE RESILIENCE AND CONTRIBUTING TO CARBON PEAK AND CARBON NEUTRALITY](#)

## 4.5 Water Resource and Material Management

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

### 4.5.1 Water Resource Management

Fosun attaches great importance to the impact of water resource consumption on the environment and remains committed to the protection of water resource. We carry on efforts in innovating, applying and popularizing water-saving techniques. We have taken various water-saving measures to explore a new water recycling pattern to reuse reclaimed water, so as to reduce water resource consumption in production.

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

[Learn more about the Water Policy](#)



Water	2021	2020	2019
Total Water Consumption (ten thousand tonnes)	5,557.8	4,951.2	5,426.9
Water Consumption Intensity (tonnes / RMB Million of Revenue)	263.0	292.3	319.4

#### Notes:

(1) Each member company's water resources mainly come from municipal water supply. Apart from that source, FTG also sources water from ground water, surface water, seawater, drinking water, purchased recycled water, etc.; and Nanjing Iron & Steel also sources water from surface water, etc. During the Reporting Period, there is no significant issue in sourcing water that is fit for purpose within the Group.

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

(3) In 2021, Yuyuan included Ruyiqing Biotechnology Co., Ltd. and Jinhuijiu Liquor Co., Ltd. into the scope of environmental data statistics; due to the normalization of epidemic prevention and control, the operation of member companies basically recovered; thus the total water consumption increased significantly compared with that in 2020.



## FTG

Water shortage still remains a serious global challenge, which affects the long-term sustainability of communities and enterprises. FTG has set a target of "Reduce water use intensity by 10% by 2030 (2019 baseline)", to guide and monitor the adoption of targeted water management approaches by its subsidiaries to improve the efficiency of water consumption at each operating site.

FTG realizes that it is very important to identify water stress risks of all operating locations and carry out targeted management for the conservation and protection of water resources. During the reporting period, FTG carried out water stress area identification and management by identifying and assessing the water risk faced by each operation. FTG adopted the Water Risk Atlas Aqueduct™ tool developed by the World Resources Institute (WRI), which analyzes water stress at each operating site by watershed based on the location of each operation. Based on the data from the WRI tool, six resorts were located in the water pressure area defined by the extremely high base line water pressure value, and all have implemented effective water-saving management in 2021.

Resorts locations in the water pressure area defined by the extremely high base line water pressure value



In order to reduce water consumption, FTG has taken a number of water conservation measures in each operating location and regularly reviews its daily practices, while constantly seeking solutions to increase the opportunities for recycling water. During the Reporting Period, the total freshwater consumption of FTG decreased by 10.8% compared with 2020, and the freshwater consumption intensity (by hotel night sold) decreased by 20.5% compared with 2020. In addition, FTG's subsidiary Atlantis Sanya was awarded the title of "Water-saving Hotel" by Sanya Water Conservation Office.



## Nanjing Iron & Steel

Adhering to the principle of necessity, ecological safety and sustainability, Nanjing Iron & Steel has built a comprehensive water network system delivering functional synergy, which is safe and reliable, intensive and efficient, and runs in a green, intelligent and well-regulated manner. In addition, it promotes the digital, intelligent and refined water resource management. As a key industrial enterprise in Jiangsu Province, Nanjing Iron & Steel proactively cooperates with the government to carry out water withdrawal surveys. At present, its main water resource, surface water, has obtained water withdrawal permits. During the Reporting Period, Nanjing Iron & Steel's water consumption totalled 26.12 million m<sup>3</sup> and the water recycling rate reached 97.79%. The water consumption per tonne of steel was only 2.26 cubic metres, less than the annual decomposition target of 0.24 cubic metres per tonne of steel, and at the advanced level of the industry.

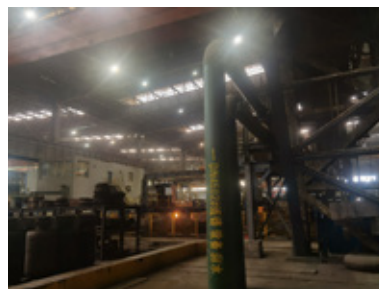
### > Recycling Water

Nanjing Iron & Steel directly uses the warm water of a power plant partner generated from cooling the generator for production, which has reduced the impacts of the warm water from the power plant on the water body of Yangtze River, as well as the water withdrawal from Yangtze River. This water-saving project is a model of the regional economic circular.

Nanjing Iron & Steel has addressed the immediate drainage of cooling water at hydraulic stations, achieving fully closed management of cooling water, with 350,000 tonnes of water recycled and saved annually. In addition, it has achieved automatic water recharge, automatic drainage control and dynamic monitoring through upgrading of automatic water recharge and installation of discharge pumps and flow calculators in the water-cycling system.

### > Water-saving Transformation

In 2021, Nanjing Iron & Steel continued to carry out water-saving transformation. A total of 7,950 meters pipelines of the water system were upgraded, saving the industrial clean water by 1.2 million m<sup>3</sup>. By the end of the Reporting Period, 13 kilometers pipelines overhead (remaining 27 kilometers in progress) have been renovated.



### > Awareness Enhancement

Nanjing Iron & Steel also actively raises employees' awareness of water conservation and emission reduction. In March 2021, it launched the theme month activity of "Water Conservation and Reuse" within the company to build a "resource-saving and environment-friendly" enterprise.



## 4.5.2 Material Management

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

In order to strictly implement 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 highlight the sustainable development strategy of the Group, the Group formulated the *Notice on Gradually Reducing The Use of Disposable Plastic Product* and requires all member companies to rigorously carry out the requirements of laws and regulations, strengthen the control of plastic products and conduct self-examination on the use of plastic products in shopping malls, hotels, resorts, restaurants and other member companies.

Packaging Materials (tonnes)	2021	2020	2019
Glass	6,809.6	6,209.9	11,050.5
Wood	31.3	181.0	22.4
Metal	460.9	468.4	352.7
Plastics	3,583.3	1,855.5	2,745.8
Paper	13,192.5	11,121.3	8,650.6
Rubber	578.1	468.1	854.0
Others	2.2	68.4	66.4
Packaging Materials in Total	24,657.9	20,372.6	23,742.5

### Notes:

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

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

## FTG

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

### > Bye-Bye Plastics

Club Med, a subsidiary of FTG, launched the "Bye-Bye Plastics" Programme in 2018, aiming to eliminate disposable plastic products (straw, dishes, amenities in the rooms, etc.) in all Club Med resort bars, restaurants and guest rooms by 2021.

Meantime, Club Med signed the GTPI (Global Tourism Plastic Initiative) led by UNEP and WTO in partnership with the Ellen MacArthur Foundation, as part of the "One Planet Sustainable Tourism" Programme.

Target	Achievement
Phase out single-use plastic for catering (straws, cups, mugs, as well as plates, cutlery and trays)	100% of Club Med resorts have achieved target by the end of 2019
Use of reusable large bottles for shower gels, shampoos and creams in bathrooms	95% of Club Med resorts have achieved the target (excluding the Exclusive Collection range and Brazil)
Phase out plastic packaging of accessories in guest room by the end of 2021	100% of Club Med resorts in Asia, Europe, Africa and South America have achieved the target. To be completed with and ongoing North America
Reduce progressively the consumption of plastic water bottles compared to 2019 : by 10% in 2022, 25% in 2023, 50% in 2024	3 resorts run their own bottling plant using reusable glass bottles and in Europe mountain resorts plastic water bottles are no longer available for hiking departures. Reusable water bottles are also available in resort shops

## 4.6 Biodiversity and Animal Welfare

### 4.6.1 Biodiversity Protection

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

[Learn more about the Biodiversity Policy](#)



#### FTG

FTG values the balance of the ecosystem in all phases of design, construction and operation to minimize the negative impact on the surrounding ecology. FTG formulated the *Biodiversity Policy* to encourage relevant parties to commonly respect and protect biodiversity.

Club Med, FTG's subsidiary, attaches importance to the protection of biodiversity in the whole process of construction and operation. During the environmental impact assessment of the early construction, it identifies sensitive habitats and takes relevant measures to mitigate environmental impacts. In the process of operation, it formulates related procurement policies to promote the purchase of organic food and eco-certified products. At the same time, Club Med pays attention to the biodiversity of the most sensitive sites, and protects local endangered species through a variety of measures.

In 2021, Club Med has reinforced its commitment to voluntary action in the Act4Nature<sup>14</sup> programme by setting targets and goals and committing to regularly reviewing their achievement in order to contribute to global biodiversity conservation. Club Med's voluntary actions include: reducing land and marine use, strictly controlling invasive alien species, tackling overexploitation of resources in the supply chain and protecting endangered species.

#### Hainan Mining

Upholding the principle of mining and vegetation reclamation for years, Hainan Mining reclaimed and resumed governance of the land destroyed by mining. In order to protect the water and soil resources and safeguard the ecological environment of mining area and build green mines, Hainan Mining executes reclamation plans in reclaimable mining area in combination with actual situations of mines.

In 2021, Hainan Mining actively carried out mine reclamation and ecological restoration in an orderly manner. Grass seeds were sprayed over side slopes for re-greening and a variety of tree species, such as bougainvillea, Taiwan Acacia, were cultivated according to local ecological conditions to create a good ecological mine environment and promote sustainable development of the mine. In 2021, Hainan Mining completed the cultivation of 170,000 saplings and 80,000 saplings purchased by the contractor, with a total area of 100.8 mu of mine land rehabilitation and a total investment of approximately RMB9.6 million. As of the end of the Reporting Period, the mine had 100% green coverage and a total reclamation area of 43.87 hectares over three years.



<sup>14</sup>The Act4nature programme is led by the non-profit organization EpE (Enterprises pour l'Environnement, i.e. "enterprises acting for environmental protection"), which is fully in line with the France's National Biodiversity Strategy. It is a long-term and continuous improvement action based on 10 common commitments and voluntary actions.

## 4.6.2 Animal Welfare

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

### Fosun Pharma

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

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

### FTG

Atlantis Sanya under FTG attaches great importance to animal welfare protection within the scope of operation. Atlantis Sanya improves the feeding water quality through standardized processes and testing. At the same time, it carries out comprehensive physical examination for animal health, carries out professional nutrition monitoring, follows the diet ratio recommended by veterinarians, and cares for the mental health of animals by ensuring sufficient companionship and entertainment. And by doing so, FTG strives to provide a comfortable and safe living environment to Aquarium and Dolphin Island animals, and fully ensures the welfare of marine animals.



Club Med under FTG has released the *Animal Welfare Policy* and made commitments to elephants, cetaceans, wild animals, working animals, sea turtles, etc, in the policy, committing to improving animal welfare together with all stakeholders.







# 05

## RESPONSIBLE INVESTMENT AND VALUE DRIVING



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

As a global innovation-driven consumer group, we uphold the core concept of "value investing" and center on the development direction of "Health, Happiness, Wealth and Intelligent Manufacturing", establishing a responsible investment management system with reference to advanced domestic and foreign practices to promote the integration and development of responsible investment practices in Fosun. In addition, we have established asset allocation principles where assets shall be allocated on strategic investment targets which pursue long-term return.

## 5.1 Strengthening Responsibility

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

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

In 2021, The Group's Investment Committee and ESG Board Committee, together with other functional departments, further promote the application and landing of responsible investment so that ESG elements could be incorporated into investment and operation decisions. Meanwhile, Fosun updated the *Fosun Group Measures of Responsible Investment Management (for Trial Implementation)* and *Fosun Investment Work Manual*, further explaining the application of our responsible investment strategy, so as to regulate the Group's responsible investment. ESG factors have been incorporated into investment processes of the Group in an effective manner.

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



Our investment teams consider ESG responsible investment factors in evaluation of company and industry, including but not limited to:

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

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

### ESG Management and Responsible Investment Training

During the ESG Culture Week held in November 2021, we invited external experts to conduct a training and sharing meeting themed on responsible investment, at which we discussed the current trend of ESG and responsible investment at home and abroad. In addition, the Company's Investment Management Department invited external experts for many times to share advanced practices on how investment personnel practice the principles of responsible investment, and assisted the Group in further improving and implementing the strategies and methods of responsible investment to promote the application of ESG investment concept in the investment process.



## 5.2 Investment Strategies

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

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### During the project screening stage:

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Fosun actively analyzes the potential impact of responsible investment factors. In addition to business considerations such as company fundamentals, financial performance, strategic significance and synergy value, a qualitative analysis regarding ESG of potential investment targets is also conducted. We make full use of ESG investment strategies such as negative exclusion screening, positive screening and thematic investment to sort out existing investment areas, focusing on clean technology fields such as sustainable water resources, pollution prevention, alternative energy, and energy efficiency. Besides, we pay active attention to responsible investment fields including nutritious food, health facilities, treatment of major diseases, small and medium-sized enterprise financing, digital gap bridging, etc., and strategically tilt and allocate our investment portfolio.

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### During the course of investment:

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The investment team shall, in coordination with business, technology, finance, law, tax, IT, EHSQ and other departments who provide due diligence information, complete *the ESG Responsible Investment Due Diligence Checklist*. The investment decisions are made according to corporate governance, human right, EHSQ, fair operating practices, product responsibility and community investment theme of the invested enterprises. The *ESG Responsible Investment Due Diligence Checklist* has been incorporated into our digital decision-making process. The evaluation results of the *ESG Responsible Investment Due Diligence Checklist* of all investment projects need to be filled in and submitted on our investment management system, which will provide reference for the Investment Committee.

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

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Fosun encourages the invested enterprises to carry out high standard corporate governance and good management of environmental and social risks. We convey Fosun's ESG expectations to those invested enterprises as well as promote them to realize such expectations by using the rights of shareholders. We have formulated the Self-Checklist for ESG Risks and established relevant evaluation mechanisms. Such evaluation mechanisms have been digitally incorporated into our investment management system. We regularly and dynamically evaluate the ESG performance of the invested enterprises, and continuously supervise and manage their ESG performance.

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



### ESG Due Diligence

Case Study: ESG due diligence on a target project was conducted according to the Group's *ESG Responsible Investment Due Diligence Checklist*. The evaluation team inspected and assessed the target company's leadership of management, the ESG management system, environmental and social risks and other ESG-related elements. Evaluation report was formed for the reference of the Investment Committee on investment decision-making. Meanwhile, the relevant due diligence results and ESG improvement recommendations were also provided to the target company to help them improve their ESG performance.

## Fosun Insurance Portugal

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Fosun Insurance Portugal is a signatory of *UNGC Principles* and is committed to creating a positive social and environmental impact in business activities.

In 2021, Fosun Insurance Portugal continued to strengthen its investment strategy with ESG evaluations. The evaluations are performed by a multidisciplinary team, composed of specialists in the areas of Investments, Risk, Legal and Compliance. This work requires an assessment of the general sustainability level of a business and the identification of the ESG policy of the targeted companies for investment, implies the permanent monitoring of the investment portfolio, and analyses relevant ESG opportunities in order to identify new investment goals, whether for the portfolio itself, whether for new products to be developed. Fosun Insurance Portugal also went through an introspective phase, during which it performed an exhaustive research on the assets and internal practices and policies from a sustainability standpoint.

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

## Peak Reinsurance

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

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### Exclusion list

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

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## 5.3 Communication

### ■ Proxy Voting

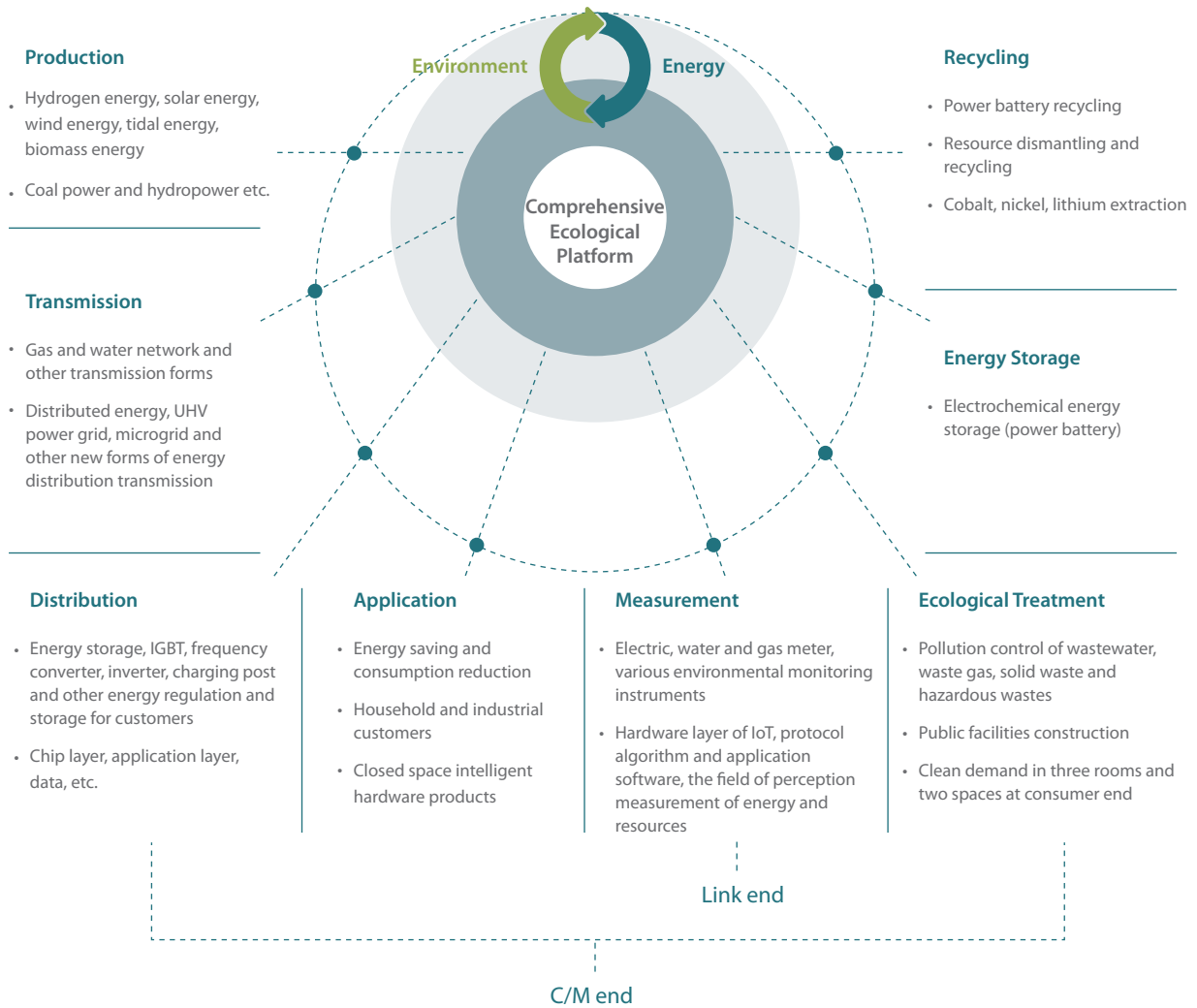
The Group clarifies our proxy voting system in the *Fosun Group Measures of Responsible Investment Management (for Trial Implementation)* and establishes a "responsible director" system. We encouraged the accredited responsible directors to fully communicate with the board of the invested enterprises,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

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

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

## 5.4 Clean Technology

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



### Clean Technology Vision:

Develop a comprehensive environmental group rooted in China to provide services to global customers. By combining light assets with heavy assets, being driven by capital and technology, covering wastewater/solid waste/hazardous waste and other key sub-sectors, we are committed to comprehensive environmental management, comprehensive utilization of resources and comprehensive ecological protection, as well as the continuous improvement of the ecological environment.

### Strategy:

The Group's Energy Industrial and Utility Group, with a focus on carbon neutrality and environmental treatment, has achieved full-scope environmental treatment capacity on wastewater, solid waste and exhaust gas through industrial integration and investments, assisting the industry to meet pollutant discharge standards, resolve challenges in environmental protection and treatment, and fulfil the strategic mission of green industrial transformation. Meanwhile, taking Besino Environment as the core platform, we will make our efforts in the next 10 years to realize our transition from environmental protection group (comprehensive pollution control), to environmental group (pollution control + resource utilization), and then to ecological group (pollution control + resource utilization + energy utilization).

**Objective:**

Timeline	Industry positioning	Milestones
2021-2025	In addition to pollution treatment services at terminal, expanding towards resource recycling and further stretching out to upstream and downstream, transforming from "discard" to "regeneration", and from "consumption" to "recycle"; based on water investment and operation, expanding our industry layout by increasing 2 to 3 new sectors such as solid and hazardous waste resource utilization, core technology products and new energy, and striving to increase 2 to 3 industrial investment projects in each new sector.	<ul style="list-style-type: none"> <li>Expanding businesses in the areas of environmental restoration and conservation and resource recycling, to achieve source reduction, energy conservation and consumption reduction, resource recycling and long-term sustainable development.</li> </ul>
2025-2030	Pollution treatment + resource recycling + energy utilization, expanding from tangible resources to intangible energy. Ecological group will provide not only waste disposal and recycling solutions for global household users, but also a clean, sustainable, measurable, and alternative energy system, to promote the ultimate upgrade and evolution of the environmental group into ecological group.	<ul style="list-style-type: none"> <li>Through ten-year commitment, striving to achieve sustainable and rapid growth in the medium and long run.</li> <li>Taking renewable energy as a breakthrough to construct an integrated energy platform containing energy supply, transmission, storage, calculation, as well as sales, and gathering a large number of business and individual customers; meanwhile, thoroughly implementing the strategy of "driving development with science and innovation", with developing technology-led and innovation-driven light asset business to account for 30% or more of all businesses.</li> </ul>

As of the end of the Reporting Period, for the Energy Industrial and Utility Group, investments have been made in a number of clean technology companies and the followed business areas were involved:

Alternative Energy	Energy Efficiency	Pollution Prevention & Control	Sustainable Water	Green Building
<ul style="list-style-type: none"> <li>Wind</li> <li>Solar</li> <li>Wave Tidal</li> <li>Biomass</li> </ul>	<ul style="list-style-type: none"> <li>Other Energy Storage</li> <li>Advanced Materials</li> <li>Battery</li> <li>Smart Grid</li> <li>Natural Gas Combined</li> <li>Industrial Automation</li> <li>Nano-technology</li> <li>Heat &amp; Power</li> <li>Optimization Tech &amp; System</li> </ul>	<ul style="list-style-type: none"> <li>Reuse &amp; Recycling</li> <li>Waste Treatment</li> <li>Carbon Capture &amp; Storage</li> </ul>	<ul style="list-style-type: none"> <li>Water Infrastructure &amp; Distribution</li> <li>Smart Metering Devices</li> <li>Wastewater Treatment</li> </ul>	<ul style="list-style-type: none"> <li>Green Certified Property</li> <li>Building Insulation</li> </ul>

As of the end of the Reporting Period, the Energy Industrial and Utility Group has invested in more than 20 companies, including 3 companies listed on the Main Board of the A-share market. The cumulative investment amount exceeds RMB10 billion, with investments in energy and environmental protection accounting for more than 50% of the department's total.

## Some Projects of Investment in Clean Technology

### Hong Sheng New Material

As one of the world's largest production supplier of inorganic fibres used for filter bags and a leading enterprise in domestic filter bag market, Hong Sheng New Material engages in the research and development, and production of environmental protection dust removal filter materials, the sales of related accessories, the third-party operation and management and services on ultra-low emission transformation, industrial dust collection system design, industrial smoke and dust control, and enjoys the core competitiveness of the whole-process chain integration. Hong Sheng New Material attaches great importance to the field of industrial dust collection and is committed to six major industries, including thermal power, heat power, steel, cement, chemical and renewable resources (biomass power generation and waste incineration). Hong Sheng New Material develops and possesses many of the world's leading treatment technologies. Among them, the mass production technology of high-silica (modified) membrane filter materials, that is unique technology in the world, achieves the ultra-clean oiler emission standard below 5mg/Nm<sup>3</sup> which is internationally leading.



### Besino Environment

Besino Environment devotes itself to the high-standard planning, design, technology, equipment, investment, construction and operation services related to municipal sewage, rural sewage treatment, water supply, seawater desalination, sludge disposal, watershed management, sponge cities, water quality monitoring and testing, solid and hazardous waste disposal and resource utilization, and soil restoration, etc. As of the end of the Reporting Period, it had invested in projects in more than 15 cities in China.



### Spring

Spring is a high-tech enterprise specializing in water environment treatment. It is committed to building an energy-sustained sewage treatment plant to realize energy saving, consumption reduction and functional transformation, and synchronizing the sewage treatment process with the energy recovery process to realize the "near-zero consumption" of sewage treatment. In this way, Spring actively responds to the launch and practice of sewage recycling and carbon neutrality goals.

Spring has applied Moving-Bed Biofilm Reactor ("MBBR"), an internationally leading biochemical technology, to sewage treatment. As of the end of 2021, Spring has implemented more than 300 new and upgraded projects for water pollution control facilities, with a total treatment scale of over 16 million tonnes per day.



### Nahai Environment

Nahai Environment focuses on the disposal of industrial solid waste (hazardous waste). Starting with the cement kilns for co-disposal, it develops projects such as rotary kilns for incineration and hazardous waste landfills. It is one of the few professional environmental protection companies in possession of these three kinds of hazardous waste treatment technologies and entities in China. Nahai Environment's capability of hazardous waste disposal is at the forefront of the industry in Zhejiang Province. In 2021, Nahai Environment actually disposed of about 200,000 tonnes of waste.



### THWATER

THWATER engages in the research and development of environmentally friendly water treatment chemicals and the upgrading of production processes, and has obtained a number of continuous, large-scale and intelligent manufacturing technologies of proprietary intellectual property rights for water treatment chemicals and related fine chemicals. THWATER has produced hundreds of products in several series required in the industry, which not only meet the needs of the water treatment industry, but also are widely used in oil extraction, household chemicals, textile printing and dyeing, papermaking, electronic equipment cleaning and other fields. It has also developed green products such as polyepoxysuccinic acid (PESA), polyaspartic acid (PASP), tetrasodium salt of glutamic acid diacetate (GLDA. Na<sub>4</sub>), with a production scale of thousand tonnes.



### JEVE

JEVE focuses on new energy power and energy storage, aiming to provide green, safe and intelligent new energy solutions for the whole world. In 2021, JEVE planned the Changxing lithium ion battery plant (18GWh), which occupies an area of approximately 451 mu. The products will include soft pack and square product lines, and will be compatible with the lithium iron phosphate and ternary material systems, which should be used in new energy core tracks such as energy storage and power.









# 06

## ECOSYSTEM SYNERGY AND COOPERATIVE MULTIPLIER GROWTH



## 6.1. Optimizing Management

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

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

Strategy	Objective	Principles
Transparent procurement, cost reduction and efficiency increase	To build a world-class procurement risk control management system by 2028	Openness, fairness and impartiality

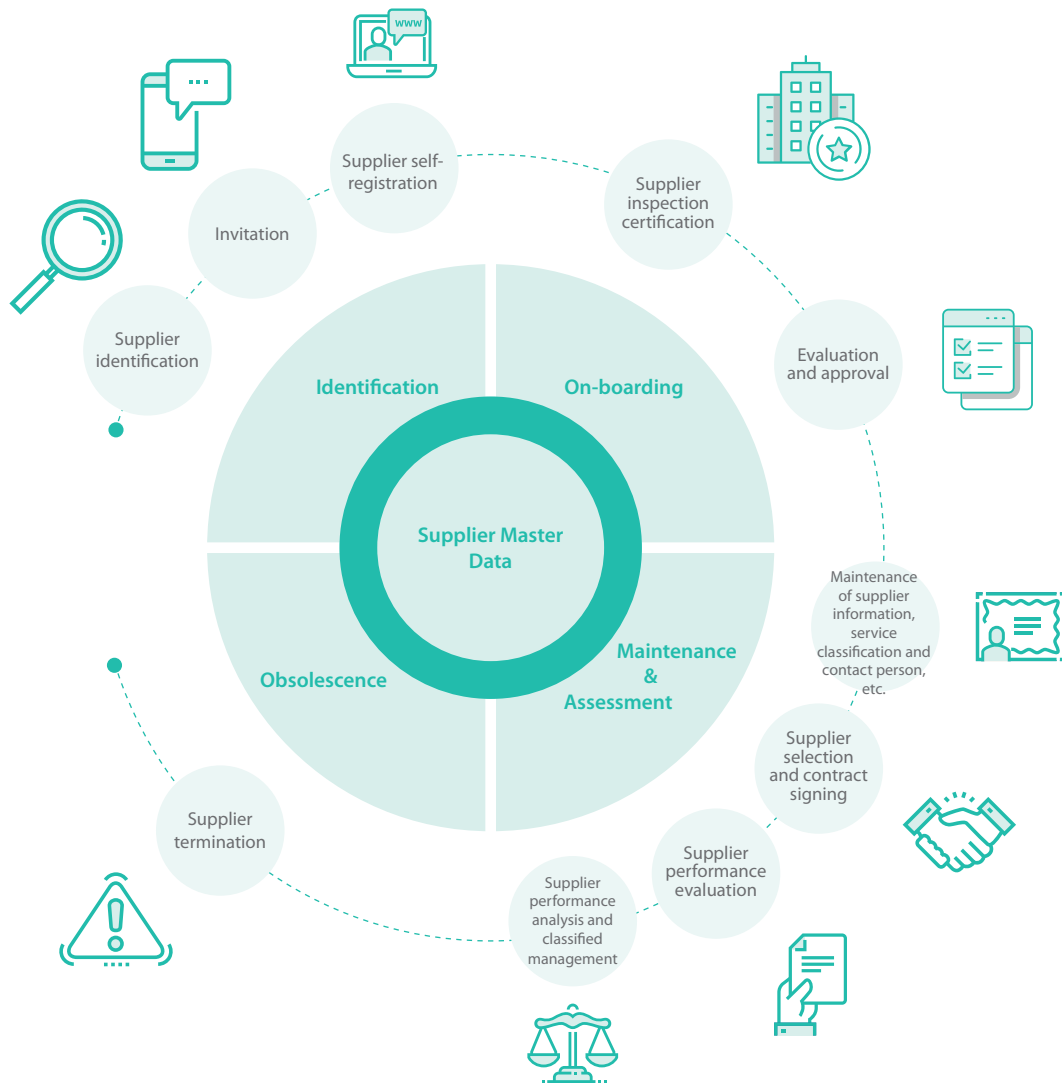
### 6.1.1 Supply Chain Management

Global Supply Chain Center is responsible for the supply chain management of the Group. The Group has formulated relevant policies and guidelines, expressing its expectations on suppliers. Member companies of the Group are responsible for their own procurement.

Pursuant to the *Procurement Policies & Practices of Fosun Group (Version 2.0)*, the requirements of relevant national and local laws and regulations, as well as the Fosun's related policies and rules that are applicable, the Group has formulated the *Fosun Group Supplier Management Policy*, clarifying the requirements and rules over supplier classification and grading, development and selection, contract management, supplier list management, indicator system of supplier library and supplier performance management, supplier operation risk management and supplier sustainable development management. In addition, the Group has announced the *Management Measures for Procurement and Bidding 3.0*, the *Fosun Group Complaints Management Measures for Procurement and Bidding*, the *Fosun Group Supplier Management Policy*, *Management Detailed Rules of Strategic Procurement Management* and other policies, to further strengthen the organization and capacity building of our supply chain lines, set out the job description of supplier management in the procurement business, standardize the supplier management of the Group and its core member companies, and improve their supplier management capabilities and business levels. The Group attaches great importance to the promotion of the procurement system among member companies, and assists them in coordinating and standardizing their procurement systems respectively.

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

	Admission and Registration	Maintenance and Assessment	Elimination and Punishment
Global Supply Chain Centre	Before a supplier registers as a supplier of Fosun, we not only request it to provide basic qualification documents and third-party credit investigation report, but also require it to sign the <i>Letter of Commitment Relating to Supplier Integrity and Self-discipline</i> and learn the <i>Supplier Code of Conduct</i> .	We have established the supplier roster and conducted differentiated management, and have institutionalized supplier assessment. Moreover, we carry out performance assessment at least once a year, while high-risk suppliers are assessed on a quarterly, monthly and contract basis.	Based on assessment results, we develop a qualified supplier base, identify strategic suppliers, and produce supplier "blacklist" to eliminate unqualified suppliers.
Fosun Pharma	During admission process, audit the supplier's qualification, quality system, product process, site production operation, etc., and conduct quality inspection, process verification and stability inspection on samples.	Establish supplier annual quality review system, continuously strengthen the risk control system of supplier management, evaluate and grade suppliers in terms of qualification, quality, EHS, etc., and conduct differentiated management according to the degree of risk of the suppliers' materials affecting the quality of the products.	Push suppliers to make necessary quality improvements, and if necessary, carry out special on-site audits verification and rectification; implement measures such as downgrading and rejecting suppliers which do not meet the quality requirements.
Yuyuan	During admission process, the supplier is subjected to evaluations including preliminary review of enterprise material, double check via TianYanCha.com, site inspection, etc.	Conduct classified management on suppliers based on the assessment of their quality risks, track their businesses of its various industries through annual supplier audit, supplier risk investigation, etc., and evaluate suppliers' performance.	Add non-compliant suppliers to the "blacklist" from time to time.
FTG	A strict supplier admission inspection process has been established. Before admission, the supplier shall be inspected to form the <i>Enterprise Supplier Investigation and Assessment Form</i> . After the inspection team signs the opinions, the admission approval process shall be initiated.	All performing suppliers in the FTG warehouse must carry out evaluation, promotion, demotion and withdrawal every six months in accordance with the measures.	If a supplier is determined as unqualified for two consecutive years, or has cheated in the procurement and cooperation process, or has breached relevant terms of the letter of a good faith, it will be blacklisted and prohibited from participating in any bidding of FTG for two years.



Onelinkplus, established in 2017, serves as the supplier management and service platform of Fosun 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. This group-based digital platform for procurement and bidding management follows the principles of "openness, fairness, impartiality, honesty and trustworthiness" and serves as a standardized digital platform for procurement and bidding for each of Fosun's member companies, so as to improve their efficiency of sourcing and procurement and realizing digital empowerment. In addition, it helps to improve the supplier management system, and shares high-quality supplier resources with external parties to achieve precise matching of supply and demand and form a new closed business loop. By the end of 2021, Onelinkplus has offered more than 20,110 online bidding projects, with more than 400 registered purchasers, and more than 60,000 online supplier users.

As of the end of the Reporting Period, the number of the Group's Onelinkplus register suppliers managed by Global Supply Chain Center is 60,159.

**Total suppliers by geographical region**

China (Chinese Mainland, Hong Kong, Macau and Taiwan region)	<b>59,982</b>
Overseas	<b>177</b>

### 6.1.2 Key Supplier Identification

The headquarters and member companies of the Group manage suppliers by classification in accordance with the Group's policies and management requirements, taking into consideration the characteristics of products to be purchased, cooperation characteristics and strategic characteristics. 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 refine the supplier management policies, process specifications and operating instructions.

According to the annual strategic procurement plan, in addition to 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 suppliers and blacklisted suppliers at group level are managed by the Group's Global Supply Chain Center.

#### ■ Strategic Supplier Management

The strategic supplier resources of the Group and its member companies are managed through the "Strategic Supplier List" in a unified manner. Through the procurement and bidding management platform of Fosun, the strategic supplier list at the group level is made publicly available throughout the Group; at the same time, differentiated management is implemented in supplier evaluation, supplier qualification termination and withdrawal, supplier relationship management, etc.

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

During the Reporting Period, the number of Onelinkplus suppliers managed by the Group through the Global Supply Chain Centre, classified by significance level, is as follows:

Total number of qualified suppliers	Total number of strategic suppliers	Strategic supplier ratio
14,442	455	3.2%

**Note:**

The information in the above table only includes suppliers in China (Chinese Mainland, Hong Kong, Macau and Taiwan region).



## 6.2 Sustainable Supply Chain

We are committed to creating sustainable supply chains that are resilient, transparent and fair, in line with the laws, regulations and international initiatives and standards of the countries and regions in which they operate, and to increasing their responsible impact. We have formulated the *Fosun Group Supplier Code of Conduct*, covering member companies. We hope that all suppliers do business in a sustainable manner and comply with all applicable laws and regulations.

We have requirements for suppliers in following areas and all new suppliers are required to sign e-letters of commitment in the *Fosun Group Supplier Code of Conduct*. Meanwhile, we deliver the requirements with suppliers by irregularly e-mail publicity and training activities, please refer to the relevant link:

[Learn more about Fosun Group Supplier Code of Conduct](#)



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

During the Reporting Period, the Group formulated the *Fosun Group Supplier Management Policy* to clarify the sustainable development strategy and management of suppliers. Besides, the Group required member companies to pay full attention to the sustainable management of suppliers and to carry out the Group's supplier sustainable development management standards and plans based on their own circumstances. In accordance with the *Fosun Group Supplier Code of Conduct and the Supplier Conduct Risk Rating List*, we will conduct a risk assessment of the suppliers regarding their sustainability development (environmental, social and corporate governance). This assessment will form part of the supplier performance assessment system guidelines, which will be consolidated into the annual supplier performance assessment. During the annual assessment, the suppliers' business and facilities will be reviewed by Fosun itself or a third party entrusted with reasonable notice. If the results indicate that a supplier fails to comply with the *Fosun Group Supplier Code of Conduct*, the supplier shall take corrective measures in a timely manner; if the supplier fails to take corrective actions or fails to comply after taking corrective actions, Fosun will conduct corresponding actions, including but not limited to suspend or cancel cooperation relationship with such suppliers.

In the future, we plan to digitize the performance assessment for sustainable development of suppliers, achieve full coverage of supplier ESG audits, and establish a social and environmental risk matrix for the supply chain, and increase the ratio of responsible procurement, so as to create a transparent supply chain.



## Fosun Pharma

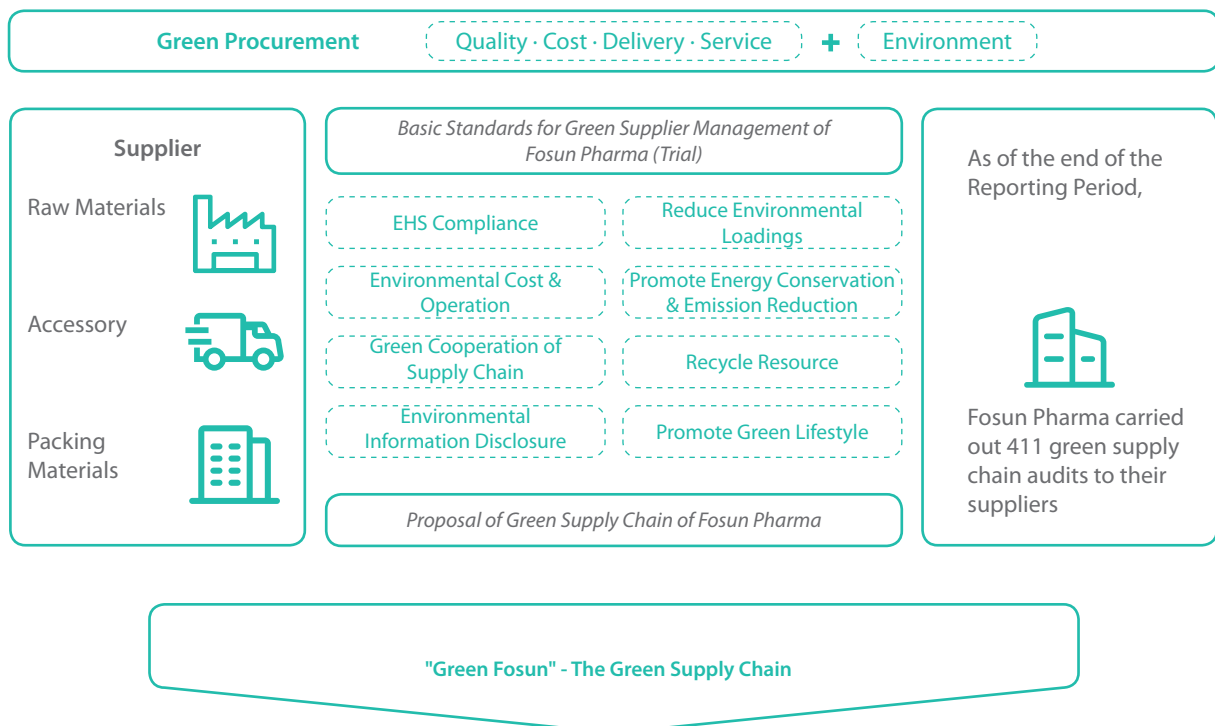
In 2016, Shanghai Municipal Bureau of Ecology and Environment<sup>15</sup> launched the "Green Supply Chain" initiative, and encouraged Shanghai enterprises to participate. In order to actively respond to the project, Fosun Pharma jointly launched the green supply chain project called "Green Fosun" together with its subsidiaries and suppliers immediately, which was aiming at guiding Fosun Pharma and its subsidiaries to raise EHS standards and driving suppliers to strengthen self-control and self-regulation on EHS in the industry, so as to promote a healthier and more sustainable supply chain ecosystem in the industry.

Fosun Pharma released the *Basic Standards of Green Supplier Management of Fosun Pharma (Trial)* and *Proposal of Green Chain of Fosun Pharma*. As of the end of the Reporting Period, a total of 7,193 suppliers accepted the proposal. The project was awarded the "The Star of Green Chain" by Shanghai Municipal Bureau of Ecology and Environment and other organizations, and the "Green Supply Chain Excellent Case in Shanghai" for two consecutive years.

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

As of the end of the Reporting Period, Fosun Pharma carried out 411 green supply chain audits to their suppliers. In 2021, 13 raw materials, ingredients and packing materials suppliers completed green supply chain audits conducted by member companies of Fosun Pharma. Fosun Pharma's member companies communicated with suppliers about the rectification plan for the non-conforming items according to the documents and on-site audit.

As of the end of the Reporting Period, a total of **7,193** suppliers accepted the proposal



<sup>15</sup> Formally known as Shanghai Municipal Bureau of Environment Protection.

## FTG

FTG attaches great importance to ESG risk management and incorporates supplier social responsibility performance into supplier selection and evaluation, and are committed to spreading the value of responsible sourcing in our supply chain management system. In addition, FTG actively promotes local procurement and is committed to producing and providing more responsible and traceable products and services.

FTG formulates the *Fosun Tourism Group Supplier ESG Rating Scale* to conduct a comprehensive ESG evaluation on all existing and cooperative suppliers or service providers through supplier self-assessment and on-site audit. The evaluation form comprehensively evaluates the ESG risk and management level of suppliers from six aspects: human rights, working conditions and child labor, health and safety, business ethics, green and environmental-friendly and animal protection. During the Reporting Period, FTG Cost Procurement Department conducted pilot ESG assessment on operational suppliers in Chinese Mainland; 165 suppliers in total were subjected to ESG self-assessment while 30 suppliers were subjected to on-site audit. The coverage rate of supplier ESG risk assessment reached 82%.

During the Reporting Period, the coverage rate of supplier ESG risk assessment reached

**82%**

### FTG responsible procurement management

Principles	Risk assessment	Assessment and improvement	Training and coaching	Industry exchange
<ul style="list-style-type: none"> <li>• <i>ESG Policy of Fosun Tourism Group for Supply Chain Management</i></li> <li>• <i>Fosun Tourism Group Supplier ESG Rating Scale</i></li> <li>• <i>Fosun Tourism Group Supplier Code of Conduct</i></li> <li>• <i>Suppliers Integrity Agreement</i></li> </ul>	<ul style="list-style-type: none"> <li>• ESG self-assessment questionnaire for suppliers</li> <li>• ESG on-site review for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• On-site review</li> <li>• Annual review</li> <li>• Irregular review</li> </ul>	<ul style="list-style-type: none"> <li>• ESG online sessions</li> <li>• Information sharing</li> <li>• Regular communication and exchange</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier conference</li> <li>• Quality supplier award</li> </ul>

## Yuyuan

In order to strengthen the management of conflict minerals and risk aversion, Yuyuan connected the upstream and downstream, strengthened the control of conflict minerals. Yuyuan formulated the *Special Provisions on the Procurement of Conflict Mineral Raw Materials*, managed the corresponding raw materials of jewelry fashion industry, and deepened 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 actively implement measures to avoid conflict minerals in raw materials from three aspects: zero tolerance policy, promoting supplier due diligence and incorporating supplier access standards.

[Learn more about Special Provisions on the Procurement of Conflict Mineral Raw Materials.](#)



## ■ Supplier Awareness Enhancement

We actively conduct awareness-raising activities on ESG-related issues to suppliers. We send e-mails to communicate with on-boarded suppliers regarding the *Supplier Code of Conduct* and ask for feedbacks. New suppliers are required to sign the *Supplier Code of Conduct* before they are shortlisted, so as to make them aware of our ESG requirements for suppliers. As the Group's requirements for responsible procurement continue to increase, we have developed a series of training materials on supply chain ESG requirements, and regularly trained staff on the Group and its member companies' supply chain line, who are responsible for conducting training at the supplier level. During the Reporting Period, more than 1,000 people from our suppliers participated in the Group's supplier ESG training.

During the Reporting Period, more than **1,000** people from our suppliers participated in the Group's supplier ESG training.

We also focus on strengthening the capacity building of suppliers. The Group and its member companies have conducted remote and on-site training for suppliers on issues such as green production, environmental innovation, human rights risk prevention, safety and quality, and actively encouraged suppliers to undertake social and environment improvement projects, and gained support in terms of knowledge, manpower and finance at the Group level on demand.

## ■ Sustainable Influence

While safeguarding responsible production processes, we also hope to promote sustainable influence through Fosun's purchasing power, which is demonstrated by the introduction of sustainable product choices and lifestyles, local procurement plans, and cooperation with supply chain initiatives.

## FTG

### > Sustainable product selection and lifestyle

Club Med under FTG has released a series of written purchasing charters, including *Wood Charter* and *Seafood Charter*, committing that certified purchases are prioritized, such as certified cleaning products, use of "green" energy, FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification) certified paper, vegetable-based inks, coffee and tea bag products certified by tropical rain forest etc. Club Med launched the "Bye-Bye Plastics" programme in 2018. By the end of the Reporting Period, the programme eliminated almost all single-use plastic products (straws, dishware, amenities in the rooms, etc.) from bars, restaurants and rooms in all Club Med resorts. Reusable and plastic-free alternatives are preferred thereafter.

### > Local procurement plan

FTG pursues the policy of giving priority to local procurement. Club Med under FTG is committed to building relationships with local suppliers and to cooperating as much as more. During the Reporting Period, the vast majority of goods and materials purchased by resorts across the region were sourced from local suppliers in the countries in which they operate, 85% of turnover of fruit, vegetables, meat and fish can be traced back to their origin; 41% of these are locally sourced (2019: 35%; 2018: 13%) (except China, USA, Brazil, Mexico). Atlantis Sanya under FTG insists on giving priority to local procurement and actively introduces appropriate procurement suppliers around the hotel while considering the effectiveness of cost control and supplier management. During the Reporting Period, Atlantis Sanya's local suppliers and the local procurement amount in Hainan Province accounted for 42.6% and 54.4% respectively.

During the Reporting Period, Atlantis Sanya's local suppliers and the local procurement amount in Hainan Province accounted for **42.6%** and **54.4%** respectively

### > Supply chain initiative cooperation

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



## 6.3 Business Integrity Management

In order to further regulate supplier management, improve the quality of supplier services, prevent supplier risks, promote fair competition among suppliers, and deepen the value of supplier resource sharing, we have formulated the *Implementation Rules for Supplier Integrity Management of Fosun Group*, requiring all suppliers participating in company procurement to fill in and sign the *Letter of Commitment Relating to Supplier Integrity and Self-discipline*. Credit investigations are carried out through a third party for all suppliers in the supplier base of Fosun.

As required by the Group, in the procurement process, suppliers shall not disrupt the normal procurement order or seek benefits through improper means such as falsification, malicious fraud, etc., and breach of contracts performance without proper reasons and other violations of laws, regulations and rules are prohibited. We also publicize and implement the anti-corruption related requirements to suppliers. During the Reporting Period, the anti-corruption training of the Company's suppliers was about 0.5 hour per capita; the average training hours of anti-corruption training for contractors of the Company was about 0.5 hour.

We classify suppliers' violations of the integrity principle into three types by nature and severity: generally bad behavior, materially bad behavior, and significantly bad behavior. We produce a "blacklist" of suppliers and formulate different punishment measures including warning and prohibition from access accordingly. In the event of serious circumstances, the business relation with the suppliers will be permanently terminated. As of the end of the Reporting Period, 270 suppliers of the Group were blacklisted for their misbehaviors and there were 23 business terminated or not renewed cases due to corruption-related violations.

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



## 6.4 Friendly Exchange

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

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





# 07

## GATHERING TALENTS TO ACHIEVE EXCELLENCE



## 7.1 Talent Development Strategy

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

In order to protect the interests of employees, the Group formulated and updated the *Employee Manual* during the Reporting Period. We strictly comply with all rules and relevant regulations in connection with recruitment and dismissal, remuneration and promotion, employee schedule, equal opportunities, anti-discrimination, diversity, working hours, rest periods and other and welfare in countries/ regions where we operate, for example, the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, *Provisions on Prohibition of Child Labor*, *Brazilian Labor Laws Act*, 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.

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

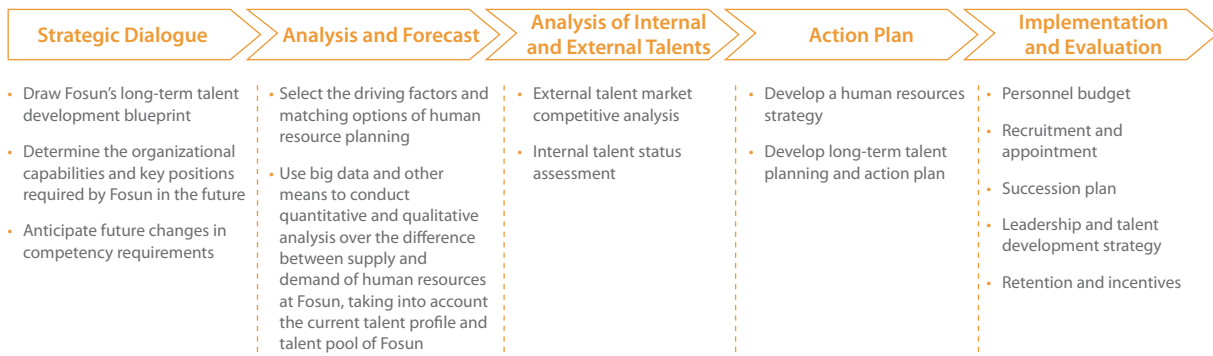
During the Reporting Period, the Group was awarded "Best Employer Brands 2021" by LinkedIn, "Top 100 Best Employers 2021" by Zhaopin and "HR Excellence Management Award 2021" by 51job.

### ■ Strategic Planning for Talents

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

Create professionalization and substantialization in human resources	Build digitalization and excellence in human resources	Realize the comprehensive globalization and ecologization of human resources
Facilitate organizational evolution and experience upgrade	Strengthen the organization for co-venture and high growth	Build intelligent organizational life forms
<b>Short-term: 2021-2022</b>	<b>Medium-term: 2022-2024</b>	<b>Long-term: 2024-2031</b>

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



- One Heart, One Mind**  
Recognizing "together" and "innovation" from the source
- Key Talents**  
Building a team of talents with entrepreneurial spirit
- Incentive Mechanism**  
Let key talents be fully incentivized

- Eco-integration**  
Provide multiplier effect resources for key talents
- Organizational Guarantee**  
Implement a customer-first organizational structure

## ■ Talent Distribution

By the end of 2021, the number of employees of the Group was approximately 96,000. And the number of employees of the Company and 6 member companies<sup>16</sup> within the scope of the Report was around 69,000.

Employee Indicator	2021	2020	2019
The total number of employees within the scope of the Report	<b>Approximately 69,000</b>	Approximately 64,000	Approximately 58,000
<b>Percentage of employees by gender</b>			
Female (%)	<b>48.2</b>	47.2	45.8
Male (%)	<b>51.8</b>	52.8	54.2
<b>Percentage of employees by position</b>			
Senior executive (%)	<b>2.1</b>	7.8	8.3
Middle management (%)	<b>11.8</b>	17.4	26.8
General staff (%)	<b>86.1</b>	74.8	64.9
<b>Percentage of employees by age</b>			
<30 (%)	<b>29.3</b>	27.6	32.4
30-39 (%)	<b>38.1</b>	36.5	33.8
40-49 (%)	<b>21.1</b>	22.3	21.6
≥50 (%)	<b>11.5</b>	13.6	12.2
<b>Percentage of employees by region</b>			
Asia (%)	<b>86.31</b>	79.81	72.49
Europe (%)	<b>8.43</b>	13.14	15.07
Africa (%)	<b>1.56</b>	2.08	5.20
North America (%)	<b>2.48</b>	3.45	4.89
South America (%)	<b>1.20</b>	1.47	2.31
Oceania (%)	<b>0.02</b>	0.05	0.04
<b>Percentage of employees by employment type</b>			
Full-time (%)	<b>99.0</b>	97.3	98.3
Part-time(%)	<b>1.0</b>	2.7	1.7

**Note:**

During the Reporting Period, the Group adjusted the statistical caliber of position level, thus the percentage of employees by position shows an obvious fluctuation compared with the data of previous years.

<sup>16</sup>In this section, the disclosure scope of data is the Company, Yuyuan, Fosun Pharma, Forte, Peak Reinsurance, FTG, Fosun Insurance Portugal.

During the Reporting Period, the total number of new employee hires of the Company and 6 subsidiaries within the scope of the Report was around 37,000.

New Employee Indicator	2021	2020	2019
The total number of new employees within the scope of the Report	<b>Approximately 37,000</b>	Approximately 21,000	Approximately 19,000

**Percentage of new employees by gender**

Female (%)	<b>45.0</b>	44.3	40.9
Male (%)	<b>55.0</b>	55.7	59.1

**Percentage of new employees by age**

<30 (%)	<b>52.9</b>	41.3	40.8
30-39 (%)	<b>29.5</b>	33.4	36.4
40-49 (%)	<b>10.8</b>	16.4	15.8
≥50 (%)	<b>6.8</b>	8.9	7.0

**Percentage of new employees by region**

Asia (%)	<b>52.32</b>	65.01	65.77
Europe (%)	<b>27.81</b>	24.73	21.13
Africa (%)	<b>9.44</b>	0.87	5.35
North America (%)	<b>8.87</b>	7.51	6.19
South America (%)	<b>1.55</b>	1.85	1.53
Oceania (%)	<b>0.01</b>	0.03	0.03

## 7.1.1 Attracting People with Development

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

### ■ Diverse Forms of Recruitment

Adhering to the principles of "fairness and impartiality", "laws and regulations compliance", and "person-post matching", as well as the strategy of global talent localization and diversification, we refine recruitment applications and requirements, interview principles and processes, as well as employment principles and processes. Furthermore, in line with the Group's global business development, we strengthen the internationalization and standardization in the process of introducing talents in different countries and regions, and continue to evolve the recruitment process and channel management while improving efficiency, ensuring the scientific and reasonable talent recruitment mechanism.

We have launched a series of recruitment programmes with Fosun characteristics for different groups of people and clarified Fosun's value of talents.

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**FOSTAR Programme** The global campus recruitment project has been launched for new graduates from top universities and colleges by offline talk, mutual selection, campus recruiting market and other means. Meanwhile, online talk, interviews, mutual selection and other activities have been held to attract global talents. It offers jobs covering investment, functions (e.g. HR, finance, risk control and legal) and operation (e.g. marketing, AI, technologies), so as to develop backbone force and young partners.

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**"PoleStar" Internship programme** The "PoleStar" internship programme constitutes a reserve talent pool for the FOSTAR programme. Every year we'll sign some outstanding performers as formal employees after the internship programme. As the starting point of annual campus recruitment plans, the "PoleStar" internship programme has built a path to the youth talent pool and followed a targeted selection and development strategy by means of communication and cooperation with core enterprises and industrial groups.

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**Star Gathering Creation Camp** Targeting top talents and student leaders in universities and colleges, we assemble excellent graduates and undergraduates with entrepreneurship, passion and dreams. Through Star Gathering Creation Camp and subsequent training programmes, we find and train top talents, join hands with them to embrace the future and realize dreams on the one hand, and to reserve future management talents for the Group on the other hand.

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**SeeStar Action** Social recruitment programmes, covering all sorts of positions and functions of the Group, product lines and core enterprises, have been launched for job hunters with certain work experience instead of fresh graduates to build up Fosun's talent teams and improve the organizational capabilities by introducing experienced outstanding talents. The system grades experienced talents and adopts different talent introduction strategies according to their advantages, including cooperation with top EMBA/MBA universities and colleges, cooperation with industry-leading organizations, and interaction with the entrepreneur groups. With a clear expectation of our future workforce and the help of assessment and selection tools, we aim to build a first-class global talent team.

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**MoveStar Programme** MoveStar programme aims to encourage the transfer of internal staff and talent flow, so as to help employees to find a more suitable career path and optimize the match between our people and job requirements. In addition, this programme also encourages cross-boundary, cross-industry, and cross-function development. After the release of internal posts on the digital platform, employees can apply for rotation, thus increasing their opportunities for internal development, invigorating the internal talent resources, strengthening the flow of talents among posts, enhancing the flexibility of business, and enhancing the vitality of the organization.

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**Beacon Programme** A customized talent introduction and cooperation programme with more attractive collaboration and incentive policies were launched to attract high-level, specialized, leading and critically needed talents. The programme was mainly carried out in the form of "hunting for high-potential talents from beacon enterprises" and "recruiting and cooperating with talents who can serve as beacons for Fosun", to bring in talents specialized in management, science and technology, industry operation and investment via establishment of external think tanks, beacon-type talent network expansion, cutting-edge technology summits and relationship network of government and other cooperative institutions.

## ■ Working Hours and Holidays

Based on the operation of the Group, Fosun promulgates the attendance management and leave system in accordance with the laws and regulations of various job markets of the countries and regions where we operate. We regulate the working hours and minimize the extra working hours as far as possible to ensure that employees enjoy reasonable and adequate rest. In special cases of work overtime, employees are required to communicate in advance and obtain permission from the person in charge of the department, then they can be entitled to compensatory leave. Employees enjoy a variety of holidays such as national holidays, statutory annual leave, casual leave, sick leave, maternity leave, compassionate leave, etc. Besides, we also set up paid leave as appropriate based on the laws and regulations of the countries/regions where we operate.

## ■ Termination

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

Employee Turnover Indicator	2021 (%)	2020 (%)	2019 (%)
Employee Turnover Indicator	19.6	18.6	18.7
<b>Turnover rate by gender</b>			
Female	20.3	17.7	18.0
Male	19.0	19.4	19.3
<b>Turnover rate by age</b>			
<30	24.9	25.1	26.5
30-39	20.0	18.1	19.1
40-49	13.5	14.0	15.9
≥50	14.2	12.4	16.3
<b>Turnover rate by region</b>			
Asia	20.1	17.3	19.8
Europe	8.5	13.2	12.3
Africa	26.6	8.5	10.7
North America	24.1	46.3	21.9
South America	31.0	41.1	29.5
Oceania	26.1	18.9	17.2

Note:

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



### 7.1.2 Appraising People with Performance

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

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

KPI	OKR
At the end of each year, we carry out performance appraisal on all employees at individual, team, department and other levels, and formulate performance goals of the next year. Furthermore, we clearly specify the KPI standards for employees at different ranks/levels and job types to make the annual performance appraisal more scientific and effective.	At the beginning of each quarter, we sum up OKRs of all employees of the previous quarter, and formulate OKRs of the current quarter by combining with the Group's strategic requirements and employees' own planning, so as to make aligned goals from top to bottom. In addition, we also focus on the process of achieving goals, ensure overall management performance, improve job satisfaction, and enhance employees' self-confidence.

As of the end of the Reporting Period, **100%** employees of the Company received regular performance and career development reviews

In 2021, we promoted our incentive policies and launched a special appraisal mechanism of "Incentive Mechanism for Innovation and Entrepreneurship". In the principle of "Value Creation and Team Orientation", performance appraisal was linked to daily KPIs to encourage employees to actively participate in internal entrepreneurship and innovation. Appraisals were performed primarily based on team performance and 360-degree feedback, with personal performance taken into consideration. And employees with good performance were appraised, awarded or promoted according to the results of periodic evaluation. In addition, milestone incentives, multi-level equity incentives and other incentive mechanisms were set up to motivate talents with bountiful incentive measures. As of the end of the Reporting Period, 100% employees of the Company received regular performance and career development reviews.



#### Team performance

- Based on the achievement of overall anti-pandemic target and sub-modular performance target
- Aim at encouraging teamwork



#### 360-degree feedback

- Based on feedback from employees at the same level
- Make an all-round assessment on agility



#### Personal performance

- Based on individual OKRs
- Focus on individual contributions to the team

### 7.1.3 Rewarding People with Incentives

Always following the incentive principle of "value sharing after value creation" and the incentive concepts of "competitive remuneration" and "motivate value creation", we guide all employees to actively realize the implementation of the Group's strategy and the development of themselves through a multi-level remuneration incentive system of full coverage.

The remuneration of employees includes basic salary, performance-related bonus, special award for value sharing plan (Carry Incentive), financing incentive, stock incentive plan, etc. We encourage employees to continue to practise and improve in their own positions, turn the challenges and pressures at work into their own driving force, and strive to create excellent work performance.

#### ■ Incentives Mechanism and Scheme

Based on relevant remuneration policies in countries/regions where we operate, we provide competitive compensation, which in general exceeds the minimum pay requirements of these localities, and incentive mechanism and scheme to our employees. We have scientifically set short-, medium- and long-term incentive mechanisms, and achieve full coverage of employees and business lines. 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.

<b>Short-term incentive mechanism</b>	<b>Performance-Related Bonus</b>	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.
<b>Medium-and long-term incentive mechanism</b>	<b>Stock Incentive Plan</b>	Key personnel of executive general manager and above meeting the performance requirements, or other outstanding high-potential personnel approved by the board can participate in the Group's stock incentive plan. Meanwhile, in order to allow the Group to attract talents for the continual operation and development of the Group, newly-joined intelligent technology professionals have been specially included in stock incentive plan since 2019. The grant date, scope of recipients, number of shares granted, and vesting conditions, etc. are determined by the Group in accordance with resolutions of the Board and the rules of stock incentive plans each year. Specific scheme will be implemented in accordance with prescribed procedures. Please refer to relevant content in Note 62 to Financial Statement of the <i>2021 Annual Report</i> for details.
	<b>Value Sharing Plan (Carry incentive)</b>	In order to ensure that all employees actually participating in the investment projects have the right to share the excess earnings brought by various investment projects, for incentive mechanisms of various investment projects, we have formulated the <i>Management Measures for Corporate Value Sharing Plan</i> (e.g. <i>Carry Incentive</i> ) to share with employees various types of excess earnings generated from private equity investment, venture capital, stock-bond allocation, investment in and operation of significant projects.

#### ■ Risk Protection Mechanism

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

##### Clawback Mechanism

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

##### Risk Pool Setting

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

##### Deferred Mechanism

The 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.

### 7.1.4 Uniting People by Career

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

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

#### ■ Access to Career Development

Fosun provides employees with diversified accesses to career development. Through the implementation of inter-company/department rotations and job transfers, employees can obtain more development opportunities and fully understand the status of the Group and member companies, and responsibility requirements of different positions as well. Furthermore, employees can understand themselves and tap their potentials to find more suitable positions for themselves, and thereby give full play to their personal value.

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

#### ■ Global Partners

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

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

As of the issue date of the Report, the number of Fosun's global partners have reached more than 140 from China, Japan, India, Germany, France, the United Kingdom, Portugal, the United States, Israel, etc.

As of the issue date of the Report, the number of Fosun's global partners have reached more than

**140**

### 7.1.5 Embracing Diverse People with Inclusion

The Group's ESG Management Committee oversees the formulation and implementation of the Group's policies and guidelines on respect for human rights and diversity, and regularly reports relevant significant issues to the Board of Directors. We have formulated the *Fosun International Limited Board Diversity Policy* which requires members of the Board of Directors to possess the appropriate skills, experience and diversity of viewpoints and perspectives required for the Company's business.

#### ■ Diversity

We respect any physical or mental discrepancies of our staff, and all employees and job applicants are not confined by factors such as gender, age, race and ethnicity, colour, religious belief, nationality, sexual orientation, physical conditions, etc. As of the end of the Reporting Period, the percentage of employees with a disability of the Company and its member companies within the scope of the Report was around 0.75%, while the percentage of female employees in senior executive and in middle management were around 31.5% and 42.9%, respectively.

We manage the following four key areas of diversity:

Age	Gender	Disability	Sexual Orientation
We are committed to creating a work environment that encompasses multiple generations.	We strive to bridge the gender gap at all levels, pay attention to women's employment equality, protect their employment rights, pay levels and equal opportunities for career development in the workplace, and actively promote gender diversity in the workplace.	We aim to eliminate disability discrimination and increase accessibility in the workplace, creating a comfortable work environment.	We work on creating an inclusive environment without fear of discrimination or condemnation for sexual orientation.

During the Reporting Period, the Group convened the Women's Federation meeting and formulated the *2022 Work Plan (Draft)*, which improved the relevant system construction and clarified the basic work. In addition, it is committed to implementing measures related to caring for women in the workplace from four areas: empowering business, workplace care, public welfare actions, and special work.

#### ■ Anti-discrimination and Anti-harassment

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

According to the *Code of Conduct of Fosun Group*, all employees of the Group shall not discriminate or harass others, and there is zero tolerance towards discrimination and harassment. In addition, employees can make complaints through communication with superiors and directors or emails. Upon receiving complaints, the Group will carry out investigation timely and protect employees' identities. Anti-discrimination training is actively carried out in the Group and all member companies, especially for employees dealing with discrimination-related complaints, guiding employees to take a respectful, equal and fair attitude toward others. As of the end of the Reporting Period, to the best knowledge of the Directors, the Company has received no complaints related to discrimination and harassment.

## 7.2 Creating Happy Work Environment

We focus on human rights, respect the basic rights and interests of employees, and advocate the equality between all employees. Meanwhile, we have created a big data platform to utilize the Group’s own resources so that employees and their families can access all types of internal products, activities, services and related resources more conveniently while at lower costs. We also create a harmonious working environment to enhance employees’ sense of well-being.

### 7.2.1 Human Rights Protection

[Learn more about the Fosun Group Human Rights Statement](#)



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

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

#### ■ Human Rights Risk Identification and Management

During the Reporting Period, we carried out human rights risk identification to identify potential human rights related risks in our business operations, so as to formulate action plans to mitigate these risks.

We have operations in Portugal, the United Kingdom and Germany in Europe, the United States and Brazil in America, Japan, Singapore, India etc. in Asia. After assessment and summary, we classify human rights risks and formulate countermeasures according to the categories of developing and developed countries.

	Major human rights risks	Responses
Developed countries	<ol style="list-style-type: none"> <li>1. Illegal employment of local migrants</li> <li>2. Charge intermediary fees for the employment of employees in disguised form</li> </ol>	<ol style="list-style-type: none"> <li>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</li> <li>2. Actively recruit local employees and refuse to cooperate with the agency that illegally employs migrants, protect migrants and local employees from disguised exploitation</li> </ol>
Developing countries	<ol style="list-style-type: none"> <li>1. Forced labor</li> <li>2. Gender discrimination</li> </ol>	<ol style="list-style-type: none"> <li>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</li> <li>2. Encourage business departments to recruit more female employees and take gender equality into account in internal promotion</li> </ol>

## Basic Rights Protection

### > Respect for Political Rights and Right to Freedom of Association

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

During the Reporting Period, the Company held an annual congress of workers, and the Company's trade union committee signed a group contract with staff representatives, making adjustments in favor of all employees in the areas of labor remuneration, working hours and holidays, insurance benefits, education and training.

### > Preventing Child and Forced Labor

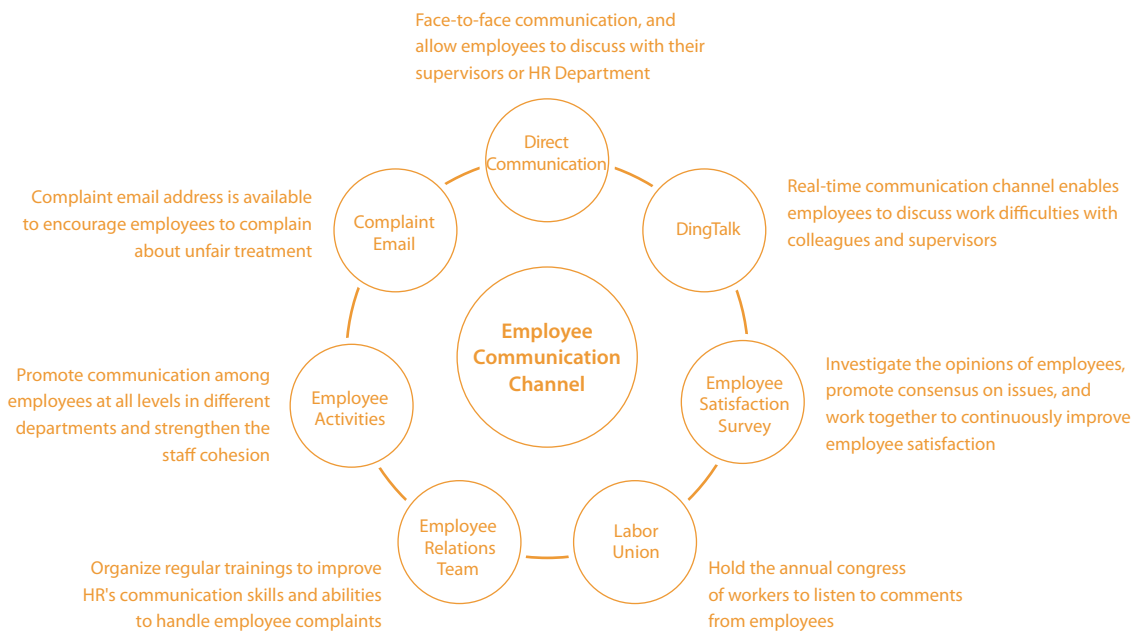
We strictly abide by laws and regulations of various countries and regions, such as the *Provisions on the Prohibition of Using Child Labor*. In accordance with such laws and regulations, we are required to establish the procedure to comply with the minimum working age requirement in our labor management. All employees of the Group meet the minimum age requirements stipulated by relevant laws and regulations of the countries/regions where we operate, which is stipulated expressly in the *Employee Manual* and the *Fosun Group Human Rights Statement* that it is forbidden to hire child labor. We have a rigorous identity review process, and employees must provide relevant identification documents so as to confirm that we meet the minimum age requirements of countries/regions where we operate. The Group has also put in place remedial measures to ensure the physical and mental health and safety of child laborers in case of misuse. At the same time, we prohibit forced labor and ensure that employees enjoy their rights and freedom to work on a voluntary basis. During the Reporting Period, to the best knowledge of the Directors, there was no material violation of labor standards in any form in the Group.

### > Ensuring Full Benefits Coverage

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

### > Equal Communication

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



## 7.2.2 A Culture of Sharing

We strive to create positive, flexible, warm and closed "family" atmosphere for our employees. No matter how far we go, we will maintain our "One Fosun" corporate culture in the process of growing stronger with shared values. In 2021, based on our mission, vision and values, we have revised the code of conduct for Fosun employees, the "Eight Things Fosuners Must Bear in Mind", covering Customer First, Entrepreneurship, FC2M Ecosystem Mindset, Staying Innovative, One Step Ahead, Coopetition, Lifelong Learning, Persistency; and propagated our corporate cultural values via multiple measures, such as IP visualization, lecturer training and corporate cultural activities, to let each employee understand Fosun's corporate cultural values.

In 2021, the Group further strengthened its corporate culture.

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### **Build a core team to escort the culture**

We have standardized and normalized the certification of cultural lecturers, and have now certified nearly 150 culture instructors covering the human resources team at the Group's headquarters and core member companies and trainees; at the same time, we have selected over 900 "One Fosun" culture pacesetters and would subsequently compile typical advanced cases into a volume to further promote and disseminate the culture key behaviors to the smallest business units.

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### **Form a multi-dimensional network for horizontal and vertical communication**

With the help of various projects and activities of the Fosun Global Leadership Academy, we have made the culture all the way to the end through various forms and full coverage of different groups of people; we have also built a self-media matrix, and fully implanted corporate cultural elements such as the Eight Things sweater, Coopetition mechanism, Still Standing, etc. in the Group's annual/semi-annual meetings and other important meetings.

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### **Form a cultural communication toolkit to export to core member companies**

We filmed 30 culture short videos for different groups of people in the series of "Fosuners", "Eight Things Fosuners Must Bear in Mind" and "On-Campus Recruitment", and completed the culture experience design of sand plate, which has been officially used in the cultural integration of new employees.

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### **Export culture workshops to empower core member companies**

We have gradually transformed from a single culture presentation to empowering companies through workshops, planning and implementing cultural empowerment workshops according to the business needs of each company.

### 7.2.3 Attentive Services and Caring Activities

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

We have full-time employee service positions within our Human Resources Global Shared Service Centre, assisting employees in applying for various certificates, which effectively supported the introduction of excellent talents. In addition, centring on the Group's happiness ecosystem, we have created "FOSUN DAY", an exclusive activity brand for employees with the tenet of "Growth, Guardian, Youth", and employees' family are also welcomed to various warm-hearted activities of the Group.

#### ■ Healthy Lifestyle

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

#### ■ Entertainment Activities

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

#### ■ Women Care Activities

Fosun also cares about both the physical and mental health of female employees, extending special regards to them. Every year during Women's Day, Fosun Labor Union launches activities focusing on women's physical and mental care to make the "goddess" happy and beautiful. For example, we offer Fosun female executives' sharing on work and family time balance, jewellery appreciation courses, Yoga experience courses, traditional Chinese medicine acupuncture experience, etc., and provide special gifts for female employees. The Group expresses its appreciation to female employees on Women's Day every year. We also organize lectures regularly on women's health and prevention of occupational hazard, etc.





## ■ Parent-child Interactions

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

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

### >Workplace Experience Day for Children of Fosun Employees

On 6 June 2021, Fosun Trade held the first workplace experience day for children of employees. Children of Fosun Trade's employees took the "Fosun Tour" spaceship to their mom and dad's workplace to experience their daily life.

During the event, Fosun Foundation opened a donation channel to encourage the children of employees to donate their books and toys to the rural children in Huize County, Yunnan, to light up the beautiful childhood of the rural children as well as sow the seeds of public welfare in their hearts.



## ■ Employee Assistance

As an international company, we pay close attention to the physical and mental health and living needs of employees in each of our operation locations. During the outbreak of COVID-19, we were concerned about the health and safety of local employees, and provided assistance to Fosun employees to the greatest extent possible.

### > Care for Employee, We are ONE Fosun

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In the midst of the outbreak of the pandemic, Fosun has fully supported and protected the health and safety of its employees. We took the lead in setting up Wuhan regional anti-COVID-19 working groups, which comprised three service groups, namely, Employee Care, Logistics Support and PR/GR, to make every effort to solve problems for the 11 member companies and employees in the region.

Fosun Pharma, a member company of the Group, coordinated medical resources for employees' families; Yuyuan donated protective supplies to companies in Wuhan; and other member companies jointly organized a fleet of vehicles to distribute preventive medicines and protective materials to employees in need. We collected, coordinated and actively resolved various requests from local member companies and employees in a timely manner.

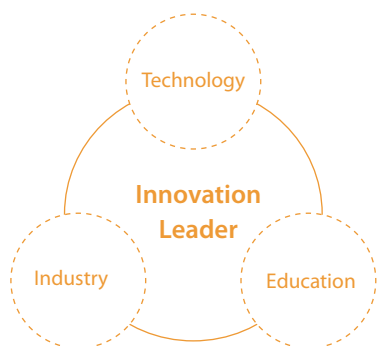


## 7.3 Building a Learning-Oriented Organization

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

### 7.3.1 Fosun Global Leadership Academy<sup>17</sup>

We have built a comprehensive learning and development system, formulated, among others, *Fosun Group Staff Training Management Regulations* and *Fosun Group External Training Application Management Regulations*, and established Fosun Global Leadership Academy, which has become an accelerator for developing exceptional entrepreneurial leadership.



**Vision**  
Explore and empower Fosun ecosystem to build a first-class corporate academy

**Mission**  
Create happier lives for every customer of Fosun

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

During the Reporting Period, the percentage of employees trained of the Company and 6 member companies within the scope of disclosure was 70.7%. The accumulated training time was around 1,505,959.4 hours, and the training hours per person was around 30.5 hours.

**Notes:**

(1) Percentage of employees trained by category = number of employees in the specified category who took part in training during the Reporting Period / total number of employees 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%.

Employee Training Indicator	2021	2020	2019
Percentage of employees trained (%)	70.7	74.4	72.8
Training hours per capita (hour)	30.5	28.1	22.6
<b>Percentage of employees trained by gender (%)</b>			
Female	69.1	78.6	75.5
Male	72.1	70.7	70.6
<b>Percentage of employees trained by position (%)</b>			
Senior executive	52.3	46.8	45.7
Middle management	75.5	70.4	68.2
General staff	70.1	78.2	78.2
<b>Average training hours completed per employee by gender (hour)</b>			
Female	31.5	28.5	24.8
Male	29.6	27.7	20.7
<b>Average training hours completed per employee by position (hour)</b>			
Senior executive	34.5	23.4	13.2
Middle management	24.7	31.7	21.6
General staff	31.4	27.6	24.2

<sup>17</sup> Fosun Global Leadership Academy is an internal training department. In the previous reporting period, it was known as "Fosun University" and renamed as Fosun Global Leadership Academy in the current Reporting Period.

### 7.3.2 Professional and Diversified Training Activities

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

#### ■ Orientation Training

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

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

#### ■ Tiered Talent Training Programme

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



## ■ Training Activities

### > FOSTAR training camp

Since 2013 and as of the end of the Reporting Period, FOSTAR has developed more than **155** excellent high-potential talents

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



△ Endurance team building

### > Fosun Youth training camp

As of the end of the Reporting Period, we have trained a total of **42** excellent high-potential youth from the Group's headquarters and core member companies

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



△ A group photo of members of Fosun Youth training camp

### > CXO training camp

As of the end of the Reporting Period, we have a total of **129** CXO reserve talents who were selected from the Group's headquarters and core member companies and trained for our talent pool

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



△ Learning workshops

### > Chairman and CEO class

As of the end of the Reporting Period, we have carried out the project for a total of **47** senior executive from the Group's headquarters and core member companies

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



△ Intensive training class

## ■ Cultural Promotion

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

### Cases of Cultural Promotion

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#### > Training by internal lecturers on enabling industry development

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

#### > Micro-course competition

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In 2021, the Group held a micro-course competition with a total of over 200 registered participants. In the popular lecturer contest, nearly 10,000 people participated, 35,616 people viewed, and 727 viewers recorded for the final live broadcasting.



^ Micro-course competition

#### > Happy Fosun Visit

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

## ■ Diversified Forms of Learning

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

### Cases of Diversified Forms of Learning

#### > Mobile Learning Platform

We have built an unobstructed learning platform that allows users to use every span of fragmented time anywhere and anytime. With upskilling courses in a variety of areas such as investment, finance and soft skills, the platform makes it convenient for employees at the group level, incubators under the Group and some core companies to learn. Thanks to its characteristics of customization, sharing and playability, the platform has attracted at least 16 core enterprises to contribute course content and published a total of 2,843 excellent courses, with 10,789 users registered and over 69,566 views recorded for live broadcasting. Online sharing platform not only paves the way for Fosun ecosystem university line, but also serves as the cornerstone for creating Fosun ecological internet university.

#### > Boss/Concise Talk

To build a learning-oriented organization, we launched Boss Talk in 2019 and opened Concise Talk in 2020 to create industry value via novel thinking and cutting-edge technologies around the world. Boss Talk shares business insights through in-person lectures, with focus on interactions between lecturees and lecturers; while Concise Talk explores practical experience in the form of "recorded broadcast and live streaming" to share practical work experience with all Fosun staff, and were simultaneously broadcast on internet University platform for reference and study by others. Both are held 2 to 3 times a month.



#### > Luncheon Session

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



#### > Books Recommendation

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







# 08

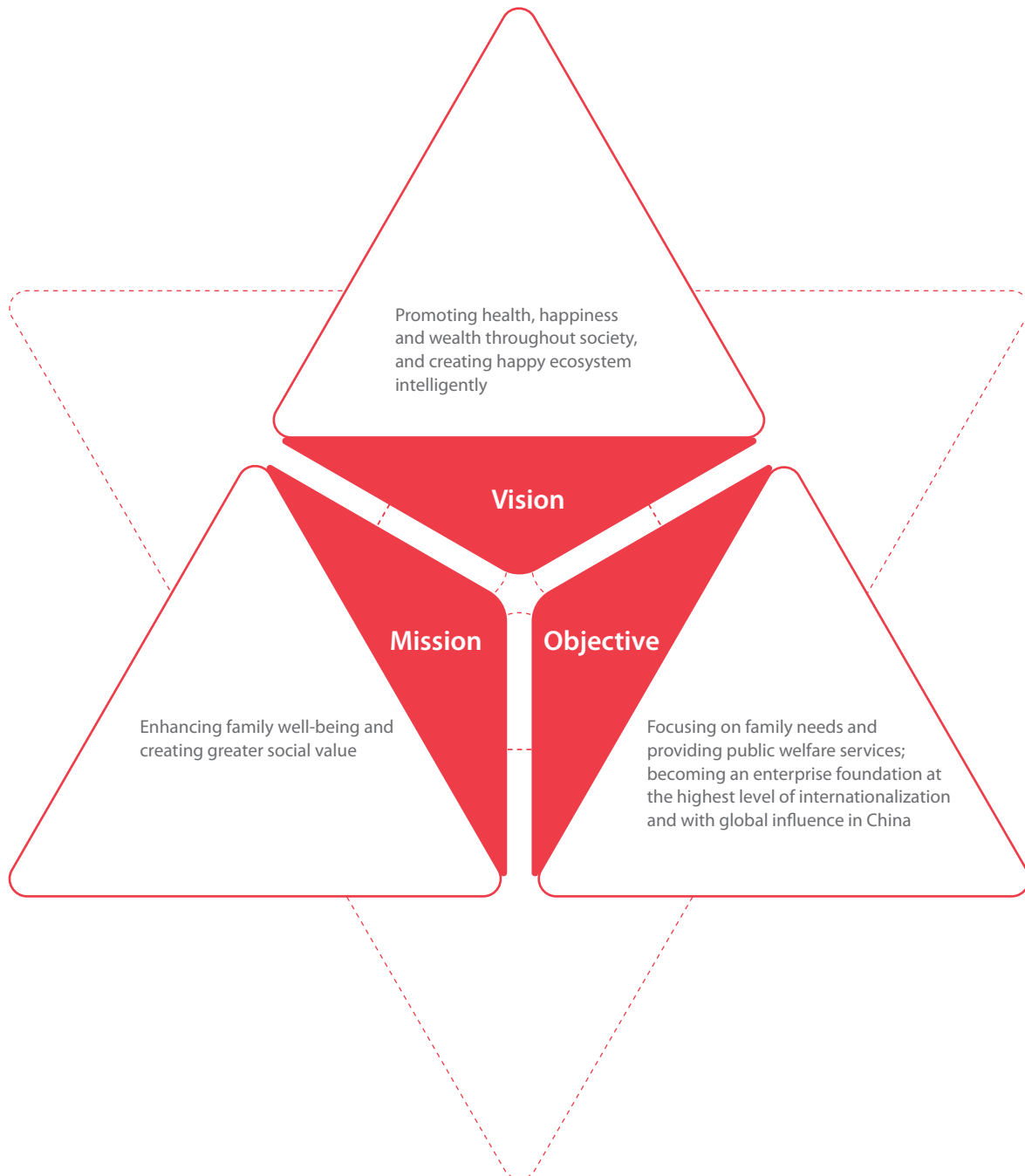
## LOVE AND CARE



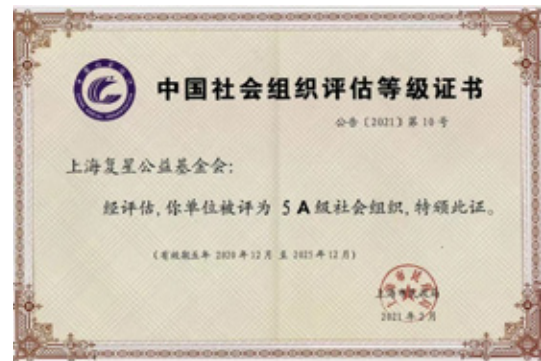
## 8.1 Fosun for Good

Pursuing business value, Fosun always keeps in mind the original aspirations of "Self-improvement, Teamwork, Performance, and Contribution to Society" and attaches great importance to corporate social responsibility. We are joining hands with member companies to promote and support humanitarian relief such as the fight against the pandemic and flood, and public welfare projects such as rural doctors programme and assistance in fighting against malaria in Africa. In addition, we earnestly hold the concept of sustainable development and continue to create value and serve society, assisting in the high-quality economic development in China and promoting the common prosperity of the Chinese nation.

Founded in November 2012, Fosun Foundation is a corporate foundation and receives most of its donations from the Group and its member companies. The coverage of the foundation includes humanitarian relief, poverty alleviation (rural revitalization), healthcare, community construction, care for children, young entrepreneurs, education, culture and art, etc. Fosun Foundation's philanthropic activities cover multiple countries and regions around the world, aiming at spreading the value of Fosun and giving back to the society in practical actions.



Holding to the principle of "Fosun for Good" and based on family life, we made the four aspects of "Away from Illness, Sustainable Income, Universal Education and Enhance Life Quality" the priorities of the Fosun Foundation. Focusing on "healthcare, young entrepreneurs, education and culture & art, community, care for children, poverty alleviation (rural revitalization)" and others, we carry out relevant public welfare activities in many countries and regions around the world. In 2021, the title of "China Social Organization Evaluation - 5A Social Organization" was awarded to Fosun Foundation, recognizing the Fosun Foundation's efforts in public philanthropic work.



In 2021, the donation of Fosun Foundation was over RMB **153,803,621**, including public welfare donation of over RMB **106,827,965**, community investment of more than RMB **46,870,000**, business initiatives of over RMB **105,656**.

**Fosun for Good**

Vision	Away from Illness	Sustainable Income	Universal Education	Enhance Life Quality
	<ul style="list-style-type: none"> <li>• Providing healthcare for the society</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty alleviation (rural revitalization), support for young entrepreneurs, employment</li> </ul>	<ul style="list-style-type: none"> <li>• Support disadvantaged groups and promote education development</li> </ul>	<ul style="list-style-type: none"> <li>• Emerge art and culture into daily life</li> </ul>
Key Concerns	<ul style="list-style-type: none"> <li>• Contribute to "a Malaria-free world"</li> <li>• Assist the WHO Tuberculosis (TB) Strategy target 2035 (90% reduction in TB incidence and 95% reduction in deaths by 2035 (compared to 2015))</li> </ul>	<ul style="list-style-type: none"> <li>• Support rural revitalization</li> <li>• Support young entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of children's rights</li> <li>• Help raising the educational level</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate traditional Chinese culture</li> <li>• Promote global communication</li> <li>• Encourage employees' participation in public welfare activities</li> </ul>
Key Projects	<ul style="list-style-type: none"> <li>• Rural Doctors Programme</li> <li>• Tai Chi Anti-Parkinson's Disease</li> <li>• Assistance in Fighting Against Malaria in Africa</li> <li>• Healthcare and Anti-pandemic</li> <li>• Double Thousand Action</li> </ul>	<ul style="list-style-type: none"> <li>• Rural Doctors Programme</li> <li>• Protechting Startup Accelerator Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Pramerica Fosun Spirit of Community Awards</li> <li>• Training Programme for Demonstration Projects of Middle School Student Volunteer Service</li> </ul>	<ul style="list-style-type: none"> <li>• Fosun Foundation Art Center</li> </ul>

**Fosun's industrial foundation - four business segments of "Health, Happiness, Wealth and Intelligent Manufacturing"**

## 8.2 Anti-Pandemic and Disaster Relief—Humanitarian Relief

Fosun always adheres to the mission as a corporate citizen and has been fully committed to participating in humanitarian relief and disaster relief activities, focusing on corporate social responsibility and sustainable development issues to assist in addressing social problems in a timely and efficient manner.

### 8.2.1 Support for Fighting against the Pandemic

In the post-pandemic era, Fosun firmly adheres to its globalization strategy. We not only leverage our "Global + Local" resources but also try to increase empathy and unite the world to fight against the pandemic. We wish we could do our bit to make the world a community of shared interests, joined responsibility, and shared destiny. While undergoing the pandemic, Fosun gives full play to modern industrial ecology synergies' advantages and declares an all-out war against the virus through the mobilization of resources, and technology-empowered containment, realizing a "multiplier effect" of enterprise-strength in the fight against the pandemic.

#### > Thank You Letters from All Walks of Life



^ Ejiena Red Cross



^ Honghe Autonomous Prefecture Youth Development Foundation



^ Royal Consulate General of Cambodia in Shanghai

■ Global Capabilities, Global Responsibilities

In 2021, Fosun Foundation has made a total of **125** donations for global humanitarian support against the COVID-19 pandemic.

Fosun jointly initiated the "Global Humanitarian Aid Programme" with caring enterprises, organizations, and individuals, actively assisting countries in their fight against the pandemic. In 2021, Fosun Foundation has made a total of 125 donations for global humanitarian support against the COVID-19 pandemic. It provided more than 3.19 million medical protection materials, such as masks, protective suits, oxygen concentrators, and nucleic acid detection reagents, to multiple worst-hit countries and domestic cities including India, Indonesia, Nepal, Cambodia, Xi'an, Jilin, Zhengzhou, Nanjing, Wuhan and Tibet. The donated materials are worth approximately RMB14.9 million.

> Swift Anti-Pandemic Campaign

In April 2021, as the daily number of confirmed cases in India hit a record high and the pandemic continued to worsen, Fosun responded swiftly and supported local people immediately in their fight against the pandemic with 100,000 KN95 masks donated. Fosun's member company, Gland Pharma, an Indian pharmaceutical company, donated 150 ventilators. Meanwhile, with a capability of global resource mobilization and a logistics network worldwide, Fosun Trade has made use of its global sourcing capability and logistics network to redeploy oxygen machines, portable oxygen machines, ventilators, and other oxygen equipments in short supply in India.



In February 2022, considering the increasing demand of Hong Kong citizens for virus testing resulting from the perennial severity of the pandemic, Fosun Foundation donated anti-epidemic materials worth of HKD10 million to Hong Kong, including rapid antigen detection kits, masks, and many others. The detection kits can achieve rapid detection in 15 minutes, and have obtained international certifications like CE (European Union), MHRA (the UK), ANSM (France). This donation prioritizes to the chronically ill people, children from low-income families, and the elderly.



## ■ Combating Pandemic Through Technology Innovation

Fosun contributes to the COVID-19 containment in nucleic acid detection reagent, vaccine R&D, and other fields through its advantages on R&D and resources. Member companies and their subsidiaries have researched and developed COVID-19 nucleic acid detection reagent kits, negative pressure ambulances, nucleic acid sampling vehicles, non-invasive ventilators, the online healthcare platform, the COVID-19 mRNA vaccine (COMIRNATY®) and many others. During the Reporting Period, these scientific and technological innovations continued to serve the global anti-epidemic work to help the world fight against the pandemic.

<b>COVID-19 Nucleic Acid Detection Reagent Kit</b>	COVID-19 Nucleic Acid Detection Reagent Kit independently developed by Fosun Pharma, has been certified by the China National Medical Products Administration (NMPA), the U.S. Food and Drug Administration (FDA) and the Therapeutic Goods Administration (TGA). In addition, it has been officially listed on the Emergency Use List (EUL) of the WHO and has been exported to Portugal, Hungary, Belgium, France, Germany and other countries.
<b>BBL Negative Pressure Ambulances, BBL Nucleic Acid Sampling Vehicles</b>	Developed by Beijing Beiling Special Automobile Co., Ltd., a member company of Fosun Pharma
<b>Breas Medical Noninvasive Ventilator</b>	Developed by Breas (Shanghai) Medical Technologies Co., Ltd., a member company of Fosun Pharma
<b>COVID-19 mRNA Vaccine (COMIRNATY®)</b>	Fosun Pharma signed a strategic cooperation agreement with BioNTech. Under the agreement, Fosun Pharma was authorized to exclusively develop and commercialize COVID-19 vaccine based on BioNTech's proprietary mRNA technical platform in Chinese Mainland, Hong Kong, Macau and Taiwan region.
<b>Online Healthcare Platform</b>	This platform integrates domestic and global medical resources to provide online healthcare services for families, such as online inquiry, broadcasting famous doctors and personal family doctors, and enabling a fast connection between patients and doctors.

## > Vaccine Development to Help Pandemic Containment Worldwide

Leveraging its strengths and profound experience in the healthcare industry and global innovation footprint, Fosun can expedite the development of a vaccine for COVID-19. COMIRNATY® (COVID-19 mRNA Vaccine) jointly developed by Fosun Pharma and BioNTech, was included in the government vaccination programmes in Hong Kong and Macau in March 2021 and supplied to the Taiwan region in September 2021. During the Reporting Period, COMIRNATY® has a sale of approximately 22.00 million doses in Hong Kong, Macau and the Taiwan region, contributing to the pandemic prevention and control in Hong Kong, Macau and the Taiwan region.



## 8.2.2 Support for Flood Control

As of 31 December 2021, Fosun Foundation purchased approximately RMB19,452,240 for donation, and member companies donated materials worth RMB8,056,480, with a total of RMB **27,783,095** invested.

From July 17th to July 23rd, 2021, Henan Province had experienced severe flooding due to a rare heavy downpour. Especially in Zhengzhou City, heavy casualties and property losses on July 20th. Upon the occurrence of the disaster, Fosun Foundation immediately announced a donation of RMB50 million and materials to the severely flooded areas in Henan to protect the lives and property of the local people. In addition, Fosun made quick responses to disasters, and set up the "Fosun's Flood Control and Disaster Relief Command" (hereinafter referred to as "Disaster Relief Command") on the basis of the "Fosun's Fight Against COVID-19 Global Central Command". As the nerve center behind the efficient disaster relief actions, the Disaster Relief Command quickly responded and made decisions in the process of disaster relief. It gathered an "information network" to accurately collect and understand the disaster information. A "logistics network" to quickly send and accurately deliver disaster relief materials, developing accurate and efficient disaster relief actions, once again bringing "Fosun speed and Fosun strength" to the utmost.

### ■ "Information Network"

Fosun Foundation has formed a strong "information network" through close contact with local governments, non-profit organizations, employees, and partners, and has opened up channels for the society to collect information on help requests. The "information network" help obtain disaster information comprehensively and accurately. Therefore, disaster relief materials in the most urgent need can be prepared accordingly and sent to disaster-hit areas.

### > "All-terrain vehicles" and "mobile DR" to accurately match the needs of disaster-hit areas

Leveraging its strengths and profound experience in the healthcare industry in disaster relief, Fosun quickly redeployed the internal medical products and technologies of Beijing Beiling Special Automobile Co., Ltd., and Fosun Pharma. In response to the needs of disaster-hit areas, it donated all-terrain amphibious rescue vehicles ("All-terrain Vehicles") and mobile direct radiography ("mobile DR") to help enhance rescue efficiency.

A member company of Fosun Pharma, Beijing Beiling Special Automobile Co., Ltd., developed the all-terrain vehicle, which engages in mobile unit solutions in the medical field. It can go up and down the hills, traverse silt swamps, and even set up emergency stretchers, effectively tackling water rescue and transportation difficulties. Fosun Foundation and Beijing Beiling Special Automobile Co., Ltd. donated 10 all-terrain vehicles to participate in first aid, emergency rescue and drainage, and urban inland inundation transshipment.

In addition, the mobile DR owned by Fosun Pharma can help hospitals provide bedside examinations to patients who are seriously ill or cannot move, enabling accurate and quick diagnosis promptly. On 25 July 2021, Fosun Foundation and Fosun Pharma donated two mobile DR to the First People's Hospital of Xinxiang City to assist in medical work at the disaster site and help improve hospital treatment efficiency disaster-hit areas.



▲ The rescue scene of the First Affiliated Hospital of Xinxiang Medical University



▲ Donation of Mobile DR

### ■ "Logistics Network"

Fosun Foundation jointed hands with partner companies to establish a "logistics network". With the help of Fosun Trade's strong supply chain network and professional procurement, selection and delivery capabilities, Fosun Foundation timely got in touch with customers and partners, to purchase and collect millions of RMB worth of disaster relief supplies, such as food, mineral water, daily necessities, and medical protection materials. It quickly delivered them to the places in need through the logistics network of Fosun Trade, effectively assisting in the frontline rescue.

## 8.3 Rural Revitalization

By the early 2021, China achieved an all-around victory in poverty alleviation. Based on such victory, Fosun will maintain its original intentions to conduct poverty alleviation, further expand the scope of assistance, and innovate the project model to optimize the content of assistance by supporting healthcare, industries, employment, make full use of AI, big data and other advanced technologies. We will consolidate our achievements in poverty alleviation and help the vast rural areas to achieve common prosperity eventually.

### 8.3.1 Rural Doctors Programme

In support of the nation's poverty alleviation goal for 2020, under the guidance of the Poverty Relief Office of National Health Commission and with its advantage of long-term endeavor in developing the Health Industry, Fosun focused on rural healthcare. Starting with assisting 1.44 million rural doctors, we launched the Rural Doctors Programme that would last at least 10 years at the end of 2017.

We carried on with the "Five One Plan" plus on-site Poverty Alleviation model through active and effective exploration in three core directions of "Protection, Empowerment and Motivation". After solidly helping to achieve the goal of poverty eradication, we introduced the internet, AI, big data and other advanced technologies to build a network for health protection and improve medical and healthcare service capacity, to ensure the sustainability of a healthy countryside and a well-off China in the longer term, strive to train and retain qualified rural doctors for the grass-roots level, improve the ability and accessibility of grass-roots medical and health services, reduce the return to poverty rate caused by illness, and consolidate and expand the effective connection between the achievements of poverty alleviation and rural revitalization.

In 2021, by "Bringing Warmth with Health - Rural Doctors Programme", Fosun won several awards regarding national public welfare, including "National Poverty Alleviation Advanced Group", "China Charity Award", and "The 13th Session of Outstanding Youth Volunteer Organization Award in China" and many others.



^ "National Poverty Alleviation Advanced Group"



^ "China Charity Award"



^ "The 13th Session of Outstanding Youth Volunteer Organization Award"



^ "Rural Doctors Programme" poster

By the end of 2021, the programme covered 73 poverty-stricken national counties in 16 provinces (districts and cities) (including 25 counties in the list of national key counties to receive assistance in pursuing rural revitalization).

More than **12,545** village clinics were assisted and **23,956** rural doctors were protected.

It has benefited **3 million** needy families, including 30,342 registered poverty households and 1,114,480 impoverished people.



	"Five One Plan"	On-site Support
<b>Operation concept</b>	<b>In 2021, we:</b>	<b>In 2021, we:</b>
<b>Carry out one rural doctor guarantee project</b>	<ul style="list-style-type: none"> <li>• Provided accident and health insurances for rural doctors in the project county with an accumulated premium of over RMB2.9 billion.</li> </ul>	<ul style="list-style-type: none"> <li>• Arranged 119 Fosun Global Partners to pair up with one and more poverty-stricken counties. All partners participated in the fieldwork and mobilized resources for health support.</li> <li>• Recruited 54 graduates with medical and public health background, in cooperation with the "China's Far West Programme" of the Communist Youth League of China, to explore the onsite volunteering model of poverty alleviation with university graduates volunteers.</li> </ul>
<b>Launch one programme to enhance the capacity of rural doctors</b>	<ul style="list-style-type: none"> <li>• Delivered 17 offline trainings to 2,800 rural doctors.</li> <li>• Implemented the "Longmen Dream Plan" to reward rural doctors who have obtained the qualification certificate of rural assistant general practitioner.</li> </ul>	
<b>Cure one group of seriously ill patients</b>	<ul style="list-style-type: none"> <li>• Helped 44 patients with serious illness via on-site workers and rural doctors in cooperation with China's Social Support Platform for Serious Illness. The total fund-raising amount exceeds RMB2.23 million.</li> </ul>	
<b>Evaluate and select one series of Warm-hearted Rural Doctors candidates</b>	<ul style="list-style-type: none"> <li>• Awarded the title of "Warm-hearted Rural Doctors" and "Warm-hearted Township Hospital Directors" to 20 people.</li> </ul>	
<b>Upgrade one batch of smart clinics</b>	<ul style="list-style-type: none"> <li>• Over the past four years, the project has completed the upgrade and transformation of 310 rural smart clinics. In 2021, according to the grass-roots health needs of underdeveloped areas in the central and western regions, we extracted 20 village clinics and township health centers in 13 project counties to start the "Smart village health and ecological construction" project, focusing on the actual health needs of township and village residents.</li> </ul>	

### >"121 Special Fund for Love from Fosun"

In September 2021, to promote the construction of a healthy China and to provide better health services to family clients, Fosun Foundation and Fosun Pharma established "121 Special Love Fund from Fosun" and launched the "Hand-in-Hand Rural Talent Revitalization Programme". The programme includes a *Pocket Book of Rural Doctors*, a Rural Doctors Cloud Guardian Platform, a group of Health Care Ambassadors, and hand-in-hand online consultation and support, aiming to help rural doctors learn about diagnosis and treatment and health management and receive timely and effective Q&A on diagnosis and treatment through a combination of online and offline methods.



▲ Clinic service

In November 2021, the ceremony was held to launch the "Cloud Guardian" online platform for the "Hand in Hand" rural medical talent revitalization programme - The platform would provide nearly 30,000 rural doctors in the project counties with services including online learning, online application for insurance, remote expert guidance for consultation, and online consultation for villagers, helping rural doctors improve their consultation ability and benefiting more patients.



In addition, to better assist rural doctors in conducting medical consultations, Fosun Foundation, together with Fosun Pharma and Dingxiang Health Service, and other units, launched the *Pocket Book of Rural Doctors* for the public welfare donations. The book will help rural doctors to improve their professional abilities by teaching them to properly handle chronic diseases, first aid, and infectious diseases. The electronic version will also be synchronized with the Rural Doctors Cloud Guardian Platform, providing download and online reading channels.

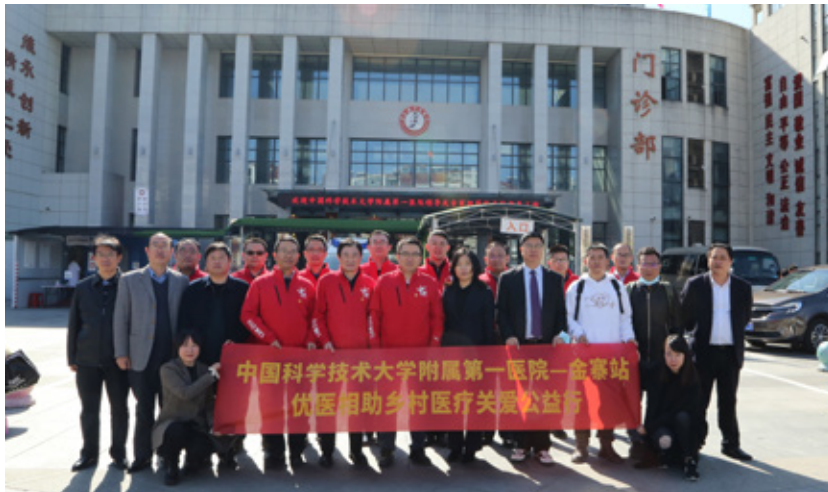
### 8.3.2 Medical Experts Go to Rural Area

In August 2018, Fosun Foundation and Jiangsu Wanbang Biopharmaceutical Co., Ltd., a member company of Fosun Pharma, jointly launched the "Medical Experts Go to Rural Areas - Rural Doctors Programme", as a derivative programme of the Rural Doctors Programme. The programme aims to expand the service radius of high-quality medical resources, extend medical services in rural areas, improve the level of diagnosis and treatment at the primary hospitals, as well as to promote "Critical diseases to be treated within counties, minor diseases within towns" in rural areas.

Since the launch of the programme, we have extended spot-to-spot support to 20 impoverished counties, organized more than 20 online and offline trainings for over 6,800 participants of primary-level and rural doctors, and provided free consultation and treatment to nearly 3,300 patients. In addition, this programme has set up a communication platform for interactions between primary hospitals and Grade III Level A hospitals across the country, earning vast recognition and praise from the social public, including rural patients, rural doctors, township-level health clinics, county hospitals, local health departments, county-level governments, and so on.

#### > "Assistance from Excellent Doctors - Zercepac® Rural Health Care Charitable Activity"

Fosun Foundation, in association with Shanghai Henlius (a member company of Fosun Pharma), the People's Daily Health APP, and www.jksb.com.cn of People's Daily, jointly launched the "Assistance from Excellent Doctors - Zercepac® Rural Health Care Charitable Activity". The project involved renowned oncology medical experts and hospital management teams in China, and planned to cover more than 10 counties and towns. The team of public welfare experts provided local rural doctors and villagers with training on prevention, diagnosis and treatment of tumor diseases such as breast cancer, and conducted group consultations and charity consultations of difficult cases. The team also discussed on hospital management and department construction, conducted field visits to village clinics, visited village doctors in difficulty, and standardized tumour prevention, diagnosis and treatment, paving the way for standardized diagnosis and treatment of diseases.



On November 10, 2021, the team conducted a series of public welfare activities such as seminars and exchanges, public welfare training, the large-scale charity clinic and material donations in Jinzhai < County, Anhui Province.



On July 16 2021, five experts from Sichuan Provincial People's Hospital and the Second Affiliated Hospital of Xi'an Jiaotong University (Xibei Hospital) were invited to teach ward rounds at the People's Hospital of Puge County Sichuan Province. They also gave training for the doctors in counties and villages, and carried out free medical consultation < activities.

### > Rural Doctors Inspired by Futuristic Technologies

In November 2021, Fosun Foundation invited 3 rural doctors from Yunnan to the Fourth CIEE to experience advanced technology projects and enhanced the influence of science and technology on rural doctors, so as to further help improve the quality of public services at the grassroots level. The three rural doctors visited and experienced the world's leading-edge medical science and technology equipment at Fosun Pharma's booth, such as the Da Vinci Surgical System and ECMO Negative Pressure Ambulance.



▲ Rural doctors experiencing medical diagnosis with 3D glasses

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

- We took village doctors as liaisons for direct procurement of local agricultural products and supported the development of rural communities via "launching programmes to boost the consumption of products from poor areas". As of the end of the Reporting Period, we have selected 58 agricultural products with local characteristics for sale within Fosun, with sales exceeding RMB1 million.
- We encouraged our member companies to make monetary and in-kind donations to poverty-stricken areas through "Party Building + Public Welfare" and other activities. In the past two years, Fosun has donated more than RMB43 million of medicines, computers, nutrition products, books, clothes and other supplies to poor villages through the village medical system in 73 poor counties. The donations further promoted the construction of harmonious rural communities.
- Furthermore, we worked together with Wolves to initiate the "Fosun Vision • Medical 2nd Generation" Plan - a football education poverty alleviation programme targeted at children of rural doctors who are excellent both in studies and behaviour and in football playing - provide support for rural doctor families in the localities where the Rural Doctors Programme was carried out.
- We have made the Rural Doctors Programme a co-constructed public welfare platform that embraces all social forces to join us at any time, forming a grand force to support rural doctors. In cooperation with organizations including the Zhejiang Chamber of Commerce and Yabuli China Entrepreneurs Forum, we launched the "Rural Doctors Guardian Alliance". Led by the alliance, more than 30 private entrepreneurs participated in providing rural health and poverty alleviation services; China Development Bank, Industrial and Commercial Bank of China and other companies donated a total of over RMB8.15 million to the Rural Doctors Programme, and replicated the "Five One Plan" to their targeted poverty alleviation counties, jointly contributing to poverty alleviation through health support.

### > Together for Better Medical Care - Ranch Charity Concert

On May 22, 2021, Fosun Foundation and the China Population Welfare Foundation joined hands with "Rural Doctor Guardians" Miserable Faith to hold a special "Together for Better Medical Care - Ranch Charity Concert" for rural doctors and herders in Jeminay County, Altay Prefecture, Xinjiang Uygur Autonomous Region.

Music fans joined with "tickets", regular medicines needed by herders. More than 1,800 boxes of medicines such as detoxicating tablets of cow-bezoar, compound Danshen dripping pills, and montmorillonite powder were collected on the show, all of which were delivered to more than 20 clinics in Jeminay County, where the local village doctors brought them to the herders and brought by local rural doctors to pastoral areas for herders.



▲ Medicines donated by music fans



▲ Medical boxes donation to the herders in Jeminay County

## 8.4 Health Promotion

In response to the goal of the "Healthy China 2030" proposed by the Chinese government, Fosun has joined forces with various community sectors to optimize the allocation of medical resources. By leveraging its strengths, Fosun is committed to not only actively shouldering social responsibility in anti-malaria and tuberculosis prevention and treatment, but continuously promotes the development of Tai Chi Adjuvant Therapy for chronic diseases, thereby contributing to the construction of a healthy China in all directions.

### 8.4.1 Together We Build A Malaria-Free World

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

By the end of 2021, Fosun Pharma has had 24 antimalarial pharmaceutical products prequalified for production by the WHO (WHO PQ), and became an antimalarial product manufacturer which received the most such certification. It has been a significant supplier of antimalarial drugs to the global foundation, the United Nations Children's Fund, WHO and national drug purchase centers in African countries for many consecutive years. Fosun Pharma has the Artesun® (Artesunate for Injection), a proprietary innovative drug with full intellectual property, which is now the international gold standard for the treatment of severe malaria. According to incomplete statistics, by the end of 2020, over 200 million doses of Artesun® (Artesunate for Injection), were supplied to the international market, contributing to the recovery of more than 48 million sufferers of severe malaria worldwide, most of whom were African children under the age of 5, and significantly reducing the mortality rate in Africa.

On April 13, 2021, the three specifications of the antimalarial drug Artemether-Lumefantrine dispersible tablets, developed by Guilin Pharma, a member company of Fosun Pharma, passed WHO medicines prequalification (WHO-PQ); moreover, all six types of antimalarial



drugs from dihydroartemisinin-piperazine phosphate series developed by Guilin Pharma were approved by WHO-PQ certification in 2020. Among them, the Dihydroartemisinin/Piperazine Phosphate Tablets is the world's first dihydroartemisinin-piperazine phosphate medicine suitable for children, and its easy-to-take dosage form greatly improves children's medication compliance, which brings good news for children with the disease. In the future, we will be a constant innovator to provide more innovative anti-malaria solutions, help popularize malaria-related knowledge in Africa and other regions with a high malaria incidence, raise the awareness of malaria prevention of doctors and patients, and assist in building a "malaria-free world".

▲ 4.25 World Malaria Day poster

On April 25, 2021, during World Malaria Day, Fosun Pharma and Fosun Foundation responded positively to the "ZERO MALARIA STARTS WITH ME" initiative advocated by the Roll Back Malaria Partnership of WHO. Together with the Wolves of EPL and Fosun Hive, the party launched a series of public welfare activities around the world calling on people to join hands to fight against malaria. The activities include the launch of a public service video calling for an end to malaria by the Wolves of EPL, the lighting up of many landmarks around the world with the slogan "Reaching the Zero Malaria Target", lectures on malaria prevention and treatment for children in Africa, and a drawing competition themed "A World without Malaria in My Mind" organized in collaboration with the one international school in Ghana to spread malaria awareness in areas with a high incidence of malaria, such as Africa.

#### > Lectures on Malaria Control for African Children

On April 8, 2021, 60 students took a special "Life Class" at one high school in Nigeria. In response to the lack of basic health education, Fosun Foundation and Fosun Pharma organized lectures on malaria prevention and control to popularize the transmission channels, symptoms and preventive measures of the disease for children in easy-to-understand language, and donated special funds to schools for the renovation of medical clinics.



▲ 16-year-old Okun draws her dream for a "malaria-free" life

## 8.4.2 Assistance in Prevention and Treatment of Tuberculosis

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

Fosun Foundation, Fosun Pharma and its member company Shenyang Hongqi Pharmaceutical Co. Ltd., joined hands with China Anti-tuberculosis Association to launch the China antituberculosis fund — "Double Thousand Action" Programme targeted at tuberculosis patients in poverty, to ensure that all tuberculosis patients can receive timely assistance and care. The "Double Thousand Action" Programme has been in operation for five years, which is expected to help at least 1,000 tuberculosis patients in poverty each year, and provide each patient with a relief fund of no less than RMB1,000. The programme had donated RMB5 million to help 5,400 poor tuberculosis patients, covering 31 provinces in China, and carried out more than 10 large-scale patient education activities and visits to the countryside. It has been well approved by all levels of anti-tuberculosis institutions, and has been highly recognized by the relevant leaders of the Chinese Center for Disease Control and Prevention and China Antituberculosis Association.

At the same time, the "Bringing Warmth with Health - Rural Doctors Programme" of Fosun Foundation bridged with the "Aid to Lungs - Stop Tuberculosis" of Jiangxi Zhongke Jiufeng Intelligent Medical Technology Co., Ltd. to provide needy counties with tuberculosis AI screening software as well as medical image diagnosis and evaluation services of high-quality, low-cost, wide-coverage and high-efficiency, in an effort to improve the efficiency, accuracy and coverage of local tuberculosis screening and contribute to the grassroots tuberculosis prevention and treatment.



▲ Team photo of the "Double Thousand Action" Programme

### 8.4.3 "Slow Therapy for Chronic Diseases" - Tai Chi Adjuvant Therapy

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

The public welfare project "Tai Chi Anti-Parkinson's Disease" started in January 2015 and has been running for 7 years. We cooperated with well-known Chinese medical experts and were committed to scientific training and the popularization and promulgation of the "Tai Chi Anti-Parkinson's Disease". By the end of 2021, we have provided free Tai Chi courses for 443 patients with Parkinson's disease, serving accumulatively 4,881 patients for 539 hours in 2021, which have been certified by medical experts through scientific research as an effective adjuvant therapy, effectively improving the patients' symptoms and helping them regain their confidence in life.

In response to the global COVID-19 outbreak, we developed an online course on "Tai Chi Anti-Parkinson's Disease". The course enabled "Pariends" (Parkinson + Friends) to practise Tai Chi without leaving home. After the resumption of offline classes, we launched both online and offline "Tai Chi Adjuvant Therapy for Parkinson's Disease" courses. During the Reporting Period, we provided a total of 137 hours of online courses. More than 10,000 "Pariends" attended.



^ Scene photos of the "Tai Chi Anti-Parkinson's Disease" public welfare project

We continued to focus on the research and implementation of Tai Chi Adjuvant Therapy for Chronic Diseases. We had successively launched such public welfare projects as "Tai Chi Anti-Parkinson's Disease" and "Tai Chi for Delaying Alzheimer's Disease", and actively carried out the public welfare activities of "Promote Tai Chi in the community to care for the elderly". We were committed to improving the life quality of patients suffering from Parkinson's disease, Alzheimer's disease and the elderly in the community.

#### > Tai Chi for Delaying Alzheimer's Disease

On November 24 2021, we cooperated with the Neurology Department of Ruijin Hospital to jointly launch the research project entitled "Long-term Prospective Clinical Research on Tai Chi for Delaying Alzheimer's Disease". The project would carry out an in-depth follow-up study over a period of five years to assist in the delay of Alzheimer's disease.



^ Project kick-off site photo

In addition, we actively promoted Tai Chi in the community by training Tai Chi volunteers to teach the elderly Tai Chi for keeping fit, building a better community with Tai Chi. 2021 was the first year of Tai Chi into the community public welfare. We gradually explored and refined the mechanisms and models of Tai Chi into the community, offering Tai Chi public welfare courses in Shanghai Lujiazui Integrated Service Center for the Elderly, Jinyang Community and Xinghe Community, training 13 community Tai Chi volunteers and serving more than 106 local community elders.

## 8.5 Community Revitalization

Fosun continues to promote healthy, happy and prosperous communities. We called for community engagement and encouraged member companies, stakeholders and the general public to build vibrant and resilient communities with us.

### 8.5.1 Fenglin Community Establishes A "Friendly Community"

As of the end of the Reporting Period, Fenglin Community has served more than **30** projects

As an important channel for Fosun's implementation of community welfare, Fenglin Community rehabilitates old communities and created six kinds of star products - day care center, elderly care home, home care station, comprehensive community service center for the elderly, citizen station, neighborly bathing and washing stations and many other services, and is committed to providing a full-service, multi-level integrated care service system for people at all ages. As of the end of the Reporting Period, Fenglin Community has served more than 30 projects, of which 16 were operating service venues, 9 were cooperating streets, and 8 were extended service packages, covering all main streets in Shanghai urban areas.



Shanghai Fenglin Health Care Service Center for the Elderly >

### 8.5.2 The Green Farmers Programme

As of the end of the Reporting Period, Club Med has provided a cumulative financial contribution of **EUR1,243,000** to grow 6,037 tons of crops in agroecology, with more than 302 tons of agricultural products having been delivered to Club Med resorts.

Since 2008, Club Med has partnered with the Non-Governmental Organization Agrisud to enable local producers to supply Club Med villages, and to guide them towards more sustainable land use, based on the principles of agro-ecology. In 2021, Club Med has supported 281 small businesses, and more than 1,500 beneficiaries in six countries. Nearly 200 hectares of land was used for agroecology, with an average of 21 varieties grown per programme supported. By the end of 2021, the partnership Programme between Club Med and Agrisud was launched in 6 countries and 8 villages. As of the end of the Reporting Period, Club Med has provided a cumulative financial contribution of EUR1,243,000 to grow 6,037 tons of crops in agroecology, with more than 302 tons of agricultural products having been delivered to Club Med resorts. In addition, the project has also been promoted in Club Med Guilin Resort since 2019, and has brought an average profit income of at least RMB3,565 per farmer so far.



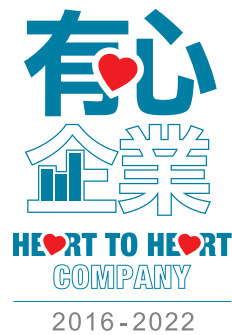
### 8.5.3 Community Care in Hong Kong

Fosun has been cooperating with the Hong Kong Federation of Youth Groups, a renowned non-profit organization in Hong Kong, and has actively supported its community volunteer services in Hong Kong as a member of "Heart to Heart Company". The Rice Station Volunteer Service Programme themed "Neighborhood First - Rice-Giving" aimed to bring the care of Fosun to Hong Kong during the pandemic, which spreads the positive energy of Fosun's mission of "creating happier lives for families worldwide". In the second and third quarters of 2021, Fosun cooperated with the Hong Kong Federation of Youth Groups to organize a volunteer team to visit the community organization association on Un Chau Street in Sham Shui Po, distributing rice to the elderly, low-income people and families in Hong Kong to express their care.

In 2021, the Hong Kong Federation of Youth Groups presented the Fosun with the "Heart to Heart Company" logo and a Certificate of Appreciation, in appreciation of Fosun International's partnership in promoting volunteerism among young people in Hong Kong. At the same time, Fosun was once again honored with the "Caring Company" by the Hong Kong Council of Social Service, which recognizes the Company's continued efforts in the areas of "caring for the community", "caring for the staff" and "caring for the environment".



< Scene photo of the "Rice-Giving" activity



### 8.5.4 Wuhan Starlight Foundation

On November 5, 2021, in order to further promote the co-construction of the community, Fosun Trade and Shanghai Xing Pian Management Consulting Co., Ltd. jointly launched the Wuhan Starlight Foundation. With its foothold at Optics Valley and its influence covering Hubei, the foundation would support excellent public welfare projects and social organizations in Wuhan, cultivate and support outstanding public welfare and charitable talents. The foundation would also explore the social impact investment model with diversified cooperation among the governments, enterprises, and social organizations, as well as incubate, cultivate or invest in social organizations or social enterprises in the field of people's livelihood, such as charity supermarkets, community pensions, community medical care, community health and lifelong education, thus integrating multiple resources to promote the construction and development of community public services.





## 8.6 Child Welfare

Fosun Foundation has been casted great concerns and care on children and teenagers. Fosun actively responds to and supports the initiatives of the UN Global Compact and the United Nations International Children's Emergency Fund (UNICEF), and implements the ten principles of the Children's Rights and Business Principles. Fosun is committed to protecting and fulfilling children's rights, caring for the child's healthy growth and development, and helping children in need constantly.

### 8.6.1 Baseball Angels Assistance Programme

As of December 2021,

**87** disadvantaged children have attended intensive training at the base.

Fosun Foundation reached a cooperation agreement with the "Baseball Angels Assistance Programme" of Beijing Qi Ai Charity Foundation in 2018 to jointly promote the "Baseball Angels Assistance Programme" and the construction of more caring baseball bases. This programme is targeted at children in special needs aged 7 to 9 from low-income families. Through long-term education and financial assistance, we help children acquire professional baseball ability and form sound and independent character while providing them with basic life needs. By the end of 2021, 87 children in special needs have attended intensive training at the base, including 53 boys and 34 girls aged from 6 to 16, and 80% of them are ethnic minorities.

In addition, the documentary film "Tough Out", was a true story based on the "Baseball Angels Assistance Programme". The film further enhanced the social influence of the Baseball Angels Assistance Programme. Since its release, the film has won many honors and awards. In November 2021, "Tough Out" was nominated by the Milano International FICTS FEST. In December 2021, it was shortlisted for the "Best Documentary/Popular Science Film" at the 34th China Golden Rooster Awards.



### 8.6.2 Protecting Children's Rights

Club Med is committed to improving the living conditions and education of disadvantaged children in the vicinity of Club Med's sites to promote the reconciliation of education and human rights. Club Med Foundation launched "Education Programmes" to support long-term initiatives in local schools and orphanages: charitable donation, renovating buildings, providing facilities, school kits, and sports schools constructions and many others. In 2021, Club Med continued to focus on supporting neighboring communities with the "Spring Willow Project", which provided sex education to left-behind girls in rural areas in China and helps protect their physical and mental health. At the same time, Club Med worked to protect children from sexual exploitation in the tourism industry. Since 2005, Club Med has signed a cooperation agreement with ECPAT to jointly publish leaflets on the initiative against child sexual exploitation. The agreement was frequently sent to the homes of guests visiting national resorts in sensitive destinations. During the Reporting Period, Club Med sent nearly 216,000 flyers to its customers. The accumulated copies of flyers sent have reached nearly 970,000 since 2005. In 2021, the flyer has been updated and is now available in 17 languages, which will allow it to be sent to all our customer markets from 2022. Also, a procedure for Reception staff on high-risk destinations to ensure identification of underage guests was put in place and is since then upgraded regularly.

During the Reporting Period, Club Med sent nearly **216,000** flyers on the initiative against child sexual exploitation to customers



Moreover, Club Med actively organizes special events and fund-raising activities to help disadvantaged and poor children. As one of Club Med's iconic charity programme, Worldwide Snacks partners with various NGOs every year to invite local children to Club Med resort and enjoy the various activities at the resort. At the same time, the resorts are encouraged to establish and maintain good relationships with local NGOs. Club Med will provide support and assistance when required. In China, Club Med has frequent and continuous cooperation with local NGOs and partners such as Agrisud, Fosun Foundation, Rende Foundation, the Bright Connection and the Blue Ribbon Movement, aiming to be a sustainable and responsible participant in society.

### 8.6.3 Caring for Autistic Children

Through the Baby Tree platform, a member of Fosun's Health segment, we launched a public welfare initiative to care for the autistic community, popularize autism-related knowledge, and helped families with autistic children obtain scientific and effective rehabilitation guidance and services.

In 2021, under the guidance of the Autistic Children Rescue Fund of China Social Welfare Foundation, Baby Tree launched a series of public welfare activities themed "Give You a Little Star". Through the publication of the *White Paper on the Survey of Chinese Autistic Families*, the live broadcasts by experts, and the charity sales of peripheral products created by autism groups, Baby Tree has called on the public to join in guarding the "children of the stars" from the perspectives of rational awareness, personal feelings and action support, gain a better understanding of autistic children, and give them more care and tolerance, so that they can have the courage and confidence to embrace and return to society.



▲ "Give You a Little Star" public welfare activity

## 8.7 Youth Entrepreneurship

### 8.7.1 Protechting Startup Accelerator Programme

The Protechting Startup Accelerator Programme was jointly initiated and organized by Fosun and its member companies in 2016, aiming to develop a world-class innovation and entrepreneurship competition for the youth and actively fulfil and take the global social responsibility on behalf of Chinese enterprises. Upholding the principle of "Innovation is about People", we focus on fields of healthtech, insurtech and fintech and keep a watchful eye on key areas of national strategy. Keeping pace with times by expanding the project pool of Internet+ and AI cutting-edge technologies and adding a new product line of "environmental protection and sustainability", Fosun utilizes its local and overseas resources to organize training in marketing, financing, human resources, innovation and investment, big data, and many others, for the team of youth entrepreneurship which also conveys Fosun's "entrepreneurial spirit". Fosun incubates and accelerates innovation programmes to help the start-ups to grow and also cooperates with global makers to forge the programmes, products and brands in high quality. We hope to help China achieve its industrial transformation and upgrading and to better serve the society.

As of the end of the Reporting Period, the Protechting Startup Accelerator Programme has supported a total of **896** start-up projects in 42 countries

In 2021, the Protechting Startup Accelerator Programme focused on innovation and entrepreneurship projects in China and actively responded to the call of "rural revitalization" by setting up a rural medical arena with unique Chinese characteristics, hoping to bring new perspectives and solutions to the grassroots in the first year of rural revitalization through the power of technology and business methods. As of the end of the Reporting Period, the Protechting Startup Accelerator Programme has supported a total of 896 start-up projects in 42 countries. In the future, the Protechting Startup Accelerator Programme will provide a broad stage, multiple channel resources and various application scenarios for more innovation and entrepreneurship projects, support youth entrepreneurship and assist in the implementation of more outstanding innovation and entrepreneurship projects.

Award ceremony for the "2021 Macau Youth Innovation and Entrepreneurship Competition" >



The "2021 Macau Youth Innovation and Entrepreneurship Competition Project" is awarded the straight-through qualification for the Protechting Startup Accelerator Programme >



## 8.8 Education Support

Fosun continues to work with colleges and universities to help students with needs completing their studies. At the same time, we are also committed to voluntary activities in the youth community to encourage young people around the world to give back to society through voluntary activities.

### 8.8.1 Scholarships and Grants for Students from Low-income Families

In order to help students with family financial difficulties complete their studies, the Group has set up scholarship programmes in cooperative schools in Hainan Province and Shanghai. By the end of 2021, we had helped nearly 10,000 students from low-income families and donated more than RMB18.82 million.

#### > Fosun Hainan Guangcai Education Award Fund

Since 2007, Fosun has cooperated with the China Society for Promotion of the Guangcai Program to donate to middle school students from low-income families in Hainan province. As of the end of the Reporting Period, the Group has provided 6,490 rounds of support to those students in need. The proportion of students admitted to undergraduate colleges and universities reached 98%, and those admitted to key universities reached 70%.



### 8.8.2 Pramerica Fosun Spirit of Community Awards

The Pramerica Fosun Spirit of Community Awards aims to reward outstanding teenage volunteers aged from 12 to 18 who made exceptional contributions to communities, as well as attract and encourage more young people to devote themselves to the greater public good and help with the development of Chinese youth community service culture.

Over the past 20 years, the Pramerica Spirit of Community Awards has carried out in the United States, South Korea, Ireland, India, Brazil, Poland and other countries, and has awarded nearly 100 thousand global excellent young volunteers. In 2014, Fosun introduced this award to China, so as to arouse the enthusiasm of Chinese middle school students for public welfare and promote Chinese youth public welfare to be in line with international standards. This programme has been implemented nationwide, receiving a total of over 5,500 applications from middle school students.

In 2021, the Pramerica Fosun Spirit of Community Awards added the "Special Award for Fighting Against COVID-19" nationwide for the first time. The Organizing Committee received a total of 623 valid applications submitted by individuals and societies from 147 schools nationwide. It awarded 2 "Charity Ambassadors" in China, 15 "Outstanding Volunteers", 20 "Excellent Volunteers", 2 groups of "Outstanding Charity Societies", 3 groups of "Excellent Charity Societies" and 2 groups of "Special Award for Fighting Against COVID-19".



< Chinese youth volunteers

### 8.8.3 Middle School Student Volunteer Service

In order to explore and promote the standardization of volunteer service projects for middle school students, Fosun Foundation and the Chinese Young Volunteers Association jointly launched a training programme for the middle School Student Volunteer Service Demonstration Project. The programme aims to support a group of volunteer service demonstration projects mainly initiated and participated by middle school students, focusing on services such as helping the disabled, serving the elderly, peer assistance, and environment protection. The programme cultivates a number of high-quality volunteer service brands specific to middle school students and strives to establish a volunteer programme organization and management model with characteristics of middle school students.

#### > "WE WORLD - Middle School Student Volunteer Service Programme Exhibition"

On December 5 2021, the "WE WORLD - Middle School Student Volunteer Service Programme Exhibition" was launched at the Bund Finance Center of Shanghai. The exhibition was divided into six parts, i.e., cultural heritage, peer assistance, care for special groups, ecological protection, garbage sorting and 50 demonstration projects of middle school student volunteer services nationwide. The exhibition aims to encourage and guide more middle school students to participate in volunteer service and contribute to the new era.

#### > Field Science Practice Programme for Middle School Students

In 2021, Fosun Foundation, in conjunction with the China Ecological Forum, launched the "China Ecological Forum - Field Science Practice Plan", the first phase of which was conducted at Taihu Laboratory for Lake Ecosystem Research, Nanjing Institute of Geography and Limnology, Chinese Academy of Sciences. We invited 20 middle school students to participate in the five-day field science practice. Together with scientists, the students participated in the monitoring of various ecosystems in China and understood the critical issues related to resources and the ecological environment faced by China, and instilled the importance, urgency, systematization and fun of ecological protection in the minds of the next generation, and calling on more youth to participate in ecosystem research and conservation in China.



▲ On the exhibition

## 8.9 Culture & Art

### 8.9.1 Fosun Foundation Art Center

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

In 2021, Fosun Foundation Art Center, welcomes its fifth anniversary of operation. Over the years, Fosun Foundation Art Center has been committed to promoting contemporary art, connecting Chinese and international cultures and arts, and promoting the public awareness, of understanding and participation in global contemporary art. With an open, inclusive and diverse perspective, Fosun Foundation Art Center presents solo exhibitions of well-known contemporary artists from home and abroad, such as Cindy Sherman, Tadao Ando, Yayoi Kusama, Yang Fudong and Dean Zhang, leading the public to pioneering ideas and artistic practices in the field of contemporary art.

Fosun Foundation Art Center has been constantly committed to art promotion and expanding art from personal space to public space through various high-quality art exhibitions. In 2021, Fosun Foundation Art Center drove forward the holding of "An Art World in a Grain of Sand" Fosun Foundation Collection Exhibition in Sanya and "One Water Art World" Fosun Foundation Collection Exhibition in Nanjing. Fosun Foundation Art Center specially set up ANNEX art space to support artists' creation of public art and launched the 2021 Public Art Year programme. Fosun Foundation Art Center invited 6 artists to Lijiang, Yunnan to create public art works for the atrium of the Club Med resort in Lijiang through resident creation to enrich audiences' art experience.

Fosun Foundation Art Center is committed to fulfilling the social responsibility in art education. It takes public education as one of the four core segments of the organization and carries out public education for members and audiences of all ages. In 2021, Fosun Foundation Art Center launched 26 "Art Online" live broadcasts and 74 public education activities in the form of cloud salons, cloud screens, cloud theatres, cloud workshops and cloud art tours, providing the public with opportunities to get in touch with culture and art, and meeting the diverse needs of the public for art; and it made crossover cooperation with 41 international brands from luxury, fashion, cosmetics and other fields, committing to presenting the public with wonderful events integrating art, culture and fashion.

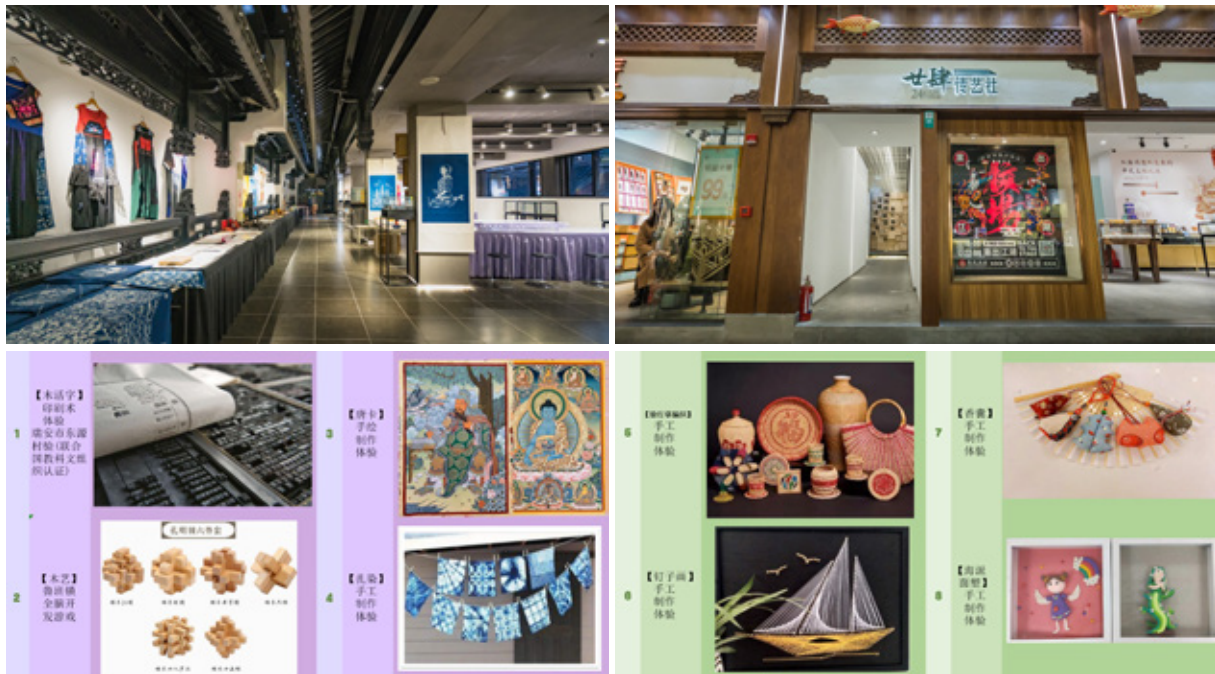
Fosun Foundation Art Center has also initiated exchanges and cooperation with all parties in the industry to jointly promote the development of the art ecology. It has joined the Shanghai Art Museum Association to help the development of the Shanghai art museum industry. It has established an advisory committee to provide continuous professional advice. It has held seminars on the development of private art institutions in China to discuss the development trend of private art institutions with industrial peers and scholars. Lastly, it has joined hands with the School of Philosophy of Fudan University in art education and practice, which pioneers the exploration of the "museum-school cooperation" model.



4 exhibitions  
 Over **280,000** visits  
 26 online livestreaming  
 74 public education activities  
 3,640 participants in public education activities  
 230 volunteers  
 206 public guided tours  
 89 nights and aesthetics tours in Fosun Foundation Art Centre (Shanghai)  
 41 international brands  
 Over **560,000** official website views

## 8.9.2 Inheritance of Intangible Cultural Heritage

Relying on Fosun's industrial advantages, Fosun Foundation has been supporting primary and middle school students and youths in Shanghai and the Yangtze River Economic Belt integration district to carry out social practice study activities in the "24 Art Club". Through the inheritance and practice of intangible culture and art by hundreds of inheritors in the club, Fosun Foundation promotes national culture and the spirit of craftsmanship.



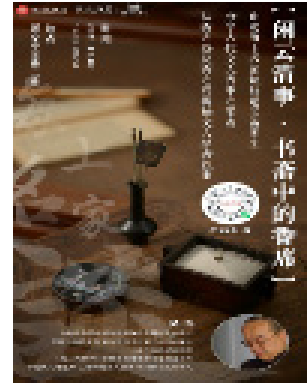
^ Intangible cultural heritage display

At the same time, Fosun attaches great importance to the protecting, preserving, and promoting of the "Kunqu" culture, an important cultural heritage. Fosun Foundation supported the development of Shanghai Kunqu Development Foundation and donated RMB500,000 to set up a special fund, which will be used for the performance of Kunqu, Kunqu enthusiast gatherings, and the development of cultural and creative derivatives, etc. In addition, Fosun Foundation plans to promote the Kunqu in Yuyuan Garden as one of the benchmark cultural brands in Shanghai, attracting more public attention and love to Kunqu, a treasure of Chinese culture and art.



In 2021, we held a series of related activities, including the First National Kunqu Opera Friends Conference, the First Yuyuan Garden China-Chic Theatre Festival, and Well-known Kunqu Performing Artists Take the Stage to Celebrate the Dragon Boat Festival, the Third Yuyuan Garden - Beaufort Terrace Mid-Autumn Festival Opera Club, and the Second Yuyuan Garden - Dream of the Red Chamber Cultural Festival.

In addition, we launched the "Logicians of Shanghai" cultural salon, which was held twice a month. Various professionals and inheritors of traditional Chinese culture or skills in various fields of Shanghai-style (including flower arrangement, calligraphy, Tai Chi, production of Chinese writing brush, ink and inkstone, etc.) were invited to share their views and skills, presenting a wonderful ideological feast for culture lovers. 17 cultural salons were held in total in 2021.



### > Promoting the Digitization of Traditional Handicrafts

In order to protect the sources of various traditional handicraft industries, Dongjia APP team visited hundreds of thousands of craftsmen to assist with the inheritance of the traditional skills and enable the craftsmen to keep abreast of the times in digitalization. Through the Dongjia APP (idongjia.cn), we build an industrial ecological community of "Internet + Keepers of Arts", which contributes a lot to the continuous inheritance and development of traditional handicrafts and oriental culture. As an important participant in the cultural industry with Internet genes, Dongjia APP has become a benchmark for shaping in-depth cooperation between the Internet platform and the arts and crafts industry through its operation and various cultural activities.

In 2021, during the 920 Fosun Family Season, Dongjia APP invited more than 3,000 exhibitors from cultural and creative brands and enterprises from all over the world to participate in the exhibition, covering tea, tea set, jade, cultural supplies, home furnishing, food, clothing and other categories, with at least 1 million pieces of exhibits. During the event, more than 200 online digital presentations experience and offline creative boutique shows were widely discussed by domestic and overseas media.





### 8.9.3 Support to Shanghai Symphony Orchestra

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

#### > Fosun for Love Fosun Community Night

On December 19 2021, Fosun Foundation held the Fourth "WE WORLD | ONE FOSUN CSR Week". During the week, a series of public welfare activities were carried out. More than 60 events were successively held, and 46 projects of public welfare were launched, including 34 domestic projects and 12 overseas projects, covering 42 cities in total. More than half of Fosun's global employees participated in the activities. Taking "public welfare" as the bond, Fosun Foundation sent warmth and companionship to more families around the world.



▲ We World CSR Gala Concert

During the "ONE FOSUN CSR Week", Fosun Foundation held a special concert named "WE World•ONE FOSUN CSR Night" in Shanghai Symphony Orchestra Concert Hall. Various performance activities were held from time to time to provide high-class music appreciation opportunities for partners, customers and employees.

Moreover, we actively explore new public welfare model, and intensify public welfare from regular work to daily work. On September 5, 2021, under the guidance of the Shanghai Civil Affairs Bureau, Fosun Foundation and several foundations jointly organized the second "Shanghai Summit of Philanthropy" with the theme of "Public Welfare, Soft Power of Cities" at Fosun Foundation Art Center (Shanghai). As the sponsor and organizer of this summit, Fosun, together with more than 90 participants from government authorities, social organizations, academia and the media, discussed the issue of how to enhance a city's soft power through public welfare in the context of a new era. The discussion echoed the commitment of private enterprises to actively promote the industry to jointly explore the development path of public welfare and charity with Chinese characteristics.



# GLOSSARY

ABBREVIATIONS	FULL NAMES
AI	Artificial Intelligence
Atlantis Sanya	Fosun Tourism Group's tourism destination on the Haitang Bay National Coast of Sanya, Hainan province, PRC
Besino Environment	Besino Environment Co., Ltd. (柏中環境科技 (上海) 股份有限公司) (formerly known as 柏中環境科技 (上海) 有限公司)
BFC	The Bund Finance Center (外灘金融中心)
BioNTech	BioNTech SE, a company registered in Germany, which is listed on the NASDAQ with stock code BNTX
Board	The Board of Directors
CBCSD	China Business Council for Sustainable Development
China or PRC	The People's Republic of China
CIIE	China International Import Expo
Club Med	Club Med SAS
Company or Fosun International	Fosun International Limited
COVID-19 or pandemic	Coronavirus disease (COVID-19) pandemic
C2M	Client to Maker
Director(s)	The director(s) of the Company
EHS	Environment, Health and Safety
EHSQ	Environment, Health, Safety & Quality
ESG	Environmental, Social and Governance
ESG Board Committee	The Environmental, Social and Governance Committee of the Company
ESG Report, the Report	Environmental, Social and Governance Report 2021
ESG Reporting Guide	<i>Environmental, Social and Governance Reporting Guide</i> in Appendix 27 to the Listing Rules
EUR	Euro, the lawful currency of the Eurozone
FC2M	Fosun/Family Client-to-Maker
Forte	Shanghai Forte Land Co., Ltd.
Fosun Foundation	Shanghai Fosun Foundation
Fosun High Technology	Shanghai Fosun High Technology (Group) Co., Ltd.
Fosun Insurance Portugal	Fidelidade – Companhia de Seguros, S.A. and its subsidiaries
Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥 (集團) 股份有限公司)
Fosun Trade	Hainan Fosun Trading Co., Ltd. (海南復星商社貿易有限公司)
FTG	Fosun Tourism Group

ABBREVIATIONS	FULL NAMES
GMP	Good Manufacturing Practices
GRI Standards	<i>GRI Sustainability Reporting Standards</i> issued by the Global Sustainability Standards Board
Group, Fosun or We	The Company and its subsidiaries
Guilin Pharma	Guilin South Pharma Co., Ltd. (桂林南藥股份有限公司)
Hainan Mining	Hainan Mining Co., Ltd.
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Sheng New Material	Zhejiang Hongsheng New Material Technology Group Co., Ltd. (浙江鴻盛新材料科技集團股份有限公司)
JEVE	Tianjin EV Energies Co., Ltd. (天津市捷威動力工業有限公司)
KPI	Key Performance Indicator
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
MSCI	MSCI Inc.
Nahai Environment	Nahai Environmental Technology Co., Ltd.
Nanjing Iron & Steel	Nanjing Iron & Steel Co., Ltd. (南京鋼鐵股份有限公司), a subsidiary of a joint venture of the Company
Peak Reinsurance	Peak Reinsurance Company Limited
PSI	Principles for Sustainable Insurance
Reporting Period	The year ended 31 December 2021
RMB	Renminbi, the lawful currency of the PRC
Shanghai Henlius	Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司)
Spring	Qingdao SPRING Water Treatment Co., Ltd. (青島思普潤水處理股份有限公司)
Tai Chi Anti-Parkinson's Disease	Tai Chi Adjuvant Therapy for Parkinson's Disease
TCFD	Task Force on Climate-Related Financial Disclosures
THWATER	Shandong Taihe Water Treatment Technologies Co., Ltd. (山東泰和水處理科技股份有限公司)
UNGC	The United Nations Global Compact
UN SDGs	The United Nations Sustainable Development Goals
WHO	World Health Organization
Yuyuan	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城 (集團) 股份有限公司)

# GRI STANDARDS INDEX

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		Campaign: Coping with Climate Change	09
	302-4 Reduction of energy consumption	Campaign: Coping with Climate Change	09
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	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	Not related	/
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	305-4 GHG emissions intensity	Campaign: Coping with Climate Change Climate Change and the Energy	09 97
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	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Environmental Compliance and Clean Production	91
GRI 306 : Waste	306-1 Waste generation and significant waste-related impacts	Environmental Compliance and Clean Production	91
	306-2 Management of significant waste-related impacts	Environmental Compliance and Clean Production	91
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GRI 308 : Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain	116
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	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development Strategy Building a Learning-Oriented Organization	123 138
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	414-2 Negative social impacts in the supply chain and actions taken	Practising Business Ethics Sustainable Supply Chain	33 116
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	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance	/
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GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No incidents of non-compliance	/
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# ESG REPORTING GUIDE INDEX

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		Climate Change and the Energy	97
A1.1	The types of emissions and respective emissions data.	Environmental Compliance and Clean Production	91
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	Campaign: Coping with Climate Change	09
		Climate Change and the Energy	97
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Environmental Compliance and Clean Production	91
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Environmental Compliance and Clean Production	91
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Compliance and Clean Production	91
		Climate Change and the Energy	97
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	91
<b>A2</b>	<b>Use of Resource</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Campaign: Coping with Climate Change	09
		Climate Change and the Energy	97
		Water Resource and Material Management	98
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Campaign: Coping with Climate Change	09
		Climate Change and the Energy	97
A2.2	Water consumption in total and intensity.	Water Resource and Material Management	98
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Campaign: Coping with Climate Change	09
		Climate Change and the Energy	97
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	98
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Water Resource and Material Management	98
<b>A3</b>	<b>The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Campaign: Coping with Climate Change	09
		Environmental Compliance and Clean Production	91
		Climate Change and the Energy	97
		Water Resource and Material Management	98
		Biodiversity and Animal Welfare	101
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Campaign: Coping with Climate Change	09
		Environmental Compliance and Clean Production	91
		Climate Change and the Energy	97
		Water Resource and Material Management	98
		Biodiversity and Animal Welfare	101

KPI	Description	Section(s)	Pages
<b>A4 Climate Change</b>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Campaign: Coping with Climate Change Climate Change and the Energy	09 97
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.	Campaign: Coping with Climate Change Climate Change and the Energy	09 97
<b>B1 Employment</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Talent Development Strategy Creating Happy Work Environment	123 132
B1.1	Total workforce by gender, employment type, age group and geographical region.	Talent Development Strategy	123
B1.2	Employee turnover rate by gender, age group and geographical region.	Talent Development Strategy	123
<b>B2 Health and Safety</b>			
General Disclosure	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Intensifying System and Consolidating Foundation Health Protection and Safety Building	79 83
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health Protection and Safety Building	83
B2.2	Lost days due to work injury.	Health Protection and Safety Building	83
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Intensifying System and Consolidating Foundation Health Protection and Safety Building	79 83
<b>B3 Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Building a Learning-Oriented Organization	138
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Building a Learning-Oriented Organization	138
B3.2	The average training hours completed per employee by gender and employee category.	Building a Learning-Oriented Organization	138
<b>B4 Labor Standards</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Creating Happy Work Environment	132
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Creating Happy Work Environment	132
B4.2	Description of steps taken to eliminate such practices when discovered.	Creating Happy Work Environment	132

KPI	Description	Section(s)	Pages
<b>B5</b>	<b>Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Optimizing Management	113
		Sustainable Supply Chain	116
		Business Integrity Management	120
B5.1	Number of suppliers by geographical region.	Optimizing Management	113
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Optimizing Management	113
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain	116
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain	116
<b>B6</b>	<b>Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and products and services provided and methods of redress.	Global Layout and Lean Operation	54
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Creating Industrial Space Intelligently	55
B6.2	Number of products and service related complaints received and how they are dealt with.	Improving Customer Experience	69
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Creating Industrial Space Intelligently	55
B6.4	Description of quality assurance process and recall procedures.	Creating Industrial Space Intelligently	55
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ensuring Information Security	75
<b>B7</b>	<b>Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Practising Business Ethics	33
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Practising Business Ethics	33
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Practising Business Ethics	33
B7.3	Description of anti-corruption training provided to directors and staff.	Practising Business Ethics	33
<b>B8</b>	<b>Community Investment</b>		
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.	Love and Care	144
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Love and Care	144
B8.2	Resources contributed (e.g. money or time) to the focus area.	Love and Care	144

# READERS FEEDBACK FORM

Thank you for reading the Group's 2021 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](mailto:esg@fosun.com)

**How would you rate the Group's 2021 ESG Report?**

Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

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

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Economic Responsibility Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

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Social Responsibility Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

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Environmental Responsibility Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

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**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?**

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Clarity Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

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Accuracy Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

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Completeness Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

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**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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## VERIFICATION STATEMENT

### **SUSTAINABILITY VERIFICATION REPORT OF SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. – 2021 ESG REPORT OF FOSUN INTERNATIONAL SUBMITTED BY FOSUN INTERNATIONAL LIMITED**

#### **Nature and Scope of Certification/Verification**

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as "SGS") was entrusted by Fosun International Limited (hereinafter referred to as "Fosun International") to independently verify the 2021 ESG Report of Fosun International (hereinafter referred to as "ESG Report"). According to the verification method of the SGS sustainability report, the verification scope includes the text, data and charts contained in this 2021 ESG report; other disclosed data and information are not within the scope of verification. We conducted online verification for the data and information provided by Fosun International Limited (Registered address: Room 808, ICBC Tower, 3 Garden Road, Central, Hong Kong).

The management and relevant functional departments are responsible for the information in the 2021 ESG Report of Fosun International. SGS did not participate in the preparation of any materials for the 2021 ESG Report of Fosun International.

Our responsibility is to inform all stakeholders of Fosun International our opinions on the text, data, charts and statements within the scope of review and verification as specified below.

SGS has developed a set of regulations for the verification of sustainability reports based on internationally recognized standards and guidelines, including the principles of accuracy and reliability of the Global Reporting Initiative Standards (GRI STANDARDS) and verification levels in the AA1000 standards listing.

This report has been verified by a middle-level auditor, and the regulations used are to:

- assess the authenticity of the content;
- assess the report according to GRI Standards.

Verification includes pre-verification surveys and online interviews with relevant Fosun International employees. When necessary, we review and confirm documents and records with relevant employees of its subsidiaries.

The financial data in the ESG Report was independently audited by other third parties and was not checked against the source data as part of this verification process.

#### **Declaration of Independence and Ability**

SGS is the world's leading body for inspection, appraisal, testing and certification, a recognized benchmark for quality and integrity, and has a global service network. SGS affirms that it is a completely independent organization from Fosun International, and there is no bias or conflict of interest against Fosun International, its affiliates and stakeholders.

The verification team is composed of personnel with knowledge, experience, and qualifications relevant to this task, including SGS-approved chief auditors of social responsibility reports, ISO 9001 auditors, ISO 14001 auditors and ISO 45001 auditors registered with CCAA etc.

### **Certification/Verification Opinions**

Based on the above methodology and verification, the information and data contained in the 2021 ESG Report of Fosun International Limited is accurate and reliable, providing a fair and pertinent assessment on the sustainable development activities of Fosun International Limited for the year 2021. The verification team believes that the ESG Report can be used by stakeholders of Fosun International.

SGS believes that Fosun International has selected the appropriate compliance plan in the ESG Report.

### **Conclusions, Findings and Recommendations of GRI Standards**

SGS believes that the 2021 ESG Report of Fosun International complies with all the requirements of the GRI STANDARDS core option regarding content and reporting principles.

### **Stakeholder Participation**

Fosun International has identified stakeholders related to its own activities, taken into account the reasonable expectations and interests of stakeholders, established participation channels and platforms for stakeholders, and adopted certain methods to communicate and exchange with stakeholders.

### **Sustainability Background**

Fosun International demonstrated its efforts in sustainable development from economic, environmental and social aspects, and demonstrated these performances in combination with the background of sustainable development.

### **Concreteness**

Based on issues which the stakeholders focused on, Fosun International stated the important impact it has on the economy, environment and society, and reasonably discloses important issues and indicators that have a substantial impact on evaluation and decision-making of stakeholders.

### **Integrity**

The ESG Report covers identifiable concrete aspects and their boundaries, reflecting the important impact on the economy, environment and society, so that stakeholders can evaluate the performance of Fosun International during the reporting period.

### **Balance**

The ESG Report basically complies with the principle of balance, and truthfully discloses positive and non-positive information.

### **Comparability**

The ESG Report discloses the relevant performance indicators of Fosun International Limited in 2021. Some important performance indicators disclose comparative data for three years, which enable stakeholders to visually compare and understand their sustainable development performance.

### **Accuracy**

The ESG Report contains accurate information, which can publicly disclose qualitative and quantitative information about a number of performance indicators to stakeholders.

### **Timeliness**

Our verification shows that the reported data and information are timely and effective during the indicated reporting cycle. Fosun International publishes ESG report on time every year, and is very punctual overall

**Clarity**

The ESG Report uses a variety of expressions such as text descriptions, data tables, graphics, and photos, combined with case analysis and narratives, to make it easy for stakeholders to understand.

**Reliability**

Fosun International established the process for the preparation of the ESG Report, and collected, recorded and analyzed the information and data in the ESG Report in a timely manner. The information and data disclosed in the ESG Report are true and reliable.

**Management Method**

The ESG Report discloses management methods for selected special topics.

**General Disclosure**

The general disclosure of Fosun International meets the requirements of the GRI standards core option.

**Disclosure of Special Issues**

Fosun International discloses special topics related to the identified important economic, environmental and social substantive issues in accordance with the requirements of the GRI standards core option.

**Findings and Recommendations**

The good practices found in the verification process as well as the recommendations on the ESG Report and the corresponding management process are described in the internal management report of the ESG Report verification and submitted to the relevant management departments of Fosun International for reference and continuous improvement.

**Limitations of Verification**

The limitation of this verification is that only the corresponding data and information provided by Fosun International Limited were traced to the source. External stakeholders were not involved in this verification. Due to the influence of COVID-19, the verification team members did not visit the site, and the information disclosed in the ESG Report was verified online.

Signature:



On behalf of SGS-CSTC Standards Technical Services Co., Ltd.

Director David Xin

A-16/F Century Yuhui Mansion, No.73 Fucheng Road, Haidian District, Beijing, China

4/18/2022

[WWW.SGS.COM](http://WWW.SGS.COM)



**FOSUN 复星**