FOSUN PHARMA
复星医药

2024 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AND SUSTAINABILITY REPORT

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Chairman's Statement

Wu Yifang
Chairman of
Fosun Pharma

2024 marks the 30th anniversary of Fosun Pharma Group's inception. During the year, Fosun Pharma continued to adhere to the 4IN strategy (Innovation, Internationalization, Intelligentization and Integration), and pursued simultaneous and sustainable development with China's biopharmaceutical industry, and promoted high-quality development. While maintaining steady growth, in 2024, Fosun Pharma Group made significant progress in environmental, social and corporate governance (ESG) and kept MSCI ESG rating at A and Hang Seng ESG rating at A-, leading the way in the industry. It is a phased achievement that we have made in implementing the concept of sustainable development, and also an important cornerstone for the enterprise to embark on a new journey of high-quality development.

We have demonstrated the Group's achievements in environmental protection, social responsibility and corporate governance to stakeholders for 17 consecutive years. In accordance with the Guidelines on Sustainability Reporting for Listed Companies issued by the Shanghai Stock Exchange, we have identified and assessed the ESG issues that are financially material and impact material to the Group in this report, and improved the relevant contents of ESG disclosures under the requirements of the four-pillar disclosure framework.

Protecting the environment and building our green home together

In 2024, Fosun Pharma Group actively responded to the national call for green development and transformation by continuously improving its carbon emission management system. We have carried out a series of activities such as carbon accounting and carbon audit, gradually enhanced our own photovoltaic power generation capacity, and increased the proportion of purchased green electricity. In terms of energy conservation and carbon reduction, we have further optimized our hardware facilities and energy structure, and strengthened technological innovation and green upgrade, thus promoting the enhancement of energy efficiency. In addition, Fosun Pharma has intensified the supervision and management on the carbon emission of its subsidiaries to ensure that the Group's responsibility to promote green development is fully performed. In terms of green production, we have carried out green supply chain audit for core suppliers to ensure that the suppliers can meet the Group's high standard in respect of environmental protection.

Ongoing innovation and improving medicines accessibility

Innovation has been the core driving force of Fosun Pharma Group. Through innovative research and development, we strived to address unmet clinical needs, ensured the quality and safety of drugs and made great efforts to enhance the accessibility of medicines and reduce the burden on patients. Specifically, Artesunate for injection (Artesun®), which was independently developed by us, had saved over 80 million patients with severe malaria as at the end of 2024. Several of our launched quality biological drugs have benefited a total of more than 700,000 patients globally. As the first CAR-T cell therapy product in China, Yi Kai Da® has been used to benefit more than 800 lymphoma patients. We also actively explored innovative medical solutions and promoted the localization of Da Vinci Surgical Robot, making quality medical resources more accessible. In Africa, through promoting the malaria prevention and control program, the localization of medicine production in Africa, providing free medical aid and other measures, we have contributed to the continuous improvement in the medical technologies and public healthcare services of developing countries.

Enhancing rural medical care capacities to safeguard health of grassroots

In response to the strategies of Healthy China and Rural Revitalization, the Company, through its Fosun Care 121 Special Fund, has deeply engaged in the "Rural Doctor Project" to comprehensively enhance the professional capabilities of rural doctors and empower them to safeguard the health of grassroots. In the past three years, the total amount of public welfare donations from Fosun Pharmaceutical Group has exceeded RMB300 million. By the end of 2024, the project has supported a total of 25,000 rural doctors and benefited 3 million rural families. Meanwhile, in 2024, we continued to partner with Shanghai Soong Ching Ling Foundation to carry out the program of "Pink Blue Ribbon Charity Tour" for screening two primary cancers among women, which has already covered regions such as Yunnan and Sichuan, thereby assisting to improve medical care at the grassroots level.

Strengthening ESG governance and promoting sustainable development

In 2024, we continued to enhance our ESG management system by establishing an ESG governance framework, comprising the Board and the ESG Committee under the Board, the ESG Management Committee, and the ESG Working Group, thereby strengthening our capabilities in sustainable development.

As a global enterprise, Fosun Pharma Group always conducts its business with integrity and is active in practicing the concept of ESG. We comply with laws and regulations around the world, abide by business ethics, and enhance operational stability through sound risk management procedures. We respect the religious beliefs of our employees and the cultural differences of the countries and regions where we operate in, and create a diverse, equal and inclusive working environment. We attach great importance to the integration of values from different cultures, and enhance the implementation of localized management, actively integrate into the local community, and benefit local people through social welfare, job creation, etc. We are committed to creating an open, transparent, harmonious and friendly business ecosystem in which we can work with all stakeholders towards the goal of achieving a win-win collaboration for all.

2024 marked an important year of progress for Fosun Pharma Group in the ESG field. Moving forward, we will continue to practice ESG principles, uphold innovation-driven development, and deliver safe and effective high-quality products to advance global health initiatives, striving to bringing good health to families worldwide. Specifically, in areas such as carbon emissions management, green production, and green supply chains, we will further increase our investments, promote broader industry collaboration, and jointly address the challenges of global climate change.

We hereby extend our heartful gratitude to all our stakeholders for their continued support and trust in Fosun Pharma. Let us move forward together and create a bright future!

About This Report

With the increasing awareness of the international and domestic society on corporate sustainable development, the capital market and the public's perception on ESG and social responsibility is gradually becoming universal. To comprehensively respond to capital market and the public's concerns on the Group's sustainable development, and to enhance the readability of the report and the consistency of the information, we hereby disclose this Report.

Basis of Preparation

This report is prepared in accordance with the Global Sustainability Standards Board (GSSB) Sustainability Reporting Standards (2021 Edition) ("**GRI Standards**"), Shanghai Stock Exchange Self-discipline Regulatory Guidelines No. 14 for Listed Companies — Sustainability Reporting (Trial) and the ESG Reporting Code as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. In response to the concerns of investors with the ESG performance of the Group, this report also refers to and responds to the issues concerned by Morgan Stanley Capital International ESG rating (i.e. MSCI ESG rating). This report also covers all matters related to corporate social responsibilities ("**CSR**") to acquaint shareholders with more detailed information related to the sustainable development of the Group.

The financial data covered in this report have been prepared in accordance with China Accounting Standards for Business Enterprises.

Scope and Boundary of Report

The scope of disclosure of this report is consistent with that of financial information in the Group's 2024 Annual Report.

This report covers the time period from 1 January 2024 to 31 December 2024, certain contents of which trace retrospectively to prior years and cover the first quarter of 2025.

Data Source and Reliability Assurance

The information and cases contained herein are mainly sourced from the Group's official documents, statistical reports and financial reports. The Group commits that there are not any false records or misleading statements in this report, and is liable for the authenticity, accuracy and integrity of the contents herein.

Confirmation and Approval

This report was approved by the Board of Directors on 7 April 2025 after confirmation by the management.

Authentication Condition

The Company has commissioned SGS-CSTC Standards Technical Services Co., Ltd. to conduct an external audit in accordance with the AccountAbility AA1000 Assurance Standard, and the statement of independent assuring is set out in the Appendix.

About This Report

Access to and Feedback of this Report

For an environmentally friendly option, we suggest you to read the electronic version of the report, which can be obtained from the official website of the Company at www.fosunpharma.com.

Readers are welcome to contact us by the following ways. Your opinions will help us further improve this report and enhance the overall sustainable development of the Group.

Contact Information

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About Fosun Pharma

Founded in 1994, Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (stock code: 600196.SH, 02196.HK) is a global innovation-driven pharmaceutical and healthcare industry group. Fosun Pharma directly operates businesses including pharmaceutical manufacturing, medical devices, medical diagnosis, and healthcare services, and also expands its areas in the pharmaceutical commerce through its associated company Sinopharm.

Over the past three decades since its establishment, Fosun Pharma has been deeply rooted in China while expanding globally, actively implementing its "4IN" strategy (Innovation, Internationalization, Intelligentization, and Integration). Its core businesses have achieved extensive coverage in key overseas markets including the United States, Europe, Africa, India, and Southeast Asia. Currently, Fosun Pharma has created an open and global innovative R&D system by focusing on core therapeutic areas such as oncology (solid tumors and hematological tumors) and autoimmunity, and mainly strengthening core technology platforms such as antibody/ADC, cell therapy and small molecule, creating an open and global innovative R&D system. It has also cooperated with industry funds in the deployment of nuclear drug, RNA, gene therapy, AI drug R&D and other cutting-edge technologies, so to continue to promote innovation transformation and the development and launch of innovative products, addressing unmet clinical needs.

Looking forward, Fosun Pharma will adhere to its core value of "caring about life, making innovation, pursuing lean operation and win-win cooperation" and shoulder its mission of "Better health for families worldwide" to enhance its innovation capabilities and global operations, striving to become a world-leading integrated healthcare innovator.

Please visit the official website of the Company for more details of the the Group: www.fosunpharma.com.

FOSUN PHARMA 复星医药

Mission
Better health for families worldwide

Vision
We are committed to become the world's leading integrator of healthcare innovations

Values
Care for life, Continuous innovation, Pursuit of Excellence, Sustainable Partnership

Strategy
Innovation, Internationalization, Intelligentization, and Integration

2024 Milestones of Fosun Pharma

Jan

- Yi Kai Da (ejilunsai injection), a CAR-T product, was the first to launch the Pay-for-Performance (PFP) program based on therapeutic effects for lymphoma in China, exploring a new path for payment mode of high-value innovative drugs in China.

Feb

- Han Li Kang® (rituximab injection), the first self-developed CD20 monoclonal antibody product, marked the fifth anniversary of its approval for launch. It has benefited more than 230,000 Chinese patients in total.

Mar

- With its themed story of "Innovative Development of Artemisinin: Combating Malaria to Build a Global Community of Health for Mankind", Fosun Pharma was selected for the China Brand Global Communication Story List, making it the only Chinese pharmaceutical brand enterprise on the list in 2024.
- The NDA of self-developed Luvometinib Tablets (for the treatment of two indications of adult dendritic cell and histiocytic tumors, and NF1(type 1 neurofibroma)-associated plexiform neurofibromas (PN) in children aged 2 years and over) was accepted by the NMPA in May and June 2024, respectively.
- The independently developed and produced rituximab received approval for launch from the Peruvian General Directorate of Medicines, Supplies and Drugs (DIGEMID) (Peruvian trade name: AUDEXA®), making it the third self-developed and self-manufactured trastuzumab and serplulimab biopharmaceutical product to be approved for overseas launch.

Apr

- In collaboration with Shenzhen Guidance Fund and others, we have established Biopharma Industrial Fund with fundraising size of RMB5.0 billion to jointly promote the high-quality development of the pharmaceutical and healthcare industry in the Greater Bay Area.
- The application for launch authorization of its self-developed rabies vaccine (Vero cell) for human use (freeze dried) was approved by the NMPA.

May

- Listed among China's Best Managed Companies (BMC) for the second year in a row.
- With its outstanding R&D strength and innovation capability, Fosun Pharma ranked third in the "2024 Chemical Medicine R&D Strength of Chinese Enterprises", fourth in the "2024 Comprehensive Strength in Medicine R&D of Chinese Enterprises", and fourth in the "2024 Biopharmaceutical R&D Strength of Chinese Enterprises".

Jun

- Listed among China's Top 50 ESG Listed Companies in Yangtze River Delta by China Media Group.
- The interim analysis results of the phase III study for the independently developed innovative drug Furuitini Succinate capsules (Foritinib) targeting ALK-positive non-small cell lung cancer (NSCLC) were officially released during the 2024 World Conference on Lung Cancer (WCLC).

Jul

- Trastuzumab, a self-developed product, had been officially shipped to Saudi Arabia, becoming the first domestic monoclonal antibody biosimilar launched in the Middle East.
- Industrial Base of Intuitive Fosun Headquarters, a subsidiary, was put into operation in Zhangjiang, Shanghai, which is the largest comprehensive base integrating R&D, production and training of Intuitive Medical in the Asia-Pacific region.
- Listed among China's Top 100 ESG Listed Companies by China Media Group.

Aug

- Listed among TOP 25 by Citeline in terms of global pipeline scale for three consecutive years. In 2024, it ranked 17th, increased by seven places compared to the previous year.
- During 21–27 April, the 8th MIM Pan-African Malaria Conference was held in Kigali, the capital of Rwanda. As one of the main sponsors of this conference, Fosun Pharma showcased its full range of anti-malaria drugs.
- The self-developed biosimilar trastuzumab was approved for launch by the U.S. FDA.
- On 26 April, the UN Global Compact China Liaison Office initiated a launch ceremony for the Sino-Africa Corporate Community Action Network on Sustainable Development at the United Nations Building in Beijing. At the ceremony, Fosun Pharma announced that it would donate artemisinin-based anti-malaria drugs of RMB10 million to Africa in the next three years.

- The headquarters of Fosun Pharma in the Greater Bay Area was officially put into operation in Shenzhen.
- Announcing to increase its equity rights in Fosun Kite to 100% and Fosun Kite renamed to Fosun Kairos.
- The world's first patented peptide long-acting botulinum toxin type A 達希斐® for 2 indications (treatment of moderate to severe glabellar lines, treatment of cervical dystonia in adults) was approved by the NMPA in September and November 2024, respectively.
- The self-developed anti-PD-1 monoclonal antibody serplulimab received positive opinions from the CHMP and was recommended the approval for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC).
- Entered into a strategic cooperation framework agreement with CET Group and Nanning Industrial Investment to deploy the ASEAN pharmaceutical market.

- Ranking 12 in the 2024 TOP 100 Shanghai Enterprises in Emerging Industries.
- Ranking 4 in the 2023 TOP 100 Chinese Enterprises in Pharmaceutical Industry.
- Listed on the "2024 China ESG 50 List" published by Forbes China, with the event of helping Africa fight malaria by donating artesunate for injection selected as an ESG inspired case.

- The new indication of the self-developed anti-PD-1 monoclonal antibody Han Si Zhuang® (serplulimab) for non-squamous non-small cell lung cancer was approved by the NMPA. This is another new indication approved for Han Si Zhuang® in Chinese mainland, and it is expected to bring more treatment options for numerous lung cancer patients.
- The two specifications of 180mg and 120mg of the self-developed second-generation artesunate injection, Argesun®, have been officially prequalified by the World Health Organization, adding new products to the anti-malaria product pipeline.
- Focusing on autoimmune diseases, the Group and PALLEON will evaluate the therapeutic effect of the combination of E-602 and Rituximab in the treatment of autoimmune diseases in clinical research and obtain the exclusive license for E-602 in China.

Sep **Oct** **Nov** **Dec**

- Entered into a strategic cooperation framework agreement with the Beijing Economic-Technological Development Area, marking a new milestone in deepening pragmatic collaboration between the government and the enterprise.
- Entered into an agreement on the "Patent and Technology Transfer of Pan-solid Tumor-targeted Theranostic Radiopharmaceuticals" with Fudan University Shanghai Cancer Center, accelerating the translation of pioneering research achievements.

- Fosun Pharma participated in the China International Import Expo (CIIE) for the seventh year, with a comprehensive display of cutting-edge innovations, including the domestically developed Da Vinci Surgical Robot, Ion bronchoscopy robots, the magnetic scalpel, Yi Kai Da, and other innovative products covering the treatment fields of oncology, immunoinflammation, fully demonstrating Fosun Pharma's innovation-driven strategy and global capabilities.
- Reached a strategic cooperation with SVAX in Saudi Arabia. Both parties will establish a joint venture in Saudi Arabia and integrate our subsidiary Shanghai Henlius' leading R&D and production capabilities of biopharmaceuticals with SVAX's local registration, market access, and commercialization advantages to promote the global registration and commercialization of multiple products of Shanghai Henlius.

- The Second Pujiang Biomedical Original Innovation Forum in 2024, with the theme of "Guided by Original Innovation, Collaboration with Partners", was successfully held in Shanghai.
- The 30th Anniversary Celebration of Fosun Pharma and the Inauguration Ceremony Dinner of the Global R&D Center were held in Shanghai.
- The self-developed trastuzumab (US brand name: HERCESSI™) was shipped to the United States, which will offer more treatment options to patients in North America.

Content of Sustainable Development Goals (SDGs) of the United Nations

Supporting SDGs of the United Nations

SDGs	2024 progress
3 GOOD HEALTH AND WELL-BEING	• As at the end of Reporting Period, the Group launched a total of 3 rare disease drugs with 9 rare disease drugs indications under development • In 2024, Fosun Pharma launched the artesunate donation project in Africa, and planned to donating a total of RMB10 million of medicines in three years • Tridem Pharma, a subsidiary, has established entities in Africa and partnered with local partners to enhance medication accessibility globally • Complied with national centralized drug procurement pricing regulations, and our pricing of medicines is dynamically and reasonably adjusted with reference to the volume-price comparison indices of medicines in designated medical institutions in the PRC • Updated the Fair Pricing Policy, committing to implement differentiated pricing strategies in different countries and regions within the same country based on factors such as economic development level, patient needs and ability to pay • Deeply involved in the Rural Doctor Project, actively supported and protected rural doctors, and empowered the construction of rural medical system
4 QUALITY EDUCATION	• Provided customized training courses related to the job position for employees in different departments, including quality, EHS, lean management, IT, R&D, production, marketing and other business departments, to meet their development needs • Built a joint professional degree master's program for campus to deepen the integration of industry and education, and promote "customized talent cultivation"
6 CLEAN WATER AND SANITATION	• In 2024, the intensity of water consumption, intensity of sewage discharge and intensity of chemical oxygen demand (COD) discharge, decreased by 12% as compared with 2020 • In 2024, the total water saving of 391,000m^3 was realized, accounting for 3.71% of the total annual water consumption
8 DECENT WORK AND ECONOMIC GROWTH	• Provided employees with comprehensive training support and clear career development guidelines to ensure fair and diverse opportunities and minimize employee turnover • Committed to building and maintaining a diversified and inclusive working environment to continuously establish career development paths for female employees • Encouraged the creation of flexible employment, and protected the legitimate rights and interests of all employees, so as to promote common development
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Improved the core technology platforms of antibodies/ADCs, cellular therapies and small molecules, built an open, global, efficient and comprehensive "end-to-end" R&D system from project establishment, early research to clinical stage, and continued to enhance pipeline value • Established a 24-hour global R&D center to enhance R&D and innovation capabilities
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Set a five-year EHS strategy covering the management of "three wastes" (waste gas, sewage and waste) and water resource management to promote effective environmental management and continuous optimization. Multiple environmental indicators have exceeded the targets • Joined the Pharmaceutical Supply Chain Initiative (PSCI) and collaborated with partners in promoting the construction of a responsible value chain, thus achieving excellent performance in safety, environment, and social benefits • Updated the Code of Conduct of Suppliers, strengthened the management and quality audit of second-tier suppliers, and ensured the quality and safety of products and services

Content of Sustainable Development Goals (SDGs) of the United Nations

SDGs	2024 progress
13 CLIMATE ACTION	• Vigorously promoted the expansion of solar photovoltaic projects, and encouraged subsidiaries with the necessary conditions to install self-generated rooftop photovoltaic systems for green electricity consumption • Analyzed and identified the climate change exposure of the Company with reference to the TCFD framework under four climate change scenarios, namely the RCP2.6, RCP8.5, NZE and STEPS scenarios, and formulated adaptation and mitigation strategies • Invested a total of RMB9.15 million in energy-saving projects for various energy conservation renovation and upgrading in 2024 • Set the targets for carbon emission and carbon reduction from energy conservation projects, and achieved the target of a 12% reduction in 2024 compared to 2020
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Continuously enhanced the anti-corruption compliance control system of "prevention-detection-remediation", and strengthened its supervision over anti-corruption • Regularly conducted business ethics and anti-corruption training for all employees of the Group • Conducted special trainings on safeguarding the security of the National Health Insurance Fund for all employees • Organized the "Second Compliance Culture Week" to deepen employees' compliance awareness
17 PARTNERSHIPS FOR THE GOALS	• In terms of emerging markets, the Group primarily engages in pharmaceutical export and distribution operations in the African market mainly targeting the English-speaking and French-speaking regions at the south of the Sahara Desert, with a sales network spanning over 40 countries and territories as at the end of the Reporting Period. Concurrently, to achieve localized pharmaceutical manufacturing and supply in Africa, the Group is progressing the development of the Côte d'Ivoire industrial park project • In 2024, a total of over 2,500 pharmaceutical-themed training sessions were organised in African countries, with over 41,000 participants, to support developing countries to develop their capacity • Signed a cooperation agreement with the Faculty of Pharmacy at the University of Abidjan in Côte d'Ivoire to provide outstanding graduates with opportunities to work and intern at subsidiaries of Fosun Pharma, with a view to cultivating the professionals indispensable to the development of the local pharmaceutical industry

1. Corporate Governance

The Group stays committed to integrity-based operation. We firmly believe that robust governance, comprehensive compliance and efficient management contribute to corporate's stable development, enhance corporate resilience, and continuously create value for the society. In 2024, we continued to improve corporate governance, abide by business ethics, and strengthen operational stability by continuously improving the risk management procedures. In terms of cooperation with stakeholders, we build a responsible corporate brand image through the establishment of efficient communication channels. We are committed to creating an open, transparent, harmonious and friendly business ecosystem, making progress together with all stakeholders.

1.1 Corporate Governance

Corporate governance is crucial to the sustainable development of an enterprise. To enhance corporate value and earn the trust of investors and stakeholders in the corporate, we strive to establish a transparent, responsible and effective governance mechanism. Fosun Pharma continuously improves its corporate governance structure and system to provide an effective guarantee for making scientific and efficient decisions on governance in accordance with the Guidelines for Corporate Governance of Listed Companies of the CSRC and the Corporate Governance Code of the Hong Kong Stock Exchange.

1.1.1 Specialization and Diversity

The cornerstone of efficient operations lies in a well-developed governance structure. The governance structure of Fosun Pharma is composed of the general meeting, the Board and the management, with clear responsible bodies, rights and responsibilities. In particular, there are five professional committees under the Board, namely the Strategic Committee, the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the ESG Committee under the Board. Such professional committees perform their respective duties and supervise matters in different fields to ensure the stable, lawful and efficient operations of the Company. The independent non-executive Directors of Fosun Pharma play a role of "participation in decision-making, supervision and checks and balance, and professional consultation", independently and objectively exercising their powers. In 2024, the Company developed a special meeting mechanism for independent non-executive Directors and established a platform for them to perform their duties, actively giving full play to their professional expertise and advantages to promote the standardized operation and scientific decision-making of the Company. Under the supervision and guidance of the Board and various professional committees, the Group maintains high-quality governance and actively safeguards the rights and interests of all stakeholders to enhance corporate value on an ongoing basis.

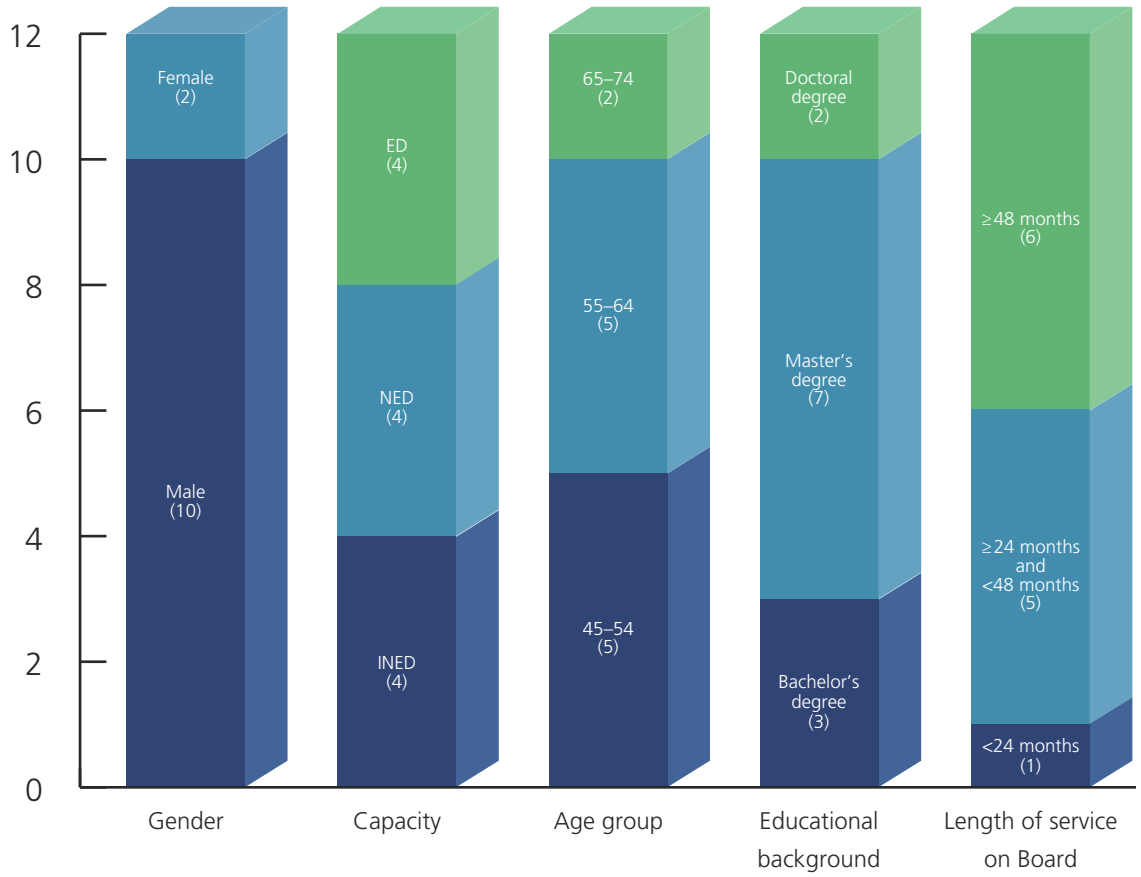
In compliance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for Corporate Governance of Listed Companies of the CSRC, the Corporate Governance Code of the Hong Kong Stock Exchange and other regulations, Fosun Pharma continued to improve a governance structure and an operating mechanism to ensure standardized and efficient operation. During the Reporting Period, the Company revised various governance systems including the Articles of Association (relevant rules of procedure of the general meetings, Board meetings and supervisory committee meetings) and implementation rules of each professional committee under the Board to consistently consolidate and regulate the governance base.

As a key decision-making body, a diverse Board enables the Group to respond to the ever-changing business environment and safeguard the rights and interests of a wider range of stakeholders. To this end, the Company formulated the Board Diversity Policy, which clearly stipulated that, when electing Board members, various dimensions such as gender, age, cultural and educational background, expertise, skills, knowledge and term of service should be taken into account, and discrimination of any kind is prohibited to ensure a fair and just election process. In addition, the Nomination Committee under the Board reviews and assesses the structure, size and composition of the Board every year, and makes recommendations on any changes to the Board to ensure the effective implementation of the diversity policy.

1. Corporate Governance

As at the end of the Reporting Period, the Board of Fosun Pharma comprised 12 Directors, including 2 female Directors.

An analysis of the Board's diversity as at the end of the Reporting Period is set out as follows:



Board's diversity data in terms of gender, capacity, age, educational background and length of service

The Board of Fosun Pharma consists of members from different industries domestically and overseas, with rich professional theoretical and practical experience in production and operation, corporate governance, as well as innovation, quality, climate change, and environmental management and other relevant professional areas that are closely related to sustainable development. 4 independent non-executive Directors are professional individuals in accounting, legal, pharmaceutical industry, and license-in and commercialization of scientific and technological outcomes.

During the Reporting period, the members of the Board actively participated in "director practice" training conducted by regulators such as stock exchanges and China Association for Public Companies. Through reading training materials and studying ESG-related information disclosure guidelines and management methods, the members of the Board continuously improve their knowledge and ability to perform their duties in the area of sustainable development. In 2024, the independent non-executive Directors of the Company paid an on-site visit to Shanghai Xingchen Children's Hospital, Fosun Adgenvax and other subsidiaries to gain an understanding of operation and management of such companies and the progress of construction projects, and put forward important opinions and suggestions on matters such as enterprise operation and sustainable and healthy development in the future.

1.1.2 ESG Governance

Sustainable development is one of the core elements of the Group's business development, and we attach great importance to its full integration in strategy formulation and decision-making. In this regard, the Group has established an ESG governance structure comprising the Board, the ESG Committee under the Board, the ESG Management Committee and the ESG Working Group, guaranteeing effective supervision, scientific guidance and strong support from the Board and the management. In 2020, we formulated the Terms of Reference and Implementation Rules of the Environmental, Social and Governance Committee under the Board of Directors, which stipulates the terms of reference of the ESG Committee under the Board. With the combination of regulatory guidelines on ESG and the Group's ESG practices, we also regularly reviewed the ESG governance structure and made adjustments accordingly, so as to clarify the job duties of all tiers under the ESG governance structure, provide the Group with clear guidance on how to orderly conduct its work on sustainable development, and significantly improve its overall sustainability performance.

Meanwhile, the Group has incorporated ESG sustainable development indicators into the performance appraisal system of its senior management, accounting for no less than 10% of the overall performance weighting, with appraisal covering a wide range of aspects such as the rate of achievement of the Carbon Neutral Plan, the construction of the ESG system, etc. The Group carries out appraisals annually and assesses its performance based on the results of the appraisals, and underperformance will negatively impact their overall remuneration.

Decision-making	**The Board and the ESG Committee under the Board**	The Board is the highest governing body for ESG within the Group and is overall responsible for the sustainability performance of the Group. With the support of the ESG Committee under the Board, it supervises, guides, and reviews sustainability-related initiatives. As at the end of the Reporting Period, the ESG Committee under the Board comprises 5 Directors, with 2 executive Directors and 3 independent non-executive Directors, whose responsibilities include but not limited to: • Formulate and approve the vision, goals, strategies and structures of the Groups' ESG, and make recommendation to the Board on relevant ESG matters; • Identify relevant ESG matters that have a significant impact on the Groups' operation and/or rights and interests of other major stakeholders; • Review the implementation of the vision, goals, strategies and structures of ESG; • Review the Group's ESG Report, and recommend concrete actions and decisions for the consideration of the Board.
Management	**ESG Management Committee**	The ESG Management Committee is under the leadership of the Chairman, and comprises senior management responsible for the relevant functional departments, business segments and lines, whose responsibilities include but not limited to: • Evaluate and manage material ESG issues that are of financial materiality and impact materiality, including coping with climate change, environmental management, quality management, innovative R&D, talent development, supply chain management, social responsibility, corporate governance and etc., and provide analysis and advice, and regularly report to the ESG Committee under the Board and the Board; • Manage and allocate costs and resources (including but not limited to budget, human resource and technology) for the purpose of identifying, mitigating, managing and monitoring relevant impact, risks and opportunities brought by sustainability; • Organize, coordinate and guide the ESG working group to prepare ESG Report of the Group; • Lead the ESG working group to implement approaches and strategies of sustainability.
Executive	**ESG Working Group**	The ESG working group comprises of relevant functional departments, business segments and lines, whose responsibilities include but not limited to: • Implement the Group's approaches and strategies of sustainability, promote the implementation of the goals of sustainability, and regularly report to the ESG Management Committee; • Prepare the Group's ESG Report; • Undertake the responsibility for management (including identification and assessment of relevant risks and opportunities), supports, statistics and analysis of specific issues; • Enhance the Group's ESG image.

1. Corporate Governance

ESG Governance system of Fosun Pharma

During the Reporting Period, we continued to improve our ESG governance system and further clarified the composition and terms of reference of the decision-making level, the management level and the Executive level, with the aim of strengthening the management of ESG-related issues and ensuring the effective implementation of the relevant work.

Board Statement

Board Responsibilities

The Group has established an ESG governance mechanism with the Board as the main body of responsibility, under which the ESG Committee under the Board, the ESG Management Committee and the ESG Working Group are established. The Board is the highest responsible body for the ESG governance of the Group, and is overall responsible for the sustainability performance of the Group, and for the supervision, guidance and review on sustainable development and ESG matters with the assistance of the ESG Committee under the Board. The ESG Committee under the Board makes recommendations to the Board to ensure that ESG concepts are in line with the Group's strategic plans and to facilitate the full integration of relevant issues into the Group's strategic plans and major decisions. Information on impacts, risks and opportunities related to sustainable development are comprehensively and systematically integrated into the strategic decision-making process. In formulating long-term development plans and major strategic decisions, we not only carefully consider the current market conditions and business needs, but also conduct in-depth assessments towards the potential impact of sustainable development factors on the future long-term development of the enterprise. Potential environmental, social, and governance risks are identified and evaluated comprehensively to ensure that strategic decisions can effectively address potential challenges. In 2024, the ESG Committee under the Board held 2 meetings in total.

Sustainability Risk Management

In order to effectively prevent and control various potential risks that may affect the sustainable development of the Group, the ESG Committee under the Board supervises and guides the management and various functional departments to identify and control relevant risks on a regular basis in day-to-day operations, and makes regular reports and recommendations to the Board on identified risks and management measures. Through above measures, we have fully integrated sustainability risks into our enterprise risk management system as an important category of enterprise risk management. Under the supervision of the Board, the Group continues to improve its internal control and risk management systems to ensure that effective controls have been in place over sustainability risks. At the same time, the Group is also keen to capture new opportunities arising from sustainable development, such as the flourishing development of green technology and the growing awareness of environmental protection among consumers, and fully incorporates such opportunities into its strategic decisions, thereby injecting new energy into the Group's sustainable development.

Execution of Tasks in Pursuit of Sustainable Development

The ESG Working Group established by the Group is composed of relevant functional departments, business segments and lines. Under the overall guidance of the ESG Committee under the Board and the ESG Management Committee, the working group is responsible for promoting the implementation of the sustainable development strategies and projects of the Group in order to improve the sustainability performance in all respects.

Material Sustainability Issues

The Group has established a transparent and efficient communication mechanism for stakeholders, which identifies the concerns of stakeholders in terms of sustainable development on a regular basis to keep abreast of the demands and expectations of stakeholders. For sustainability issues of high importance, we will formulate practical management strategies, and regularly review and evaluate the performance of the Group so as to respond to and meet the requirements of stakeholders. During the Reporting Period, we further improved the identification and analysis of material issues from the perspective of financial materiality and impact materiality, which will be disclosed in the subsequent sections.

1.1.3 Communication with Stakeholders

The Group takes the initiative to communicate with customers, shareholders, government and regulatory authorities, employees, media and the public, suppliers, communities and non-governmental organizations, institutional investors and other key stakeholders through a diversified approach that combines online and offline means to share the mid-and long-term strategic plans of the Group. By communicating with all these parties, we fully collect and understand the expectations and demands of stakeholders for the sustainable development of the Group and regard these as an important reference for our continuous improvement and growth.

Identified stakeholders	Key sustainability issues concerned	Stakeholder communication channels/company's response methods
Government and regulatory authorities	Compliance Operation Tax Compliance R&D Innovation Healthcare Accessibility Anti-Corruption	Policy directive Work reporting Information transmission On-site inspection Participate in policy formulation and provide suggestions Actively participate in government projects Whistleblowing handling
Shareholders and investors	Compliance Operation Risk Prevention and Control Economic Performance Transparent Operation Stable Return	Convene general meetings Organize on-site visits and inspections Organize online/offline roadshows Attend domestic and overseas strategy meetings Host investor open days Convene results presentations Set up feedback platforms such as hotline, email and website Continue to improve the corporate governance system
Customers and consumers	Product Quality and Safety Quality of Healthcare Services Responsible Marketing Customer Privacy Protection and Information Security	Customer satisfaction survey Complaint response handling Maintain good doctor-patient relationship Product quality and safety information collection
Media	Information Disclosure	Continue to improve and implement the information disclosure system Establish an effective media communication mechanism Timely disclose information through the Company's website, WeChat official account and other platforms

Note: In 2024, the Group convened three results presentations, responded to nearly 700 investor questions through the SSE e Interaction, investor hotline/email, etc., and conducted/participated in on-site research (visits), online/telephone roadshows, and domestic and overseas strategy meetings for more than 200 times.

1. Corporate Governance

Identified stakeholders	Key sustainability issues concerned	Stakeholder communication channels/company's response methods
Employees	Employee Rights and Benefits Employee Training and Development Occupational Health and Safety	Labor union and employee representative meeting Performance evaluation communication Complaints and feedback Employee satisfaction survey
Suppliers	Sustainable Supply Chain Responsible Procurement Performance with Integrity Win-win Partnership Fairness and Transparency	Bidding Conference Investigation and Visiting Exchange and Cooperation Industry Forum
Communities, the public and non-governmental organizations	Community Welfare Green Products Energy Usage Climate Change Mitigation and Adaptation Emissions Management	Actively participate in community services Participate in various activities of public welfare organizations Actively carry out various public welfare activities Actively reduce emission and pollution during production
Doctors	Product Quality and Safety R&D Innovation Quality of Healthcare Services Exchange and Cooperation with Industry Peers Anti-Corruption	Communicate with industry peers Participate in industry association platforms Communicate with media partners

1.1.4 ESG Materiality Assessment

To effectively address the challenges posed by internal and external changes, the Group identifies the material ESG issues that require special attention of the Group on a regular basis. We identified sustainability issues that may be of both financial materiality and impact materiality to the Group in accordance with the Shanghai Stock Exchange Self-Discipline Regulatory Guidelines No. 14 for Listed Companies — Sustainability Reporting (Trial) and the GRI Standards, established an issue database and conducted a double materiality assessment. We pay attention to the potential impact of each issue on the Group's financial situation, while also considering the impact of the Group's management and performance in corresponding issues on external society or relevant stakeholders. By comprehensively evaluating each issue across two dimensions of financial materiality and impact materiality, we identify, evaluate and prioritize the materiality of these issues. We fully consider the opinions of key stakeholders and actively engage with internal and external stakeholders during the issue identification and materiality assessment process. We finalized a materiality matrix, which was discussed and approved by the Board of Directors of the annual assessment outcomes.

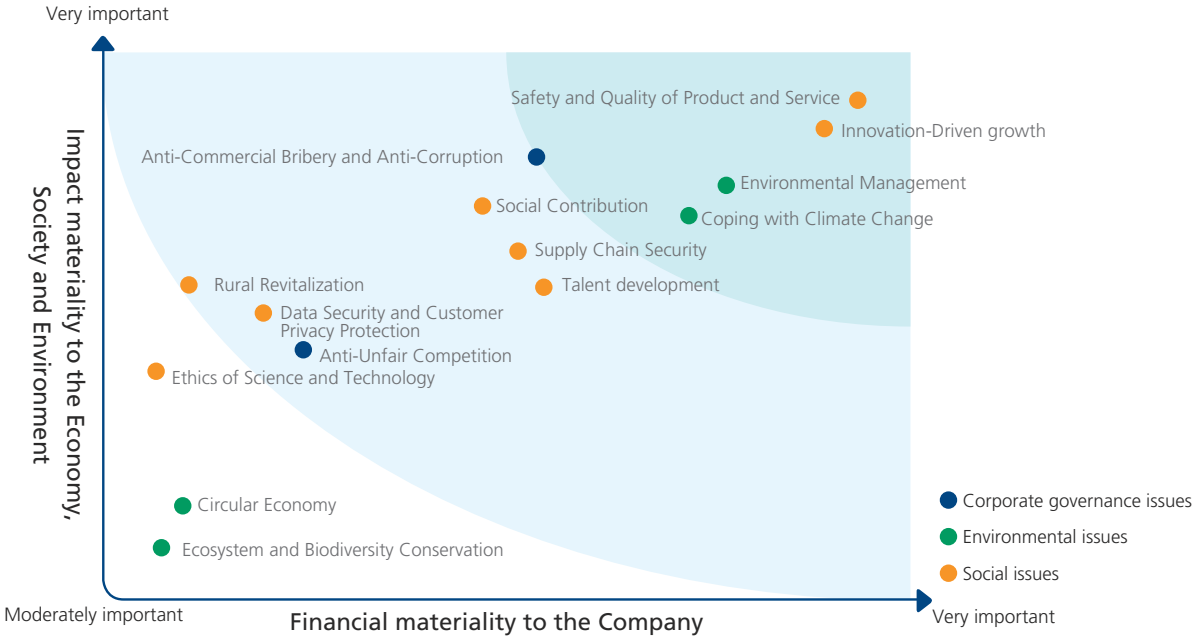
We have established and institutionalized the materiality analysis process of ESG issues, and actively carry out material issues identification and impact assessment:

<table>
<tr><th>Identified material issues</th><th colspan="2">Evaluation and prioritization of material issues</th></tr>
<tr><td rowspan="2">Identify potential material ESG issues by considering business operations and changes in the internal and external environments, referencing regulatory requirements, industry standards, and other relevant information, and seeking advice from stakeholders.</td><td colspan="2">Prioritize the identified materiality issues based on expert opinions, peer experiences, and feedback from management, investors and employees.</td></tr>
<tr><td>Impact Materiality:
• The materiality of positive impacts depends on the scale, scope and likelihood of such impacts.
• The materiality of negative impacts depends on the severity, scope, likelihood and irreparability of such impacts.
• We set a threshold to assess the materiality of impacts and prioritize the materiality issues.</td><td>Financial Materiality:
• The materiality of positive and negative financial impacts depends on the continuity of resource use and the reliance on ongoing production and operations.
• We set a threshold to evaluate the materiality of financial impacts and prioritize the materiality issues.</td></tr>
</table>

Materiality analysis process of Fosun Pharma's ESG issues

1. Corporate Governance

Based on the above steps, we analysed each of the 21 issues in the Shanghai Stock Exchange Self-Discipline Regulatory Guidelines No. 14 for Listed Companies — Sustainability Reporting (Trial) during the Reporting Period, and sorted and integrated the issues with the actual operation of the enterprises. A total of 14 material ESG issues of the Group were identified[1,2], 4 of which are issues of double materiality, including safety and quality of product and service, environmental management, coping with climate change and innovation driven growth. We fully recognize the significance of key issues to our own business development, as well as the impact of their management on the economy, society, and environment. We have established management strategies to address these significant issues, continuously improving our management standards to better respond to and mitigate internal and external risks that may affect the enterprise's operations and stakeholders. The specific order of these issues is illustrated in the following diagram:



2024 Materiality Matrix of Fosun Pharma

Note 1: As at the end of the reporting period, the balance of the Group's accounts payable (including bills payable) did not exceed RMB30 billion, accounting for no more than 50 per cent of its total assets, and there was no information on overdue payments of the Company to small and medium-sized enterprises in the National Enterprise Credit Information Disclosure System. Therefore, the issue of "Equal Treatment of SMEs" is not applicable. "Due Diligence" and "Communication with Stakeholders" are not listed separately as they are covered in all issues. An index of these topics is provided in Appendix II to this report.

Note2: The issue of "Coping with Climate Change" includes content related to "Energy Utilization", and the issue of "Environmental Management" includes content related to "Environmental Compliance Management, Pollutant Emissions, Waste Disposal, and Water Resource Utilization", and the issue of "Social Contribution" includes content related to "Access to Healthcare".

1.1.5 Party Building Efforts

Established in 2007, the Party Committee of Fosun Pharma has been upholding the concept of "simultaneous and healthy development under the guidance of Party building" as its core mindset. As guided by high-quality Party building efforts, it advanced the innovation and expansion of the enterprise internationally while rooting in China to accelerate the launch of innovative products to benefit patients with high-quality products and services, thus driving the high-quality corporate development. As at the end of the Reporting Period, the Party Committee of Fosun Pharma was structured by 1 direct subordinate party committee and 9 branches with a total of 683 members.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China and the 30th anniversary of the establishment of Fosun Pharma. It has been sticking to its original aspiration and committed to its mission for the thirty years. The Party Committee of Fosun Pharma led all members to study the spirit of the 20th National Congress of the Communist Party of China and the Third Plenary Session of the 20th Central Committee of the Communist Party of China and the spirit of General Secretary Xi Jinping's important speech on new productivity. By giving full play to the leading role of grassroots party building, holding the direction of enterprise development, and adhering to the international development strategy driven by innovation, it promoted the high-quality development of Fosun Pharma Group by synchronizing with China's pharmaceutical and health industry and achieving mutual benefits. At the same time, the Party Committee of Fosun Pharma gave full play to the core role of politics, consolidated and expanded the achievements of theme education, carried out in-depth party discipline study and education, to effectively guide the majority of party members and cadres to continuously enhance their sense of discipline, keep the bottom line of discipline, improve party spirit, and play an exemplary and leading role in promoting the comprehensive and strict governance of the party to in-depth development, so as to provide a strong organizational guarantee for the high-quality corporate development.

The Party Committee of Fosun Pharma has insisted on leading the spiritual civilization construction by core socialist values. It led the Fosun Pharma's labor union to strengthen the construction of the union organization, dedicate themselves to serving and uniting employees, and support the business development by focusing on the mission of "Better Health for Families Worldwide". This initiative allowed the staff to have a sense that the labor union is the "home of employees". In June 2024, the Shanghai May 1st Labor Award, selected by the Shanghai Municipal Trade Union Council, was announced, and the finance department of Fosun Pharma was honored with the title of "Workers' Vanguard" by the Shanghai Municipal Trade Union Council. Fosun Pharma's labor union has been actively exploring and supporting the construction of the Company's innovative culture, encouraging research and development personnel for innovation. In 2024, leveraging its R&D and innovation capabilities, Fosun Pharma was listed in the Citeline's TOP 25 Global Pharmaceutical Companies by Pipeline Size for the third consecutive year. It also ranked third in the "2024 Chemical Drug R&D Strength of Chinese Enterprises", fourth in the "2024 Comprehensive Drug R&D Strength of Chinese Enterprises", and fourth in the "2024 Biopharmaceutical R&D Strength of Chinese Enterprises".

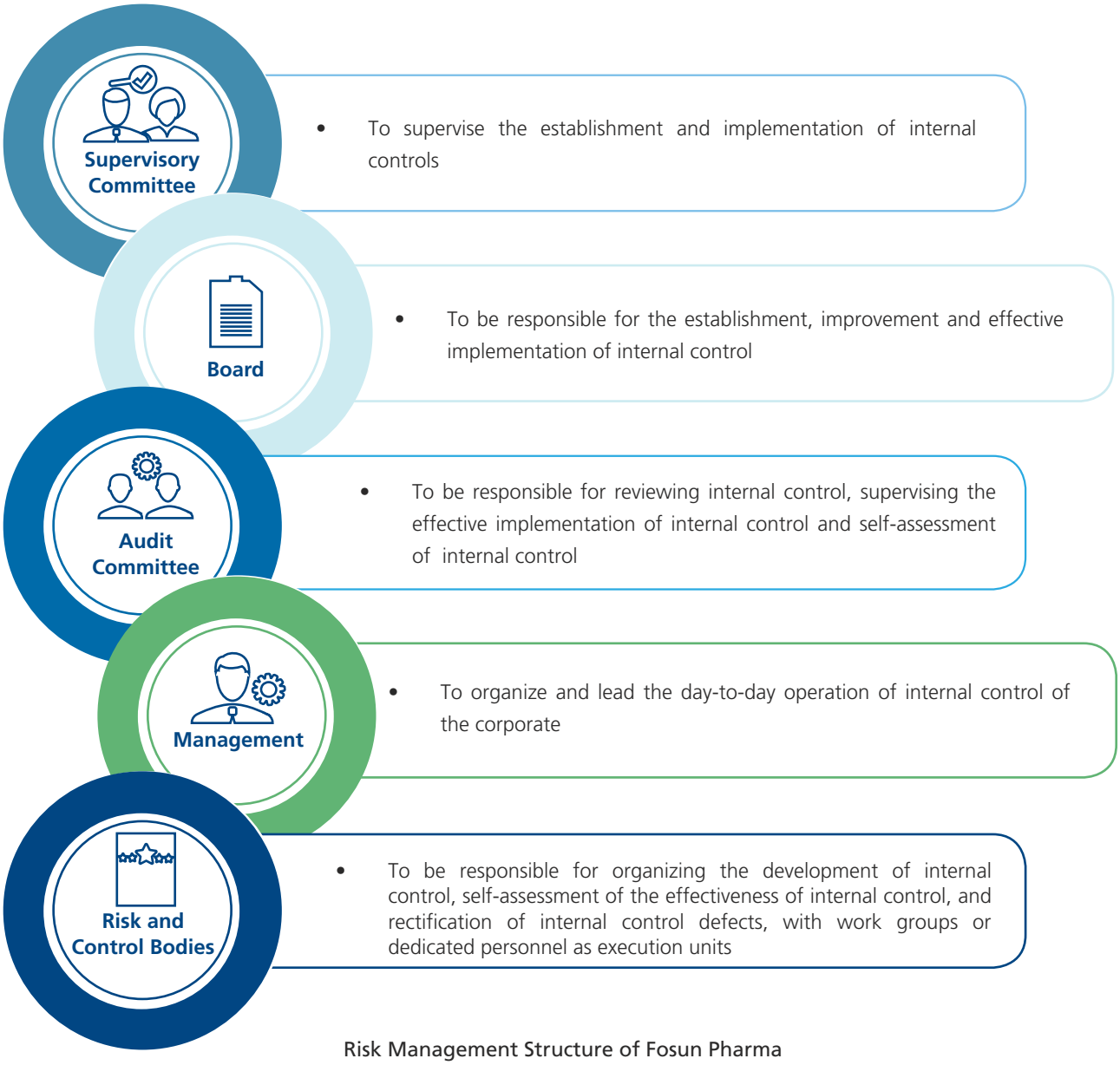
With the guidance and support of the Party Committee of Fosun Pharma, the Group maintains steady growth in business performance, and continuously brings patients more accessible products and quality medical services. At the same time, the Group's innovation strategy has been recognized and strongly supported by the Party and the government, and many innovations have been implemented in recent years, benefiting more patients and families, and contributing to the development of the pharmaceutical industry and people's health.

Party Building Activities of Fosun Pharma

1.2 Risk Control

1.2.1 Risk Prevention and Control Structure

Comprehensive risk control helps corporations to strengthen their business capabilities and rise to various changes and uncertainties in the external environment. Accordingly, the establishment and continuous optimization of a risk prevention and control structure is crucial to the Group. By multiple controls, we may reduce risks and potential economic losses effectively, thereby laying a solid foundation for long-term sustainable operations and success.



Risk Management Structure of Fosun Pharma

1.2.2 Risk Prevention and Control System

The Group attaches great importance to the long-term risk management of the enterprise. Through the close collaboration with internal control construction, internal audit, and anti-corruption functions, a complete risk prevention and control system has been established. In compliance with the relevant laws, regulations and regulatory requirements, the Group has formulated the Internal Control Manual, setting forth the internal control standards and operating procedures, which establishes a solid management framework for the risk prevention and control system, and ensures the efficient and orderly operation of the risk management and control system. The Group has integrated the sustainable development risk management process into its risk management system, and continuously strengthened the identification, assessment, prevention and control of key risk points in sustainable development, such as the climate environment, business ethics, supply chain management, and responsible marketing.

During the Reporting Period, in response to the key risk points in the course of operations, such as procurement, infrastructure, product quality and safety and information security, the Group continuously optimized its existing internal control management process, and strengthened its control and supervision over those risk points, thereby minimizing the adverse impacts of potential risks on the Group. Specific measures are as follows:

Centralized procurement and procurement risk management	Infrastructure project risk management	Quality and safety risk management	Information security risk management
• Formulated internal procurement management documents, and continued to improve the supplier life cycle management process • Circulated the Code of Conduct of Suppliers of the Group and supplier quality requirements to suppliers • In 2024, the Group conducted a total of 1,170 quality audits on suppliers, rejected 38 suppliers, and dealt with 71 cases of supplier violations	• Continued to improve the infrastructure project management system, and enhanced project safety, quality and progress management • Convened monthly regular meetings to keep abreast of the situation and track project progress in an all-round way • Conducted project inspections • Established a project bidding expert pool system • Strengthened project audit, and conducted first compilation and initial review as well as secondary review • Continued to promote refined management measures, and reviewed each stage of the project to ensure effective execution and timely delivery of the project	• Fulfilled the responsibility system of holders, strengthened full life cycle quality management, and promoted continuous quality improvement • Enhanced the professional skills and audit competence of the internal audit team • Optimized the reporting of key quality indicators of the Group, and developed a digital reporting system and visual reporting • Carried out quality management appraisals • Set up technical committees to build up a talent pool in terms of core competencies	• Fosun Pharma participated in the cyber security classification, and was classified as a grade II enterprise • Engaged a third-party security service provider to monitor the status of the Group's information security equipment and systems on a 24-hour basis • Established and continuously improved the information security system, and passed the ISO27001 accreditation • Issued the Data Security Management Regulations

Internal Control Risk Management Measures of Fosun Pharma

Internal Audit

In compliance with the provisions of the Internal Auditing System, the Audit Department conducts independent internal audits, fully exercises the right of internal supervision, and effectively performs supervision, evaluation and service functions. In order to strengthen the supervision force, the Audit Department is actively promoting business line construction and strives to establish internal audit teams in various business segments, aiming to form a joint supervision force and further enhance the effectiveness of the Group's internal supervision.

For key engineering projects, the Group conducts special audits to ensure that problems and deficiencies in the project implementation process can be discovered in a timely manner, and provides strong suggestions for the compliant and efficient advancement of the projects. At the same time, the Group continues to deepen the special audit work, comprehensively covering key aspects such as research and development, sales, procurement, and expenses, to ensure that risks are controlled and managed in a timely and effective manner, and potential hazards are eliminated. In addition, the Group also continuously carries out internal control audit and evaluation work, comprehensively and continuously evaluates the effectiveness of the design and implementation of internal controls, and issues professional opinions based on the evaluation results, providing a strong guarantee for the stable development of the Group.

During the Reporting Period, the audit line of the Group conducted 57 audits in total, covering the headquarter and major subsidiaries of various business segments. We carried out annual internal control audit and evaluation across the Group, while continuously follow-up and rectify major problems identified in audits to ensure that the problems are improved, the quality of internal control is enhanced, which helps to realise its goal towards sustainable development.

1.3 Business Ethics

1.3.1 Business Ethics Management System

Adhering to the principle of "investigating every case, learning from the past mistakes to avoid future ones, emphasizing investigation with the priority of prevention, and addressing both symptoms and root causes", and by implementing the guiding ideology of "prioriting centering on risk control and empowering business operations", Fosun Pharma Group vigorously promotes and publicizes the values of integrity. By optimizing management systems and strengthening risk prevention and control, on one hand, Fosun Pharma focuses on cracking cases, pursuing accountability, and recovering losses, and on the other hand, Fosun Pharma focuses on risk prevention and control and supporting business operations to continuously improves its anti-corruption compliance management and control system, in order to the anti-corruption goals of strengthening supervision, improving governance, and consciously practicing good business ethics.

During the Reporting Period, the Group complied with the relevant laws that have a significant impact on us in respect of preventing bribery, extortion, fraud and money laundering.

1. Corporate Governance

As the highest standard of business conduct of the Group, the Guidelines on Business Ethics has been reviewed and approved by the Board and announced to the public, for the purpose of regulating the conduct of the Group, its employees and suppliers. As delegated by the Board, the Audit Committee under the Board is responsible for the comprehensive supervision over the business ethics matters of the Group and conducts supervision over its implementation. As the day-to-day management body of the code of business ethics, the Disciplinary Committee of Fosun Pharma is responsible for the comprehensive promotion and implementation of the Guidelines on Business Ethics within the Group, including the construction and implementation of the mechanisms for the code of business ethics, as well as discussion and decision on the corresponding penalties for those who violate the guidelines. The Disciplinary Committee of Fosun Pharma shall report to the Audit Committee under the Board on the implementation of the code of business ethics on a regular basis.

In order to ensure the effective implementation of the code of business ethics by employees and suppliers, we continue to improve its business ethics system, and have continuously revised 9 anti-corruption related documents, including but not limited to the Regulations on Anti-Corruption, the Anti-Commercial Bribery Agreement, the Provisions on Integrity Administration of Engineering Construction Projects, the Whistle-blowing Management Regulations, the Whistleblower and Witness Protection Act and Reward Provisions, the Regulations on the Management of Employee Integrity in Practice, the Administrative Measures for Cash and Gifts Received in Official Activities and the Reward, Punishment and Appeal Management System, to ensure that employees at all levels and business partners can consciously abide by the code. On this basis, we are committed to continuously improving the business ethics system, promoting its core corporate values, advancing compliance and ethical construction, enhancing the Group's ability to govern by law and manage business ethics, and jointly fostering a culture of integrity within the corporation.

The Group has established an anti-corruption compliance control system of "prevention-detection-remediation", continuously strengthened its supervision over anti-corruption, and implemented business ethics management from multiple dimensions such as employee rights, information security, anti-corruption and anti-bribery, and international trade compliance. The Group has established four prevention and control processes, in which business department acts as the first line of defense, and then moves up tier by tier to the Anti-Corruption Supervision Department to conduct public supervision of any behavior that may lead to non-compliance, eliminate potential risks, and secure the stable operation of the Group.

In 2024, the Anti-Corruption Supervision Department of Fosun Pharma, together with its subsidiaries, established smooth communication channels vertically, carried out horizontal cooperation, divided tasks and coordinated efforts, and jointly handled cases. This enhanced the team collaboration ability of the anti-corruption supervision system. Moreover, the Company selected clean governance staff from subsidiaries to take rotating positions and temporary posts in Fosun Pharma for training. This optimized the allocation of clean governance personnel in subsidiaries, strengthened the organizational construction of the clean governance supervision system, and improved the individual business capabilities of team members in handling tasks independently.

First line of defense

- All business departments: abide company regulations, internal supervision, and regulates its own behavior at all times

Second line of defense

- Financial department: is responsible for the daily financial monitoring and timely detection of abnormal situations

Third line of defense

- Audit department: actively conducts anti-fraud and business ethics reviews to ensure the compliance with business ethics and relevant requirements in the daily operations of various functional departments and subsidiaries

Fourth line of defense

- Anti-corruption supervision department: establishes a sound anti-corruption governance structure to ensure timely investigation and handling of corruption cases, and create and maintain an integrity and fair corporate atmosphere

Four Lines of Defense in Risk Control of Fosun Pharma

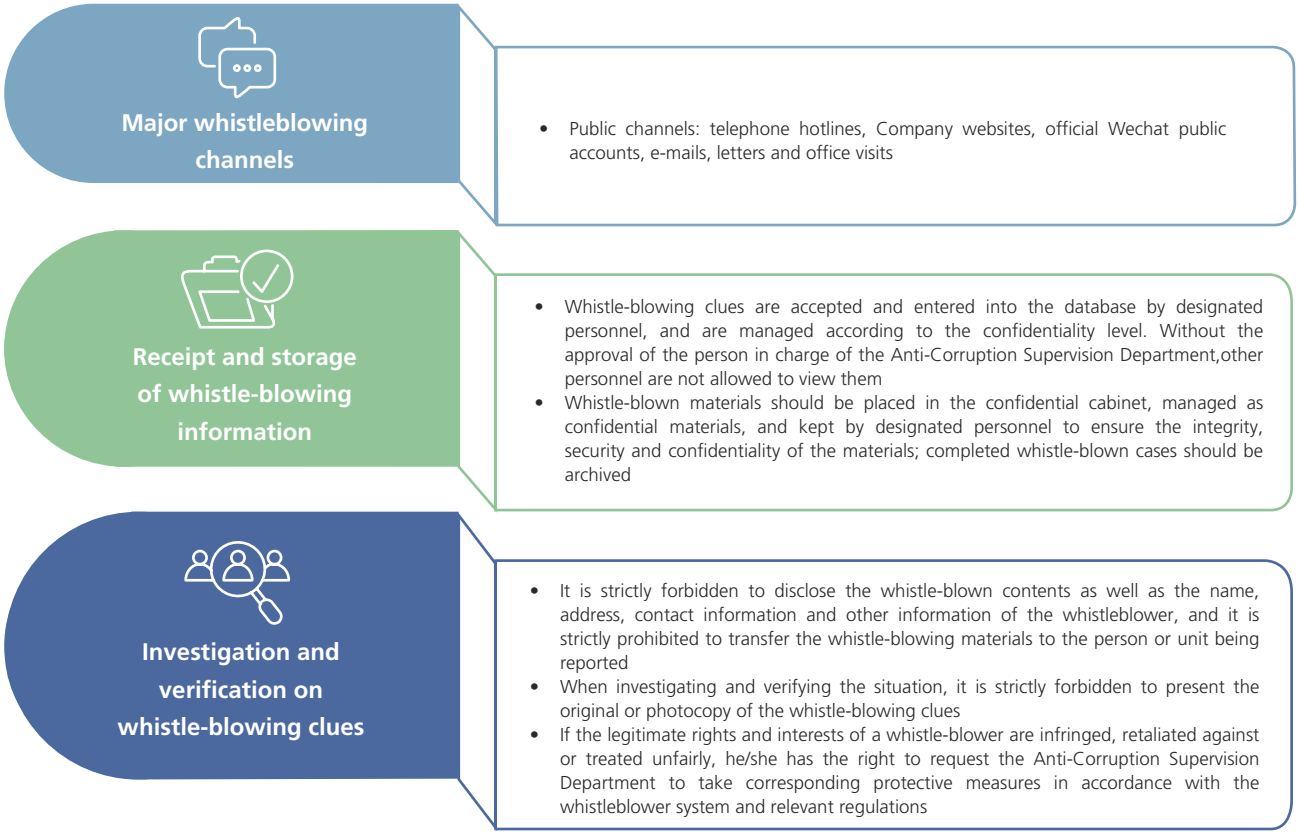
1.3.2 Business Ethics Audit and Supervision

The Audit Department and the Anti-Corruption Supervision Department further reinforce the effectiveness of the anti-corruption and business ethics management of the Group by dual supervision mechanism of audits and anti-corruption supervisions.

At the audit level, the Audit Department has taken the compliance of business ethics into consideration when formulating the audit plan every year. On the basis of conducting audits for various business segments, additional special audits will be conducted on sectors with great business ethics risks and new subsidiaries to ensure compliance in key processes and sectors. Our audit covered all the business operations of the Group every three years. Clues to business ethics issues identified during the audit will be handed over to the Anti-Corruption Supervision Department for in-depth investigation to ensure that the incident is properly handled. At the same time, the Group also cooperates with external third-party auditors to audit and supervise the business ethics of suppliers on a regular basis to further strengthen the stability and reliability of business operations. In 2024, we carried out 9 special anti-fraud audits, covering the mature products and manufacturing business division, innovative drug business division, diagnostic business division, Fosun Health and other business segments. We handled a total of 15 internal personnel involved in the incidents, and imposed penalties and conducted interviews with all the suppliers involved in the incidents.

At the supervision level, the Anti-Corruption Supervision Department continues to strengthen supervision and proactively supervise processes with high business ethics risks to reduce the occurrence of non-compliance incidents, and eliminate potential risks through on-site supervision of open tender. In 2024, the Anti-Corruption Supervision Department participated in the supervision of open tender of 11 projects in total, processed 26 clues in total. 3 employees received the punishment of rescission of the labor contract due to violations of relevant integrity regulations; 2 employees were investigated by administrative authorities due to violations of administrative regulations; and 2 employees were imposed with compulsory measures by judiciary authorities due to violation of criminal laws and losses totaling over RMB2.766 million were recovered for the corporate through case investigation. During the Reporting Period, the Group assisted the judiciary in the conclusion of one corruption prosecution case.

The Group has opened up whistle-blowing channels, improved whistleblower protection measures by formulating and announcing the Whistle-blowing Management Regulations and the Whistleblower and Witness Protection Act and Reward Provisions, and encouraged and guranteed all employees, internal and external parties to express their views. We have established and continuously improved a comprehensive whistle-blowing process to evaluate, investigate and collect evidence on the reported cases received, and report the results to the whistleblower in a timely manner. During the Reporting Period, the Anti-Corruption Supervision Department optimized the existing whistleblowing publicity posters and added a QR code for scanning whistleblowing function. After scanning the QR code, the users will be directly redirected to the whistleblowing interface, allowing them to quickly and conveniently send whistleblowing information to the clean governance mailbox in the form of an email.



Whistle-blowing Handling Process of Fosun Pharma

Anti-Corruption Poster of Fosun Pharma

1.3.3 Integrity Culture Construction and Training

Building a culture of integrity is one of the most powerful means for the Group to ensure the compliance of business ethics. In order to enhance the awareness and understanding of anti-corruption among employees, we annually conduct business ethics and anti-corruption training for all employees (including senior management, full-time employees, part-time employees and contractors).

As an important measure for anti-corruption and integrity, Fosun Pharma requires new employees to sign the "Employee Commitment Letter on Ethical Practice" upon joining the Company to ensure full coverage. Such commitment letter stipulates that no employee of Fosun Pharma shall use their position and work convenience to seek improper benefits or cause damage to the interests of the Company.

During the Reporting Period, the Integrity Supervision Department of Fosun Pharma provided a total of 8 integrity training sessions or presentations, including 1 session for all employees on information security and leakage prevention, 1 session for audit line integrity promotion, 1 session for all employees on integrity promotion in the Spring Festival, 2 sessions for new employees on anti-corruption training, and 3 sessions for enterprise-specific anti-corruption training.

In addition to conducting training, we also set up a special column on integrity and compliance on the homepage of the Company's website, and opened exclusive portal websites for the Disciplinary Committee and the Integrity Supervision Department on the OA system. By continuously and irregularly releasing anti-corruption news, typical cases and relevant laws and regulations throughout the year, we actively popularize the legal knowledge of anti-corruption and advocate integrity among all employees and business partners in a subtle way, so as to create and consolidate a corporate culture featuring integrity and a clean and upright atmosphere.

Case: Integrity culture construction and training (for all employees)

Integrity Lecture of Dongting Pharma

Business Ethics Training for New Employees

Training Site of Avanc Pharma

Training Site of Yao Pharma

1.3.4 Anti-Corruption Management on Suppliers

In the course of business cooperation, we adhere to the principle of compliance above all and places particularly strict compliance requirements on third-party suppliers and partners. To this end, the Group has formulated and issued the Anti-Commercial Bribery Agreement, which explicitly stipulates that this agreement must be signed alongside any contract with external parties to demonstrate both parties' firm stance against commercial bribery. The agreement expressly prohibits the Group's employees from soliciting or accepting any form of improper benefits and also requires the counterparty's personnel not to seek private gains through bribery or offer improper benefits to the Group's employees. To ensure the effective enforcement of this agreement, we have established dedicated reporting channels to address any cases of obstruction, bribery solicitation, or other misconduct during the contract signing process, all of which will be handled equally and strictly in accordance with the law. Every year, we communicate the Supplier Code of Conduct to all suppliers, which clearly outlines the standards for business ethics and strictly prohibits any form of corruption or bribery between suppliers and employees of Fosun Pharma.

In addition, during the procurement process, we impose more stringent integrity and self-discipline requirements on suppliers participating in the bidding process. All suppliers must sign the Letter of Commitment on Integrity before submitting their bids, clearly committing to adhering to principles of integrity and self-discipline during the bidding process, refraining from any fraudulent behavior, and not offering any form of unjust benefits to the staff in charge of tender in the bidding process. Through these measures, the Group aims to effectively uphold a fair, just, and transparent business environment, thereby promoting the healthy and stable development of the enterprise.

Case: Anti-corruption Training for All Suppliers

Offline Training Site

Fosun Pharma provided anti-corruption training for all suppliers in November 2024 to promote corporate integrity requirements and rules through a combination of online and offline methods, and to effectively enhance suppliers' anti-corruption awareness.

We have clearly specified the reporting and complaint channels for non-compliant behaviors in the Code of Conduct of Suppliers. We encourage all stakeholders to actively report suppliers' violations or suspected violations of Suppliers through these channels, and will conduct thorough and responsible investigations into all such reports.

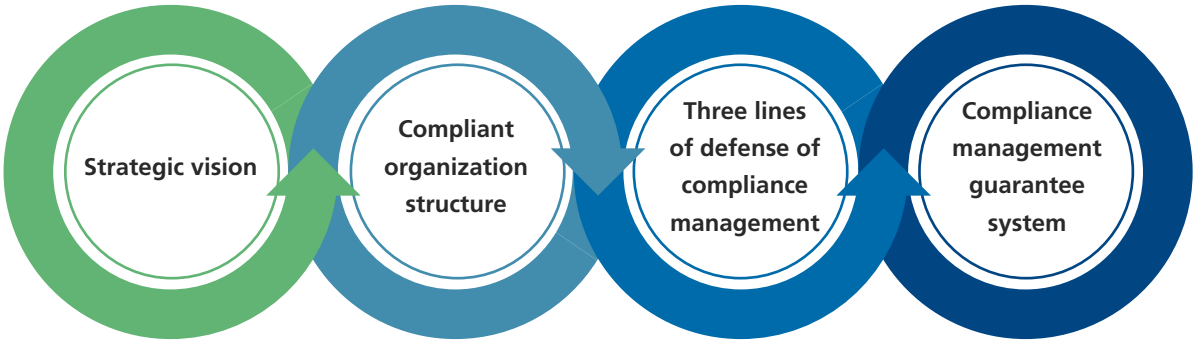
Whistle-blowing channel	Contact information
Fosun Pharma's Centralized Procurement and Procurement Management Department	Telephone: +86 21 33987286 Email: ep_procurement@fosunpharma.com
Fosun Pharma's Anti-Corruption Supervision Department	Telephone: +86 21 33987480 Email: lianzhengdc@fosunpharma.com Address: Building A, No. 1289 Yishan Road, Shanghai
Reporting Portal	www.fosunpharma.com
WeChat Official Account	Fosun Pharma

1.3.5 Anti-Unfair Competition

We adhere to the commercial principles of voluntariness, fairness, equal pay for equal value, and good faith, upholding the integrity-based business philosophy in contract execution, supplier cooperation, and customer service, while maintaining fair market order. The legal department regularly evaluates market competition behaviors to ensure that pricing, cooperation agreements, and other matters comply with the requirements of the Anti-Monopoly Law.

The Group complies with the laws and regulations such as the Anti-unfair Competition Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Interim Measures for the Administration of Censorship of Advertisements on Drugs, Medical Devices, Dietary Supplements and Formula Foods for Special Medical Purposes, the Measures for the Administration of Medical Advertisements, the Measures for the Examination of Pharmaceutical Products Advertisements, and the Notice on Regulating the Use of Drug Names in Drug Advertisements and other laws and regulations in its operation areas, to resolutely maintain a fair competitive market environment. We adhere to the commercial principles of voluntariness, fairness, equal pay for equal value, and good faith, and firmly oppose any form of unfair competition to maintain fair market order. We have developed and issued the Responsible Marketing Policy, which prohibits exaggeration, deception, and false content in marketing, advertising, and sales activities. During the Reporting Period, the Group did not face any lawsuits or significant administrative penalties due to unfair competition practices.

In order to conform to the international standards, industry norms and strategic planning requirements of the Group, we have established a compliance management system for our domestic marketing platform to give clear and able guidance on compliance marketing for our employees. On such basis, we have further formulated the Code of Conduct for Compliance Policy of the Company to provide detailed compliance guidance for marketing-related employees and enable documented and evidence-based marketing activities. Meanwhile, we have prepared a list of legal compliance risks covering risk points in marketing and promotion to ensure the compliance of our marketing activities.



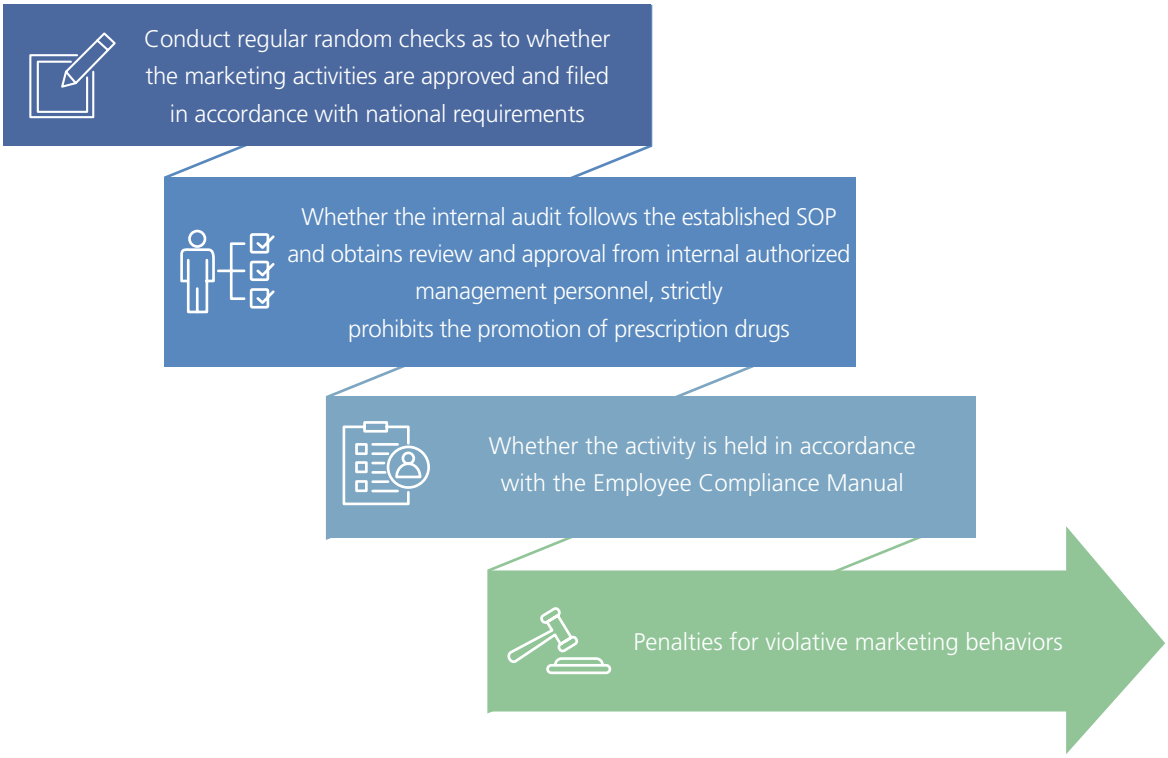
Compliance Management System of the Domestic Marketing Platform of Fosun Pharma

Responsible Marketing Audit

We conduct systematic internal responsible marketing audits annually, covering all external sales operations. The audit scope includes marketing compliance, integrity in transactions, and strict prohibition of false advertising. Any violations identified during the audit will be handled in accordance with the relevant penalty provisions. Additionally, our marketing platform conducts comprehensive reviews and compliance checks on promotional and non-promotional materials, academic conferences, and donations to ensure that all promotional activities are conducted lawfully and fairly.

For external marketing and publicity activities, we comply with the national requirements for approval and filing, and review relevant materials to guarantee the authenticity and compliance of the promotional content involved in the activities; the use of promotional/non-promotional materials is subject to internal review, and exaggeration, deception and false content are strictly prohibited to ensure the authenticity and compliance of the data and academic opinions; for academic conferences, the Group conducts reviews and approvals for internal authorized management personnel in advance in accordance with the Employee Compliance Manual to ensure that the promotional activities can accurately convey information on the correct use of drugs, and the efficacy of drugs shall be prohibited to be exaggerated.

At the same time, we have also opened up a marketing-related feedback channel to collect opinions and clues to further ensure the compliance of our marketing activities.



Responsible Marketing Audit Process of Fosun Pharma

Responsible Marketing Training

The Group attaches great importance to the promotion and implementation of responsible marketing, and provides responsible marketing training for all employees at least once a year, covering key areas such as relevant laws and regulations on responsible marketing, requirements and regulations of the Company, product knowledge and marketing norms. In 2024, the Group achieved 100% coverage of responsible marketing training for all employees, ensuring that every employee can fully understand and practice the concept and requirements of responsible marketing. In 2024, the domestic marketing platform also provided 193 compliance training sessions for all marketing employees, covering compliance policies, industry regulatory developments and case sharing, interpretation of compliance scorecards and risk matters, and special trainings on safeguarding the security of the National Health Insurance Fund.

In order to ensure that all employees have a thorough understanding of the Group's Responsible Marketing Policy and comply with relevant laws and regulations, we have set up a responsible marketing training course with depth and breadth. The course content combines theoretical knowledge, practical case analysis, interactive discussion and simulation exercises to help employees better transform the training content into practical operation ability. Through training, employees can clearly grasp the code of conduct to be followed in marketing activities, avoid exaggerated publicity, misleading consumers and other violations, so as to effectively improve the overall marketing compliance level.

Case: Responsible Marketing Training for All Employees

During the Reporting Period, we conducted two compliance assessments covering all employees to deepen the understanding of the requirements of responsible marketing among employees. In 2024, the domestic marketing platform carried out one special training on safeguarding the security of the national medical insurance fund, which covered all employees. The training included basic knowledge of the medical insurance fund, interpretation of regulatory regulations, cases of violations, and measures for medical insurance supervision. All employees completed the post-meeting offline learning and the special compliance assessment on safeguarding the security of the national medical insurance fund.

In addition, we also held the "Second Compliance Culture Week". By hosting online and offline training, examinations, games and other forms, we organized playful learning activities, and the awareness towards compliance has been further ingrained into all employees.

Marketing Compliance Supported by Digital Means

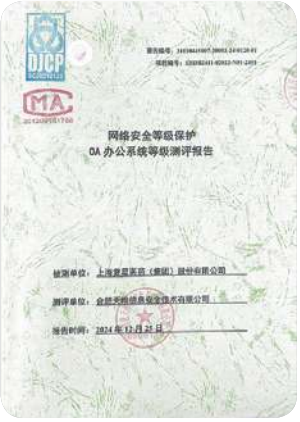
The Group constructed a marketing customer management system with independent intellectual property rights, and completed the substitution with and transition to a localized and self-developed system. At the same time, while ensuring data security, we employed digital solutions to strengthen the full-process compliance management of marketing activities in our key business segments, including further improving the management of jurisdictions, positions and target terminals in the Customer Relationship Management (CRM) system. Through the behavior management system, we have refined the behavior management of marketing employees and regulated the marketing process to promote sustainable and healthy business development. In addition, we also introduced sales data dashboards to our key business segments, enabling comprehensive analysis from multiple dimensions such as products, management organizations, management territory, and target terminals to digitize and visualize the marketing business and provide strong data support to roll out marketing plans for related products.

1.4 Information Security and Privacy Protection

Information Security

The Group adheres to the Cybersecurity Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China and other laws and regulations in regions where we operate. The Group prioritizes the security of information and privacy data of consumers, customers, suppliers, employees, and other stakeholders, and is committed to enhancing the information security and privacy protection awareness of all its employees.

We developed the Security System Construction Plan covering the Company and all its subsidiaries, and established and continued to improve the information security management structure. Adhering to the information security policy of "controlling risks with continuous improvement", the structure ensures the achievement of our information security objectives by supervising and evaluating the information security status, and regards data security and privacy protection as the top priority of information security tasks. The CTO of the Group leads the information security team to be responsible for specific implementation, including the development of information security standards and processes, the construction of information security structure, and the monitoring of and response to security incidents. The OA system at the headquarters has obtained Level 3 certification for information security protection, and passed the ISO 27001 accreditation during the Reporting Period, demonstrating the further improvement in the construction of information security system. During the Reporting Period, no significant information security incidents occurred in the Group.



Level 3 certification for information security protection

ISO 27001 certification for information security management system

- Optimize and improve 120 information security-related systems, processes and standard documents, providing normative guidance for the orderly and effective information security progress, further meeting regulatory compliance requirements and reducing the probability of threats
- Engage a third-party security service provider to monitor information security devices and systems around the clock
- Continuously monitor the risks of external exposure and close the loophole to external risks through regular analysis of external exposure areas; equip with the ability to detect encrypted network traffic and identify threat content hidden in encrypted channels, greatly improving the risk identification rate
- Conduct regular vulnerability scanning and penetration testing on business systems that contain important data to identify potential or known vulnerabilities and repair them in a timely manner
- Deploy and apply encryption and decryption systems and honeypot platforms to consolidate the information security infrastructure and monitor the security status of the information system in a more comprehensive manner
- Provide regular information security awareness training for all employees, such as "phishing emails" for all employees and information security skills improvement for IT personnel, so as to heighten the alertness to network threats, social engineering attacks and other issues among employees, and ensure active participation of every employee in information security

Information Security Protection Measures of Fosun Pharma

Case: Information Security Training

Information security is not only a technical issue but also the responsibility of all employees. In July 2024, the Company held an Information Security Awareness Week event with the theme of "Strengthening Information Security Awareness and Preventing Leakage and Fraud Risks". The event invited senior leaders from various fields such as cyber security, criminal investigation, economic investigation, security vendors, and CEO, legal, and anti-corruption experts from companies to share and exchange. This event lasted for a week, and the awareness-raising sessions covered all employees, supporting both online and offline participation, with over 3,000 participants.

Before participating in the "Empowering and Forging Network" cyber-attack and defense event in Shanghai this year, the Group also organized a phishing drill. The drill targets included IT personnel, finance staff, and HR staff, covering approximately 200 people. The drill carried out targeted phishing around IT, finance, and HR scenarios.

We will continue to strengthen information security work to safeguard the data security of all stakeholders, thereby promoting the realization of sustainable development and social responsibility.

Privacy Protection

Privacy protection is an important cornerstone for pharmaceutical companies to win the profound trust of patients, partners and all sectors of society. We put privacy protection at the core and abide by relevant laws and regulations such as the Cybersecurity Law, the Data Security Law, the Personal Information Protection Law and the Regulation on Protecting the Security of Critical Information Infrastructure. On this basis, the Group has formulated various systems including the Data Security Management Regulations and the Personal Information Protection and Management Regulations, and built a comprehensive and sound privacy data management system to ensure that the privacies of all parties are fully protected in business operations.

Transparent Privacy Policy

- Adhering to the principle of transparency, we have developed and announced a clear and detailed privacy policy to explain to customers how we collect, use and protect their personal information

Legal Compliance

- We are committed to full compliance with applicable data privacy regulations and international privacy standards. A Standard Personal Information Contract will be signed for cross-border transfers of personal information
- A confidentiality agreement is required during the signing of a contract with a third party and prior to admission to a service

Proactive Risk Assessment

- We regularly conduct comprehensive privacy risk assessments to identify and assess potential privacy risks and prevent potential privacy threats. In 2024, Fosun Pharma's work on privacy protection revolved around the Privacy Impact Assessment Procedure to ensure compliance with data protection regulations in the processing of personal information and strengthen the protection of personal privacy

Data Minimization and Purpose Limitation

- Adhering to the principles of data minimization and purpose limitation, we only collect and use the most basic customer information required for our business operations, and ensure the legal and legitimate use of information

Safety Technical Measures

- We implement advanced security technology measures, including data encryption, network security and access control, so as to ensure the full protection of customer information during transmission and storage
- We adopt de-identification or anonymization technology for desensitization in the processing of clinical personal data

Customer Rights Protection

- We respect our customers' right to control their personal information, provide them with convenient ways to access and modify their personal information, and ensure that they can exercise their rights to privacy

Major Privacy Protection Measures of Fosun Pharma

During the Reporting Period, the Group did not experience any data breaches and did not receive any complaints regarding the leakage of user privacy.

2. Product Responsibility

The Group deeply embeds its quality policy of "Respect for Life, Focus on Quality, Commitment to Perfection, and Pursuit of Excellence" throughout the entire product lifecycle. It continues to deepen independent R&D and external cooperation, enriches and innovates its product pipelines and improves product quality, in order to provide high-quality and efficient products and services to patients and customers worldwide.

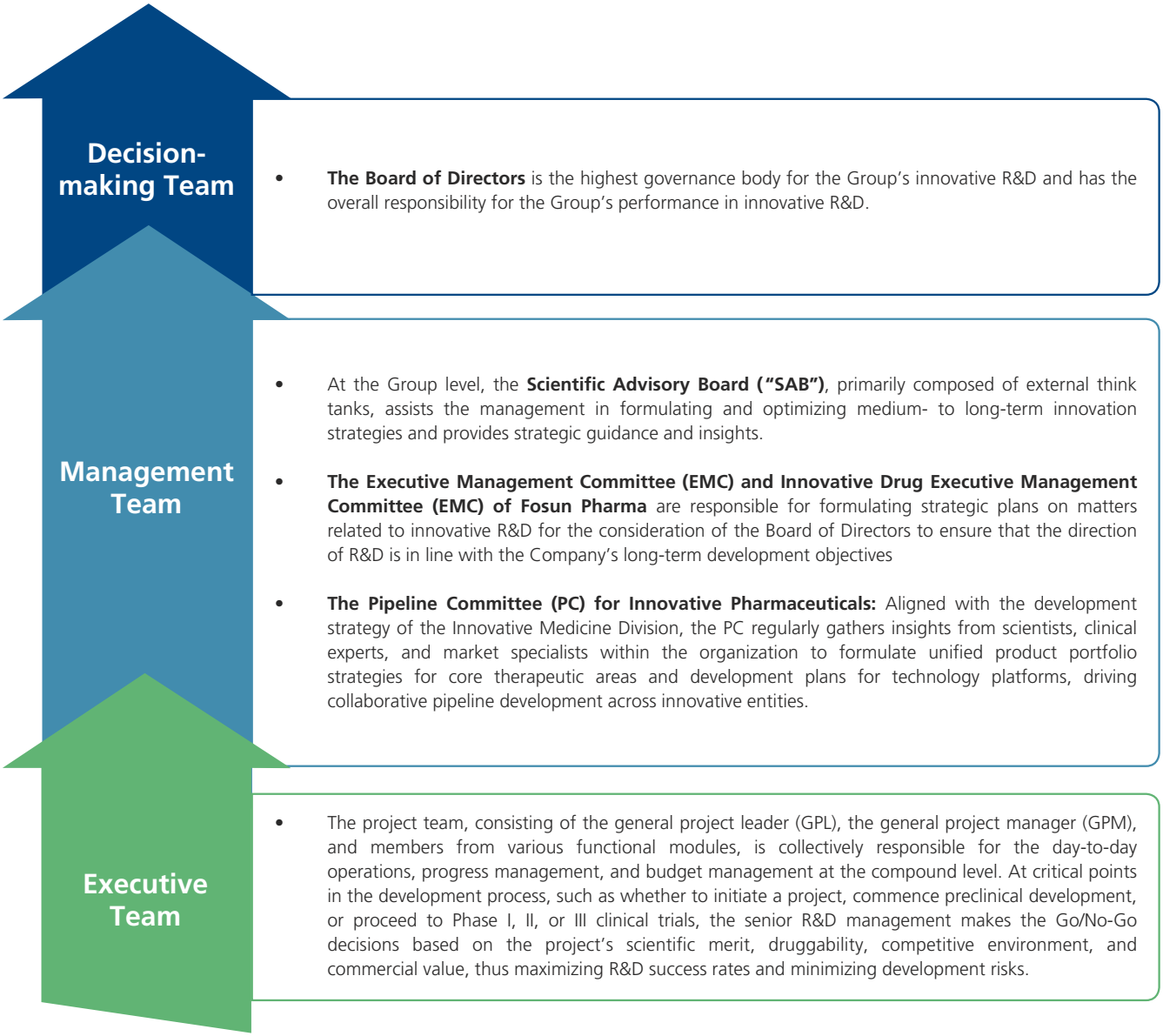
2.1 Innovative R&D

The Group actively align with leading technologies and high-value products through diversified and multi-level innovation models. Leveraging an integrated R&D management platform, we continuously expanded our product pipelines, striving to accelerate the research, development, and commercialization of innovative technologies and products.

2.1.1 Governance

To continuously drive the innovative R&D process, we have established a top-down management structure to ensures efficient and orderly R&D activities. Our decision-making and management team members include experts in clinical research for innovative drugs and strategic management, possess extensive experience and expertise in the field of innovative R&D, and excel in tracking cutting-edge technology trends, accurately identifying R&D risks, and formulating effective response strategies.

During the Reporting Period, the R&D executive team regularly reported project progress to the management team in monthly, quarterly, and annual strategic meetings, including key data and outcomes. These information are being summarized and analyzed before being presented to the Group's decision-making team, providing strong support for the Board's strategic decisions. Having comprehensively considered factors such as the scientific validity, commercial value, and investment returns of innovative projects, the decision-making team ultimately made informed decisions by conducting in-depth assessments of relevant risks and opportunities, and reasonably balancing inputs and outputs. Additionally, the heads of each R&D team closely monitored the progress of project metrics in real time, promptly adjusted R&D strategies based on feedback, and continuously optimized R&D processes, thus ensuring that our innovative R&D efforts remain at the forefront of the industry.



Innovative drug R&D Governance Structure of Fosun Pharma

2.1.2 Strategy

The Group proactively identifies R&D-related risks through systematic evaluation and analysis, and subsequently develops a risk register specific to R&D activities. This process encompasses a comprehensive review of market trends, technological developments, regulatory policies, and internal R&D capabilities, enabling us to adopt targeted strategies to effectively address these risks.

2. Product Responsibility

No.	Risk	Business Impact	Financial Impact	Timeframe
1	Missed strategic opportunities, and failure to capture key technology platforms and major targets	May result in a loss of market share	• May lead to a decline in revenue and increased R&D costs • In 2024, the Group's R&D investment amounted to 5.554 billion	Short-term, medium- term, and long-term
2	Insufficient R&D efficiency, and R&D progress below expectations	May lead to decreased competitiveness of products		Short-term, medium- term, and long-term
3	Innovative products failing to achieve expected commercial value	May affect strategic adjustments and market positioning		Short-term, medium- term, and long-term

Note: The timeframe definitions are as follows: Short-term — within 1 year; Medium-term — 2 to 3 years; Long-term — over 3 years.

Based on the identification and assessment of R&D risks, we promptly adjust the Group's R&D direction and strategic planning. We have established an innovative strategic decision-making mechanism which is oriented to clinical and commercial value. On this basis, we have achieved management on key decisions throughout the entire process from target screening to launch. At each stage, we make Go/No Go decisions to efficiently promote the screening, optimization and clinical validation of candidate drug. We are committed to improving clinical trial design and operational processes to ensure optimal allocation of resources and maximization of R&D efficiency, thereby enhancing R&D efficiency, success rate and commercialization value of our products.

The Group continuously implements the "Innovation, Internationalization, Integration and Intelligentization" strategy, and is dedicated to enhancing its innovation and R&D capabilities, and developing strategic products. We will continue to deepen the domestic market and to actively expand the international market. Focusing on the core treatment areas with significant unmet needs of products and technology, we will further improve R&D efficiency and optimize the product structure of the pipeline by conducting targeted deployment. We will exert every effort to promote existing R&D projects throughout the entire process of clinical trials and launch, while actively developing new R&D projects, to maintain the Group's sustainable innovation and market competitiveness.

To achieve its strategic targets of R&D, the Group has invested in R&D in line with its revenue each year to ensure the continuity and stability of its R&D activities.

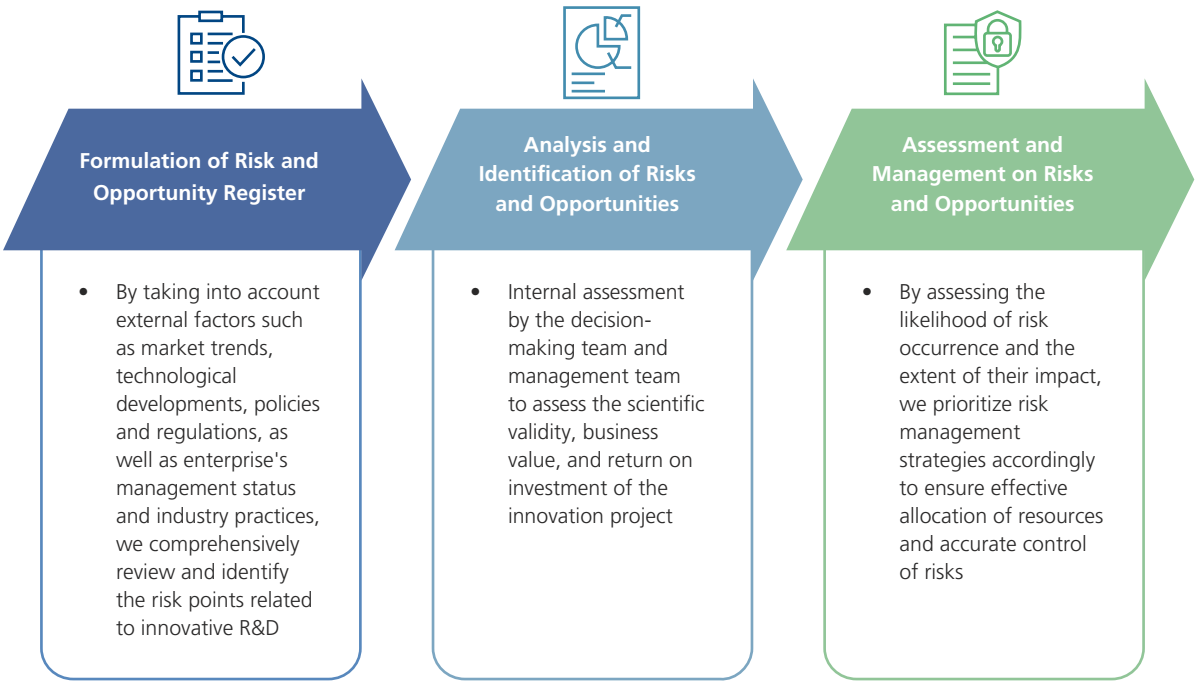
2.1.3 Risk Management

The Group has incorporated innovative R&D into its enterprise risk management process. Through the establishment of a sound risk assessment mechanism, the Group systematically identifies and analyzes the relevant risks and carries out risk management initiatives, in order to ensure the smooth implementation of innovative R&D activities and provide strong support for the sustainable development of the enterprise.

Assessment Methods

To ensure the effective implementation of our risk management strategy, the Group further assesses the key risk points identified in innovative R&D to determine the likelihood of their occurrence and the extent of their impact.

The Group's innovative R&D risk assessment is led by the decision-making team and management team and focuses on the potential impact of the relevant risks and opportunities on the enterprise. The assessment covers the scientific validity, commercial value and return on investment of the innovation projects, as well as the extent of the impact on the enterprise's business model, business operations, development strategy, financial position, operating results and cash flow. Each department has established a risk assessment system and project responsibility management and risk prevention measures within its scope of responsibility to predict, assess and control various risks in its business activities, ensuring the effectiveness and scientific validity of risk management.



Innovative R&D Risk Management Process of Fosun Pharma

Prioritization of Risks and Opportunities

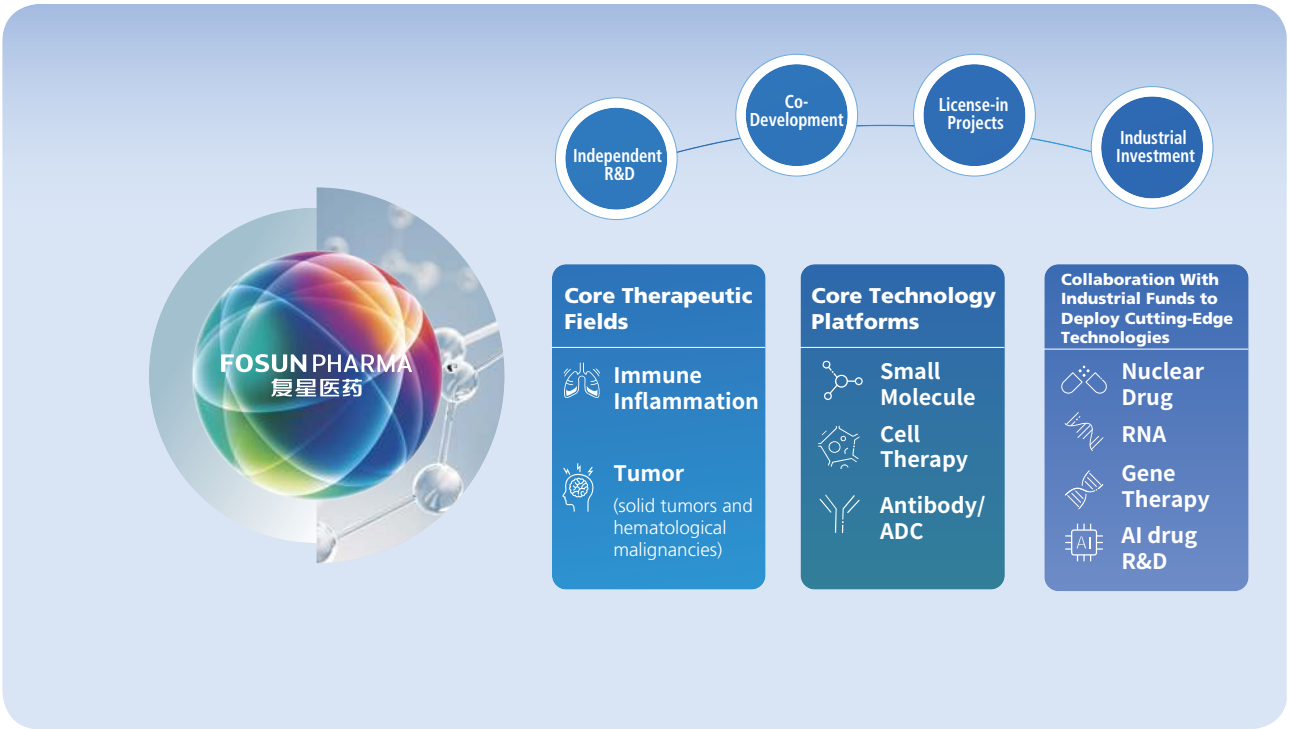
By taking into account external trends, the Group prioritized the identified risks and opportunities based on a comprehensive risk management process during the Reporting Period, which was aimed at optimizing the allocation of resources and accurately grasping development opportunities, while effectively addressing potential risks, so as to ensure the steady progress of the enterprise.

Risk	Likelihood of Occurrence
Missed strategic opportunities, and failure to capture key technology platforms and major targets	Low
Insufficient R&D efficiency, and R&D progress below expectations	Medium
Innovative products underperform commercial value	Medium

Innovative R&D Risk Response Initiatives

R&D System and Capacity Building

The Group is patient-centered and driven by clinical needs. Through the open innovation model encompassing independent R&D, collaborative development, licensed-in, and industrial investment, we focus on core therapeutic areas such as oncology (solid tumors and hematological malignancies), immunology and inflammation, as well as to improve the core technology platforms of antibodies/ADCs, cellular therapies, and small molecules, so as to build an open, global, efficient, and comprehensive "end-to-end" R&D system from project establishment and early research to the clinical stage. The Group continued to enhance pipeline value, promote the R&D and commercialization of FIC (First-in-class) and BIC (Best-in-class) products, and enrich its innovative product pipeline.



The Group is committed to strengthening its R&D capabilities through a diversified incentive mechanism and a sound talent cultivation framework, so as to promote technological innovation and product upgrades. The Group has established a set of incentive plans, including innovative drug R&D incentives, generic drug CMC R&D incentives and ESOPs which are in line with the characteristics of different incubator platforms and incubates, so as to effectively achieve retention and incentives of key core R&D personnel to facilitate innovative R&D personnel to grow and develop with the enterprise in the long term.

In terms of R&D capacity building, the Group adopted a training method that combines online and offline to ensure that the R&D team is constantly update with the latest trends and to enhance their professionalism.

Case: Innovative R&D capacity building

In 2023–2024, the talent development center of Fosun Pharma, in cooperation with global R&D centers, collected, organized and produced more than 200 knowledge contents, with a catalogue including early research, pre-clinical, translational medicine, CMC, clinical pharmacology, clinical medicine, clinical operations, biostatistics, pharmacovigilance, clinical quality inspection, registration, patents, project management and medical affairs. During the Reporting Period, in order to enhance the utilization of our knowledge base, we provided 49 customized learning plans for more than ten R&D departments by collecting R&D learning requirements, and required designated personnel in each department to complete the corresponding learning tasks within 2024, so as to enhance the knowledge and skills of the core cadre in each department.

Drug Clinical Trial Ethics

While fostering continuous innovation and R&D to bring more hope of cure to patients, the Group adheres to the Declaration of Helsinki and the Good Clinical Practice (GCP) to ensure the ethical compliance during the R&D. In the early clinical stage, we conduct ethical animal experiments and protect experimental animals. In the late-clinical stage, we comply with relevant regulations and ethical standards, respect and protect the life, health and legal rights of the subjects and safeguard the dignity of human beings.

Laboratory animals are the fundamental elements and important supporting conditions for life science research, while animal experiments are the basic means of life science research. The Group's animal experiment management covers three area, including laboratory animals, experiment process and facility operation. Specifically: breeding, reproduction, raising, quality control, disease prevention and diagnosis of laboratory animals, research on the reaction and performance of laboratory animals during experiments, and their occurrence mechanism, development rules and supporting conditions, as well as the operating conditions of the environmental facilities for laboratory animals. In active response to the animal ethics and animal welfare protection requirements, we raise and use laboratory animals scientifically and humanely, improve animal raising environment, protect rights of laboratory animals, and will continuously explore and carry out refined animal experiment technology in the future to reduce and replace the use of laboratory animals.

In terms of clinical trials, the commencement of all projects is subject to review and approval by the hospital ethics committee. A quality management department, responsible for daily monitoring, was also established to incorporate scientific technology ethics into innovative governance structure and internal management systems. Additionally, we formulated related administrative systems, such as the Misconduct in Science and the Confidentiality and Information Protection for Subjects, to ensure full protection of subjects' rights. Meanwhile, the Group also supplemented its innovative R&D-related trainings with scientific technology ethics. For instance, the GCP training is provided annually to further enhance the ethical awareness and standard operational practice of employees. In 2024, the Group did not receive any material penalties in relation to clinical trial, showing the regularity and effectiveness of its ethical management.

Intellectual Property Protection

With intellectual property and patent protection as top priorities, the Group continued to advance "blockbuster product intellectual property strategy" by being committed to exploring blockbuster products and innovative technologies, and proactively making patent application and conducting maintenance. We complied with the national standard such as Enterprise Intellectual Property Management Standards and were dedicated to establishing holistic and multi-layered intellectual property protection systems to practically safeguard its legal rights of innovation.

Combining intellectual property operation with the entire product lifecycle management of new projects, the Group continuously conducted targeted technical and legal analysis for intellectual property during the project initiation and the whole R&D process, and identified and warned intellectual property risks. In terms of key products, we formulated an intellectual property protection system covering patent portfolios to prolong the life cycle of products and ensure the realization of the economic and social value of R&D investment.

In 2024, the pharmaceutical manufacturing segment of the Group submitted 220 patent applications, including 3 U.S. patents applications, 18 PCT applications, and the Group obtained 66 patents for invention.

2.1.4 Metrics and Targets

During the Reporting Period, the metrics, targets and achievement related to our R&D innovation were as follows:

Metrics and targets	Achievement in 2024
Record steady growth in revenue from innovative drugs	Goal achieved
Maintain a certain number of innovative drugs to be launched every year	7 innovative drugs/biosimilars with 16 indications developed independently and licensed in were approved for launch
Maintain submissions for IND, NDA and BLA of a certain number of innovative drug pipelines every year	• 8 innovative drugs/biosimilars developed independently, co-developed and licensed in entered into pre-launch approval/pivotal clinical stage; • 18 innovative drug/biosimilar projects (by indication) approved for clinical trials

2.2 Quality Management

We are deeply aware that quality is the lifeline for the survival and development of an enterprise. We adhere to the quality policy of "Respect for Life, Focus on Quality, Commitment to Perfection, and Pursuit of Excellence", and we make every effort to safeguard the drug quality and safety by adopting high standards and stringent requirements at all times. In our ongoing efforts to refine the quality management system, we have controlled the full life cycle of our products from development to usage, to ensure that every stage meets the highest standards.

2.2.1 Governance

The Group strictly follows the national drug regulatory laws and regulations system, taking the Drug Administration Law of the People's Republic of China, the Vaccine Administration Law of the People's Republic of China, the Good Manufacture Practices and the Chinese Pharmacopoeia as the core framework, and continues to optimize its quality management to ensure strict implementation of all standards.

In order to ensure the quality and safety of drugs, we have constructed a sound quality management structure with clear responsibilities of each level. The Board of Directors is responsible for developing strategies related to the pharmaceutical quality. The ESG Committee under the Board is responsible for overseeing, guiding and reviewing quality-related matters for consideration by the Board. The ESG Management Committee is responsible for assessing and managing the risks, opportunities and impacts that pharmaceutical quality may have on the enterprise, setting relevant goals and objectives, and reporting to the Board and the ESG Committee under the Board annually. The ESG Working Group is responsible for the promotion and implementation of the relevant work and reports to the ESG Management Committee. The ESG Management Committee and the ESG Working Group include members with extensive industry experience and expertise in the production, transport, storage and use of pharmaceutical products to ensure the effectiveness of the quality management governance structure.

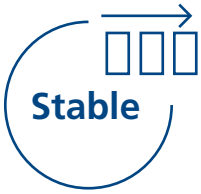
2.2.2 Strategy

We understand that the effective identification and management of quality risks is a key part of achieving our strategy. Therefore, we have systematically sorted out the risks that may affect product quality in a regular manner in order to analyze their potential impact and provide a basis for formulating risk response strategies.

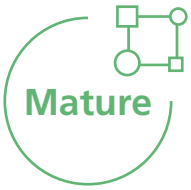
No.	Risk	Operational impact	Financial impact	Impact timeframe
1	Pharmaceuticals, medical devices and diagnostic products may have quality problems due to the production, transportation, storage, use and other reasons of raw materials	The enterprise may face legal liability, including product recalls, fines, litigation costs, and potential large damages.	• Potential decrease in product sales and cooperation, leading to decline in revenue • The Group has invested RMB150 million for areas relating to quality certification and quality control in 2024	Short-term, medium-term, and long-term
2	The healthcare services segment may be subject to risks of medical malpractice claims or disputes, including complaints and disputes between doctors and patients arising from surgical errors, medical misdiagnosis and incidents relating to defects of treatment and diagnostic devices			Short-term, medium-term, and long-term
3	The relevant operating entities are punished for failing to abide by relevant laws and regulations due to various reasons such as poor management			Short-term, medium-term, and long-term
4	There may be adverse impact on the brand and market reputation of the enterprise due to quality problems	Damage to the enterprise's brand image and market reputation leads to a decline in consumer trust and results in a drop in sales.		Short-term, medium-term, and long-term

Remark: Impact timeframe is defined as: short term for 1 year and less, medium term for 2-3 years, and long term for over 3 years

Having fully considered the uncertainty of quality risks, the Group has made adjustments to the enterprise's strategies and business models to enhance adaptation to and resilience against the risks. In this regard, we have formulated a five-year quality strategy that is centered on stable, mature and efficient, and we are committed to building a "quality operation system with domestic leading advantages, in compliance with mainstream international regulations, and with international competitiveness".



Continue to carry out quality system evaluation, improve quality in-depth compliance, and strengthen quality capacity growth and quality culture construction



Continue to improve a full life-cycle quality management system, optimize the quality management platform and promote international quality management

Continue to strengthen the digital information system and carry out the quality talent promotion plan

5-year Quality Strategy of Fosun Pharma

2.2.3 Risk Management

In terms of quality management and risk prevention and control, the Group regards drug safety and quality as a top priority, and is committed to ensuring the quality of drugs over their entire life cycle through scientific and systematic management. We abide by industry standards and regulatory requirements, and have established and continuously improved the quality risk management system to identify, assess, and manage quality risks throughout the entire life cycle of drugs. The Group conducts regular quality audits, risk assessments and deploys a pharmacovigilance mechanism. It does so to ensure that the research and development, production and sales of drugs are in compliance with the highest standards.

Assessment methods

The Group adopts a systematic and multi-level quality risk management method to ensure the comprehensive identification and assessment of the possible impacts of quality related risks and opportunities on the enterprise. This evaluation covers the possibility of risks, along with their potential impacts on the enterprise's business model, business operations, development strategy, financial position, operating results, and cash flow, as well as their long-term impacts on the economy, society, and environment.

Given the above, the quality management department carries out precise quantization and hierarchical management on quality risks by data analysis, regular audits and self-inspections, past events review and taking advantages of professional tools such as failure mode and effects analysis (FMEA), risk ranking and filtering (RRF), preliminary hazard analysis (PHA), and risk rating tools. Leveraging the comprehensive and multi-dimensional quality risk assessment method, we strive to accurately identify potential issues and formulate targeted strategies, thereby ensuring stable and sustainable operations of the enterprise.

Risk and Opportunity Prioritization

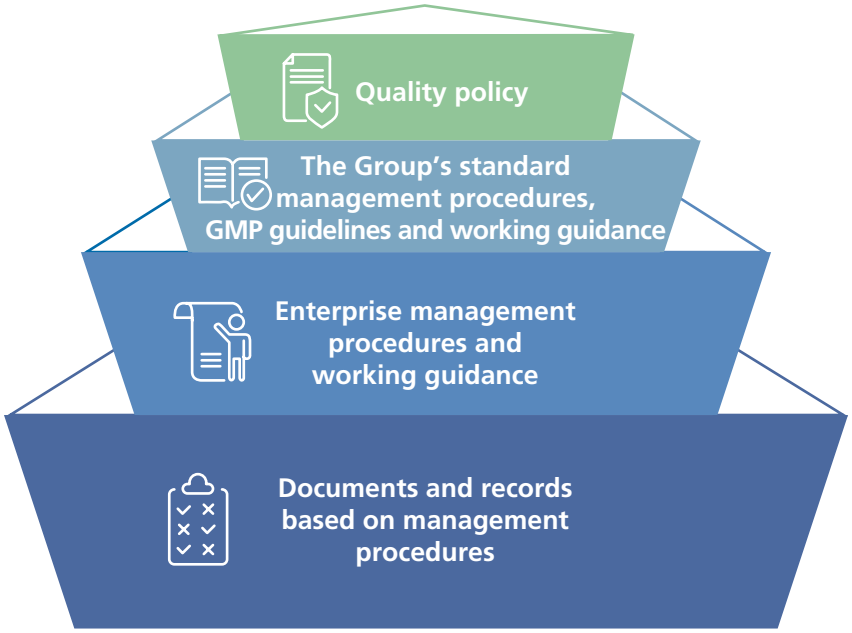
We assess the possibility of risks and opportunities based on changes in policies, regulations, and quality standards and rank them in the process of risk and opportunity prioritization, so as to ensure precise allocation of resources and enhanced management efficiency.

Risks	Possibility
Pharmaceuticals, medical devices and diagnostic products may have quality problems due to the production, transportation, storage, use and other reasons of raw materials	Low
The healthcare services segment may be subject to risks of medical malpractice claims or disputes, including complaints and disputes between doctors and patients arising from surgical errors, medical misdiagnosis and incidents relating to defects of treatment and diagnostic devices	Low
The relevant operating entities are punished for failing to abide by relevant laws and regulations due to various reasons such as poor management	Low
There may be adverse impact on the brand and market reputation of the enterprise due to quality problems	Low

Quality Risks Solutions

Quality Management System

In accordance with the Good Manufacturing Practice for Drugs (2010 Revision), WHO and ICHQ9 (Guidelines for Quality Risk Management of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use), we established a lifecycle quality management system covering the stages including raw material procurement, production, and storage of finished products to ensure safety and stability of product in all aspects. In order to improve daily quality management, the duties of quality management were split into different levels to ensure the efficient operation and continuous optimization of the quality management system.



Four-level quality management document structure system of Fosun Pharma

As at the end of the Reporting Period, the Group had issued a total of 16 GMP technical guidelines and 11 group standard management procedures, progressively standardizing the processes for key quality elements. We remain closely aligned with global regulatory developments, making timely adjustments to strategies and continuously providing quality improvement support to our subsidiaries. With an international outlook and standards, the Group is committed to enhancing its quality management system.

To ensure the effectiveness of the quality management measures, a quality management system covering the entire product lifecycle has been established in compliance with international standards such as GMP and ISO 9001. As at the end of the Reporting Period, the Group's quality management system certification and quality inspection coverage rate stood at 100%, with inspection results meeting the required standards.

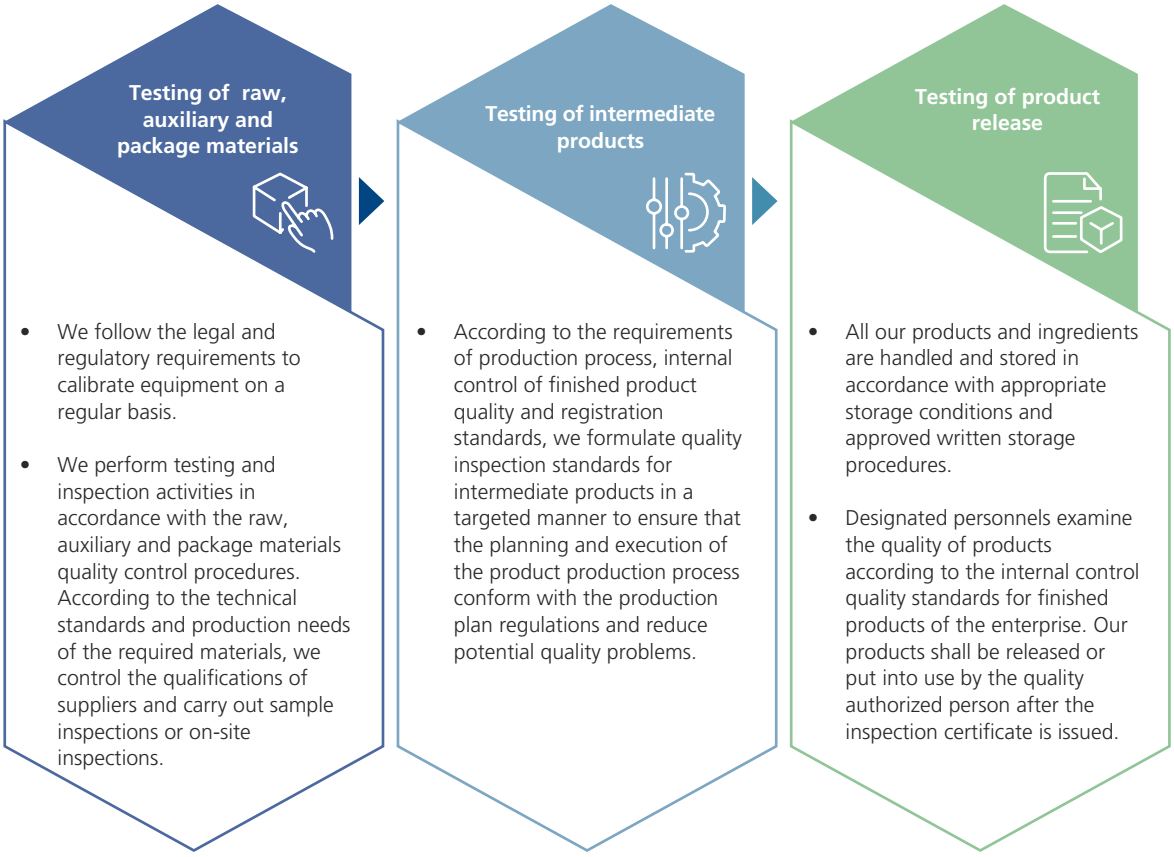
Quality certification and inspection	Quality certification compliance of the Group in 2024
Compliance with China's GMP	As at the end of the Reporting Period, the production sites of the domestic subsidiaries in the pharmaceutical manufacturing segment met the requirements of GMP 2010, with a quality management system coverage rate of 100%; the GMP certification rate of the pharmaceutical commercial production lines has reached 100%.
Compliance with overseas GMP	As at the end of the Reporting Period, the GMP certification rate of the production lines of drugs sold overseas reached 100%.
ISO quality management system certification	As at 31 March 2025, a total of 24 subsidiaries based in manufacturing have passed ISO 9001/ISO 13485 certification and another 18 are in the process of certification audits, with an overall certification rate of nearly 98%.
Official quality inspection	During the Reporting Period, subsidiaries in the pharmaceutical manufacturing segment received a total of 124 official inspections, all of which were passed, and official sample tests on more than 676 batches, all of which were passed.

Quality Testing Capability

Quality testing is a core element in ensuring product safety and efficacy, as well as fulfilling the social responsibilities of pharmaceutical companies. The Group adheres to the precautionary principle set out in Principle 15 of the United Nations Rio Declaration and the European Commission Communication COM (2000) 1, and is committed to taking effective measures in advance to protect product quality and public health when potential risk factors are not yet clear. As early as the research and development stage, we conduct safety relevance assessments on relevant active ingredients, excipients and other substances contained in the product. By stopping the development of active ingredients with potential adverse properties, improving production processes and adding quality testing items, we can prevent potential adverse effects on human health and ensure the safety and effectiveness of products.

On this basis, the Group has established and continuously improved its quality inspection and monitoring system. Through laboratory testing and monitoring throughout the entire production process, including raw and auxiliary materials testing, intermediate process testing, process control and verification, product release testing, and stability testing of biological products, we can ensure the excellence and stability of product quality. We regularly detect and eliminate potential quality and safety issues for all launched products.

As at the end of the Reporting Period, all subsidiaries of the Group engaged in pharmaceutical business have set up internal quality control laboratories, and have formulated internal control standards based on the pharmacopoeias of the target markets (such as ChP, USP, EP, etc.), registration standards approved by local regulatory authorities, industry standards (such as GB, ISO, etc.), and the characteristics of product processes, covering the key quality attributes of all products. For potential quality issues that are not yet listed in national and industry standards, we work with a number of peer companies to develop joint testing standards. The laboratories of these subsidiaries have a 100% testing coverage rate for their self-produced products, and the testing of entrusted products is carried out by the entrusted party. In response to the detection results of out-of-specification and out-of-trend findings, we have formulated the QC Laboratory Investigation and Handling Procedures for OOS/OOT Results, which clarify the investigation process and outline the disposition of batches confirmed to have out-of-specification and out-of-trend issues.



Product quality and inspection process of FosunPharma

Quality Audit

As a key initiative to ensure product quality, we formulate and implement a comprehensive annual quality audit program in accordance with the quality requirements of international standards, which covers quality system, production, documentation, materials, laboratory control and equipment and facilities, so as to comprehensively enhance and assess the quality system throughout the life cycle of pharmaceutical products, strictly control quality risks, and identify and rectify defects of the quality management in a timely manner. This ensures the production of high standard pharmaceutical products in compliance with international and domestic GMP requirements to satisfy patients' needs. During the Reporting Period, the Group conducted a total of 9 GMP audits and quality system evaluations of subsidiaries in the pharmaceutical manufacturing segment.

In 2024, subsidiaries in the medical devices segment formulated and implemented corporate internal audit scheme in accordance with the "Quality Management Practice for Manufacturing of Medical Devices" and ISO 13485:2016, and completed a total of 7 quality audits, 7 system surveys and 8 regulatory studies on subsidiaries in the medical devices segment. In 2024, the medical diagnosis segment conducted 3 cross-audits on internal quality control system in its production bases in accordance with the regulatory requirements of the "Quality Management Practice for Manufacturing of Medical Devices", the "Quality Management Practice for Manufacturing of Medical Devices and Appendix In Vitro Diagnostic Reagents" and ISO 13485:2016. The results of the audits were all good.

Quality Culture

The Group implements systematic quality training to enhance quality awareness and professional competencies of all employees and maintains rigorous control over all procedures and processes to ensure that the whole process is in line with the industry's highest standards, thereby establishing a robust foundation for product quality.

- *Quality Culture Building and Training Programs*
  To further enhance quality risk awareness of our employees and improve the quality management capability, the Group has developed annual quality training programs. Centered around the quality culture and relying on our systematic training system, the programs cover various quality management knowledge modules and practical cases. This aims to ensure that all employees can comprehensively understand and apply quality management concepts and skills, thereby facilitating the Company's sustainable development in quality management.

- *Training Coverage*
  We conduct quality training for all employees and partners every year, to ensure that they can accurately implement quality management standards in their daily work. Notably, in November 2024, the Group conducted quality management training for all suppliers, further strengthening the quality awareness of supply chain partners to ensure effective control of product quality at the source.

- *Training Themes and Contents*

  Annual Quality Management Month: As a crucial part of the quality training, the Group regularly organizes the "Quality Management Month" in September and October each year. In 2024, the theme of the Quality Management Month was "Excellence in Quality with a Global Perspective (卓越質量國際視野)". During such period, the Group arranged multiple lectures on quality related topics, case sharing sessions, and workshops covering the latest trends, tools, and methods in quality management, as well as the Company's best practices in this field.

  All-Employee Quality Training: To further enhance the quality awareness of all employees, during the Reporting Period, the Group organized 13 quality training sessions for all group members. In addition, we held the quality related activities at both the Group and subsidiary levels during the Quality Management Month, such as case sharing of management practices from leading enterprises, quality knowledge competitions for all employees, sharing of certification experiences from official organizations, and guidance on implementing quality management requirements in daily work.

Photos of Quality Management Month Activities in 2024

Quality Management Month Activities of Fosun Pharma in 2024

- *Implementation of Training for Each Subsidiary and Business Segment*

  Quality training for each subsidiary and different business segments will be tailored to their specific business needs and their own quality management challenges. The training covers the following areas:

  — Production/Technology/Equipment and Facilities Departments: The training integrates quality management knowledge across key areas, from setting quality requirements and technical specifications during product design to comprehensive quality control throughout production, and from quality assurance at every stage from raw material procurement to finished product inspection, to the maintenance and management of production equipment and facilities. These efforts help departments to effectively improve their quality control capabilities and ensure that the Company's products meet the quality standards in all aspects of design and production operations.

  — Procurement and Supply Chain Management Department: The training focuses on enhancing suppliers' quality management capabilities and strengthening supplier evaluation and audit processes to ensure that the quality of raw materials meets the requirements.

  — Quality Department: The training provides an in-depth understanding and implementation of quality management systems, covering quality management standards, review and audit processes, and methodologies for quality data analysis and reporting. Through case studies and hands-on tools, employees in the Quality Department will enhance their analytical and decision-making skills.

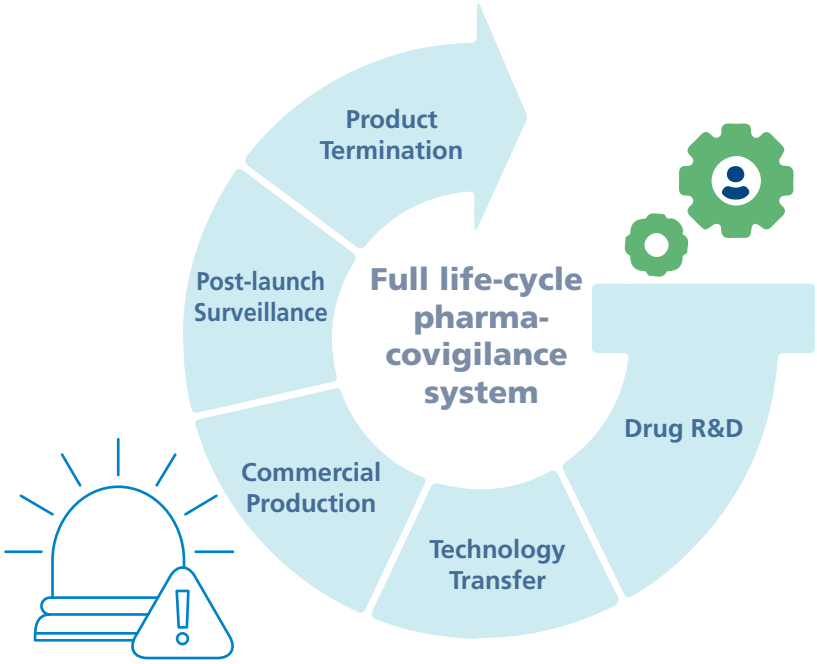
  — Sales and Customer Service Department: The training emphasizes the after-sales quality feedback mechanism, customer complaint handling procedures, and quality assurance in customer relationship management.

  All quality training sessions will be delivered through case studies, video tutorials, and on-site (online) explanations, ensuring that employees can effectively understand and apply core quality management principles through practical operations. Additionally, upon completion of internal training, each subsidiary will assess employees' learning outcomes through examinations and case analyses to ensure the effective transfer and application of quality knowledge.

Quality Trainings of Fosun Pharma

Pharmacovigilance

The Group consistently adheres to the principle of "Patient Safety First," establishing an international pharmacovigilance system that spans the entire drug life-cycle. We strictly comply with global standards such as ICH and GVP as well as other national regulations, with quality management as our core driver. Serving as a strategic pillar of holistic drug life-cycle management, pharmacovigilance encompasses proactive risk identification during R&D, comprehensive safety monitoring throughout clinical trials, and the intelligent monitoring and analysis of post-marketing adverse reactions. Leveraging an AI-driven digital platform, we enable to conduct real-time global safety data tracking and early risk signal detection. Through dynamic risk assessment and precise risk control measures, we continuously safeguard medication safety for patients worldwide. We adhere to the Drug Administration Law of the People's Republic of China, the Specifications for Pharmacovigilance Quality Management and other relevant laws and regulations of the places where we operate, and have formulated and continuously improved internal systems such as the Management of Safety Reference Information in Investigator's Brochure and Product Label, the Management of Pharmacovigilance Annual Reports of the Holders, and the Pharmacovigilance Business Continuity Plan, to guarantee the effective operation of the pharmacovigilance system.



Full life-cycle pharmacovigilance system of Fosun Pharma

The Group has set up a drug safety committee, responsible for analyzing, evaluating and identifying risks related to product safety. For identified risks, corresponding risk control measures will be taken to ensure the safety of medications for patients.

We have established the full life-cycle pharmacovigilance system to ensure compliance with relevant laws and regulations throughout the product R&D, production and launch. Meanwhile, we have formulated and periodically updated internal process management documents, including the Fosun Pharma Pharmacovigilance System Master File (PSMF) and Rapid Reporting on Adverse Events in Clinical Trials to Regulatory Authorities, to guarantee the effective operation of our pharmacovigilance system.

During the Reporting Period, the Group conducted on-site interviews and investigations regarding pharmacovigilance operations at 5 key subsidiaries to understand their issues on pharmacovigilance, streamline work content and processes, and demonstrate shared platforms, thereby ensuring pharmacovigilance operations of relevant companies are in compliance and efficiency.

We place emphasis on pharmacovigilance efforts in developing countries. Through the signing of pharmacovigilance agreements with Tridem Pharma, a subsidiary involved in pharmaceutical distribution in developing countries, we jointly explore and research to optimize the pharmacovigilance workflows, providing support for its post-launch pharmacovigilance activities to comply with Chinese and international regulatory requirements. This initiative not only enhances the subsidiary's capabilities in drug safety monitoring and management, but also contributes significantly to the improvement and development of the pharmacovigilance system in developing countries.

In addition, the antimalarial series of drugs produced by the subsidiary Guilin Pharma, such as artesunate for injection and SPAQ-CO Disp® (amodiaquine hydrochloride dispersible tablets + sulfadoxine pyrimidine dispersible tablets), have been widely exported to various regions of Africa. The Group's pharmacovigilance department provides comprehensive support for these products, including the preparation of safety summary reports, ensuring that their pharmacovigilance activities meet international standards and safeguard patient medication safety. At the same time, it also provides strong technical support and experience sharing for drug safety regulation in developing countries such as those in Africa.

While continuing to promote global pharmacovigilance efforts, the pharmacovigilance department also focuses on enhancing the professional capabilities of internal employees. During the Reporting Period, we conducted training on adverse drug event reporting and pharmacovigilance annual updates to further strengthen employees' understanding of and compliance with pharmacovigilance regulatory requirements.

Case: Annual Update Training on Adverse Drug Event Reporting and Pharmacovigilance

In order to enhance the professional competence of employees in the field of pharmacovigilance, Pharmacovigilance Department of Fosun Pharma launched an annual update training on adverse drug event reporting and pharmacovigilance in September 2024. The training titled "2024 Pharmacovigilance Update Training – Pharmacovigilance Compliance Requirements for the Pharmaceutical Industry" focused on basic concepts of pharmacovigilance, compliance requirements, adverse event reporting responsibilities and cooperation between pharmacovigilance and other departments. After the training, on-site assessments were conducted for key issues, and employees provided accurate and complete answers to each question, showing satisfactory training effect.

Handling of Customer Complaints

The Group has established a customer service (complaint) management system, which sets up communication channels such as a customer hotline and a mailbox for receiving customer complaints from medical liaisons, commercial personnel, healthcare organizations, patients, etc.

Receive a complaint	Customers submit their complaints through the hotline, complaint mailbox or other channels.
Record the complaint	The customer service department records the complaints received and fills in the Customer Complaint Acceptance Form or other written records accordingly.
Investigate the complaint	The relevant department investigates and analyses the content of the complaint to determine whether it is substantiated.
Propose a handling plan	Develop an appropriate handling plan based on the findings of the investigation.
Implement the handing plan	Implement the handling plan and communicate the results to the customer.
Get feedback and improve	Summarize and evaluate the complaint handling process for drawing lessons from experience, proposing measures for improvement, and continuously improving the management and business operation of the enterprise.

Complaint handling process of Fosun Pharma

Product recall

In compliance with the Administrative Measures for Drug Recalls, the Law of the People's Republic of China on Drug Administration, the Law of the People's Republic of China on Vaccine Administration, the Regulations on the Implementation of the Law of the People's Republic of China on Drug Administration, the Special Provisions of the State Council on Strengthening the Supervision and Administration of Food and Other Products Safety and other relevant laws and regulations in operational regions, the Group has formulated the Product Recall Management Procedures, which specified the standard operating procedures and division of responsibilities for drug recalls to ensure prompt recalls for all products with potential safety risks when necessary and the drug safety. Besides, the Group has established a comprehensive drug traceability system to ensure the traceability of every batch of drugs. Once a defective product is identified, we will quickly initiate the corresponding recall procedure, and conduct in-depth investigation and evaluation, aiming to maximize the protection of consumers' interests.

Trigger a recall	If any quality or safety problems were found in products through customer complaints, internal quality testing or notification by regulators, the launching authorization holder of the drug shall carry out an investigation and analysis immediately after the defect is discovered and report to drug regulatory authorities.
Assess and grade the risks	Determine the level of recall based on the level of risk (e.g., Level I: initiated within 24 hours; Level II: 48 hours; Level III: 72 hours).
Develop a recall plan	Clarify the affected batches, formulate a detailed recall plan, including the scope, method and schedule of the recall.
Release a recall notice	Notify relevant customers and the public of the recall through multiple channels such as website of the Company and the media.
Implement the recall	Take back defective products and offer refunds, exchanges.
Rectify and improve	Analyse the causes of the problem and formulate and implement rectification measures to prevent the recurrence of similar problems.

Product recall process of Fosun Pharma

In 2024, the Group completed 12 drug recall drills and addressed and improved the problems identified during the drills. During the Reporting Period, no product recalls were conducted by the Group due to drug quality issues.

2.2.4 Metrics and Targets

The Group has established clear quality-related metrics and targets within its quality management system. Through continuous management and optimization measures, it promotes the achievement of various metrics, providing a solid foundation for product quality.

2. Product Responsibility

To uphold excellence in quality management, we have set comprehensive quality objectives for 2024, covering key areas such as regulatory compliance, product quality, customer satisfaction, pharmacovigilance, and employee training. These objectives are designed to further enhance product quality standards, foster full participation in quality management, strengthen client relationships, and achieve sustainable development through compliant operations. All subsidiaries have successfully met the headquarter's quality targets for 2024. Moving forward, we will continue to enhance quality management measures to drive continuous improvement and long-term growth. The following are the main indicators and targets for quality management of the Group's pharmaceutical segment in 2024 and their achievement:

	Specific Metrics	2024 Target	Achievement in 2024
Quality Compliance & Regulatory Requirements	Domestic and international official quality inspections and major customer quality audits	100% compliance	Achieved
	Compliance with regulatory and GMP requirements in the country of product registration	Fully compliant with the current GMP requirements	Achieved
Product Quality Control	Product First-release qualification rate	≥98%	Achieved
	Market sampling qualification rate	100%	Achieved
Customer Satisfaction & Complaint Handling	Complaint response rate	100%	Achieved
	Timely completion rate of complaint investigation	≥97%	Achieved
Adverse Drug Reaction Reporting & Pharmacovigilance	Compliance rate for individual adverse reaction report submissions	≥98%	Achieved
	Compliance rate for safety summary report submissions	100%	Achieved
Quality Training & Employee Competency Improvement	Average annual quality training hours per employee	≥35 hours/person	Achieved (93 hours/person)
Quality Incident & Product Recall Management	Number of product recalls due to quality issues	Zero recall	Achieved
	Timely reporting of quality incidents and potentially significant quality risks	Timely reporting and corrective actions implemented	Achieved

Looking forward, the Group will further optimize its quality management system, strengthen all employees' quality awareness, enhance product quality and customer satisfaction, and achieve greater success in compliance, risk management, and continuous improvement.

3. Environmental Protection

We recognized that environmental protection is a core element of corporate social responsibility. We are committed to advancing green development and a dual carbon strategy, and responding to the call of the Paris Agreement with concrete actions to actively address the challenges of climate change. We comprehensively examine and understand the risks and opportunities presented by climate and environmental changes, reduce energy and resource consumption, and actively establish a green and sustainable operating model.

3.1 Coping with Climate Change

Climate change has become a complex global challenge. In this context, the Group, as one of the leading companies in the pharmaceutical and healthcare sector, has taken on the mission of guiding the entire industry towards a green and low-carbon transformation. Leveraging the powerful engine of technological innovation, we steadfastly pursue green development as our objective, and deeply integrate climate change-related issues into the Company's long-term strategic planning. We identify and assess the risks and potential opportunities brought by climate change, develop response measures, and reduce carbon emissions from our business operations, thus demonstrating our corporate social responsibility and commitment through action. During the Reporting Period, we managed and disclosed climate change-related issues across four dimensions, i.e. governance, strategy, risk management, and metrics and targets, with reference to the Shanghai Stock Exchange Self-Discipline Regulatory Guidelines No. 14 for Listed Companies — Sustainability Reporting (Trial) and the recommendations of the Task-Force on Climate Related Financial Disclosure (TCFD).

3.1.1 Governance

In order to effectively respond to the challenges posed by climate change, we have constructed a sound climate change management structure with clear responsibilities of each level. The Board of Directors is responsible for developing strategies related to the climate. The ESG Committee under the Board is responsible for overseeing, guiding and reviewing climate-related matters for consideration by the Board. The ESG Management Committee is responsible for assessing and managing the risks, opportunities and impacts that climate may have on the enterprise, setting climate-related goals and objectives, and reporting to the Board and the ESG Committee under the Board at least once a year. The ESG Working Group is responsible for the promotion and implementation of the climate-related work and reports to the ESG Management Committee at least once a year. The ESG Management Committee and the ESG Working Group include members with extensive industry experience and expertise in the environmental protection and energy saving and carbon reduction to ensure the effectiveness of the environment governance structure.

3.1.2 Strategy

The risks and opportunities posed by climate change significantly impact business operations and activities. They affect a company's daily operations, such as supply chain stability, production efficiency, and innovation direction, and also directly impact a company's financial condition, including a series of financial risks such as increased costs, heightened uncertainty in investment returns, asset depreciation, and potential rises in compliance and insurance costs.

The Group proactively identifies and assesses climate-related risks and opportunities, and analyzes and categorizes the impacts of climate change. In the assessment process, we comprehensively consider the potential impacts of physical risks and transition risks on the Group's overall operations and finances, as well as thoroughly identify and carefully prioritize the climate-related risks and opportunities that may arise in business operations.

During the Reporting Period, the Group conducted an analysis from two dimensions of physical risks and transition risks based on short, medium, and long-term business development, current policies and regulations, and the macroeconomic environment. We selected different climate scenarios under two assumptions for risk identification and analysis, including the RCP2.6 and NZE scenarios under the turquoise (2°C or below) assumption and the RCP8.5 and STEPS scenarios under the brown (above 2°C) assumption. Then we summarize them and compile a list of climate change risks and opportunities for the Group based on the characteristics of the pharmaceutical industry, as well as the policy directions and natural features in locations where we operate.

Scenario assumption	Climate scenario	Scenario overview
Turquoise 2°C or below scenario	RCP2.6	In order to cope with climate change, various countries will adopt proactive policies and methods to reduce greenhouse gases in the coming 10 years, so that the temperature rise will not exceed 2°C.
	NZE	The International Energy Agency proposed a plan to achieve net zero emissions by 2050, and advised on technology and emission reduction solutions, national cooperation, and energy industry transition. It is expected to limit the rise in global average temperature within 1.5°C.
Brown above 2°C scenario	RCP8.5	It is assumed that the countries will engage in high greenhouse gas emissions and energy consumption under the baseline scenario of no intervention from climate change policies. By 2100, global CO_2 concentration will be 3 to 4 times higher than that before the industrial revolution.
	STEPS	Based on energy-related policies currently implemented and being formulated, an assessment will be conducted across industries and countries to reflect the effectiveness and feasibility of the prevailing policies. The scenario also considers the planned manufacturing capabilities for current clean energy technologies, serving as a reference for energy policy direction.

Climate Change Risks

Risk category	Significant climate change risks	Business impact	Financial impact	Time horizon	Likelihood of occurrence
Transition risk (Risks related to changes in policies, regulations, technology, and markets, etc.)	Increased pricing of greenhouse gas emissions	In order to limit the temperature rise due to greenhouse gases within 1.5°C, governments around the world have been gradually improving and formulating their carbon trading management systems and supporting carbon pricing policies. It is expected that the overall cost of greenhouse gas emissions will increase in the future, which will indirectly lead to increases in fuel prices and electricity prices, and more industries will be included in the carbon market. The Group may be included in the carbon trading market on a mandatory basis in the future, which will bring pressure on the compliant operation of the Group.	The Group has not been included in the carbon market yet, and there is no financial impact in the current period. It is expected that the Group will be included in the carbon trading market in the future, which will lead to an increase in the overall compliant operation costs of the Group.	Medium to long term	Current scenario: low RCP2.6 scenario: high RCP8.5 scenario: medium
	Requirements and regulation of the existing products and services	The "14th Five-Year Plan" for the Development of the Pharmaceutical Industry specified the national requirements and guidance for building a green industrial system, improving the level of green manufacturing and implementing carbon emission reduction actions in the pharmaceutical industry.	To align with the effective implementation of regulation and policies, the Group will need to strengthen efficient and low-carbon production, upgrade equipment, and carry out energy-saving technological transformations in the future, which may increase the operating costs. Investment in energy conservation projects in 2024: RMB 9,153,300 It is expected that the investment in energy conservation renovations will continue to increase in the future to ensure the efficient operation of the facilities.	Medium to long term	Current scenario: low RCP2.6 scenario: medium RCP8.5 scenario: medium

Risk category	Significant climate change risks	Business impact	Financial impact	Time horizon	Likelihood of occurrence
Physical risk (Risks from acute and chronic physical climate change)	Rising average temperatures	Temperature control is critical to pharmaceutical production workshops. Various equipment and facilities are at risk of overheating under high temperatures, and employee health may also be affected. In response to rising temperatures, the Group will need to increase energy consumption to maintain normal temperatures and ensure normal production.	The shutdown of production lines due to high temperatures and the health problems of employees will lead to asset impairment, an increase in equipment maintenance costs, and a decrease in production line efficiency, thus resulting in a decline in revenue.	Short to medium term	Current scenario: low RCP2.6 scenario: medium RCP8.5 scenario: high
	Frequent occurrence of extreme weather	Affected by global warming, various countries suffer from varying degrees of climate instability. In particular, heavy rains, typhoons and other climatic factors may affect operations in coastal areas.	Business disruptions caused by rainstorms and typhoons will lead to a decline in revenue. In order to adapt to and avert climate change, the Group has invested a certain amount of funds and manpower to respond in advance, which further increased operating costs. Recorded investment in typhoon and flood prevention in 2024: RMB71,000	Short to medium term	Current scenario: low RCP2.6 scenario: medium RCP8.5 scenario: medium and high

Note: The time horizon is defined as follows: short-term refers to 1 year or less, medium-term refers to 2-3 years, and long-term refers to more than 3 years

Climate Change Opportunities

Significant climate change opportunities	Business impact	Financial impact	Time horizon	Likelihood of occurrence
Resource opportunity	More equipment resources for digital transformation will enhance the production capacity of products.	Improve production capacity and achieve an increase in business revenue.	Medium to long term	Current scenario: medium RCP2.6 scenario: high RCP8.5 scenario: medium
Energy transition opportunity	Under the dual carbon goal, China's strong promotion of new energy and the establishment of the carbon market have brought about changes in the energy use structure and trading opportunities in the carbon market.	By taking the initiative to set carbon reduction targets and transforming into a low-carbon enterprise, the Company's environmental protection image and reputation have been enhanced. Overseas customers are more inclined to choose the Company's products and services, which increases the business revenue.	Medium to long term	Current scenario: medium RCP2.6 scenario: high RCP8.5 scenario: medium

Note: The time horizon is defined as follows: short-term refers to 1 year or less, medium-term refers to 2-3 years, and long-term refers to more than 3 years

In response to climate-related risks and opportunities, we have taken the initiative to establish a five-year strategic plan for EHS. In this strategic decision-making mechanism, we regard core issues including energy conservation, emission reduction and energy management as our top priorities, which have been deeply integrated into our climate change strategy. We have a profound understanding of the social responsibility of energy conservation and carbon reduction, and we are committed to putting this understanding into practice. This is to ensure that when facing various challenges brought about by climate change, we can demonstrate a high level of adaptability and flexibility, thereby steadily promoting and achieving the long-term sustainable development goal.

2021–2025 EHS Five-Year Strategic Goals

- Carbon emission intensity: Reduction by 15% in 2025 compared with that in 2020, i.e. 0.23 ton CO_2e/RMB10,000 revenue by 2025
- Carbon emission reduction from energy conservation projects: Carbon emission reduction of 30,000 tons in aggregate from 2021 to 2025 with a planned carbon reduction of 6,000 ton CO_2e per year
- Comprehensive energy consumption intensity: Reduction by 10% in 2025 compared with that in 2020, i.e. 2.29 GJ/RMB10,000 revenue by 2025

3.1.3 Risk Management

The Group has incorporated climate change into its corporate risk management process and prioritized the climate risks faced by the Group through qualitative and quantitative analysis methods.

Assessment Method

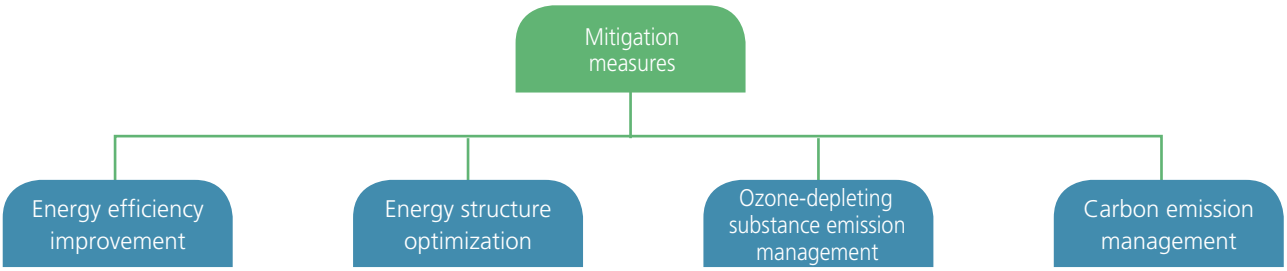
We establish a climate change risk analysis model based on meteorological and economic data from authoritative public platforms, and carry out a comprehensive analysis. By combining the distribution of the Group's operation locations, as well as the businesses and assets within those areas, we assess the impacts that Fosun Pharma may suffer due to the occurrence of climate risks under different scenarios, as well as the likelihood of such risks occurring, and rank the risk levels. At the same time, through data analysis, regular audits, and reviewing the risks of historical events, we further assess the physical risks and transition risks that the Group may face to ensure that our risk assessment work is closely aligned with the actual situation of the Group's business, demonstrating a high degree of relevance and accuracy.

Response Measures for Climate Change Risk

We actively respond to the adverse effects of climate change through mitigation and adaptation initiatives.

Mitigation

The Group continues to promote the construction and improvement of energy management system and continues to improve its own energy management standards. As at the end of the Reporting Period, nine major subsidiaries of the Group have passed ISO 5001 energy management system certification. The Group has established a path to reduce greenhouse gas emission, which focuses on the key aspects of energy consumption and emissions. The Group is committed to reducing greenhouse gas emissions by improving energy efficiency and adjusting the energy mix. During the Reporting Period, we actively promoted technological innovation and continuously deepened our carbon footprint management practices. By taking a series of energy saving and emission reduction measures, including deployment of heat energy recovery and reuse facilities, replacement of equipment with high energy consumption, expansion of the use of renewable energy, installation of photovoltaic power generation systems, and improvement of administrative management processes, we forged ahead on the path to mitigate climate change.



Greenhouse gas mitigation initiative of Fosun Pharma

Energy Efficiency Improvement

The Group has specified the goals of and the main technological paths to energy conservation and emission reduction, and actively encouraged each subsidiary to carry out energy conservation and emission reduction actions. During the Reporting Period, we carried out energy efficiency improvement projects in three aspects: optimization of energy efficiency of production equipment, optimization of energy efficiency of operational facilities and optimization of energy consumption management. During the Reporting Period, the Group saved electricity of 13.45 million kWh, natural gas of 270 thousand m^3 and purchased steam of 7,307 tons, which correspondingly reduced carbon emissions by 10,196 ton CO_2e. The comprehensive energy consumption intensity was 1.809 GJ/RMB10,000 revenue, representing a year-on-year decrease of 5.18%.

Optimization of energy efficiency of production equipment	Optimization of energy efficiency of operational facilities	Optimization of energy consumption management
• Comprehensive energy-saving optimization of solid dosage forms • Comprehensive energy-saving optimization of freeze dryers • Energy-saving renovation of workshop vacuum systems • Maintenance and packing replacement	• Air conditioning renovation • Installation of magnetic levitation units • Renovation of refrigeration system of low-temperature ethylene glycol units • Boiler renovation	• Optimization of equipment and facility runtime • Optimization of equipment and facility operation methods • Optimization of system operating parameters • Monitoring and assessment

Energy Efficiency Improvement Projects of Fosun Pharma

Summary of the Energy Conservation and Emission Reduction Projects of Certain Subsidiaries in 2024

	Energy conservation and emission reduction measures				
Name of enterprise/plant	Application of new technologies and equipment	Optimization of production process and layout	Energy management system	Energy saved	Carbon reduction (ton CO_2e)
Yao Pharma (Renhe Factory)	Condensate water reuse, LED lights, electricity conversion to gas for dehumidifiers	Air conditioning automatic control renovation	Air conditioning management in office	Electricity: 870,000 kWh	469
Yao Pharma (Shuitu Factory)	Automatic control system for air conditioning in circulation areas, connectivity in refrigeration	Comprehensive energy-saving optimization of freeze dryers, comprehensive energy consumption optimization of cooling and heating stations, energy saving optimization of air conditioners, warehouse insulation renovation, self-circulation optimization of laminar air supply mode for capping machine	Energy saving promotion, heat exchange for circulating water of freeze dryers by a cooling water tower in winter, reduction of ineffective lighting time, optimization of air conditioning parameters	Electricity: 1,950,000 kWh Natural gas: 70,000 m^3	1,196
Jisirui Pharma		Renovation of exhaust device for hot water system of freeze dryers		Electricity: 130,000 kWh	67
Carelife Pharma	Magnetic levitation fans in sewage station			Electricity: 320,000 kWh	172
Dongting Pharma	Frequency conversion energy-saving circulating water pumps, energy-saving chillers, compressed air cloud-based intelligent control systems, magnetic levitation blower	Optimization of power energy system, automatic control optimization for chilled water units	Energy-saving alerts, optimization of production scheduling	Electricity: 130,000 kWh Natural gas: 60,000 m^3	199
Hexin Pharma		Gas boiler renovation	Refrigeration unit energy management system, energy saving promotion	Electricity: 100,000 kWh Natural gas: 30,000 m^3	124

Name of enterprise/plant	Energy conservation and emission reduction measures: Application of new technologies and equipment	Optimization of production process and layout	Energy management system	Energy saved	Carbon reduction (ton CO_2e)
Beijing Jnova	LED lights, waste heat recovery		Optimization of air conditioning operation mode	Electricity: 360,000 kWh Purchased steam: 352 tons	306
Guilin Pharma	Real-time adjustment of operation mode of water machine through group control system, magnetic levitation fans in sewage station	Replacement of aging condenser for boilers	Optimization of the frequency of blower operation and the number of air changes of air conditioners	Electricity: 2,380,000 kWh Natural gas: 50,000 m^3	1.380
Suzhou Erye	Magnetic levitation fans in sewage station	Steam pipeline insulation	Optimization of air conditioning control parameters, energy saving promotion	Electricity: 200,000 kWh Purchased steam: 178 tons	165
Shandong Erye	Recovery of condensate water		Optimization of air compressor parameters, optimization of refrigeration cycle pump parameters	Electricity: 650,000 kWh Purchased steam: 10 tons	352
Chemo Biopharma			Optimization of chilled water system and the opening time of air conditioning units	Electricity: 1,290,000 kWh Purchased steam: 1,215 tons	1,089
Fosun Wanbang	Waste heat recovery, power-on converter of water pumps	Plant high-efficiency computer room project	optimization of production scheduling, optimization of the operation of ethylene glycol units	Electricity: 1,260,000 kWh Purchased steam: 940 tons	983
Wanbang Jinqiao	Waste heat recovery, permanent-magnet variable-frequency air compressors, cold storage compressors, magnetic levitation chillers, magnetic levitation fans in sewage station	Steam pipeline insulation	Alcohol recovery tower parameter optimization	Electricity: 770,000 kWh Purchased steam: 1,000 tons	740
Wanbang Folon	LED lights, sensor lights		Optimization of the operating time of sewage station, optimization of the use time of radiators, energy saving promotion	Electricity: 70,000 kWh Natural gas: 40,000 m^3	133
Avanc Pharma		Improved the efficiency of steam heat exchangers, reducing the quantity of natural gas consumed for steam generation		Natural gas: 18,900 m^3	41
Xingnuo Pharma	Waste heat recovery		off-peak operation of nitrogen generator	Purchased steam: 128 tons	42
Fosun Aleph	Condensate water reuse	Chilled water pipeline grid-connected transformation	Optimization of the opening time of air conditioning units	Electricity: 1,280,000 kWh Purchased steam: 1,398 tons	1,144
Fosun Adgenvax		Steam generator grid-connected transformation, chilled water pipeline grid-connected transformation, transformation of cold injection water point in workshop	Changing to frequency conversion for cooling water pump	Electricity: 1,200,000 kWh Purchased steam: 1,000 tons	971
Fosun Kairos			Changing to frequency conversion for cooling water pumps, changing to manual operation for liquid nitrogen pumps	Electricity: 500,000 kWh Purchased steam: 1,086 tons	623

Case: Avanc Pharma reduced heating steam energy consumption

During the Reporting period, in response to the Group's call for energy conservation and emission reduction, Avanc Pharma, a subsidiary, launched an inspection project on industrial steam used for heating and production. The project systematically reviewed the relevant equipment, aiming to reduce steam consumption during the heating period by 3%. The project team implemented improvement measures by optimizing the efficiency of heat exchangers and establishing precise heating temperature standards. After project implementation, the steam consumption reduced by approximately 236 tons, which was generated by in-house natural gas boilers, translating to a natural gas saving of about 18,880 cubic m^3.

Energy Structure Optimization

The Group continues to explore and promote the utilization of renewable energy by increasing the proportion of clean energy usage and reducing fossil fuel consumption. Under its internal energy conservation and carbon reduction policy, the Group guides its subsidiaries to build solar photovoltaic power stations. During the Reporting Period, the Group generated approximately 14.58 million kWh of photovoltaic power in total, representing a fourfold year-on-year increase and an equivalent to a reduction of 7,826 tons of carbon emissions.

Case: Significant increase in solar photovoltaic power generation

In addition to the six photovoltaic solar facilities of the subsidiaries that were built and put into operation before the Reporting Period and are operating well (bringing approximately 10,000 kWh of photovoltaic electricity revenue to the Group during the Reporting Period), the new photovoltaic facilities built by the subsidiary Shine Star were officially put into use in 2024. The single project generated more than 8.16 million kWh of photovoltaic electricity throughout the year, and the carbon reduction benefits brought by a single enterprise reached 4,382 tons of CO_2e.

During the Reporting Period, the Group purchased green electricity of 19,253,905 kWh in total, including purchased new energy of 10,853,553 kWh and purchased hydropower of 8,400,352 kWh. The purchased green electricity reduced carbon emissions by 10,332 tons.

Case: Participation in market-based green electricity trading as and when appropriate

For subsidiaries that lack the conditions for installing self-generated rooftop photovoltaic systems or whose local resources are insufficient to meet solar energy needs, they closely monitor the latest policies on regional green electricity market trading, and collaborate with suitable energy service providers and electricity sales companies to participate in market-based green electricity transactions as and when appropriate. During the Reporting Period, five subsidiaries, namely Dongting Pharma, Hexin Pharma, Guilin Pharma, Fosun Aleph and Fosun Adgenvax, purchased over 18.14 million kWh of green electricity, which is equivalent to a reduction of 9,737 tons of carbon emissions.

Ozone-depleting Substance (ODS) Emission Management

The ozone layer in the atmosphere damaged by ODS will lead to increased ultraviolet radiation, which will raise the earth's surface temperatures and consequently contributing to climate change. The Group actively complies with the Vienna Convention and the Montreal Protocol by continuously managing and phasing out the use of ODS. During the Reporting Period, the main ODS consumed by the Group were Freon refrigerants, including R22 and R123. The Group has gradually replaced these with hydrofluorocarbon (HFC)-based refrigerants that do not deplete the ozone layer, such as R134A, R32, R125, R143A, R407C, R404A, R410A, and R507A. The recorded consumption of Freon was 6.57 tons.

Carbon Emission Management

The Group conducts an annual carbon inventory within the organizational scope and continuously enhances the accounting efforts for Scope III carbon emissions of the value chain, which included calculations of Scope III carbon emissions for employee commuting, business travel, transportation of upstream raw materials, waste transportation generated during operations, and the purchase of major raw materials and packaging materials. This further improved the accuracy and comparability of the Group's carbon emissions data. Through statistics and analysis of carbon emission data, key aspects of carbon reduction can be identified, so that carbon reduction initiatives can be promoted with greater precision.

Adaptation

In recent years, frequent natural disasters such as heavy rainstorms and floods triggered by climate change, which pose direct challenges to business operations. The Group has proactively established a more comprehensive climate change early warning system for places at which operations locate. The Group has also developed contingency plans for climate change to enhance its adaptability and resilience to climate change.

During the Reporting Period, we established an internal typhoon and flood prevention management mechanism. When the national authorities issue a typhoon and rainstorm warning, subsidiaries will quickly activate regional the task force responsible for typhoon and flood prevention based on the specific typhoon and rainstorm conditions in their areas. The task force will be led by senior management of relevant enterprises and comprise the heads of core departments and key personnel to form a strong command and execution force. Prior to the typhoon and rainstorm, the task force will implement windproof reinforcement measures in critical areas of the factory and ensure the safe relocation of key personnel and materials for safety. During the typhoon and rainstorm, a strict inspection system is implemented in the factory to maintain high vigilance and be prepared for emergencies and rescue operations to ensure no disruptions of production operations and minimization of personnel injuries and property damage caused by the rainstorm and flood. During non-typhoon and rainstorm seasons, the task force of each subsidiary regularly organizes training and practical drills, thoroughly analyzes past experiences and lessons from typhoon and flood defense work, continuously optimizes internal communication and coordination mechanisms, improves climate change response strategies, and enhancing the company's emergency response capabilities under extreme weather conditions, thereby laying a solid foundation for ensuring business continuity and sustainability.

Continuous monitoring of meteorological information	• Improve the communication channels with relevant departments to ensure that the business sites understand their local meteorological information in a timely manner and get prepared for extreme weather in advance
Regular inspection	• Regularly inspect the drainage system, electrical instruments and other facilities of the business sites, and inspect and reinforce outdoor facilities for potential hazards
Development of contingency plans in response to climate change	• Set up a climate change contingency response team to assist the business sites to implement contingency plans in a timely and orderly manner under extreme weather conditions to minimize the damage of extreme weather to the Group

Extreme weather response and management mechanism of Fosun Pharma

Case: Guilin Pharma urban waterlogging prevention in July

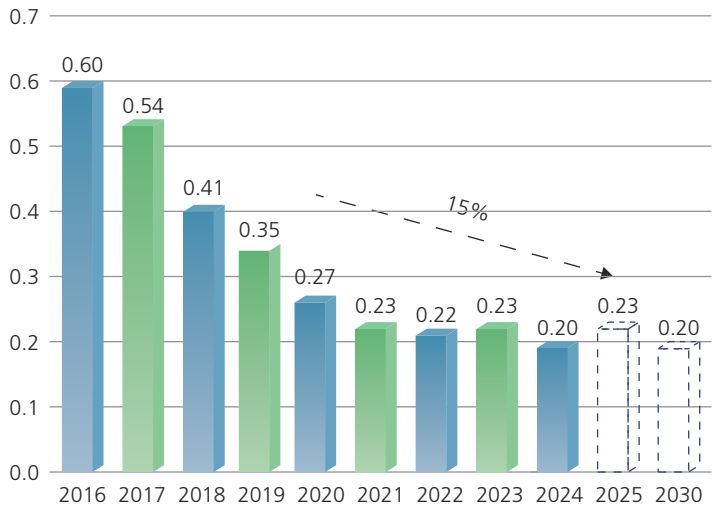
Guilin Pharma, an subsidiary, in accordance with local climate characteristics and official flood prevention warnings, keeps on high alert during the annual rainy season. For instance, prior to the onset of the rainy season in July 2024, the senior management of Guilin Pharma took the lead in establishing a flood prevention emergency command center. This center clarified the company's emergency response procedures for flood prevention by combining the special terrain of the surrounding mountains and low-lying areas of Guilin Pharma, with each department developing on-site response plans based on regional risk levels. Staff within the team are arranged to inventory and reinforce the loose rolling rocks on the hills around the factories, and the VI injection workshop, located in a low-lying area, proactively stockpiled flood prevention materials and conducted joint emergency drills with multiple departments. These efforts aimed to optimize procedures and clarify responsibilities, thereby ensuring the safety of personnel and property in the event of waterlogging.

3.1.4Metrics and Targets

The following table set out the achievement of our goals relating to climate changes during the Reporting Period:

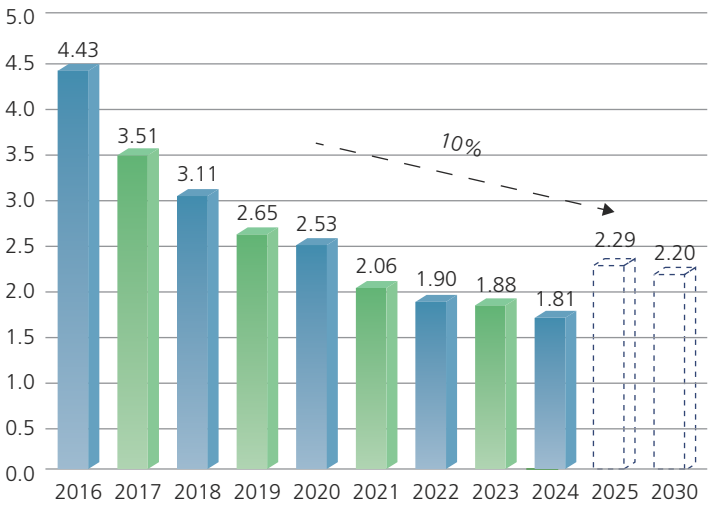
Performance indicator	2024 (Indicator vs. Actual)	Achievement of Goal for 2024
Carbon emission intensity (ton/RMB10,000 revenue)	0.239 vs 0.204	Goal achieved
Comprehensive energy consumption intensity (GJ/RMB10,000 revenue)	2.334 vs 1.809	Goal achieved
Carbon emission reduction from energy conservation projects (10,000 tons)	0.60 vs 1.02	Goal achieved

Carbon emission intensity Unit: ton/RMB10,000 revenue



Comprehensive energy consumption intensity

Unit: GJ/RMB10,000 revenue



Carbon emission intensity

	Total carbon emissions[1] (ton CO_2e)	Type of carbon emissions[4]			Carbon emission intensity[5] (ton CO_2e/ RMB10,000 revenue)
		Scope 1 carbon emissions[2] (ton CO_2e)	Scope 2 carbon emissions[2] (ton CO_2e)	Scope 3 carbon emissions[3] (ton CO_2e)	
2024	929,435	184,016	653,644	91,775	0.20
2023	968,141[6]	210,819	677,874	72,171	0.23
2022	949,469	289,044	659,631	794	0.22
2021	900,112	307,856	591,357	899	0.23
2020	827,858	224,552	602,236	1,070	0.27
2019	758,143	380,642	376,563	938	0.35
2018	786,371	396,062	389,265	1,044	0.41
2017	822,786	—	—	—	0.54
2016	746,179	—	—	—	0.60

Notes:

1. The greenhouse gases included in the calculation of the boundaries of responsibility of the total carbon emissions (i.e. within the physical boundaries of production, operations and office) only include carbon dioxide, so GWP values are not selected.

2. Scope 1 direct carbon emission sources included the combustion of natural gas, liquefied gas, raw coal, diesel, fuel oil, and other fossil fuels, and Scope 2 energy indirect carbon emission sources included net purchased electricity and steam.

3. During the Reporting Period, Scope 3 other indirect carbon emission sources included employee commuting and business travelling, transportation of up-stream materials, transportation of wastes produced during operating, and major materials and packaging materials purchased.

4. Carbon emission factors refer to the "2022 National Power Average Emission Factors of the Ministry of Ecology and Environment of People's Republic of China", "Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Industrial and Other Industrial Enterprises (Trial)", "IGES List of Grid Emission Factors V11.0" and "GHG Emission Factors for Electricity Consumption. European Commission, Joint Research Centre (JRC) [Dataset] PID", and other national and international methodological documents on carbon emission sources and calculations.

5. The calculation of carbon emission intensity excluded the data of Scope 3 carbon emissions.

6. Retrospective adjustment was made to the total carbon emission and Scope 1 carbon emissions in 2023 by adding the data of carbon emissions corresponding to the use of natural gas in overseas bases.

Energy Consumption

	Total electricity consumption[1] (kWh)	Internal energy consumption (GJ)	External energy consumption (GJ)	Comprehensive energy consumption[2] (GJ)	Comprehensive energy consumption intensity (GJ/RMB10,000 revenue)
2024	806,195,732	7,418,799	8,635	7,427,434	1.81
2023	769,128,064	7,856,495[3]	11,527	7,868,021[3]	1.91[3]
2022	713,527,824	8,357,349	11,254	8,368,603	1.90
2021	664,674,268	8,036,008	12,735	8,048,743	2.06
2020	637,986,028	7,640,595	15,173	7,655,768	2.53
2019	631,436,019	7,563,248	13,302	7,576,550	2.65
2018	655,108,860	7,738,463	14,799	7,753,262	311
2017	513,272,112	—	—	6,496,683	3.51
2016	478,175,186	—	—	5,581,931	4.43

Notes:

1. The total electricity consumption comprises purchased electricity and solar energy power generated from internal photovoltaic systems.

2. The energy consumption is calculated according to the General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

3. Retrospective adjustment was made to the internal energy consumption and comprehensive energy consumption in 2023 by adding the data of energy consumption corresponding to the use of natural gas in overseas bases.

Energy Consumption by Business Segment in 2024

	Total electricity consumption (kWh)	Natural gas (m^3)	Liquefied gas (kg)	Steam (kg)	Raw coal (ton)	Diesel (litre)	Gasoline (litre)	Fuel oil (kg)
Pharmaceutical manufacturing	696,391,589	26,795,260	30,334	596,013,783	55,633	1,132,029	131,524	705,639
Medical devices and medical diagnosis	10,169,292	364,894	915	411,000	0	42,607	33,726	0
Healthcare services	99,634,850	1,855,765	0	0	0	36,828	112,098	0
Total	806,195,732	29,015,918	31,249	596,424,783	55,633	1,211,463	277,347	705,639

3. Environmental Protection

3.2 Environmental Management

The Group regards environmental protection as a key element of sustainable development. Upholding a pragmatic attitude, we pursue environmental commitments through concrete actions. By continuous exploration and execution, we contribute to the sustainable development of the global environment. The Group rigorously practices emission and waste reduction across the entire chain from product R&D innovation to production, launch, and distribution, and employs refined resource management and efficient waste treatment strategies to minimize the impact of its operations on the environment.

3.2.1 Governance

The Group complies with the Environmental Protection Law, the Air Pollution Prevention and Control Law, the Water Pollution Prevention and Control Law, and other relevant laws and regulations in its operation locations. In order to enhance environmental management, we have constructed a sound environmental management structure with clear responsibilities of each level. The Board of Directors is responsible for developing strategies related to the environmental management. The ESG Committee under the Board is responsible for overseeing, guiding and reviewing environmental management matters for consideration by the Board. The ESG Management Committee is responsible for assessing and managing the risks, opportunities and impacts that environmental management may have on the enterprise, setting relevant goals and objectives, and reporting to the Board and the ESG Committee under the Board annually. The ESG Working Group is responsible for the promotion and implementation of the relevant work and reports to the ESG Management Committee annually. The ESG Management Committee and the ESG Working Group include members with extensive industry experience and expertise in the environmental protection and energy saving and carbon reduction to ensure the effectiveness of the environment governance structure.

Meanwhile, in order to further enhance the attention of senior management to environmental management, the Group has included environmental management goals and metrics in the performance evaluation of senior management with a weighting of not less than 5%, and conducts an annual evaluation to assess its performance.

3.2.2 Strategy

Adhering to the concept of green operations, the Group comprehensively incorporates the philosophy of green and sustainable development into every aspect of operations. We actively identify environmental risks and opportunities. By conducting comprehensive and systematic analyses, we assess their potential impact on the operations and financial position, and develop a list of risks and opportunities.

Category	Environmental Management Risks and Opportunities	Business Impact	Financial Impact	Timeframe of Impact	Likelihood of Impact
Risk	Environmental pollution and emission risks resulted from improper disposal of pollutants and waste	As government gradually tightens its oversight on and increases requirements for pollutant control from the source, any problems related to pollutant discharges may cause production line disruption of the enterprise, impacting the safety and quality of its products and services.	Higher operating costs due to the increased frequency of environmental and pharmaceutical equipment inspections. In 2024, the Group invested RMB109,727,100 in environmental protection, of which approximately RMB22,297,600 was allocated to environmental protection facilities, and approximately RMB87,429,400 was allocated to the operation of these facilities.	Mid-and-long term	Low
	Environmental regulatory risk	As the enforcement of regulations continues to tighten, the enterprise may face more environmental litigations, which could result in production line disruption for rectification or even factory shutdown.	To ensure compliant business operations, the Company pays environmental taxes. In 2024, the Group paid environmental taxes of RMB489,700. Production line disruption or factory shutdown could result in reduced revenue.	Mid-and-long term	Low
Opportunity	Setting emissions targets and transforming into a green business to improve the enterprise's environmental image and reputation	The improvement in the enterprise's reputation may fuel more partnerships and development opportunities.	Consumers' willingness to pay for and their consumption preferences on added value of products as they are increasingly focusing on this may lead to an overall increase in the enterprise's business income.	Mid-and-long term	High

Note: The timeframe of impact is defined as: short-term (1 year or less), medium-term (2-3 years) and long-term (more than 3 years)

Based on the preliminary identification of environmental risks and opportunities, we have formulated a five-year EHS strategy covering the management of the "three wastes" (waste gas, wastewater and waste) and water resources, so as to further promote the effective management and continuous improvement of the Group's environmental issues.

The Group has set a total of 10 strategic targets on environmental management, which are set out as below:

Item	Emission targets for 2021-2025
Waste gas emission	• Intensity of nitrogen oxides: Reduction by 20% in 2025 compared with that in 2020, i.e. 40.86 g/RMB10,000 revenue by 2025 • Intensity of sulfur dioxide: Reduction by 20% in 2025 compared with that in 2020, i.e. 27.41 g/RMB10,000 revenue by 2025 • Intensity of particulate matter: Reduction by 20% in 2025 compared with that in 2020, i.e. 9.57 g/RMB10,000 revenue by 2025 • VOCs emissions control rate : 100% compliance with annual VOCs emissions to be achieved by 2025
Wastewater discharge	• Wastewater discharge intensity: Reduction by 15% in 2025 compared with that in 2020, i.e. 1.84 tons/RMB10,000 revenue by 2025 • COD emission intensity: Reduction by 15% in 2025 compared with that in 2020, i.e. 0.19 kg/RMB10,000 revenue by 2025 • Ammonia nitrogen emission intensity: Reduction by 15% in 2025 compared with that in 2020, i.e. 0.025 kg/RMB10,000 revenue by 2025
Waste emission	• Total waste intensity: Reduction by 10% in 2025 compared with that in 2019, i.e. 23.166 kg/RMB10,000 revenue by 2025 • Hazardous waste intensity: Increase by no more than 10% every year, i.e. 3.10 kg/RMB10,000 revenue by 2025
Water resource consumption	• Water consumption intensity: Reduction by 15% in 2025 compared with that in 2020, i.e. 2.65 m^3/RMB10,000 revenue by 2025

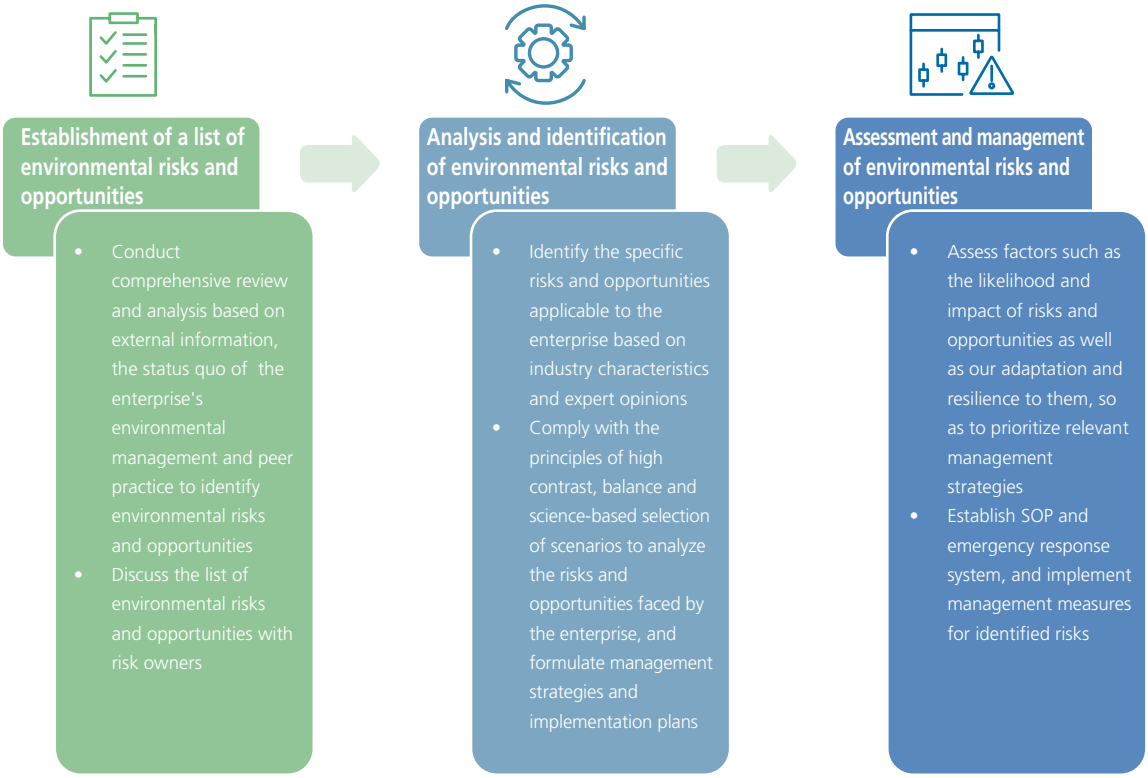
During the Reporting Period, the Group continued to make efforts in environmental protection. By controlling and reducing the generation of pollutants from the source, the Group ensured compliant emissions to minimize the impact on the environment and to promote transformation into green production.

3.2.3 Risk Management

According to the recommendation of the Shanghai Stock Exchange Self-Discipline Regulatory Guidelines No. 14 for Listed Companies — Sustainability Reporting (Trial), the Group has conducted an in-depth analysis on the possible environmental risks and potential opportunities in short-, medium- and long-term business development. On this basis, we systematically assess and continuously monitor the relevance of these environmental factors to the Group's sustainability strategy, and implement forward-looking measures on environmental risk management to ensure the stable and healthy risk management.

Assessment method

With reference to the Technical Guidelines for Eco-environmental Health Risk Assessment — General Principles, a standard issued by the Ministry of Ecology and Environment of People's Republic of China, and in light of the existing environmental data and information, we have assessed and analyzed the Group's environmental risks, and developed standard processes for environmental risk assessment appropriate to the Group based on the characteristics of the industry in which it operates:



Environmental risk management process of Fosun Pharma

Through an effective risk management process, we comprehensively consider diverse scenario factors, current policy and regulation dynamics and the development trends of macroeconomy and natural environment to further assess the likelihood of risks. We also prioritize the risks to realize targeted risk control, make all efforts to keep our risks at a low level and establish a green corporate image of the Group.

Response measures for environmental management risks

Establishing an environmental management system

In order to further enhance the awareness of environmental management, the Group has established and continuously improved the environmental management system, and formulated environmental management requirements and implemented supervision for the Company and its subsidiaries according to the ISO 14001 environmental management system standard. During the Reporting Period, the Group had a total of 20 subsidiaries passing the ISO 14001 certification, accounting for 83.33% of the total number of manufacturing subsidiaries of the Group.

The Group continuously carries out clean production and green factory certification. As at the end of the Reporting Period, there were 18 subsidiaries passing the clean production certification and 8 subsidiaries receiving the honorary titles of national/provincial green factory.

Certifications on Environment Management Systems and Standardization of Major Subsidiaries

Enterprise name	Type of certification	Enterprise name	Type of certification
Yao Pharma	ISO14001, clean production	Wanbang Jinqiao	ISO14001, clean production
Carelife Pharma	ISO14001, clean production	Zhaohui Pharma	ISO14001, clean production, green factory
Dongting Pharma	ISO14001, clean production	Wanbang Folon	ISO14001, clean production, green factory
Jisimei (Wuhan)	ISO14001	Xingnuo Pharma	Clean production
Hexin Pharma	Clean production	Avanc Pharma	ISO14001, clean production
Beijing Jnova	ISO14001, clean production	Shanghai Henlius (Yishan Road)	Clean production
Guilin Pharma	ISO14001, clean production, green factory	Shanghai Henlius (Songjiang First Plant)	ISO14001
Suzhou Erye	ISO14001, clean production, green factory	Shine Star	ISO14001
Shandong Erye	ISO14001, clean production, green factory	Dengrui Feiye	ISO14001
Shenyang Hongqi	ISO14001, clean production, green factory	Gland Pharma	ISO14001
Chemo Biopharma	ISO14001, clean production, green factory	Fosun Diagnosis	Clean production
Fosun Wanbang	ISO14001, clean production, green factory	Fosun Beiling	ISO14001
Total	ISO14001 certification: 20; clean production certification: 18; green factory: 8		

Environmental compliance audits

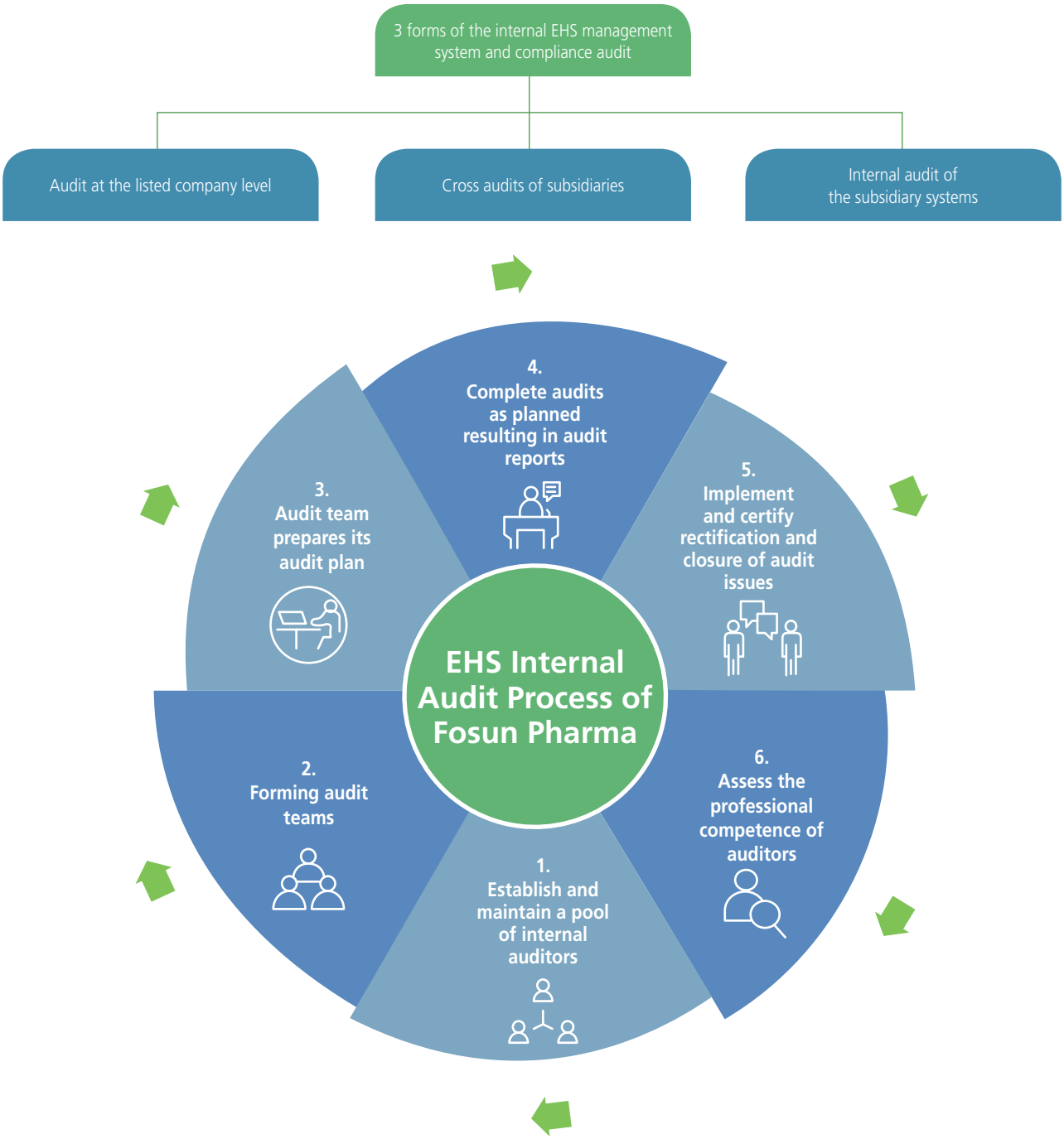
The Group adheres to the implementation of external and internal EHS management system and compliance audits, and ensures the stable operation and full compliance of the EHS management system in accordance with the principle of PDCA (Plan, Do, Check and Act) cycle. All subsidiaries that have passed the certification of ISO14001 environmental management system are subject to annual tracking audit and renewal audit every three years.

Meanwhile, the Group actively promotes the internal audit of environmental management system and environmental compliance, including the audit of the listed company, cross-audit of subsidiaries and internal audit system of its subsidiaries. During the Reporting Period, the EHS management system (including the environmental management system) of the Group had an internal audit coverage of 100%, demonstrating our strong commitment and efficient implementation of environmental protection, health and safety management.

In view of the problems listed in the audit report, the audited subsidiaries need to make and implement a corrective and preventive action plan promptly, and the EHS department of Fosun Pharma is fully responsible for carrying out and following up such plan to ensure that the problems identified in the audit are rectified and resolved. Audit system implemented by the headquarters of the Group for its subsidiaries: the subsidiaries engaged in preparations business are required to undergo at least one cross-audit every three years; while those engaged in the production of APIs are required to receive one cross-audit every year; in the meantime, all subsidiaries are required to complete at least one EHS management system internal audit every year and report the results to the EHS department of Fosun Pharma, which will be included in the overall rectification tracking plan.

During the Reporting Period, the EHS internal audits mainly cover five dimensions, namely EHS system, safety, environment, fire protection, and occupational health. In particular, the environment audit includes seven key elements, namely sewage/water resources management, air protection, solid waste disposal, soil/groundwater protection, noise control, energy/carbon emissions management, and general environmental protection management elements. Every environmental element audit will include compliance audits to ensure the effective implementation of environmental requirements.

Therefore, along with the annual self-evaluation and internal audit in the EHS management system, we will conduct annual audit of environmental protection compliance of subsidiaries, ensuring a coverage rate of 100%, thus fully enhancing the level of the Group's environmental management and compliance.



Environmental Risk Prevention and Control and Emergency Response

The Group identifies, evaluates and analyzes the risks of environmental emergencies. Based on the exhaustively identified list of environmental risks and with reference to the self-inspection form for environmental risk evaluation formulated within the Group, we have carried out in-depth source intensity analysis, which analyzes the potential release routes of environmental risk substances and their accompanying dangers, and also classifies environmental risk substances in a scientific and reasonable manner. On this basis, we further assessed the emergency response resources available to the Company in the face of these environmental risks and formulated corresponding emergency response plans.

Fosun Pharma's Environmental Risk Prevention and Control and Emergency Response of Fosun Pharma

Information preparation and preliminary environmental risk identification

- Grasp the basic information of all the Group's operating sites, including the company size, the area, terrain, topography of the plant, and the existing condition of each operating site in respect of the environmental management
- Existing emergency response resources: internal emergency materials, emergency equipment and emergency teams, as well as external agreements on mutual aid, etc.

Analysis of possible environmental emergencies and their consequences

- Formulate various types of environmental emergency response plan and submit them for filing to the local environmental department in accordance with regulations
- Regularly review whether the event situation, possible consequences and response measures in the plan are in line with the actual situation of the enterprise
- Regularly review the exercise plan and exercise report of environmental emergency response plan especially the exercise programme, improvements and closure records

Existing environmental risk prevention and control and environmental emergency plan management

- Audit and check whether the responsibility of the environmental risk prevention and emergency response system is clear
- The implementation of the regular inspections and emergency measures
- The compliance of the requirements of EIA and approval documents
- Regular awareness-raising and training on environmental risk and environmental emergency management
- Establishment of an information reporting system for environmental emergency

Classification of the risk level of environmental incidents

- Determine whether the environmental risks in the vicinity of the operation site comply with the requirements of the EIA, and determine the extent of the impact on the environmental risks on the Company

Development of an implementation plan to optimise environmental risk prevention and control as well as emergency measures

- For the projects that need to be rectified, formulate implementation plans for environmental risk prevention and control and emergency response measures, objectives and responsible persons and completion timeframe respectively

Environmental Emergency Risk Management Process of Fosun Pharma

Emergency scenario	Types of environmental risk substances	Substance hazards	Environmental risk prevention and control and emergency response	Situation analysis on emergency resources
Leakage	Chemical hazardous substances	Toxic and hazardous	Set up monitoring and control measures for environmentally hazardous substances that may be discharged at exhaust gas outlets, wastewater, rainwater and clean water outlets according to the characteristics and hazards of the substances	Compliance with chemical management regulations for storage and use Hazard identification, evaluation and control procedures Specialised self-inspection and self-examination checklist
Non-normal operation of pollution control facilities	Discharge of toxic and hazardous substances into groundwater, air, etc.	Toxic and hazardous	Measures to prevent accidental drainage and pollutants from spreading and being discharged outside the plant, including flow interception, collection of accidental drainage, prevention and control measures for the sewage clean system, prevention and control measures for the rainwater system, prevention and control measures for the wastewater production and treatment system, etc.	Through the online automatic monitoring system networked with the environmental protection department, the Company monitors the wastewater and air emissions • Internal and external monitoring: external sampling and analysis • Spot checks by the headquarter of the Group from time to time (internal management process)

Pollutant Management

During the Reporting Period, the Group complied with the Air Pollution Prevention Law of the People's Republic of China, the Water Pollution Prevention Law of the People's Republic of China and the Solid Waste Pollution Prevention Law of the People's Republic of China and other relevant laws and regulations of places where it operates, and exercised control over the emission of various pollutants such as waste gas, waste water and waste. In addition to ensuring that all emission activities comply with statutory standards and compliance requirements, we actively adopted a series of advanced management measures aimed at continuously reducing the intensity of pollutant emissions and striving to achieve a gradual reduction in emissions, thereby continuously mitigating the potential impact on the environment and contributing to environmental protection.

Waste Gas Management

The Group actively carried out waste gas emission control by implementing emission reduction processes in terms of both source control and organised collection, such as using processes to replace volatile substances such as organic solvents and cleaning agents, and processes to reduce unorganised emissions of VOCs. During the Reporting Period, the Group achieved the annual emission targets for 4 characteristic factors of internal control of waste gas (nitrogen oxides, sulphur dioxide, particulate matters and volatile organic compounds).

Specific Measures for the Treatment of Air Pollutants by Major Subsidiaries

Name of enterprise	Type of air pollutants	Configuration of air pollution treatment facility
Yao Pharma (Renhe Plant)	Nitrogen oxides, particulate matter, non-methane hydrocarbons	Bag dust removal, low nitrogen combustion, activated carbon adsorption
Yao Pharma (Shuitu Plant)	Nitrogen oxides, particulate matter, non-methane hydrocarbons	Bag dust removal, low nitrogen combustion
Jisirui	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Bag dust removal, low nitrogen combustion
Carelife Pharma (First Plant)	Non-methane hydrocarbons	Lye spray + water spray + activated carbon adsorption, lye spray + paraffin oil spray + activated carbon adsorption
Carelife Pharma (Second Plant)	Non-methane hydrocarbons	lye spray + paraffin oil spray + activated carbon adsorption, lye spray + lye spray + lye spray +water spray + resin adsorption and desorption
Dongting Pharma	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Lye spray + activated carbon adsorption + condensation
Shinsun Pharma	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Activated carbon adsorption
Jisimei (Wuhan)	Non-methane hydrocarbons	Primary and medium efficiency filtration + activated carbon adsorption
Hexin Pharma	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Low nitrogen combustion, spray tower + activated carbon adsorption, oil fume purifier
Beijing Jnova	Particulate matter, non-methane hydrocarbons	Bag dust removal, water spray fume hood, high-efficiency dust removal
Guilin Pharma	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Spray pre-treatment + RTO incineration + flue gas spray, spray pre-treatment + activated carbon adsorption and desorption
Suzhou Erye	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Activated carbon desorption and adsorption + two-level water washing, oxidation tower + acid washing + lye spray + demisting + activated carbon adsorption, activated carbon adsorption, two-level water washing + RTO incineration + lye spray
Shandong Erye	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	SNCR + flue gas quenching + dry deacidification + bag dust removal + lye spray + wet electrostatic precipitator, lye spray + water spray + activated carbon adsorption + desorption, lye spray, activated carbon adsorption, RTO incineration
Shenyang Hongqi	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Bag filtration, low nitrogen combustion technology, water washing + activated carbon adsorption, water washing + bag filtration
Chemo Biopharma	Non-methane hydrocarbons	Activated carbon adsorption
Fosun Wanbang	Non-methane hydrocarbons	Activated carbon adsorption

Name of enterprise	Type of air pollutants	Configuration of air pollution treatment facility
Wanbang Jinqiao	Non-methane hydrocarbons	Zeolite wheel + catalytic oxidation, lye spray + acid spray + biofilter + sodium hypochlorite spray, acid and lye spray+ biofilter + activated carbon adsorption
Zhaohui Pharma	Particulate matter, non-methane hydrocarbons	Filter cartridge dust removal + alkaline wash + dehydration and demisting + activated carbon absorption, activated carbon absorption, oil fume purifier, alkaline cleaner, spray, bag dust removal
Wanbang Folon	Nitrogen oxides, sulfur dioxide, particulate matter	Low nitrogen combustion of boilers, bag dust removal, biological filter deodorization, spray + electrostatic adsorption, photocatalytic oxidation+ activated carbon
Wanbang Tiansheng	Nitrogen oxides, sulfur dioxide, particulate matter	Low nitrogen combustion of boilers
Xingnuo Pharma	Non-methane hydrocarbons	RTO incineration, lye spray, bag dust removal, two-level activated carbon adsorption + biological deodorization
Fosun Pharma (Xuzhou)	Particulate matter, non-methane hydrocarbons	Bag dust removal, water spray + activated carbon adsorption, alkaline water spray tower + biological filter box deodorization, activated carbon adsorption, RTO incineration
Avanc Pharma	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Low nitrogen combustion, condensation + water washing + lye washing + activated carbon adsorption, water washing + biological purification + packing adsorption, condensation + water washing + activated carbon adsorption
Fosun Aleph	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Spray tower, demisting, activated carbon adsorption box
Fosun Adgenvax	Non-methane hydrocarbons	Tunnel infrared sterilizer + activated carbon adsorption, water washing spray + tunnel infrared sterilizer + UV photo-oxygen catalyst + activated carbon adsorption
Shanghai Henlius (Yishan Road)	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Activated carbon adsorption, low nitrogen combustion
Shanghai Henlius (Songjiang First Plant)	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Activated carbon adsorption, low nitrogen combustion
Shanghai Henlius (Songjiang Second Plant)	Nitrogen oxides, sulfur dioxide, particulate matter, non-methane hydrocarbons	Activated carbon adsorption, low nitrogen combustion
Fosun Kairos	Non-methane hydrocarbons	Activated carbon adsorption
Huaiyin Medical	Non-methane hydrocarbons	Activated carbon adsorption
Fosun Beiling	Non-methane hydrocarbons	Activated carbon adsorption

Case: Continuously upgrading and retrofiting the facilities and equipment for the treatment of volatile organic compounds (VOCs)

Resin waste gas treatment process

RTO monitoring screen of Guilin Pharma

In 2017, the Group fully launched the VOCs governance work. Through the Group's tendering process, strategic cooperation suppliers were identified. Between 2017 and 2023, 11 subsidiaries engaged in the production of bulk pharmaceuticals and other businesses that involved VOCs emissions invested a cumulative amount of over RMB100 million. New supporting VOCs treatment facilities were constructed, which effectively reduced the environmental impact of volatile organic compounds generated during the production process of bulk pharmaceutical enterprises. This also improved the environmental quality of workshops, office areas and the surrounding areas.

In 2023, Carelife Pharma adopted a new resin waste gas treatment process. Such process uses a spherical polymer particle with three-dimensional mesh structure and adsorption selectivity to effectively adsorb the organic matter in the waste gas to purify the waste gas, which has an especially high removal rate for non-polar and weakly polar VOCs. In addition, through the oil-water separation of VOCs components, the process can effectively separate and recover some organic solvents.

In 2024, Guilin Pharma invested RMB6.49 million in upgrading and renovating its original VOCs treatment system to adapt to the changes in production capacity and product structure. Such upgrade adopted an RTO furnace with an air volume of 25,000 cubic meters per hour, which oxidizes VOCs into water and carbon dioxide through high-temperature incineration technology. At the same time, a flue gas treatment system was added to ensure the stability of emissions.

Waste Management

During the Reporting Period, Fosun Pharma continued to uphold the core principles of "reduction, recycling, and harmless treatment." We place great emphasis on minimizing the impact of waste input, generation, and discharge on human health and the environment at every stage, from raw material procurement and production operations to the final disposal of products. We classify waste into three major categories: domestic wastes, general industrial wastes and hazardous wastes, and require all subsidiaries to conduct a comprehensive inventory of waste types, sources, and quantities within the company, establishing a detailed waste list. We monitor the generation, transfer, and disposal of waste. On this basis, we have further strengthened the management and reduction of hazardous waste and other waste with potential environmental risks, ensuring that all waste is treated and disposed of safely and in compliance with regulations, while preventing environmental pollution.

Case: Three additional subsidiaries awarded the title of "waste-free factories", bringing the total number to four

Following the award of the first batch of "Waste-Free Factory" titles to Guilin Pharma in 2023, the Group continues to respond to the national goal of building "waste-free cities" as proposed by the Ministry of Ecology and Environment. The Group has called on all subsidiaries to adhere to the principles of source reduction, in-factory recycling, and green low-carbon practices, and to continuously promote solid waste reduction at the source, resource utilization, and minimizing landfill volumes, thereby reducing the environmental impact of solid waste to the lowest possible level. In 2024, three subsidiaries — Chemo Biopharma, Shenyang Hongqi, and Suzhou Erye — actively responded to the requirements of their respective cities for the construction of "waste-free cities". They have made coordinated efforts in the reduction, resource recovery, and harmless treatment of solid waste, energy conservation, carbon reduction, and pollution control. They also strengthened performance assessments, launched campaigns to promote the "waste-free" concept, and fostered the development of green and low-carbon production methods, earning the "Waste-Free Factory" title.

Sewage Management

The Group implements management of sewage discharge, which is mainly divided into production wastewater and domestic sewage. We follow the basic principle of "rainwater and sewage separation and classified treatment" to ensure that all sewage is effectively treated. For subsidiaries engaged in the API business, initial rainwater is first sent to the internal sewage treatment station for pre-treatment until it meets the discharge concentration limit standards. Subsequently, the treated sewage is incorporated into the designated municipal pipeline network and further treated by regional professional sewage treatment units before being safely discharged into the environment. The Group has never directly discharged sewage into surface water, groundwater, seawater or other natural water bodies.

Case: Ongoing upgrades and expansion of sewage treatment facilities

Water Resources Management

The Group fully recognizes the indispensable value of water resources in maintaining sustainable production and living, ensuring human health, and promoting ecosystem stability. It also closely monitors the far-reaching impact of water resources on the continuity of the Group's business operations. During the Reporting Period, the Group's total water consumption was 10,515,162 m³, with a water consumption intensity of 2.56 m³/RMB10,000 revenue. At the same time, we actively implemented certain water-saving measures aimed at efficiently utilizing and conserving every drop of water to ensure the sustainable use of water resources. During the Reporting Period, the Group achieved a total water saving of 391,000 m³, accounting for 3.71% of the total water consumption for the year. During the Reporting Period, the Group did not experience any significant problems in obtaining applicable water sources and was able to effectively safeguard its production demands and daily supply and other needs.

Summary of the Key Water-saving Projects of Certain Subsidiaries

Name of enterprise	Water-saving measures		Total watersaving volume (10,000 m^3)
	Water-saving engineering measures	Administrative measures	
Yao Pharma (Renhe Plant)	Reuse concentrated water, reuse condensate water, cooling circulation system	Water conservation promotion	15.8
Yao Pharma (Shuitu Plant)	Reuse condensate water, improve the efficiency of purified water production, self-control system for filter backwash water	Signage reminders for water conservation, water optimization for landscape pools, water optimization for animal room flushing	2.8
Jisirui	Reuse condensate water	Water conservation promotion	1.0
Dongting Pharma	Reuse condensate water, cooling circulation system	Signage reminders for water conservation	1.4
Hexin Pharma	Reuse condensate water, cooling circulation system	Signage reminders for water conservation	0.8
Guilin Pharma	Reuse condensate water	Establishment of water conservation management guidelines	0.6
Suzhou Erye	Reuse reclaimed water	Water conservation promotion, metering and Inspection	1.0
Shandong Erye	Recover concentrated water, reuse condensate water	Optimize water meter measurement	0.5
Shenyang Hongqi	Optimisation of purified water system cooling, reuse concentrated water	Optimize cooling methods of purified water system, reuse concentrated water	1.9
Chemo Biopharma	Reuse reclaimed water	Optimize water meter measurement	2.5
Wanbang Jinqiao	Reuse reclaimed water	Water conservation promotion, metering and Inspection	0.8
Zhaohui Pharma	Adopt automatic control measures for cooling water usage, improve the efficiency of purified water production	Optimize water meter measurement	1.7
Wanbang Folon	Reuse reclaimed water	Optimize purified water system model	0.7
Avanc Pharma		Optimize water equipment management in the integrated pharmaceutical formulation water production area	0.7
Fosun Adgenvax	Reuse concentrated water	Optimize water meter measurement	1.2
Shanghai Henlius (Yishan Road)	Reuse reclaimed water, cooling circulation system	Optimize water meter measurement, Signage reminders for water conservation	0.3
Shanghai Henlius First Plant	Reuse reclaimed water, cooling circulation system	Optimize water meter measurement, Signage reminders for water conservation	1.8
Shanghai Henlius Second Plant	Reuse reclaimed water, cooling circulation system	Optimize water meter measurement, Signage reminders for water conservation	3.5

Case: Regular inspections, comprehensive maintenance, and conversion of buried water pipes to exposed pipes in the plant area

Most of the Group's subsidiaries use underground water supply networks, which can be difficult to detect leaks in a timely manner. This is especially true for subsidiaries that have been operating for many years, as their pipe networks are at higher risk of leakage. As a result, the Group requires all subsidiaries, particularly those in large water-consuming plant areas, to regularly carry out leak detection work on their underground water supply networks. Using technologies such as micro-detection probes and small robots, a comprehensive inspection of pipe network wear and aging is conducted to promptly identify leak points or areas of severe wear. Necessary comprehensive maintenance or the upgrade of converting buried pipes to exposed pipes is carried out to reduce or prevent water resource wastage caused by pipe network leakage. During the Reporting Period, this project was implemented at subsidiaries or hospitals such as Guilin Pharma, Fosun Wanbang, Shanghai Henlius, Anhui Jimin Hospital, Shenzhen Hengsheng Hospital, Guangzhou Xinshi Hospital, and Wenzhou Geriatric Hospital.

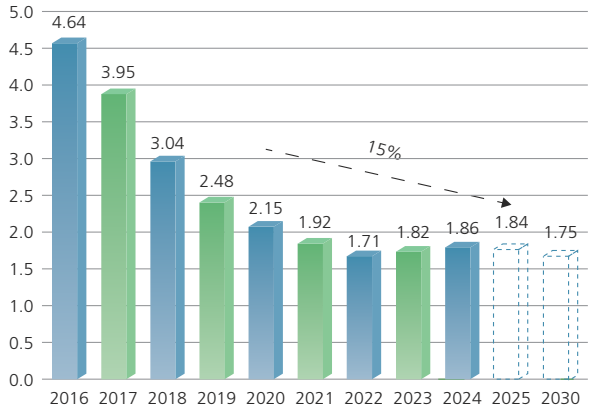
3.2.4Metrics and Targets

Fosun Pharma attaches great importance to environmental management and takes environmental performance and target setting as an important tool to promote sustainable development. We have set targets for pollutants and resource consumption from 2021 to 2025 since 2020 and have refined these targets into a specific metrics system to facilitate accurate implementation and effective monitoring. On this basis, we have implemented an annual tracking mechanism to ensure that timely feedback and adjustments are made to the achievement of the targets. During the Reporting Period, the achievement of our environmental performance-related targets was as follows:

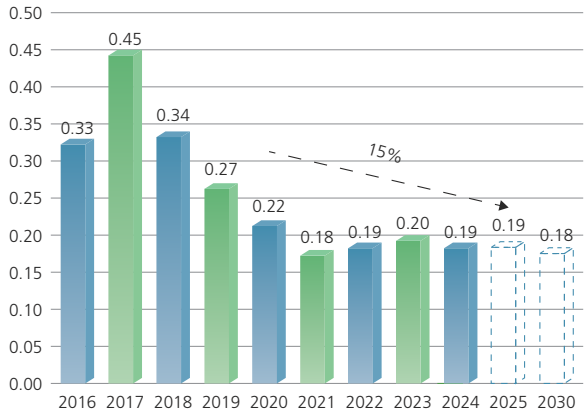
Item	Unit/indicator	Goal for 2025	Goal for 2024	Progress in meeting goal for 2024
Waste gas emission				
Nitrogen oxides	g/RMB10,000 revenue	Decrease by 20% compared to 2020	Decrease by 16% compared to 2020	Goal achieved
Sulfur dioxide	g/RMB10,000 revenue	Decrease by 20% compared to 2020	Decrease by 16% compared to 2020	Goal achieved
Particulate matter	g/RMB10,000 revenue	Decrease by 20% compared to 2020	Decrease by 16% compared to 2020	Goal achieved
VOCs	Compliance	100%	100%	Goal achieved
Sewage discharge				
Sewage	ton/RMB10,000 revenue	Decrease by 15% compared to 2020	Decrease by 12% compared to 2020	Goal achieved
COD	kg/RMB10,000 revenue	Decrease by 15% compared to 2020	Decrease by 12% compared to 2020	Goal achieved
Ammonia nitrogen	kg/RMB10,000 revenue	Decrease by 15% compared to 2020	Decrease by 12% compared to 2020	Not yet achieved
Waste disposal				
Total waste	kg/RMB10,000 revenue	Decrease by 10% compared to 2019	Decrease by 8% compared to 2019	Goal achieved
Hazardous waste	kg/RMB10,000 revenue	Increase by no more than 59% compared to 2020	Increase by no more than 46% compared to 2020	Goal achieved
Water consumption				
Water consumption	m^3/RMB10,000 revenue	Decrease by 15% compared to 2020	Decrease by 12% compared to 2020	Goal achieved

3. Environmental Protection

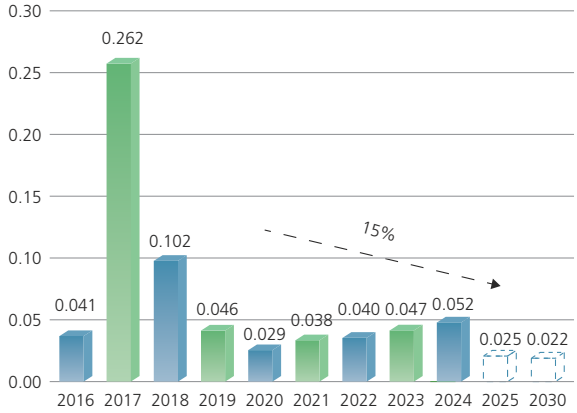
Sewage discharge intensity Unit: ton/RMB10,000 revenue



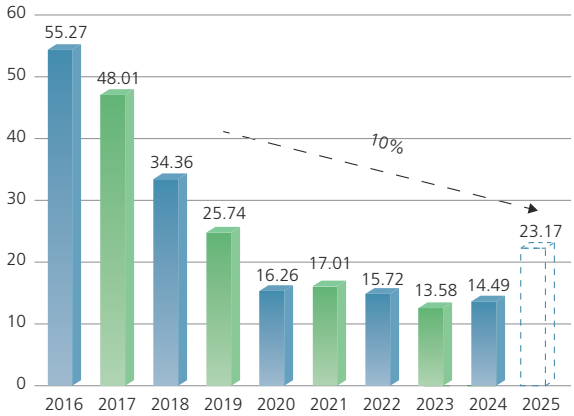
COD emission intensity Unit: kg/RMB10,000 revenue



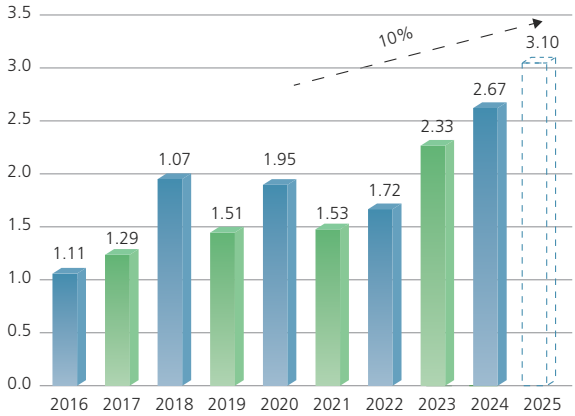
Ammonia nitrogen emission intensity Unit: kg/RMB10,000 revenue



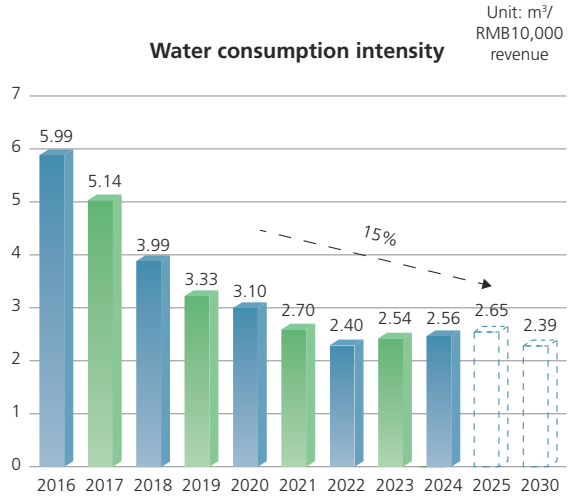
Total waste intensity Unit: kg/RMB10,000 revenue

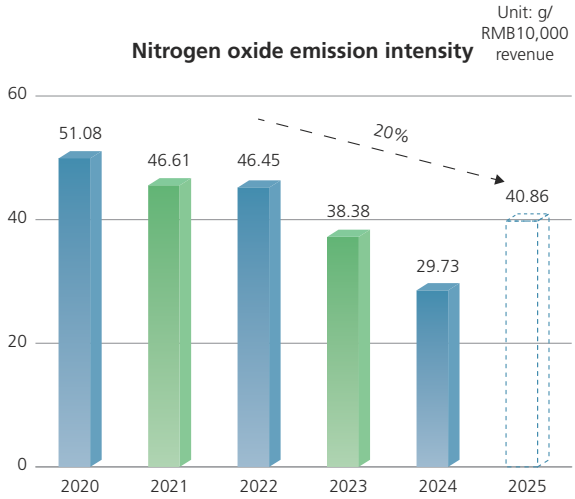


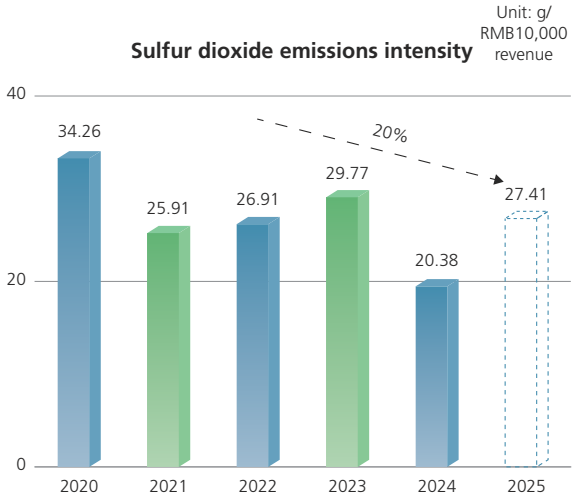
Hazardous waste intensity Unit: kg/RMB10,000 revenue

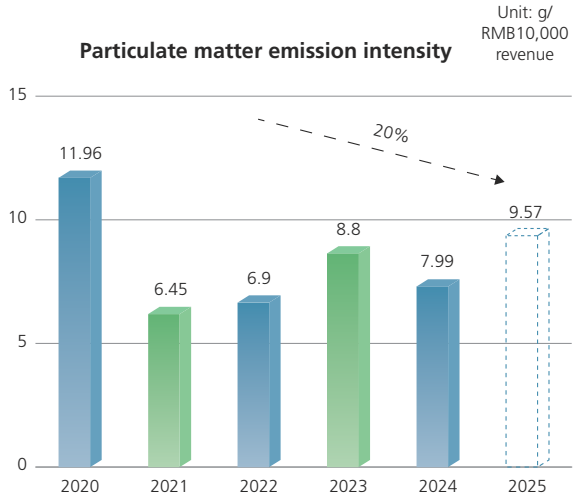


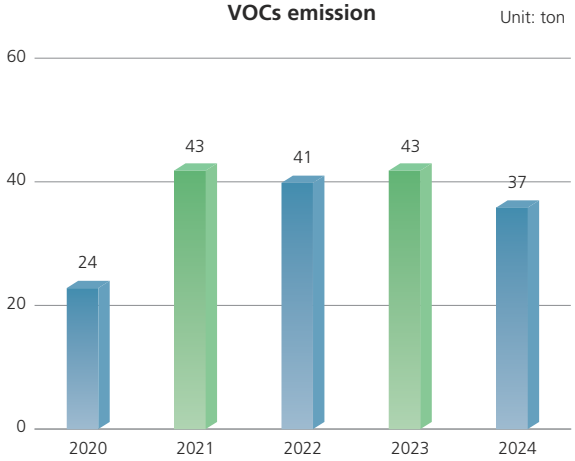
3. Environmental Protection











3. Environmental Protection

We have formulated and implemented a series of scientific and efficient management measures to address various environmental pollution problems precisely. The Group has achieved remarkable results in environmental protection and realised a steady year-on-year decrease in pollutant emission data through continuous technology application and management optimisation. A list of our various environmental emission data metrics during the Reporting Period was set out below:

Air Pollutant Emissions

	Nitrogen oxides		Sulfur dioxide		Particulate matter		Volatile organic compounds (VOCs)
	Total (ton)	Intensity (g/RMB10,000 revenue)	Total (ton)	Intensity (g/RMB10,000 revenue)	Total (ton)	Intensity (g/RMB10,000 revenue)	Total (ton)
2024	122	29.73	84	20.38	33	7.99	38
2023	158	38.38	123	29.77	37	8.88	43
2022	204	46.45	118	26.91	30	6.9	41
2021	182	46.61	101	25.91	25	6.45	43
2020	158	—	105	—	37	—	24
2019	258	—	134	—	36	—	—
2018	251	—	279	—	44	—	—
2017	239	—	245	—	41	—	—
2016	466	—	485	—	19	—	—

Water Pollutants Discharge

	Total sewage discharge (ton)	COD (ton)	Ammonia nitrogen (ton)	Sewage discharge intensity (ton/RMB10,000 revenue)	COD emission intensity (kg/RMB10,000 revenue)	Ammonia nitrogen emission intensity (kg/RMB10,000 revenue)
2024	7,626,020	789	214	1.86	0.19	0.052
2023	7,507,716	817	192	1.82	0.20	0.047
2022	7,523,754	841	175	1.71	0.19	0.040
2021	7,497,581	704	146	1.92	0.18	0.038
2020	6,505,479	655	88.5	2.15	0.22	0.030
2019	7,091,033	778	130	2.48	0.27	0.046
2018	7,565,178	847	254	3.04	0.34	0.102
2017	7,315,890	841	486	3.95	0.45	0.262
2016	6,785,400	490	60.55	4.64	0.33	0.041

Water Pollutants Discharge by Business Segment

Segment	Total wastewater discharge (ton)	Annual discharge of COD (ton)	Annual total discharge of ammonia nitrogen (ton)
Pharmaceutical manufacturing	6,333,947	719	191
Medical devices and medical diagnosis	73,756	3	1
Healthcare services	1,218,317	67	22
Total	7,626,020	789	214

Waste and Intensity

	Total waste volume (ton)	Hazardous waste volume (ton)	Total waste intensity (kg/RMB10,000 revenue)	Hazardous waste intensity (kg/RMB10,000 revenue)
2024	59,490	10,950	14.49	2.67
2023	56,029	9,618	13.58	2.33
2022	69,147	7,568	15.72	1.72
2021	66,328	5,954	17.01	1.53
2020	49,286	5,915	16.26	1.95
2019	73,548	4,321	25.74	1.51
2018	85,797	2,682	34.36	1.07
2017	88,967	2,397	48.01	1.29
2016	80,848	1,627	55.27	1.11

Waste Disposal by Business Segment

Segment	Domestic waste (ton)	Industrial solid waste (non-hazardous waste) (ton)	Hazardous waste (ton)
Pharmaceutical manufacturing	1,813	43,238	9,422
Medical devices and medical diagnosis	160	27	41
Healthcare services	3,301	0	1,487
Total	5,275	43,265	10,950

Total Water Consumption and Water Consumption Intensity

	Total water consumption (m^3)	Water consumption intensity (m^3/RMB10,000 revenue)
2024	10,515,162	2.56
2023	10,489,189	2.54
2022	10,545,581	2.40
2021	10,521,811	2.70
2020	9,381,818	3.10
2019	9,527,927	3.33
2018	9,959,415	3.99
2017	9,515,697	5.14
2016	8,769,376	5.99

3.3 Circular Economy

On the path of pursuing sustainable development, we deeply recognize that the circular economy is not only an inevitable choice for environmental protection but also an important manifestation of corporate social responsibility. Under the premise of ensuring drug safety, We actively explore packaging reduction and circular utilization, optimize packaging design, reduces waste, promote the classified recycling and reuse of packaging materials, reduce the environmental footprint, and promote the sustainable use of resources.

3.3.1 Packaging Material Management

Drugs are special products that are directly related to people's livelihood and health. Whether it is the design of the inner packaging or the outer packaging of drugs, it must meet the requirements of drug safety supervision laws and cannot be recycled entirely based on the principle of environmental protection and reduction. Therefore, under the premise of meeting drug safety supervision requirements, the Group actively explores the reduction and circular use of drug packaging materials to the greatest extent possible. On the one hand, we intervene from the source to reduce and streamline the outer packaging of products, and optimize the processes in the product manufacturing stage to reduce packaging material waste. Some subsidiaries cooperate with upstream and downstream customers and use reusable material turnover boxes instead of disposable ones to reduce the loss of packaging materials in the transportation process. Some other subsidiaries reduce the printing size of drug instructions to reduce paper consumption. On the other hand, we actively promote the circular process of packaging materials, classify and manage the packaging materials generated from unpacking incoming materials. The recyclable packaging materials are recycled and reused within the enterprise. The non-recyclable packaging materials are sold to the resource recycling and reuse department to complete the reuse of recyclable materials with the help of social resources. In addition, the Group pays attention to the environmental footprint of the materials involved in the manufacturing, transportation, sales and other processes of products, continuously reduces material consumption, improves the circular utilization rate of materials to reduce the compensation for natural resources, and promotes the efficient and sustainable use of resources.

Based on the material properties of packaging materials, the Group divides the packaging materials involved in the manufacturing, transportation, sales and other processes of products into six categories: glass, metal, wood, paper, rubber, and plastic. During the reporting period, the Group consumed a total of 21,064 tons of traceable packaging materials, including 10,557 tons of non-renewable materials and 10,507 tons of renewable materials. A total of 961 tons of packaging materials have been recycled and utilized, accounting for 4.56% of the total consumption of packaging materials.

Packaging Materials Consumption

	Total packaging materials (ton)	Total renewable material (ton)	Percentage of renewable materials	Of which		Non-renewable materials (ton)	Percentage of non-renewable materials	Of which			
				Paper (ton)	Wood (ton)			Plastic (ton)	Rubber (ton)	Glass (ton)	Metal (ton)
2024	21,064	10,507	49.9%	10,499	8	10,557	50.1%	2,063	942	6,548	1,004
2023	18,772	9,149	48.7%	9,116	32	9,624	51.3%	2,047	1,076	5,278	1,222
2022	19,437	9,669	49.7%	9,629	40	9,768	50.3%	3,517	532	5,318	401

Note: Non-renewable materials include plastic, rubber, glass and metal packaging materials; renewable materials include paper and wood packaging materials.

3.3.2 Material Efficiency

Subject to the compliance with pharmaceutical safety regulations, the Group is committed to exploring the material reduction and recycling strategies for pharmaceutical packaging to the greatest extent possible. We implement source reduction by streamlining product packaging and optimizing the manufacturing process to reduce the waste in a limited number of subsidiaries and for individual viable products. We also pilot cooperation with upstream and downstream customers in some of our subsidiaries by replacing the disposable material containers with reusable material containers to reduce the transportation-related packaging loss. We also reduce the printing size of package inserts to minimize paper consumption.

Case: Smaller plastic trays and cartons

Comparison of pre-upgrade packaging and the smaller packaging

Guilin Pharma upgraded the dual-component packaging system for several specifications of its artesunate for injection. The redesigned plastic trays and cartons are smaller and lighter, with an average weight reduction of 1.25g per unit. During the Reporting Period, the use of lightweight packaging was close to 3.3 million sets, reducing the use of plastic and paper packaging materials by approximately 4 tons.

Case: Size reduction of package insert, hard sheet and aluminum foil

Comparison of package insert size before and after optimization

In compliance with the pharmaceutical safety regulation, Yao Pharma (an subsidiary) actively explored measures to reduce packaging materials. By reducing the size of drug package inserts of some products, paper consumption was reduced. In addition, Yao Pharma facilitated the layout of products to reduce the use of hard tablets and aluminum foil materials. It is estimated that approximately 4.9 tons of package materials can be reduced for every 50 million tablets produced.

3.4 Biodiversity

The Group has consistently upheld a strong sense of responsibility and mission for biodiversity conservation around the corporate, and has actively and proactively paid attention to the relevant environmental protection policies rolled out by the governments where we operate, ensuring that our business operations are closely aligned with such policies, thus jointly promoting the realization of Sustainable Development goals.

In all business activities, products and services, we are committed to the principle of biodiversity minimal interference, ensuring that no significant or irreversible impact will be incurred on local biodiversity. In terms of site selection, we insist that all our offices, operational premises and industrial plants are located far away from nature reserves and sensitive, biodiversity-rich areas outside of nature reserves to prevent any harm to pristine vegetation and ecosystems. Regarding scientific research and experiments, we firmly oppose and prohibit animal experimentation on protected animals. We also respect and protect plants and animals throughout our production by actively seeking sustainable and environmentally friendly alternatives instead of adopting valuable and rare species as raw materials, ensuring efficient and environmentally friendly production processes.

The Group regards biodiversity protection as its responsibility. Through a series of environmental protection measures and responsible business practices, we are committed to building a green, harmonious and sustainable ecological environment and contributing to the future of the planet.

4. Win-win Partnership

Good supply chain management plays a pivotal role in the sustainable development and growth of an enterprise. As an international pharmaceutical and healthcare industry group with a strong sense of responsibility and mission, we attach great importance to the development of synergies with suppliers. We uphold the business operation concept of high standards and strict requirements, abide by business ethics, and sincerely hope to cooperate with suppliers who also uphold lofty values and a sense of responsibility. Adhering to the procurement principle of "legal and compliant, transparent and quality first", we continuously improve the construction of the supply chain system, and strive to build a value chain ecosystem featuring mutual benefit and win-win development. We are willing to work hand in hand with suppliers to jointly promote the sustainable development of the industrial chain and lead the industry towards a more prosperous future.

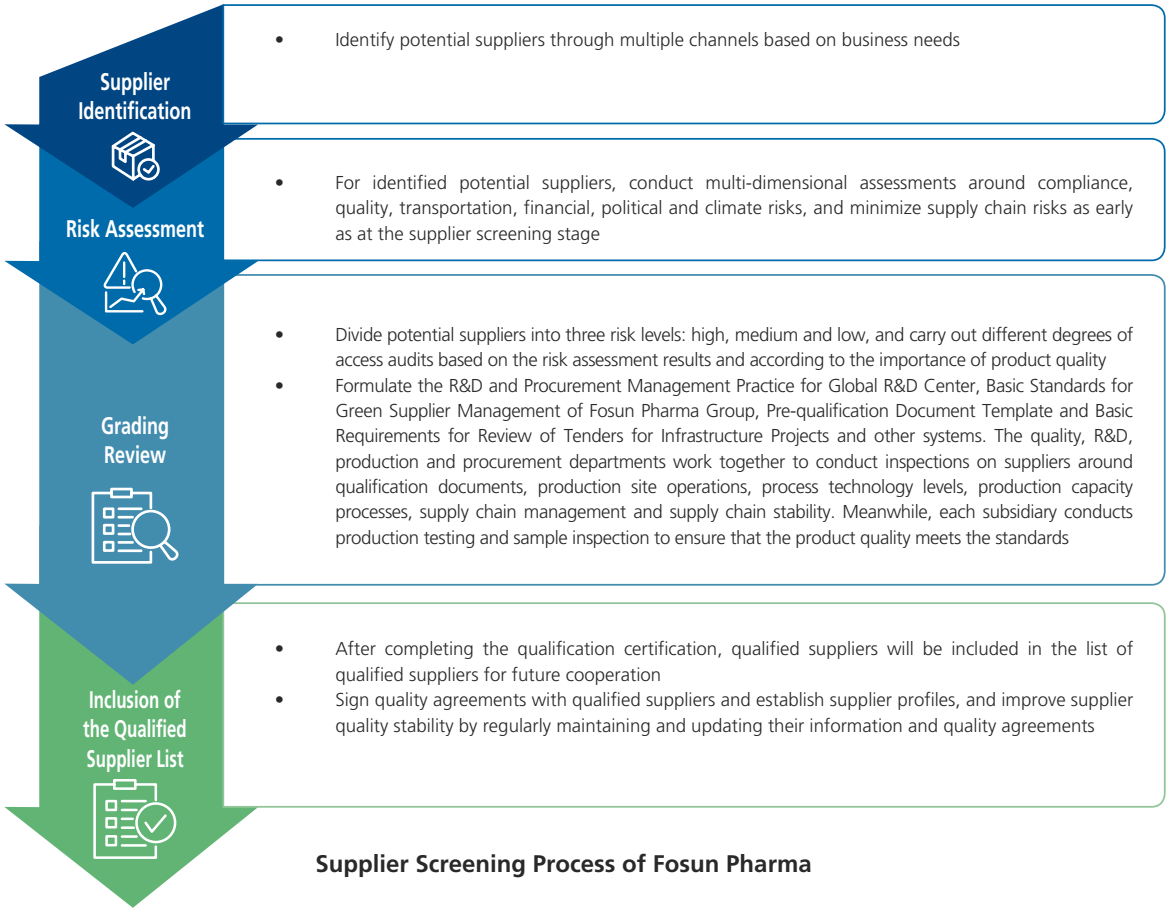
4.1 Supplier Management

The Group complies with the requirements of the Tendering and Bidding Law of the People's Republic of China and relevant laws and regulations in the other regions where we operate. To this end, the Group has formulated a series of internal management system documents, such as the Basic Standards for Procurement and Tender Management, the Basic Standards for Green Supplier Management (Trial Implementation), aiming to ensure the standardization and normalization of supplier management. To further enhance the level of supplier management, the Group has established and continuously improved the supplier lifecycle management process. Such process covers all aspects, including supplier identification and exploration, risk assessment and control, qualification review and confirmation, comprehensive performance evaluation, and termination of cooperation, so as to fully ensure the stability and sustainable development of the supply chain.

4.1.1 Screening and Selection

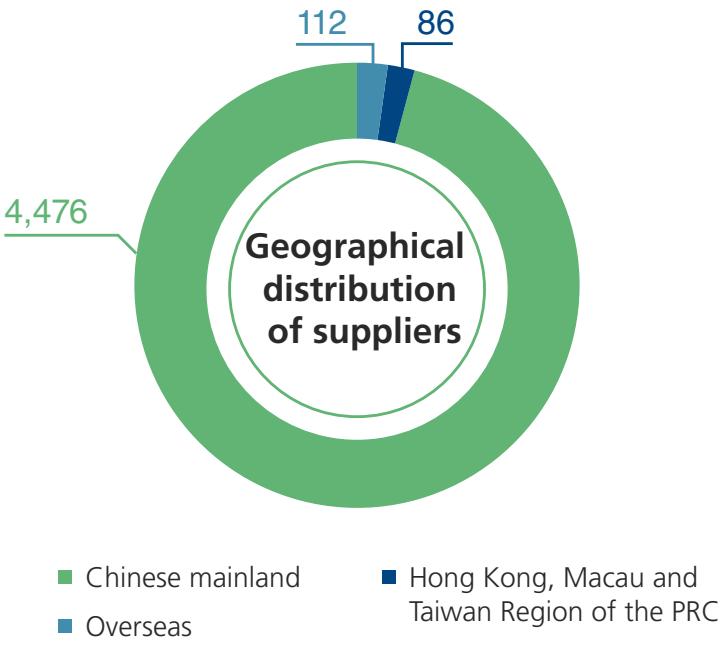
In order to ensure that the Group's products are always of high quality and standard, the Group fully integrates quality management and risk control mechanisms at the supplier admission stage. The Group conducts screening of suppliers through multiple procedures such as supplier identification, risk assessment, and hierarchical review. Meanwhile, the Group continuously monitors the implementation of supplier information and quality agreements to ensure that suppliers can meet the Group's requirements in various aspects, including product quality and contract performance. The Group is committed to systematizing and standardizing supplier management, and constantly improving the level of supply chain management to guarantee the continuous excellence and stability of product quality.

4. Win-win Partnership



Supplier Screening Process of Fosun Pharma

The geographical distribution of suppliers of domestic subsidiaries in the pharmaceutical manufacturing segment of the Company as at the end of the Reporting Period, is set out below:

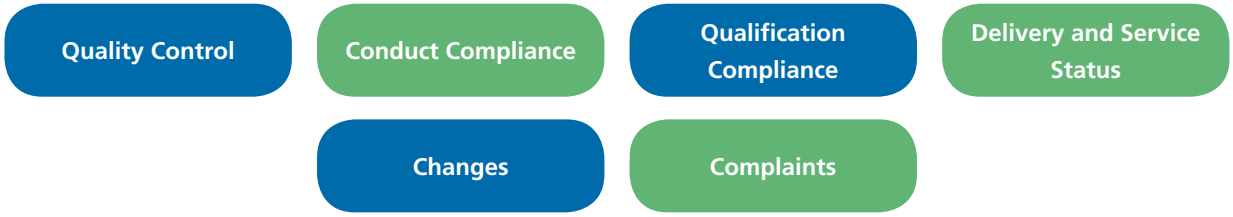


4.1.2Stable Supply Chain

The Group attaches great importance to the construction and investment in a sustainable supply chain, regarding it as the cornerstone for ensuring the orderly conduct of corporate production and operational activities. To continuously optimize and maintain supply chain stability, we actively engage in supply chain risk management, identifying supply chain risks, and formulating and implementing risk response measures. We have advanced the supply chain management work to an earlier stage than the procurement link to ensure that supply chain management is implemented throughout all production processes. By optimizing planning and stabilizing supply, we effectively guarantee the safety of material supply. We mitigate supply chain risks through diversified procurement. During the Reporting Period, Fosun Pharma upgraded the sourcing of various materials from single suppliers to multiple suppliers, ensuring a stable supply chain.

4.1.3 Continuous Management and Control

The Group regards supply chain assessment as the core focus of supplier management to comprehensively safeguard a stable material supply. After suppliers are admitted, we conduct performance assessment and grading review of suppliers from various dimensions, continuously monitor the performance of suppliers and promote their continuous improvement in order to achieve win-win partnerships. Meanwhile, the Group implements annual comprehensive audits of suppliers through various methods, including qualification audit, document verification, and on-site inspection.



Supplier Audit Dimensions of Fosun Pharma

Meanwhile, we continue to strengthen the management of our second-tier suppliers. During the Reporting Period, we updated the Code of Conduct of Suppliers to clarify that first-tier suppliers should be responsible for ensuring the quality and safety of products and services indirectly provided to the Group by second-tier suppliers. We also conduct regular quality audits to ensure that the products and services provided by our second-tier suppliers meet the Group's quality and safety requirements.

During the annual quality audits for first-tier suppliers, we will check their audits for second-tier suppliers. When necessary, the Group will conduct direct audits for second-tier suppliers by itself or entrust a third party to do so, and all first-tier suppliers have the obligation to support such audits. This code applies to all suppliers cooperating with Fosun Pharma (including first-tier, second-tier and third-tier raw material suppliers). Based on the audit results, the Group regularly adjusts the supplier ratings. If the audit results indicate that the relevant supplier fails to comply with the Code of Conduct of Suppliers, the Group will promptly make suggestions for improvement and take targeted ongoing control measures, and will suspend or cancel its supplier qualification if necessary.

During the Reporting Period, the Group conducted quality audit on a total of 1,170 suppliers and rejected 38 suppliers.

The audits of suppliers of the major subsidiaries in the pharmaceutical manufacturing segment in 2024 are as follows:

Enterprise name	Fosun Wanbang	Yao Pharma	Avanc Pharma	Shenyang Hongqi	Fosun Aleph	Suzhou Erye	Guilin Pharma	Shanghai Henlius	Fosun Kairos	Chemo Biopharma	Fosun Pharma (Xuzhou)
Number of suppliers under annual review	220	302	53	33	22	173	133	81	37	48	68
Number of suppliers involved in business for the year	446	741	96	124	68	358	295	149	79	60	68
Proportion of suppliers under annual review	49.33%	40.76%	55.21%	26.61%	32.35%	48.32%	45.08%	54.36%	46.84%	80.00%	100.00%

On the basis of continuous improvement in its supplier management system, the Group is committed to continuously empowering its supply chain partners. Adhering to the core procurement principle of "quality first", we organized specialized training on product quality and safety for all suppliers every year in response to the supplier assessment results and the weak points identified in the audit. At the same time, we improved and enriched the training content according to supplier classification differences to ensure effective training outcomes.

The Group continuously monitors the latest requirements and dynamic information regarding product quality standards, and promptly shares this information with suppliers to assist them in accurately interpreting the relevant implications and requirements, thereby maintaining their awareness of industry knowledge. To encourage suppliers to observe relevant regulations, the Group communicates the Supplier Code of Conduct, the Anti-Commercial Bribery Policy and the Supplier Quality Requirements to all suppliers annually, so as to ensure the stability and compliance of supply chains.

Case: Anti-quality training for all suppliers

Offline Training Site

During the Reporting Period, the Group provided special training on product quality and safety for all suppliers, publicising the quality-related requirements of the Group through a combination of online and offline means, so as to effectively enhance the suppliers' awareness of quality and safety and to safeguard the sustained excellence and stability of the quality of the products.

4.2 Sustainable Supply Chain

The Group attaches great importance to sustainable development of the supply chain. We continuously enhance the overall competitiveness of our supply chain through actively implementing green supply chain projects and safeguarding the stability of the supply chain. The Group has made significant achievements in ensuring supply stability, improving operational efficiency, and jointly building green supply chain ecology. In the future, we will promote consistent innovation in business management and build a benign interactive ecosystem composed of customers, enterprises and suppliers through continuously exploring innovation and reforms in the supply chain.

As at 31 March 2025, the Group has joined the Pharmaceutical Supply Chain Initiative (PSCI) as an Associate member, working with partners to promote the construction of responsible value chains, achieve excellence in safety, environmental and social benefits, and make positive contributions to the construction of the global pharmaceutical and healthcare value chains.

4.2.1 Responsible Supply Chain

The Group has regarded "responsible procurement" as the supreme goal of supply chain management, aiming to lead and promote the sustainable development of the whole supply chain through its industry influence. We closely work with our suppliers to focus on sustainability issues in the supply chain. To effectively control ESG risks in the supply chain, Fosun Pharma and some subsidiaries have actively served as the governing unit of several trade associations, and proactively responded to the requirements of the associations for enterprise supply chain risk assessment and management. By adhering to the procurement principle of "quality first", Fosun Pharma continuously strengthens supply chain quality control, and has comprehensively integrated ESG requirements into the supplier management process, striving to build a high-quality and sustainable supply chain with its supply chain partners. We have set out detailed and strict requirements on the ESG performance of suppliers, service providers, contractors and other partners in the updated Code of Conduct for Suppliers, while also publicizing and promoting the implementation of the system to such personnel.

Topics Covered by the Code of Conduct for Suppliers of Fosun Pharma

The Group firmly believes that fair and transparent cooperation is the cornerstone of sustainable development. We uphold the business principle of integrity first and are committed to building fair, just and transparent supply chain partnerships. We attach great importance to the integrity and compliance of our supply chain, and anti-corruption is included as a key screening criteria in the comprehensive consideration of suppliers from their admission. Once the suppliers pass the admission review, the Group conducts regular follow-up inspections on key suppliers according to the audit plan to ensure compliance in the procurement and use of materials, as well as in the performance of duties by supervisory personnel. Meanwhile, we conduct random inspections of relate materials such as procurement files, contracts, and evidences of financial payments from time to time to further strengthen compliance management and enhance transparent cooperation.

The Group has set up different punishment measures according to the degree of violation by suppliers. Suppliers with serious violation will be blacklisted and permanently banned from cooperating with any of the Group's subsidiaries. During the Reporting Period, we dealt with a total of 71 violations by suppliers.

4.2.2 Green Supply Chain

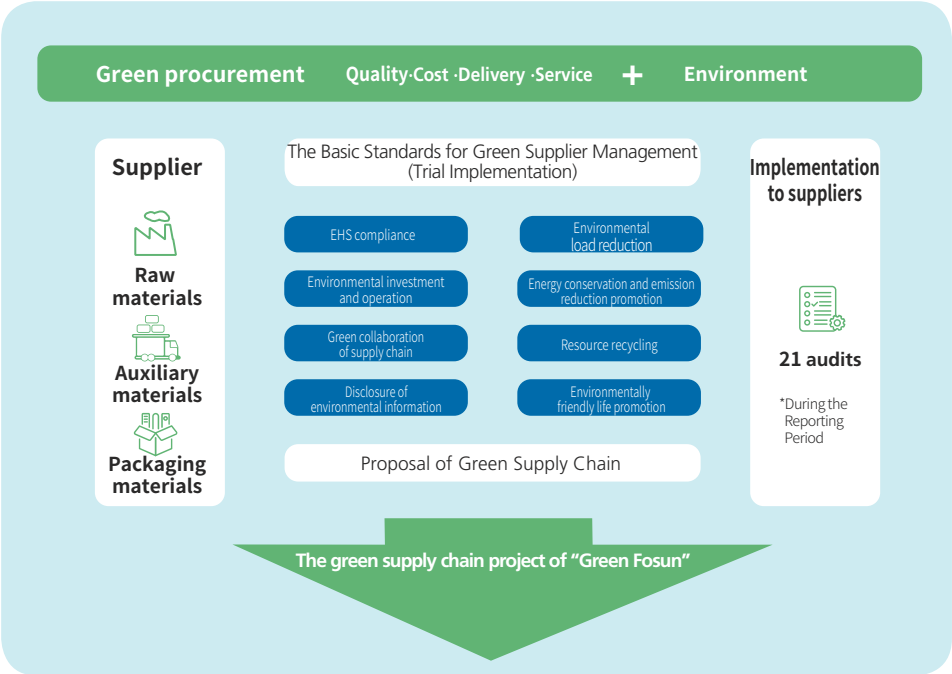
The Group has been committed to the further development of its green supply chain project for many years, leading enterprises to continuously improve their EHS standards and promote a healthier and more sustainable supply chain ecology in the industry as a whole. Adhering to the principle of "equal importance to environmental awareness and economic development", we strive to realize the goal of sustainable development of the industry chain. The Group hopes to work closely with outstanding partners to build a responsible supply chain system through seeking common development and win-win cooperation in an innovative manner, so as to facilitate the supply chain of the entire industry towards a more sustainable and greener future.

During the Reporting Period, the Group carried out a total of 21 audits on green supply chain to major suppliers. Details are set out in the following table:

Type	Supplier audited on green supply chain in 2024
Active Pharmaceutical Ingredient (API) and auxiliary materials	10
Packaging materials	7
Hazardous waste disposal	4
Total	21

The audits were conducted on the basis of a star rating, with one star being the lowest and five stars being the highest. During the Reporting Period, the results of the audits showed that all of the Group's major suppliers in 2024 were rated with three stars or above, of which six suppliers were rated with three stars, nine suppliers were rated with four stars and six suppliers were rated with five stars.

We continued to carry out the green supply chain project of "Green Fosun". Based on systems such as the Basic Standards for Green Supplier Management (Trial Implementation), we took green environmental protection measures through the linkage with raw material, auxiliary material and packaging material suppliers to jointly promote environmental compliance, energy conservation and emission reduction, and resource recycling. Besides, terminal supervision was achieved through the implementation of audits to suppliers. We were committed to collaboratively improving the environmental management capabilities of the supply chain, "greening" enterprises in the value chain, and contributing to the sustainable development of the industry.



Green Supply Chain Project of Fosun Pharma

Supplier ESG Management

The Group deepened the ESG risk management of suppliers, and incorporated ESG factors into the dimensions of supplier review and scoring to examine a supplier's own sustainability in terms of ESG and their compatibility with the Group's ESG objectives. We have clearly defined the ESG management related requirements for our suppliers in terms of human rights, labor management, environment, occupational health and safety, etc. in the Supplier Code of Conduct.

The Group evaluated external ESG rating/certification, supplier ESG system/initiatives, etc. when selecting domestic drug and in vitro diagnostic equipment/reagent logistics transportation service providers in 2024, with ESG evaluation contents accounted for 5% of technical scores.

4.3 Membership in Associations

During the Reporting Period, the Group held positions in a number of associations and actively performed its duties, to continuously improve its sustainable supply chain management level, establish a compliant, open and fair supply chain cooperation system, and work together to implement ESG-related efforts such as environmental management, climate change response, product safety, and quality management.

As at the end of the Reporting Period, the list of major national-level associations or social institutions in which the Group participated is as follows:

Name of association	Position held	Participants from the Group
China Association for Public Companies	Vice chairman	Fosun Pharma
China Pharmaceutical Industry Association	Vice chairman, member, member	Fosun Pharma, Guilin Pharma, Suzhou Erye
China Pharmaceutical Enterprises Association	Vice chairman	Fosun Pharma
China Medical Pharmaceutical Material Association	Chairman	Fosun Pharma
China Pharmaceutical Innovation and Research Development Association	Vice chairman	Fosun Pharma
China Non-prescription Medicines Association	Vice chairman	Fosun Pharma
China Society for Drug Regulation	Vice chairman	Fosun Pharma
China Research Association of Pharmaceutical Labour's Ideological and Political Work	Standing vice chairman	Fosun Pharma
China Association for Vaccines	Member	Fosun Aleph
China National Narcotic Drugs Association	Director, member	Guilin Pharma, Dongting Pharma
China Biochemical Pharmaceutical Industry Association	Member	Suzhou Erye
Medical Laboratory Industry Branch of National Association of Health Industry and Enterprise Management	Vice chairman	Fosun Diagnosis
In-Vitro Diagnostics Branch of China Association for Medical Devices Industry	Vice chairman	Fosun Diagnosis
Medical Laboratory Branch of CAME	Vice chairman	Fosun Diagnosis
China Association for Medical Devices Industry	Member	Fosun Beiling
Emergency Treatment Equipment Branch of CAME	Member	Fosun Beiling
Healthcare Logistics Association of CFLP	Director	Fosun Beiling

5. Talent Development Focus

Fosun Pharma Group respects and values each employee. We are dedicated to meticulously identifying exceptional talents worldwide and cultivating a robust pipeline of high-potential professionals. By actively promoting and building an inclusive and diverse work environment, we create a warm, welcoming and respectful working atmosphere, and make every effort to safeguard the legitimate rights and interests of each employees for them to thrive here.

5.1 Diversity and Equal Opportunity

It is the immutable value of the Group "to attract talent through business development, gather talent through career path, cultivate talent through work tasks, to appraise talent through work performance", which is also the key momentum to secure the long-term operation and sustainable development of enterprises. We are committed to equal employment opportunities and ensure that every employee is fully respected and has their legal rights protected. We encourage the full development of our employees through the implementation of diverse management strategies. We also place great emphasis on employee care and communication, fostering a positive and harmonious working environment. Our goal is to build a win-win and hopeful future together with our employees.

5.1.1 Recruitment Management

The Group complies with the Labor Law of the People's Republic of China, the Contract Law of the People's Republic of China and other relevant laws and regulations in the places where we operated. In accordance with the relevant requirements on human rights protection under the United Nations Global Compact and the International Labour Organization Declaration on Fundamental Principles and Rights at Work, we recruit scientifically and employ legally. We are committed to ensuring the scientific and standardized nature of our recruitment activities, adhering to the principles of fairness, impartiality, openness, and transparency, and complying with employment legality. We ensure that all employees meet the minimum working age requirements stipulated by the laws of the countries/regions where our operations are located. We have also established a human rights policy oversight mechanism to ensure the effective implementation of our human rights policies by legally signing and enforcing labor contract provisions. In the event of any violations of human rights policies or employment regulations, the Group will promptly take corrective and disciplinary actions. Labor contracts will be terminated for individuals who do not meet the employment criteria. During the Reporting Period, the Group did not engage in child labor or forced labor.

We attach great importance to employee diversity and focus on the introduction and cultivation of local talents for subsidiaries of the Company. By adhering to the principles of equality, inclusiveness and equal wages at the same positions, we have formulated the Employee Diversity Policy, which ensures that the employment, remuneration and promotion of employees are not affected by race, color, gender, religion, nationality, disability, marital status, veteran status, sexual orientation, gender identity or other status protected by law.

At the same time, the Group places great importance on identifying and developing local talents, and actively formulates and implements talent retention plans to strengthen our team foundation. We actively advocate internal communication and job rotation to promote intercultural exchange and integration and stimulate innovative thinking. We also encourage the creation of flexible jobs, and protect their legitimate rights and interests at the same time, so as to contribute employment opportunities to the community and promote common development. The ESG Committee under the Board monitors data of employee diversity on a regular basis and submits detailed reports to the Board. The Board is responsible for reviewing the reports at least once a year to ensure that the diversity strategy is effectively promoted and continuously optimised.

The Group conducts diverse training for all employees every year. During the Reporting Period, we conducted morning diversity training to promote employees' understanding of the corporate diversity principle and culture.

5. Talent Development Focus

Case: Women's Day campaign promoting female executive leadership

In the remarkable 30-year entrepreneurial journey of Fosun Pharma, we have witnessed the growing influence of exceptional female professionals. As at the end of the Reporting Period, among our global workforce of over 40,000 employees, women account for over half of the total, and "female" representation on the Board further underscores the industry's deep need for diverse perspectives and backgrounds. Over the years, Fosun Pharma has been committed to fostering and maintaining a diverse and inclusive workplace, and created career development opportunities that empower women to excel across various roles and unleash their full potential.

During the Reporting Period, we were honored to invite a group of outstanding female employees from across Fosun Pharma Group to share their experiences and insights. Through their inspiring stories, we hope to encourage women in the workplace to advance together, amplify the power of "female", and build a healthier and brighter future for all!

Case: Women's Day event with the theme of "Health, Beauty and Confidence" Organized by Guilin Pharma

During the Reporting Period, Guilin Pharma, a subsidiary of the Company, planned and organized a Women's Day event with the theme of "Health, Beauty and Confidence" on 8 March, which included presenting festival gifts to female employees and preparing beauty and skincare desserts for them in the cafeteria on this day, and also organizing female employees to participate in physical exercise activities, including stretching, high-fiving, quick stepping, squatting, etc., to help them relieve work fatigue.

5. Talent Development Focus

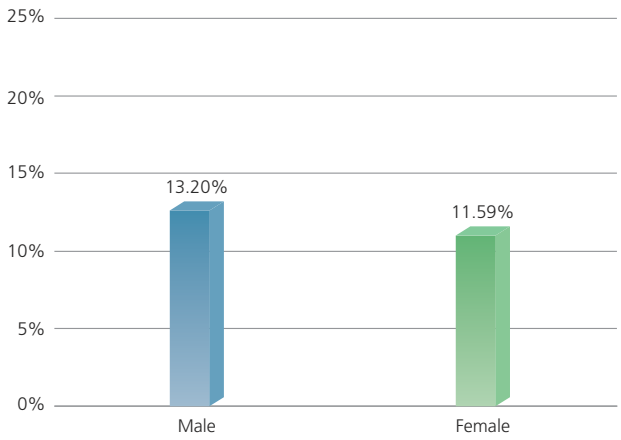
Staff Structure

As at the end of the Reporting Period, the Group had a total of 40,557 employees. The percentage of female employees to total employees was 50.27%. There were 7,695 overseas employees and 1,228 ethnic minorities. Specific details are as follow:

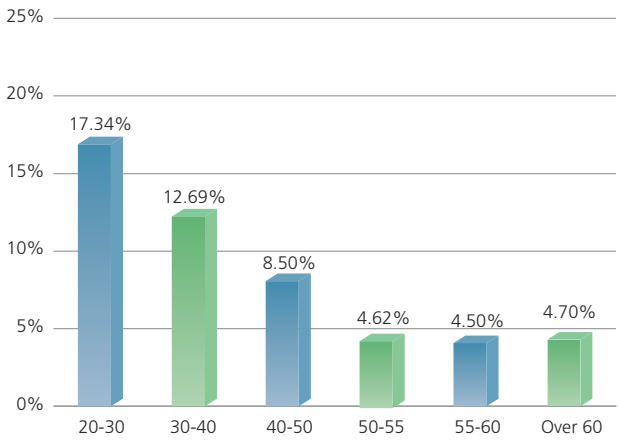
Year	Total employees	Male	Female	Percentage of female employees	Overseas employees	Percentage of overseas employees
2024	40,557	20,170	20,387	50.27%	7,695	18.97%
2023	40,370	20,375	19,995	49.53%	7,666	18.99%
2022	38,399	19,785	18,614	48.48%	6,426	16.73%

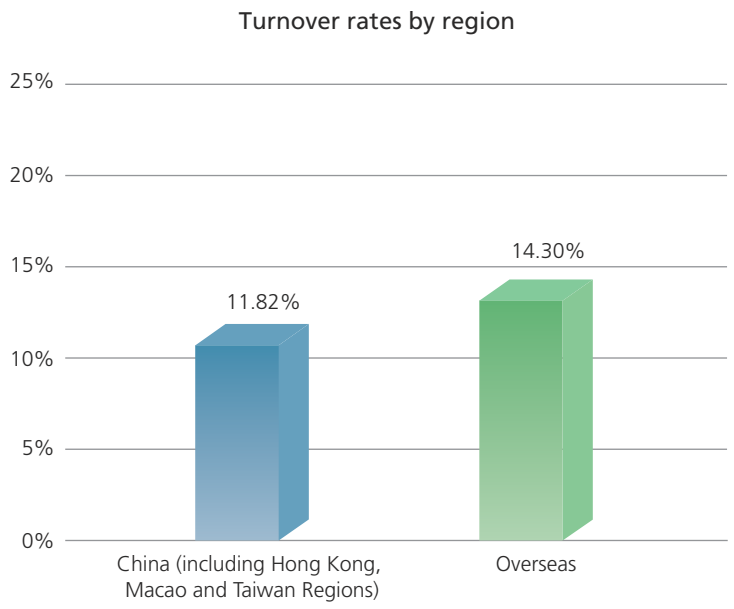
During the Reporting Period, the employee turnover rate of the Group was 12.30%, representing a decrease of 0.72 percentage point as compared to 2023:

Turnover rates by gender



Turnover rates by age group





5.1.2Staff Caring

The Group is committed to fostering a workplace environment grounded in warmth, inclusive, equity, and compassion. We continuously improve the employee benefits and care system, and at the same time, plan and implement diverse employee activities, aiming to strengthen the cohesion among employees and significantly enhance the sense of belonging of each employee. Prioritizing employee wellbeing as a core organizational value, we continuously optimize and enrich various employee benefits and treatment.

We comply with the laws and regulations of the countries or regions where each of our subsidiary operates, and provide comprehensive statutory benefits and additional non-salary benefits to all employees (including full-time employees, part-time employees, and contractors).

During the reporting period, we continued to refine and improve our welfare policies, with the aim of enhancing the attractiveness and cohesion of the Company while taking care of our employees. At the same time, we advocated and promoted the implementation of the headquarters' welfare policies in all subsidiaries, and the following is a summary of the major welfare measures:

Statutory welfare	**Insurance**	We provide basic pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing provident funds (in some countries or regions are not part of the local statutory welfare, the same below) to comprehensively protect the basic life and health of employees
	Holiday	We provide statutory holiday, paid leave, marriage leave, pregnancy leave, maternity leave, paternity leave, breastfeeding leave, personal leave and other holidays to protect employees' reasonable rest time and life needs.
	Other statutory welfare	We provide appropriate statutory welfare in accordance with local regulations to ensure that the legitimate rights and interests of employees are fully protected
Specific internal welfare	**Health Support**	We additionally provide Personal Accident Insurance, Critical Illness Insurance, Transportation Accident Insurance and Supplemental Medical Insurance to help employees obtain a higher level of health and safety protection; We organize regular health checkups, provide Employee Psychological Assistance Program (EAP) and related consulting services, and provide support for team building and employee club activities related to personal interests, paying attention to the overall psychological and physical health of our employees
	Living Subsidy	Travel subsidy and communication subsidy are available to all employees to daily commuting and communication costs; We also provide lunch allowances, festival and birthday benefits, seasonal and day-to-day work support such as cooling gifts for high-temperature condition, and specific benefits such as dispatch allowance, rental subsidy and home leave for employees whose workplaces are separated from their family homes due to talent mobility
	Other support	Baby care and nursing rooms are provided, and care and support are provided to retirees and employees in difficulty

5. Talent Development Focus

In addition, taking into account the policy differences among different countries, we have also customized a series of special benefits for our overseas employees, purchasing commercial insurance for employees, including global business travel insurance, in accordance with the laws of the country or region where the company operates, transportation allowances, communication allowances, etc., with an aim to provide all-round care and support to our overseas teams, ensuring that they can enjoy attentive and comprehensive welfare guarantees even in foreign countries.

Looking ahead, we will continue to optimise our benefits structure in line with the characteristics of our different regions and businesses to create a more attractive and competitive working environment for our employees.

Case: Employee activities

"2024 Fosun Pharma's Family Day"

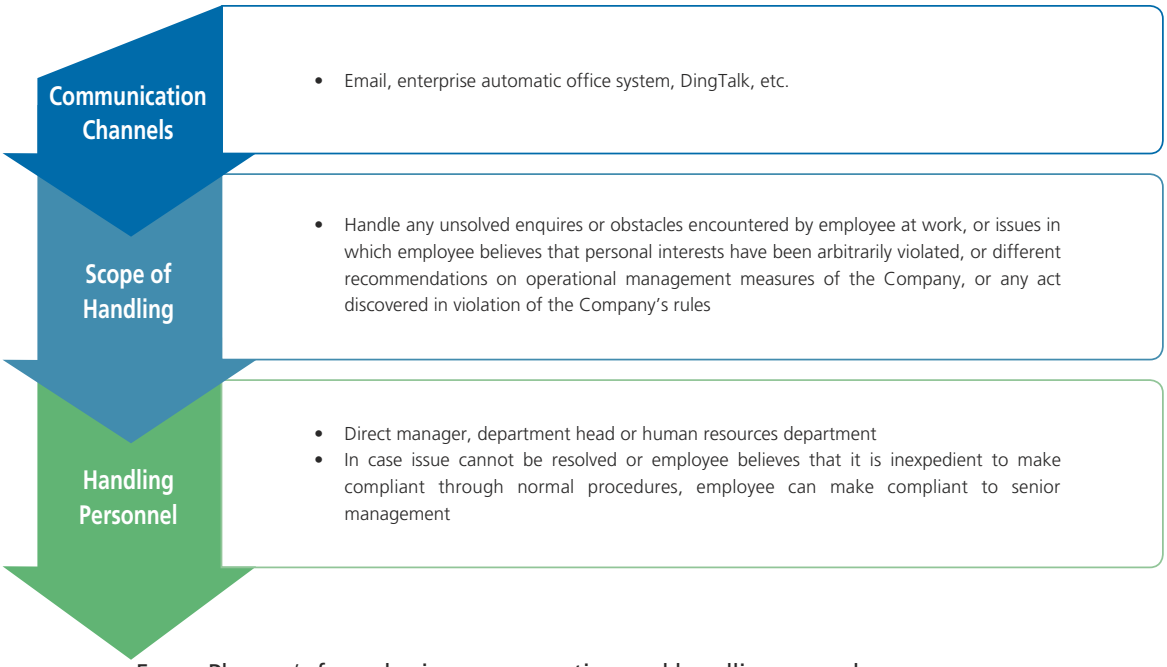
Employee birthday party

5.1.3Staff Communication

Fosun Pharma is committed to building an open and efficient employee communication mechanism to enhance cohesion among employees. The Company has established diversified communication platforms, including an internal instant messaging platform, morning meeting platform, and a management dialogue channel, providing employees with ample space to express opinions and propose suggestions.

As a traditional management activity of Fosun Pharma, the morning meeting on each Monday has become a vital component of corporate culture. In 2024, the headquarters of the Group organized over 41 themed morning meetings. On this platform, all employees not only have the opportunity to closely listen to the Company's strategic deployments and business achievements, but also gain in-depth insights into the growth stories of benchmark teams and outstanding employees, thereby further enhancing their sense of identity with the mission and culture.

The Group always respects the appeal rights of employees and offers an unimpeded channel for them to complain and express their opinions. The Group also takes measures to keep confidentiality and safeguard employees from retaliation. We regularly revise the "Reward and Punishment and Appeal Management System", and set up a disciplinary committee and a secretariat of the Disciplinary Committee to improve the appeal mechanism and appeal process involving disciplinary incidents. We provide adequate convenience for employee appeals, unreservedly protect the complainant's reasonable claims and legitimate rights and interests, and strictly keep relevant information and content of the complainant confidential. In addition, we also expressly stipulate in our employee handbook that direct managers of each department, staff of human resources department and senior management shall assist grass-root employees of the Group in providing employee satisfactory survey, labor protection, career planning and work compliant where necessary, so as to ensure enquiries from employees are handled efficiently.



Fosun Pharma's formal grievance reporting and handling procedures

Labor Union Communication

Fosun Pharma Labor Union has proactively established communication platform to facilitate communication and cooperation among employees, thereby enhancing team cohesion. Meanwhile, the union has paid attention to benefit and career development of employees, fostering a harmonious and positive working environment for employees by organizing diversified activities and trainings. This ensures that every employee can enjoy the care and support from the Company, collectively contributing to the sustainable and healthy development of Fosun Pharma. We regard labor union as a hub of communication between management and grass-roots employees, and all employees of the Group have the right to join labor union in accordance with the law.

Employee Satisfaction

Employee Satisfaction is a crucial metric for team stability and sound corporate development. To ensure a clear direction for organizational establishment, we require all subsidiaries to conduct satisfaction and engagement survey every year, which is targeted on all employees and composed of six aspects, including organization environment, management method, job duty, remuneration and performance, career development and engagement performance, so as to fully understand the core competitiveness and future key areas of improvement under the organizational management of the Group. Upon timely discussion within the human resources department in accordance with the survey results, in combination of the valuable feedbacks from employees, we optimize key directions in a timely manner, and diligently formulate staff management plan and satisfaction enhancement plan for the coming year, thus creating a better work environment for employees.

Case: Employee Satisfaction Survey

We have prioritized improvement of employee satisfaction and engagement, and constantly improves employees' experience through concrete actions, embodying its employment concept of "attracting employee with development, unifying employee through career, nurturing employee through work, and evaluating employee by performance.

In 2024, the Company took the initiative to conduct employee voice research in domestic marketing platform, to assess employee satisfaction across three dimensions: organization & culture, reward and job evaluation, including 9 metrics, as well as employee engagement across three aspects: sense of identity, willingness to stay and job engagement, including 5 metrics. The research and analytical methods will be gradually promoted and implemented within the Group.

Meanwhile, we also conducted employee engagement and satisfaction survey in our American subsidiaries under the theme of "Your Voice, Our Future". The survey assessed key areas, including innovation, cooperation and communication, with a focus on the employee engagement and sense of belonging.

5.2 Talent Development

Talents are our most valuable assets. The Group enhances the core competitiveness of the enterprise by providing abundant training resources to improve the competence of employees. Meanwhile, the Group implements a fair and effective performance assessment system, to improve talent incentive system, thereby attracting and retaining top talents.

5. Talent Development Focus

5.2.1Talent Recruitment

Fosun Pharma Group adheres to implement a demand-driven strategic talent pool plan annually, designed to attract global elites through a series of distinctive recruitment program. These programs include five talent pool mechanisms, such as campus recruitment, school-enterprise cooperation, school-enterprise joint cultivation, internship retention, and internal talent redeployment.

Meanwhile, we have established a series of master of professional major joint cultivation programs, which fully leverage the advantages of all parties in various aspects, such as teaching, scientific research and talent cultivation. By working with schools and deepening integration of industry and school, we aim to advance "customized talent cultivation" and provide talent and technology support for the development of bio-pharmaceutical industry.

In order to help new employees to integrate into the Fosun Pharma family and enable them to create maximum values, the Group constantly optimizes the new employee induction training program. By blending online and offline training, we ensure that they can quickly adapt and contribute to the company.

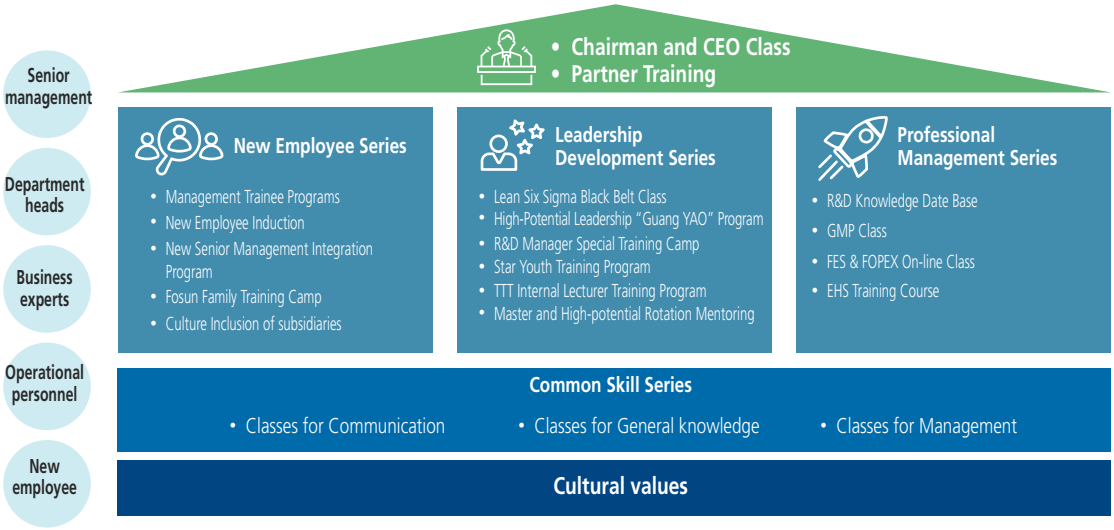
Online training platform	• Leveraging on the talent development center platform of Fosun Pharma, new employees can swiftly commence learning at any time upon introduction, so as to understand general condition of the corporate and the systems and procedures of different departments
On-site training	• New employees have to attend new employee training within 3 months upon introduction, which covers key topics including corporate introduction, corporate culture, system and policy, corporate strategy and integrity operation
Department induction training	• Each department organizes induction trainings based on the business needs of the department

New Employee Orientation Program of Fosun Pharma

5.2.2Talent Cultivation

Training and Development System

Fosun Pharma Group has established relatively comprehensive talent training system. Relying on the four major sectors of "New Employee Series", "Leadership Development Series", "Professional Skill Enhancement Series" and "Common Skill Series", the Group continues to offer capability building and skill enhancement platform for all employees, ensuring a close alignment with the corporate culture and long-term development strategy.



Talent Training System I of Fosun Pharma

New Employee Training	• We provide sound introduction training and executive luncheon for each new employee of the headquarters, and continuously monitor and offer assistance to new employees within 3 months upon his/her introduction, helping newcomers integrate into our big family. • We provide the special training and development program, namely "Star YAO" Program, for new management trainees, and help them to grow rapidly through trainings, rotation, mentoring and other means.
Leadership Development Training	• For experienced and senior management and key personnel, we offer targeted management and leadership enhancement programs, and accelerate leadership building so as to expand outstanding management talent pool. • We organize leadership enhancement projects for management of subsidiaries. In addition, we enhance knowledge and skill learning and promote corporate culture through internal mentor trainings, so as to create a learning atmosphere. • In 2024, we continued to conduct the "R&D Manager Special Training Camp" and the new "Middle-Level and Senior Management Training Program", which became one of the important ways for the Group to train its leaders in key business lines.
Professional Management Training	• We target on professional fields, such as manufacturing operation, lean management, innovative R&D, environment health and safety management, to organize training programs that are suitable for professional development of key personnel.
Common Skill Series	• We organize training on information security, anti-corruption, and environmental health and safety management for all employees, and invite senior management of the Company, professionals of subsidiaries and external experts to share institutional norms and practice cases; • We continuously utilize online training to strengthen general skills development, providing employees with courses on base, middle and senior management, professionalism, workplace effectiveness, self-improvement, and financial management to meet their needs for personal improvement.

Talent Training System II of Fosun Pharma

5. Talent Development Focus

We provide ample learning and development opportunities for all employees (including full-time employees, part-time employees and contractors). We have also made further plans on professional skills enhancement projects for functional employees in accordance with our annual training plan. During the Reporting Period, we provided employees with job-related customized course training for employees in different job positions, including quality, EHS, lean management, IT, R&D, production, marketing, financial reporting and other business units.

Job category	Training projects
Quality	Morning class promotion, quality and safety awareness, quality regulations training, quality management training and GMP related training
EHS	EHS management month
Lean management	FES&FOPEX related training and Lean Six Sigma Black Belt Class
IT	Information security awareness week
R&D	Based on Fosun Pharma's R&D knowledge base, the Talent Development Centre formulates customised learning plans for the R&D department.
Production	Annual GMP training, new employee induction training and in-service training
Marketing	Responsible marketing training and compliance training
Finance	Global CFO training camp, financial management training programme for non-financial personnel and the course of "How to read the Annual Reports of Listed Companies"

Case: Functional Training

Group Photo at the Training Site

The Company provided ample learning opportunities for all employees (including full-time employees, part-time employees, and contractors), and offered customized course design for employees in different business functions based on business development needs, such as quality (quality and safety awareness, quality regulations, quality management training, GMP related training, etc.), EHS (EHS management month), lean management (FES&FOPEX related training, lean six sigma black belt class), IT (information security awareness week).

5. Talent Development Focus

Case: Production and Quality Management Training

Our subsidiary Fosun Wanbang, as an EU and US FDA-certified pharmaceutical manufacturer, conducts systematic training for its production function staff every year to ensure product quality, improve production efficiency and meet regulatory requirements.

Fosun Wanbang has established the Standard Operating Procedures for Employee Training Management, which applies to the training of personnel involved in GMP activities such as production and quality, and contains three major categories: annual GMP training, induction training and in-service training.

The annual GMP training mainly includes training on regulations, pharmacovigilance, drug administration law, data integrity, technology upgrading, job-critical SOPs, safety and personal hygiene in clean areas. During the Reporting Period, the training involved all positions involved in GMP activities, and 311 annual GMP training projects were successfully completed, with a total of 312.3 training hours.

Induction training requires all employees to study and be assessed on theoretical documents and practical operation contents according to the requirements of the job supervisors before taking up their posts, ensuring that they can complete the work tasks described in the job description after training and assessment.

In-service training is mainly carried out for new or revised documents or quality standards: after the approval of the documents, the training administrator confirms the participants based on the list of suitable training contents, and organizes trainings for new or revised documents based on the revised contents to confirm their relevance to the positions. During the Reporting Period, there were a total of 8,002 trainings organized, with a total of 69,953.6 training hours and a total of 126,775 participants.

The above trainings have enhanced the professional skills, quality awareness, regulatory compliance and teamwork of the production staff, which have ensured stable, efficient and compliant production.

In addition, Fosun Pharma has consistently maintained the tradition of holding 1 weekly morning meeting for all employees. Through these meetings, we conduct concise and refined thematic sharing sessions, including product introductions, service presentations, business updates, achievement showcases, ESG theme introduction, and promotion and implementation of cutting-edge technology and major events. By accumulating small efforts over time, we continuously enhance the training duration for all employees.

5. Talent Development Focus

The Group's training during the Reporting Period is as follows:

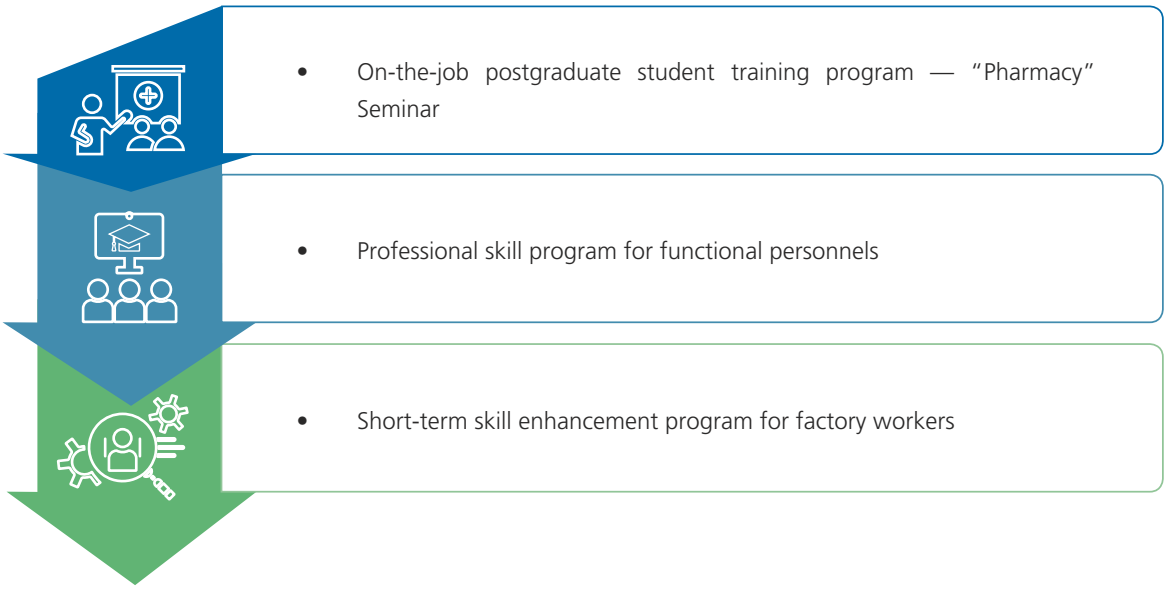
Indicators	2024
Total training expenses	RMB7.87 million
Average training hours per person	50.8 hours
Percentage of employees trained	75%
By gender	
Percentage of male employees trained	75%
Percentage of female employees trained	75%
Average training hours per male employee	50.9 hours
Average training hours per female employee	50.6 hours
By employment level	
Percentage of senior management trained	80%
Percentage of employees trained except senior management	75%
Average training hours per senior management	35.6 hours
Average training hours per employee except senior management	51.0 hours

Educational degree and professional qualification advancement

During the Reporting Period, Fosun Pharma established educational degree enhancement and vocational qualification certification programs for all employees (including full-time, part-time, and contracted or contractors), to foster personal growth. At the same time, the Group actively encouraged subsidiaries to implement the educational enhancement and vocational qualification certification programs based on the model of the headquarters, to ensure alignment between employee development and the company's needs.

5. Talent Development Focus

We have commenced the educational degree enhancement and vocational improvement projects, including:



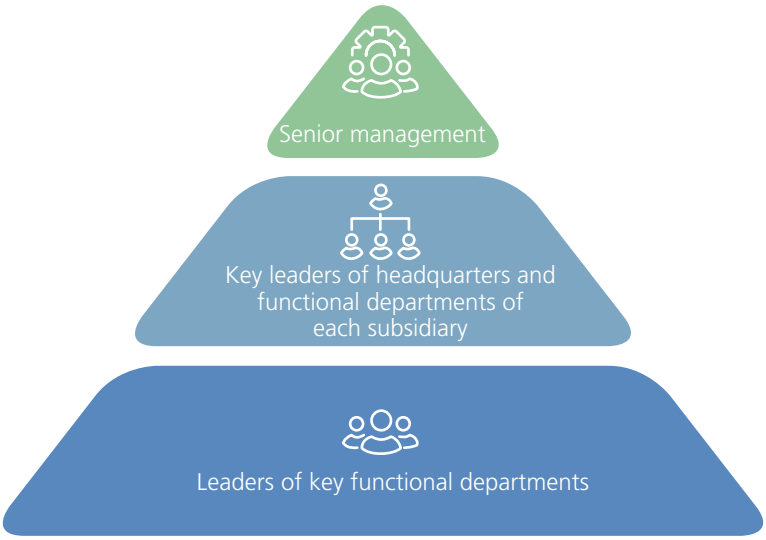
Fosun Pharma encourages and supports employees to participate in educational degree advancement and professional qualification certification programs. During their employment, if an employee obtains approval of the Company to attend nationally recognized educational training and obtains the academic certificate, the Company will provide a one-time reward.

Talent succession plan

Fosun Pharma's Talent Succession Plan accurately identifies key positions and core talents through comprehensive talent assessments, ensuring that suitable successors are available for critical positions. This plan maintains the overall talent competency and the health of talent pipeline in good condition, while providing a solid talent foundation for the company's future development. The plan fully covers key positions at all levels within the Group, including those at the headquarters, business divisions, core companies and functional departments, with a focus on A, B and C roles as well as key functions. It covers all professional areas and conducts talent assessments for target positions at least once per year.

5. Talent Development Focus

In 2024, the Group successfully completed the assessment of over 100 top-tier key positions, incorporating the identified outstanding talents into the succession reserve. Based on their performance, capabilities, potential, and career plans, a detailed timeline will be developed to continuously drive their development, training, and promotion, thereby laying a solid talent foundation for the long-term development of the company.



5.2.3Talent Incentive

The Group has established and continues to improve its performance evaluation system, implementing the talent management concept of "assessment by performance", offering comprehensive talent incentive measures to achieve the long-term stable development of the business.

Performance and remuneration

Accordance to the "Performance Management System", the Group implements individual performance management and assessment system based on the annual strategic planning direction to ensure fairness, justice, and equal pay. The performance management is centered on the concept of value creation. We closely link organizational and individual performance goals to value creation. During the Reporting Period, our overall performance management system comprehensively analyzed the all-round development of employees in terms of morality, intelligence, physical fitness, and aesthetics, covering system construction, implementation, and performance results. We have established a performance evaluation responsibility system, where the heads of various businesses are responsible for providing timely performance guidance and ensuring the fairness of assessment and evaluation. The human resources department ensures an open process and fair procedures.

The KPI evaluation dimensions of the Group's annual performance targets for 2024 comprehensively cover various aspects such as operational growth, core competence enhancement, and sustainable evolution, conducting a comprehensive assessment and evaluation of the overall performance of all employees. To this end, we have introduced the "Eight Stars and Eight Arrows" leadership model. Through the 360-degree evaluation system, we carefully consider employees' performance in key areas such as entrepreneurship, in-depth understanding, ecological connection ability, strategic decision-making ability, organizational forging ability, high-efficiency execution ability, integrity and reliability, and self-evolution ability, striving to achieve scientific and efficient performance assessment management. Using the performance assessment documents of organizational managers at all levels as the carrier, we decompose and undertake tasks from top to bottom.

At the same time, the Group will further refine departmental management, set specific assessment cycle goals, and tailor-make development plans and improvement measures for each department. In addition, we will continue to promote the implementation of OKR (objectives key result) to achieve its strategic goals more precisely. We provide incentive remuneration that linked with individual work performance for all employees (including non-officer and non-sales employees), so as to encourage employees to improve their competence and work performance, thereby helping the Group improve its efficiency.

Performance feedback mechanism

The Group continues to strengthen performance management. The performance communication and feedback mechanism runs through every link of the performance management cycle, enabling comprehensive two-way interaction from top-down and bottom-up. With the help of this mechanism, the Group can provide employees with the most genuine and direct opinions and suggestions, and listen to their voices and feedback.

Mid-year performance process review

- Employees take the initiative to communicate with business heads about the achievement of performance results
- Supervisors ensure regular (weekly/monthly/quarterly) discussions with employees regarding their personal performance
  - Adjust work directions and behaviors
  - Ensure alignment between individual and organizational performance goals
- Superior supervisors conduct a semi-annual performance review based on annual performance goals and actual work outputs
- If there is a need to update the performance objectives:
  - Both parties shall communicate to reach an agreement
  - Adjustments shall be made after approval by the superior

Year-end performance result evaluation and communication

- The annual performance appraisal is launched in the fourth quarter
- Superior supervisors score and comprehensively evaluate various indicators
- Both parties jointly discuss and formulate the work direction and goals for the next stage
- Understand the difficulties of the appraisee, the support they hope to receive, and clarify their future development

Performance appeal process

- If an employee has objections to the assessment results, he/she shall:
  - File an appeal (in writing or by email) within seven working days after the announcement of the assessment results
- The human resources department receives the performance appeal
- Submit the appeal to the appeal committee for investigation and handling
- The appeal committee makes a ruling

Equity incentive

We have established a comprehensive long-term incentive system framework that covers not only the headquarters but also all subsidiaries. It includes a wide range of incentive measures, such as the Long-term Incentive Plan, Restricted Stock Incentive Plan, Employee Stock Ownership Plan (ESOP), and Project Incentive Plan, so as to effectively drive the achievement of the long-term performance goals of the Group.

5.3 Occupational Health and Safety

"Life first, safety first" constitutes the core EHS values of Fosun Pharma. We comply with the Safety Production Law of the People's Republic of China, the Fire Control Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations of the places where we operate, and are committed to continuously optimizing and improving the effectiveness and performance of the occupational health and safety management system.

The EHS Committee of the Group actively fulfilled its duties, regularly conducted phasal communication and EHS work review to ensure the EHS work meeting of the Group was convened on quarterly basis, thereby fully advancing and monitoring the commencement and implementation of various EHS work. Meanwhile, subsidiaries successively established their EHS special committees and EHS elements groups as sub-committees. The employee representatives proposed to be 1-2 employee(s) from the non-front-line functional departments and 1-2% of employees from the front-line production departments, and regular meetings were held every quarter to deepen the grassroots practice and supervision of EHS management.

EHS Committee of the Group

1. Construct the EHS management leadership team, cadre team and institution;
2. Establish a reporting system for major accidents, arrange and direct the handling, investigation and analysis as well as rectification and prevention of major safety production accidents and environmental pollution incidents;
3. Listen to annual EHS work report on regular basis and put forward specific work requirements;
4. Set the Group's annual or periodic EHS performance target indicators and review the progress regularly;
5. Organize internal investigation to identify EHS hidden dangers, and give instructions on the rectification of major EHS hidden dangers;
6. Proactively respond to the green manufacturing requirement and further advance the green manufacturing work;
7. Clarify the EHS management responsibilities at all levels of the Group, and formulate and improve the EHS responsibility systems of the Group on all fronts;
8. Express objection and exercise veto power over works that failure in protecting employees' health and safety, social and environment.

EHS Special Committee of each subsidiary

1. Formulate EHS policies and specific control targets;
2. Ensure the investment of necessary personnel, materials and financial resources for the operation of the EHS management system;
3. Regularly hold internal working meetings to review the problems in the progress and development of EHS work;
4. Coordinate the internal management resources in time to solve difficulties in the development of EHS work.

Employee Representatives

1. Participate in and supervise the implementation of EHS work;
2. Supervise enterprises to effectively ensure the due rights of employees in terms of health and safety;
3. Participate in accident investigation.

Occupational Health and Safety Management Framework of Fosun Pharma

5. Talent Development Focus

In order to further promote continuous improvement and excellent development of occupational health and safety, we have clearly established five-year strategic goals related to occupational health and safety:

Five-year EHS strategic goals for 2021–2025

- Occupational death and major injury incident: Zero occupational death and zero major injury incident
- Lost time injury rate: Maintain an annual lost time injury rate for per million work hours in 2021–2025 at 0.3 and below
- Recordable incident rate: Recordable incident rate in 2025 decreases by 10% as compared to 2020, i.e. 0.447

Completion of the five-year strategic goals

Performance goals	2024	Fulfillment of goals in 2024
Occupational death and major injury incident	0 VS 0	Fulfilled
Lost time injury rate	0.268 VS 0.133	Fulfilled
Recordable incident rate	0.465 VS 0.297	Fulfilled

The Group formulates management requirements on the occupational health and safety works of its subsidiaries, and implements supervision thereof in line with the requirements under ISO45001 management system. The EHS management adheres to the management philosophy of PDCA, thus achieving continuous improvement in occupational health and safety management

As at the end of the Reporting Period, the Group has a total of 25 subsidiaries passing ISO45001 occupational health and safety management system and/or safety standardization review certification. In addition, the EHS department conducts annual internal audit to carry out in-depth inspection on safety and occupational health, thereby identifying problems and making rectification. In the past three years (including the Reporting Period), there was no occupational death within the Group, and the lost time injury rate and recordable incident rate met the safety goals for the year.

Overview of Certifications on Health and Safety Systems and Standard Certification of Some Subsidiaries

Enterprise name	Type of certification	Enterprise name	Type of certification
Yao Pharma	ISO45001	Zhaohui Pharma	ISO45001, Class II Safety Standardization
Carelife Pharma	ISO45001, Class II Safety Standardization	Wanbang Folon	ISO45001, Class II Safety Standardization
Dongting Pharma	ISO45001, Class III Safety Standardization	Wanbang Tiansheng	Class III Safety Standardization
Jisimei (Wuhan)	ISO45001	Avanc Pharma	ISO45001, Class III Safety Standardization
Hexin Pharma	Class III Safety Standardization	Fosun Aleph	Class III Safety Standardization
Beijing Jnova	Class III Safety Standardization	Shine Star	ISO45001
Guilin Pharma	ISO45001, Class II Safety Standardization	Dengrui Fertilizer	ISO45001, Class II Safety Standardization
Suzhou Erye	ISO45001, Class II Safety Standardization	Shanghai Henlius (Yishan Road)	Class III Safety Standardization
Shandong Erye	ISO45001, Class III Safety Standardization	Shanghai Henlius (Songjiang First Plant)	ISO45001, Class III Safety Standardization
Shenyang Hongqi	ISO45001, Class III Safety Standardization	Gland Pharma	ISO45001
Chemo Biopharma	ISO45001	Fosun Diagnostics	Class II Safety Standardization
Fosun Wanbang	ISO45001, Class II Safety Standardization	Fosun Beiling	ISO45001
Wanbang Jinqiao	ISO45001		
Total	ISO45001 certification: 19 enterprises; safety standardization review: 18 enterprises		

During the Reporting Period, the accumulated expenditures of the Group on safety and firefighting amounted to RMB90.7677 million, mainly utilized for various upgrades and maintenance of safety and firefighting facilities of subsidiaries, as well as purchase of protective equipment for employees and other aspects.

Expenditures on Occupational Health and Safety and Firefighting by Segment

Segment	Expenditure on security hardware (RMB'0,000)	Expenditure on security operation (RMB'0,000)	Total expenditure (RMB'0,000)
Pharmaceutical manufacturing	2,554.36	3,400.13	5,954.49
Medical devices and medical diagnosis	47.33	249.90	297.23
Healthcare services	1,176.41	1,648.64	2,825.05
Total	3,778.10	5,298.67	9,076.77

5.3.1 Safety Management

Risk Control

Adhering to the policy of "safety first, prevention dominated, comprehensive governance", the relevant entities strengthens and implements the primary responsibility of safety production of enterprises, and establishes corporate accountability and employee engagement mechanism. The Group requires its subsidiaries to abide by state and local laws and regulations, rules and regulatory standards in respect of safety production, enhance safety production management, establishes rules and regulations of safety production and promote standardization of safety production. By conducting risk assessment, the Group establishes SPO and emergency response system, and plans and arranges staff trainings. While initiating potential hazard inspection and rectification, the Group promotes good practices, builds safety culture and enhances safety production level. In terms of contractor management, the Group takes risk management measures in the whole business process of contractors from the aspects of contractor selection, contract notification, admission requirements, training, process supervision and performance appraisal.

Adhering to the concepts of "one position with two responsibilities, and production management must include EHS management" and "employees are both EHS contributors and EHS beneficiaries", every manager and frontline employee actively participate in all aspects of risk control. Each subsidiary fully identifies and evaluates the general and major risks in personnel, equipment, procedures, environment and management through hazard identification and evaluation control procedures and special self-inspection checklists, and adopts corresponding measures according to different risk levels.

Case: Fire safety training and drills of firefighting, evacuation and rescue for hospitals/departments

Each department of each Fosun Health member hospitals has formulated practical plans for alarm, firefighting, evacuation and medical rescue, taking into account the status of patients, the space in the hospital area and the scheduling of medical staff. All member hospitals have incorporated fire safety training into the first class of safety training for new employees, and have also included long-term staff such as nursing staff and cleaning staff in training drills.

Case: Fire safety standardization construction and demonstration effect

Our subsidiaries Foshan Fosun Chancheng Hospital and Zhongwu Hospital implement fire safety regulations and standards, as well as the requirements for "comprehensive fire management", "firefighting equipment and facilities" and "emergency evacuation" outlined in the Fosun Health HOPES system. They were the first to pass the local fire safety standardization compliance inspection. Zhuhai Chancheng Hospital, Foshan Fosun Chancheng Hospital, Zhongwu Hospital and other institutions have actively undertaken social responsibility by organising demonstration of firefighting and emergency evacuation drills for local medical institutions in their urban areas from 2023 to 2024, and taking on the responsibility as safety training bases for provincial and municipal health/fire authorities, so as to assist the health and fire authorities in enhancing the the firefighting capability of regional medical institutions.

Accident Control

The Group firmly adheres to the philosophy that "hazards are accidents, and prevention is better than disaster relief". During the Reporting Period, the Group conducted major inspection on hidden dangers. It emphasizes that accidents and potential problems should be nipped in the bud at the early stage. The Group has organized the study of typical external accident cases to achieve the accident warning effect of preventing accidents before happen. On the basis of in-depth study of the causes of external accidents, subsidiaries are required to conduct timely self-examination and self-inspection of hidden internal dangers, so as to achieve comprehensive investigation and removal of similar hidden dangers.

The Group shall take effective controlling measures in time after the accident to prevent the accident expansion and reduce losses. Upon the end of the accident, the Group shall analyze the direct, indirect and root causes of the accident in multiple aspects and dimensions including "human, machine, material, law, environment and management", formulate and implement corrective and preventive measures, and share the accident cases as valuable experience among subsidiaries, in order to prevent the recurrence of similar accidents.

During the Reporting Period, the Group had no major safety incidents or major fire incidents occurred and the overall security situation remained stable. There were nine lost time injuries in 2024. The Group's annual lost time injury (LTI) rate (excluding lost time of outsourced workers) was 0.133, of which the major injury case rate is 0 and the minor injury case rate is 0.133. During the Reporting Period, there were 20 recordable incidents, with the recordable incident (RI) rate was 0.297. During the Reporting Period, there were no safety incidents and secondary disasters arising from natural disasters, nor fatality and major injury or more serious incidents of contractors.

Key safety performance

	Major injury rate per million working hours	Minor injury rate per million working hours	LTI rate per million working hours	RI rate per million working hours
2024	0	0.133	0.133	0.297
2023	0	0.104	0.104	0.193
2022	0	0.101	0.101	0.202
2021	0	0.170	0.170	0.355
2020	0.033	0.280	0.313	0.494
2019	0	0.343	0.343	0.395
2018	0.038	0.188	0.226	0.433
2017	0.030	0.385	0.415	0.915
2016	0.220	0.360	0.580	1.050

Notes:

1. The GB6441-86 Classification for Casualty Accidents of Enterprise Staff and Workers and Occupational Safety and Health Administration (OSHA) international standard are applied to the classification of incidents. The data disclosed in this report includes OSHA lost time injury and recordable incident (namely the incident that requires a prescription from a hospital or more serious incident).

2. Incident rate = Number of incidents/Total working hours * 1,000,000 hours.

Case: Rectification campaign for charging/parking areas of electric bicycles

After the fire on 23 February in Nanjing, all holding hospitals that have specialized areas for charging and centralized parking of electric bicycle have comprehensively conducted a special campaign for upgrading electrical safety protection, automatic fire monitoring and alarm systems, and fire fighting capacity. Six hospitals, including StarKids Children's Hospital Shanghai and Suqian Rehabilitation Hospital (宿遷康體醫院), have supplemented and added charging timed/over-current automatic cut-off devices for relevant charging equipment. Video monitors and automatic fire alarm equipment were also installed in parking areas, with outdoor fire hydrants or simple automatic sprinkler extinguishers equipped. At the same time, the relevant areas have been designated as key locations for fire prevention, and regular inspections have been strengthened. On-site emergency response plans have been formulated and made a compulsory part of the training and drills of personnel in mini fire stations, to ensure that such danger can be detected and properly handled in a timely manner.

5.3.2 Occupational Health Management

Employee Health Protection

Employee health protection is one of the important tasks of the Group. In compliance with the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other relevant laws and regulations of business operations, the Group establishes the responsibility management system for the occupational disease prevention of all employees. The Group follows the national requirements on occupational health risk warnings, individual protection, on-site supervision and sampling and employee body check in daily supervision, thus realizing the closed-loop management of occupational health. The Group complies with the "three simultaneous" management requirements of occupational disease prevention facilities for construction projects, conducts risk evaluation for toxic and harmful positions, and regularly arranges occupational body check for employee who works in occupational hazards environment and keep their results confidential for employees in daily work and in contact with occupational hazards, continues to enhance occupational health protection facilities, and expands the coverage of occupational disease warning labels.

The Group strives to strengthen the physical health of employees and increase the exercising awareness, and organizes internal sports classes, including but not limited to Tai Chi class, yoga class and dance class. It has set up near 10 clubs such as dancing, running group and basketball, offering opportunities and convenience for employees to train their body and improve physical health, thus securing the physical and mental health of employees.

During the Reporting Period, the coverage of body check for employees exposed to occupational disease hazard factors was 100%. There were no newly increased confirmed or suspected occupational diseases throughout the year.

Case: Technological upgrades in chick embryo transfer and disinfectant spraying

Before Transformation

After Transformation

Patent Certificate

In the production process of the products of our subsidiary, Fosun Aleph, the chick embryo transfer stage requires a large amount of intensive labor, while disinfectant spraying exposes workers to chemical hazards. To address these issues, Fosun Aleph independently developed a fully automated high-speed chick embryo transfer and disinfection linkage equipment, which enables a fully automatic integrated operation of chicken embryo transfer, disinfection, and output and thus improves production efficiency. By adding sealed covers thereon, the equipment prevents the exposure of disinfectants. During the Reporting Period, this equipment was granted a patent.

Case: Continuous flow nitrifying technology, facilitating intrinsic safety improvement of nitrifying technology

Cartoon diagram of continuous flow reactor

Industrial level continuous flow reactor adopted by Guilin Pharma, a subsidiary, can carry out effective, controllable continuous chemical reaction inside centimeter-level micro-channels. Large-scale product preparation can be achieved through array integration of channels. The principle is to shorten the distance of diffusion and mixing during laminar flow operation with the use of micro-channels of reactor, thus maximizing the material and energy transmission efficiency. Comparing to traditional tank reactor, the use of continuous flow reactor can facilitate nitrifying reaction, minimizing the liquid size, and enhance heat exchange efficiency by more than 10 times, thus effectively lowering the explosion risk arising from heat accumulation in nitrifying process, thereby achieving intrinsic safety.

5.3.3EHS Culture Development

The Group continues to enhance the pyramid-shaped EHS cultural layout of "attention of the senior level, promotion of the middle level, and participation of all levels", to arouse full attention and enhance the EHS execution at all levels of the Group. From June to September every year, the Group conducts Month of EHS Management Activity on regular basis. During the campaign, apart from organizing explanation on relevant policies and regulations and conducting various hidden danger inspection and emergency exercises under specific themes, the Group also organizes different forms of interesting activities to promote EHS culture.

The Group insisted on the participation of the middle and senior management in the safety hazard inspection and rectification, the participation of all employees in EHS training and drills, and the active expansion of green low-carbon and energy conservation and emission reduction projects, so that EHS management and responsibilities can be achieved horizontally, vertically and individually, thereby further consolidating the EHS management of subsidiaries. After years of EHS team building and EHS dedicated personnel training, the Group currently has more than 100 EHS special personnel.

5. Talent Development Focus

Case: Eighth EHS management month of Fosun Pharma

Poster of
EHS Management Month

The EHS Management Month, themed "Cherish the Earth, Foster Safety; Harmonious Society, Sustainable Homeland," officially commenced in June 2024. Aligned with the theme of China's 23rd National Work Safety Month theme "Prioritize Safety Awareness and Emergency Preparedness for All — Ensuring Unimpeded Access to Save Lives", all subsidiaries conducted a series of initiatives including hazard identification, emergency drills, skills contests, and interactive knowledge campaigns. These efforts aim to further cultivate a robust EHS culture while advancing the implementation of the three-year action plan for fundamental improvement in workplace safety.

Rescue drills in constricted spaces

Hazard identification

Fire drill

Special inspections led by leaders

5. Talent Development Focus

During the Reporting Period, the Group organized and participated in EHS special trainings with a total of 465,366 hours, total of 306,664 participants, average training hours per employee of 15.63 hours and average number of training per employee of 10.3. For manufacturing subsidiaries, the average training hours per employee reached 20.6 hours, with average number of training per employee of 13.79. The Group conducts special health and safety training targeting all suppliers every year, aiming to further enhance the awareness of all employees and suppliers on safety issues. By launching extensive training activities, the Group helps employees to build and create occupational health and safety awareness and habits.

EHS training

Year	Total hours (hours)	Total participant (attendances)	Average training hour per participant (hours)	Average number of training per participant (times)
2024	465,336	306,664	15.63	10.3
2023	475,293	296,291	16.52	10.30
2022	468,731	274,444	15.37	9.00

2024 EHS training by business segment

Business segment	Total hours (hours)	Total participant (attendances)	Average training hour per participant (hours)	Average number of training per participant (times)
Pharmaceutical manufacturing	408,109	272,342	20.51	13.69
Medical devices and medical diagnosis	26,622	18,627	22.07	15.45
Healthcare services	30,604	15,695	1.95	1.81

Case: Lockout-tagout (LOTO) operation skills competition in Shandong Erye

To raise employees' awareness of the importance of LOTO operations in equipment repair and maintenance and mitigate incidents caused by unintended energy release during equipment maintenance, our subsidiary Shandong Erye carried out a LOTO operation skills competition. The event comprised 3 sessions, including theoretical test, practical operation and operation Q&A. Judges evaluated participants' technical proficiency and provided practical feedback to reinforce standardized LOTO protocols. At the same time, the best practice procedures of top performers were recorded as a training video, accessible to all employees for continuous learning.

6. Social Contribution

Adhering to the corporate spirit of "Self-improvement, Teamwork, Performance, and Contribution to Society," the Group actively supports the Healthy China initiative and set up "Fosun Care 121 Special Fund" jointly with Fosun Foundation. With health care, scientific research and innovation, and charitable donations as its three major directions, this special fund is committed to providing comprehensive and full-lifecycle healthcare services for families, serving the ultimate vision of combating human diseases and extending human life to 121 years old.

We rigorously comply with external regulations and internal corporate philanthropy management systems, while leveraging our resource advantages to actively fulfill corporate social responsibilities. With a focus on access to healthcare, we are committed to enhancing the accessibility and affordability of quality medical services. Our initiatives extend to community engagement programs that deliver care and health awareness, as well as rural revitalization efforts to improve grassroots medical capabilities. Through these cumulative actions, we contribute meaningful momentum to societal progress.

During the Reporting Period, the Group has made social donations of approximately RMB177 million.

6.1 Access to Healthcare

Governance of access to healthcare

The Board of Directors is responsible for developing strategies related to the access to healthcare. The ESG Committee under the Board is responsible for overseeing, guiding and reviewing inclusive healthcare-related matters for consideration by the Board. The ESG Management Committee is responsible for assessing and managing the opportunities and impacts that access to healthcare may have on the enterprise, setting relevant goals and objectives, and reporting to the Board and the ESG Committee under the Board on a regular basis. The ESG Working Group is responsible for the promotion and implementation of the relevant work and reports to the ESG Management Committee on a regular basis. The ESG Management Committee and the ESG Working Group include members with extensive industry experience and expertise in the R&D for rare diseases, advancement of accessibility and affordability of medicines to ensure the effectiveness of the governance structure.

During the Reporting Period, the ESG Management Committee and the ESG Working Group reported to the ESG Committee under the Board twice on access to healthcare. After receiving the reports, the ESG Committee under the Board discussed and made recommendations to the Board on key topics such as support for developing countries and research and development of rare diseases.

We support The Doha Declaration on the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement and Public Health and comply with the provisions of the Patent Law of the People's Republic of China on the compulsory licensing of relevant pharmaceutical patents for the purpose of public interest or in case of emergency. We explicitly support reasonable generic drug competition to improve the accessibility of medicines. Meanwhile, for the least developed countries and low-income countries, we will select suitable third parties and entering into voluntary licensing agreements in accordance with appropriate terms and conditions, so as to manufacture and export relevant medicines to such regions to enhance the well-being of the local population.

Paying attention to R&D in rare diseases

Due to the extremely low market demand, limited R&D profits and lack of clinical drug experience, rare disease drugs usually have problems such as low R&D enthusiasm and excessive treatment burden on patients. To focus on the unmet demand in this area, the Group, in accordance with the National Rare Disease List, the World Health Organization (WHO) High Burden Diseases DALYs (Disability-Adjusted Life Year) List and the Neglected Tropical Diseases List, actively accelerates the R&D of drugs for rare diseases and clinically urgently needed drugs, so as to fill the gaps in the field of treatment of related diseases and improve the accessibility of innovative therapeutic drugs to patients with rare diseases. Of which, two applications for registration of self-developed Lurbinectedin tablets for the treatment of dendritic cell and histiocyte tumours in adults and the treatment of plexiform neurofibroma (PN) associated with neurofibromatosis type 1 (NF1) in children aged 2 years old and above have been accepted by the NMPA for priority review process.

As at 31 March 2025, the Group has launched a total of 3 orphan drugs for rare diseases and has orphan drugs for rare diseases under development that are suitable for 9 indications.

Rare disease drugs	Indications	Situation
Human interferon γ for injection	Chronic granulomatous disease	Launched
Su Ke Xin (Avatrombopag Maleate Tablets)	Primary immune thrombocytopenia	Launched
Hetronifly (Serplulimab)	Extensive-stage small cell lung cancer	Launched (Europe)
Serplulimab injection	Extensive-stage small cell lung cancer	Under development (U.S.)
Luvometinib tablets	Histiocytic tumors (Langerhans histiocytosis)	Under development
	Neurofibromatosis type I	Under development
	Low-grade gliomas	Under development
	Arteriovenous malformations	Under development
HLX22	HER2-positive gastric cancer	Under development (U.S.)
XH-S003	IgA nephropathy	Under development
	Paroxysmal nocturnal hemoglobinuria	Under development
HLX208	Langerhans cell histiocytosis and Erdheim Chester disease	Under development

Case: To make rare diseases being concerned and to bring care sooner, charitably supporting the first Rare Disease Knowledge Popularization Contest in Shanghai

To promote rare disease treatment and societal care, and to implement the "Healthy Shanghai Action (2019-2030)" on health knowledge popularization and population health promotion, Fosun Pharma charitably supported first provincial-level science competition on rare diseases — the first Rare Disease Knowledge Popularization Contest in Shanghai on 19 February 2024, the International Rare Disease Day. The contest embodied the scope of knowledge covered by the competition, the humanistic warmth eventually reflected by the medicine, aiming to raise awareness about rare diseases and improve doctors' ability to diagnose and treat rare diseases accurately. The contest targeted participants from employed person in medical institutions in the city, rare disease patients and their families, as well as people from all walks of life concerned about rare diseases. The contest format included two major categories: knowledge competition and popular science videos. The event was hosted by the Shanghai Health Promotion Committee, the Rare Disease Professional Committee under the Shanghai Medical Doctor Association, the Shanghai Municipal Center for Health Promotion, and the Shanghai Foundation for Rare Disease.

Diversified innovation to promote the accessibility to health globally

The Group recognizes the importance of improving product accessibility in achieving medical equity and inclusiveness, actively promoting that our medicines and services can benefit a broader patient population. During the Reporting Period, we continued to promote the international expansion of several innovative drugs (such as rituximab, trastuzumab, serplulimab, etc.) to benefit more global patients; meanwhile, we actively introduced internationally leading technologies and products into the Chinese market to benefit more patients in China.

Case: Diversified and innovative payment methods to enhance patients' affordability

Fosun Kairos, the core platform of the Group's cell therapy technology, actively promoted the accessibility and affordability of CAR-T products. Relying on the national multi-level medical insurance system, Fosun Kairos explored innovative payment plans, such as including such drugs in the urban customized commercial health insurances in various provinces and cities, and deepening cooperation with TPAs and insurance companies to improve the affordability of Yi Kai Da for patients. In January 2024, Fosun Kairos launched China's first lymphoma payment plan by value of efficacy to reduce patients' financial burden. In April, the second-line indication of Yi Kai Da was included in HuHuiBao, further reducing the burden on and bringing hope of cure to lymphoma patients. As at the end of the Reporting Period, Yi Kai Da has benefited more than 800 lymphoma patients, achieved revolutionary innovative breakthroughs in the field of tumor treatment, and has been included in more than 110 city welfare insurances and more than 80 commercial insurances, opening up diversified innovative payment paths for patients.

Case: Innovation-driven high-quality globalization benefits global patients

In January 2024, serplulimab was shipped from China to Indonesia, becoming the first domestic anti-PD-1 monoclonal antibody to land in Southeast Asia

The Group is engaged in the field of oncology, focusing on unmet therapeutic needs in the field. Through continuous innovation, the Company promotes the commercialization of innovative drugs, striving to deliver more and better treatment options for global cancer patients.

The Group has independently developed serplulimab, the world's first anti-PD-1 monoclonal antibody approved for first-line treatment of small cell lung cancer. Guided by clinical needs, a differentiated and multi-dimensional layout of indications has been carried out around this drug, enabling extensive coverage of high - incidence major cancers such as lung and gastrointestinal tract cancers.

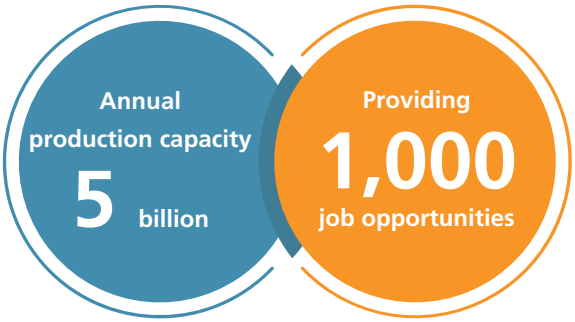
Since the product was approved for launch in 2022, the Group accelerates its global commercialization, and actively promotes the benefits of this innovative drug to more overseas patients. As at 31 March, 2025, serplulimab, has been approved for launch in over 30 countries and regions as China, Europe, and Southeast Asia, benefiting more than 100,000 patients worldwide. Furthermore, the Group is collaborating with partners to accelerate the global expansion of this product, extending its reach to over 100 countries and regions including the United States, Europe, Southeast Asia, the Middle East, and North Africa.

Enhancing Local Operations in Africa to Support Healthcare Development in Developing Countries

As an innovation-driven global healthcare group, we have established a strong presence in key overseas markets, including the United States, Europe, Africa, India, and Southeast Asia. We remain committed to addressing unmet clinical needs by delivering high-quality medical products and services, thereby advancing equitable access to healthcare worldwide.

As at the end of the Reporting Period, the Group had established 5 regional distribution centers in emerging markets such as Africa, with an overseas commercialization team of the pharmaceutical manufacturing segment and the medical devices segment over 1,000 people, helping to enhance the accessibility of medical products. Southeast Asia is one of the key emerging markets region for expansion of the Group. We will develop the pharmaceutical market in this region, especially in ASEAN (Association of Southeast Asian Nations) countries, through various business models such as BD and agency cooperation.

In order to realize the strategic layout of localized drug manufacturing and supply in Africa and improve the accessibility and affordability of pharmaceutical and health products in Africa, we launched the Côte d'Ivoire Park Construction Project in 2022. The project will be carried out in three phases. After the completion of the park, the target production capacity will be expanded to 5 billion tablets per year. It is expected to bring nearly 1,000 jobs to the local area and effectively promote the development of Côte d'Ivoire's pharmaceutical industry.



Localized supply target in Côte d'Ivoire

Case: Diversified and innovative payment methods to enhance patients' affordability

As a global leader in antimalarial pharmaceuticals, Fosun Pharma Group has independently developed antimalarial products covering malaria prevention, general treatment, and severe case management. To date, 33 antimalarial products in its portfolio have received WHO Prequalification, making outstanding contributions to malaria control and treatment in Africa and other malaria-endemic regions worldwide.

Malaria continues to endanger human health and lives across the world. According to the WHO World Malaria Report 2023, globally in 2022, there were 249 million new malaria cases and 608,000 malaria deaths. Sub-Saharan Africa accounted for more than 95% of the global malaria cases and deaths.

Artemisinin medicines developed with China's scientific research efforts have been widely used in Africa, making significant contribution to global malaria prevention and control, and become a ticket for China's innovative medicines to go global. Globally, an estimated 11.7 million malaria deaths were averted in the period 2000-2022. Among them, the average malaria mortality rate (number of deaths per 100,000 population at risk) in Africa decreased from 0.14% per 100,000 population to 0.055%, from 142.6 per 100,000 population in 2000 to 55.5 in 2022. The widespread use of artemisinin medicines is one of the key success factors. Several global multi-center phase III clinical studies and real-world data have shown that artesunate injection is effective in reducing malaria mortality rate.

Case: Continuous innovation of "Artemisinin" medicines to inject new momentum into malaria prevention and treatment in Africa (Continued)

In 2010, an artesunate for injection independently developed and manufactured by the Group, was approved by WHO PQ. Until now, it has been recommended by WHO as a first-line drug for the treatment of severe malaria in children and adults. By the end of the Reporting Period, we had cumulatively supplied over 400 million vials of artesunate for injection to over 80 million patients with severe malaria globally.

Remote areas in Africa widely benefited by the new-generation of artesunate for injection

In April 2024, the 8th MIM (The Multilateral Initiative on Malaria) Africa Malaria Conference was held in Kigali, the capital of Rwanda. As one of the main sponsors of this conference, Fosun Pharma showcased its full range of antimalarial products. On 23 April, it successfully held an academic seminar titled "Improving antimalarial treatment for severe P. falciparum malaria". During the seminar, Professor Arjen Dondorp and Professor Joel Taring from the University of Oxford, and Dr. Samwel Gesase from the National Institute for Medical Research of Tanzania introduced the important contribution of artesunate for injection to the treatment of severe malaria patients and the clinical advantages of Fosun Pharma's second-generation of single-solvent artesunate for injection from the perspectives of epidemiology, clinical pharmacology, and pharmacoeconomics respectively.

The experts and scholars present at the conference praised the professionalism of the seminar and highly recognized Fosun Pharma's commitment to affordable innovation, which has brought the new-generation of single-solvent artesunate for injection to Africa. The participating experts unanimously agreed that "artesunate for injection is currently the most effective drug for treating severe malaria. The new-generation of single-solvent artesunate for injection will further enhance the convenience of clinical use of artesunate and reduce the clinical cost of treating severe malaria, widely benefiting critically ill children with malaria in remote African areas with poor medical conditions."

Case: Continuous innovation of "Artemisinin" medicines to inject new momentum into malaria prevention and treatment in Africa (Continued)

Caring for children from prevention to treatment

The WHO states that children under the age of 5 remain a severely affected group by malaria. It is estimated that in 2022, four out of every five malaria-related deaths in Africa occurred among children under the age of 5. To improve this situation, Fosun Pharma has, in active collaboration with the National Malaria Control Program in Africa, continued to carry out the "Promoting Malaria Prevention Knowledge among Children Program" in 14 malaria-prone countries in Africa, targeting at the community level, in order to raise the awareness of malaria prevention among the local population in Africa, and to help reduce the incidence rate of malaria and interrupt the transmission of malaria in the community. By the end of 2024, the Seasonal Malaria Chemoprevention (SMC) program with the SPAQ-CO (combination packaging of sulfadoxine pyrimidine dispersible tablets and amodiaquine dispersible tablets) series of products as the core drugs had accumulatedly benefited more than 300 million African children, effectively helping to reduce the prevalence rate of African children during the malaria-prone seasons.

Case: Strengthening local operations in Africa and providing long-term support to improve medical capacity

Tridem Pharma, a subsidiary, has established operational entities in Côte d'Ivoire, Cameroon, Senegal, Ghana, Nigeria, Kenya, Uganda, and Tanzania. Additionally, through partnerships with local entities, Tridem Pharma has expanded its presence into Malawi, Zambia, and South Sudan by establishing regional offices. Tridem Pharma engaged in export distribution of pharmaceutical products in the African market mainly for the English-speaking and French-speaking sub-Saharan regions.

(1) NDA: In each country where our subsidiary operates, licensed pharmacists are employed to review registration documents prepared by pharmaceutical companies to meet import requirements. Dedicated personnel in our operational regions are responsible for submitting NDA to drug regulatory authorities in various countries and tracking registration progress. Annually, these employees manage over 2,000 drug registrations and renewals. Tridem Pharma conducts regular training on pharmaceutical regulatory affairs compliance for employees and maintains the rainbow software system for all pharmaceutical companies to enquire about the progress of drug registrations.

(2) Drug promotion: By partnering with malaria control centers or hospitals in various countries, Fosun Pharma Group has long been committed to enhancing healthcare capacity in developing countries. Through operational activities in Tanzania, Nigeria, Ghana, Uganda, and other African nations, we have conducted multiple Continuous Medical Education (CME) programs for local medical professionals, covering topics such as disease diagnosis and pharmaceutical knowledge.

In 2024, the Group organized over 2,500 CME sessions across African countries, reaching 41,000 participants including public health officials, hospital physicians, pharmacists, nurses, and pharmacy practitioners. Training content focuses on proper use of Fosun Pharma's products and the diagnosis of disease conditions to which the medicines are applicable.

(3) Drug distribution: The entire distribution system covered by Tridem Pharma adheres to French Good Distribution Practice (GDP) standards and undergoes periodic quality management review. As at the end of the Reporting Period, Tridem Pharma completed the implementation of SAP ERP system for its subsidiaries, accompanied by comprehensive staff training on SPA for employees.

We have also signed a cooperation agreement with the Pharmacy Department of the University of Abidjan in Côte d'Ivoire to establish internship opportunities for outstanding graduates at our subsidiaries. This initiative aims to cultivate local talents critical for pharmaceutical industry development.

Case: Donation of artemisinin-based antimalarial medicines to Africa contributes to community health development in Africa

On April 26, 2024, the UN Global Compact China Liaison Office launched the "Sino-Africa Corporate Community Action Network on Sustainable Development" at the United Nations Building in Beijing. At this event, Fosun Pharma announced a three-year commitment to donate RMB 10 million worth of artemisinin-based antimalarial drugs to African countries. Simultaneously, through collaboration with the Fosun Foundation, we provided USD 10,000 worth of pediatric antimalarial medicines to support Hainan Mining's "Buguini Beautiful Community Project (布古尼美好社區項目)" in Mali, aiming to reduce malaria incidence among children under five during peak transmission seasons and improve the health of children in the local community.

Fair Pricing of Drugs

Adhering to the mission of "Better Health for Families Worldwide", we are committed to providing quality medicines at affordable prices to patients. Since the issuance of our "Fair Pricing Policy of Shanghai Fosun Pharmaceutical (Group) Co., Ltd." in 2022, the Group continued to promote the innovative development of the pharmaceutical industry to benefit patients and customers. We are committed to following the WHO definition of "fair pricing", which is a value-based pricing, while taking into full consideration of factors such as the level of economic development of each region, patients' needs and affordability.

Building on this foundation, the Group has further implemented tiered pricing standards. Globally, we implement differentiated pricing strategies based on the GDP levels of different countries and regions within the same country, the United Nations Human Development Index, national health budgets, patient needs and payment capabilities, and other relevant health economic considerations, aiming to ensure that drug prices improve accessibility and affordability of medicines and promote global health equity.

Key Fair Pricing Considerations of Fosun Pharma

The Group adheres to the principle of matching quality and price, pays attention to the transparency of drug pricing, facilitates the rationality and fairness of drug pricing, and promotes pharmaceutical products to benefit more patients. We comprehensively comply with the national drug centralized procurement price, and make reasonable and dynamic adjustments to drugs prices based on the quantity-price comparison index of medical insurance drugs in national designated pharmacies. At present, we disclose the winning bid prices of centralized procurement of drugs in the annual reports. In the future, more information about drug prices will be disclosed in due course to help the public better understand our pricing practices.

Promoting rational use of medicines

Due to the rapid development of the pharmaceutical industry and the abuse of antibiotics, antimicrobial resistance has become an urgent medical problem in countries around the globe. WHO has declared it as one of the major public health threats to humanity in the 21st century. An increasing number of diseases are becoming more difficult to treat due to a decline in the effectiveness of antibiotics used to treat diseases. The market for multidrug-resistant antibiotics has increased under the combined effect of aging increases and herd immunity declines in the post-pandemic era.

In order to curb the serious harm of antibiotic resistance to medical progress effectively, we abide by the measures such as Administrative Measures for the Clinical Application of Antimicrobial Drugs and Notice on Further Strengthening the Management of Antimicrobial Drugs to Contain Drug Resistance, and pay close attention to and call for the scientific and prudent use of antibiotics. We also continue to strengthen the management of prescription drugs, and actively promote R&D in the field of antibiotics to deal with growing drug resistance.

6.2 Community Caring

The Group is committed to pursuing harmonious development with stakeholders and actively contributing to society through philanthropic initiatives during our business operations. We promote healthy lifestyles and support community well-being through diverse programs, including health education, charitable medical services, and initiatives supporting the elderly and children.

Case: "Care for Lung Together" 2024 Public Health Cycling Initiative

November is the international lung cancer awareness month. In order to enhance the society's awareness and attention to lung diseases, "Care for Lung Together" Charitable Cycling 2024 was held in Shanghai on 23 November 2024. The event was hosted by Shanghai Henlius and supported by Shanghai Fosun Foundation and Fosun Pharma, attracting more than 100 participants, including medical staff, media personnel, cycling enthusiasts and employee volunteers. Through the green and healthy sport of cycling and the integration of health science knowledge, they jointly called on the public to attach importance to lung health, advocate a healthy lifestyle, and actively establish the concept of caring for lung and protecting its health.

Case: "Pink Power" 2024 Breast Cancer Care Public Welfare Activity

In June 2024, the "Pink Power" 2024 Breast Cancer Care Public Welfare Activity was successfully held at the Binjiang area in Xuhui District, Shanghai. The event was co-hosted by our subsidiary Shanghai Fosun Foundation and Shanghai Pink Angel Cancer Patient Care Center and supported by Shanghai Henlius. More than 100 people, including breast cancer patients and representatives from all walks of life, were invited to the event. They delivered positive anti-cancer attitude, advocated the idea of giving more support and care to breast cancer patients, and appealed to the public to pay attention to breast health and jointly build a pink health defense line through various forms such as outdoor expansion activities.

6.3 Rural Revitalization

The Group fully implements the rural revitalization strategy, actively participates in the Rural Doctor Project jointly initiated by Fosun Foundation, China Guangcai Program Foundation and China Population Welfare Foundation, thereby contributing to the promotion of the healthy, sustainable and high-quality development of the rural areas.

In December 2017, under the guidance of the Leading Group Office of Rural Revitalization of National Health Commission (the former Office of Poverty Alleviation), Fosun Foundation initiated the Rural Doctor Project. This project aims to secure, motivate and empower rural doctors based on the fundamental medical protection needs of rural population. As at the end of 2024, the project covered 78 key counties receiving assistance in 16 provinces, cities and autonomous regions, thereby protecting 24,000 rural doctors and benefitting 3 million rural families.

In 2024, Fosun Pharma continued its deep involvement in the "Rural Doctor Project," actively supporting rural doctors, empowering the rural healthcare system, contributing to rural revitalization, and improving the well-being of rural communities.

Case: "Hand in Hand" Rural Medical Talent Revitalization Plan

In 2024, the Company partnered with Fosun Foundation to continue to promote the "Hand in Hand" Rural Medical Talent Revitalization Plan, a sub-project of the Rural Doctor Project. Through the online "Doctors' Lectures" and "Famous Doctors Visiting Rural Areas" campaigns, a total of 48 famous domestic medical experts in Chinese and western medicine provide targeted medical assistance by conducting public welfare activities such as open classes, seminars and exchanges, free clinics, ward rounds, etc. in Yongping in Yunnan, Baisha in Hainan, Zhouzhi in Shaanxi and other places. This plan has covered more than 2,000 rural doctors in 72 project counties across the country, and practically assisted rural doctors to improve their diagnosis skills.

Case: Caring for Puge, Fosun Pharma Continues to Improve the Primary Healthcare Level

In September 2024, the Rural Doctor Project & the Pink Blue Ribbon Charity Tour Initiative undertaken by the Company, was held in Puge County, Liangshan Yi Autonomous Prefecture, Sichuan Province. This event aimed to empower rural doctors and improve the primary healthcare level. It assisted in the construction and upgrading of more than ten village clinics by providing urgently needed medical equipment to the local area. In addition, five renowned domestic medical experts were invited to conduct training and teaching guidance on-site. Moreover, by donating breast ultrasound AI-assisted screening products, it helped to improve the efficiency of breast cancer screening and medical accessibility. Meanwhile, this event also presented health care packages to 140 rural doctors in Puge County, enabling these rural doctors to take good care of their own health while carrying out diagnosis and treatment work.

Case: Rural Medical Care Public Welfare Activity

To improve medical conditions, diagnostic levels, and hospital management capabilities in China's remote rural areas, and to enhance public awareness and prevention of major diseases such as tumors, Shanghai Henlius, a subsidiary, in collaboration with Fosun Foundation, launched the "Rural Medical Care Public Welfare Activity" in October 2020. This activity has been continuously carried out for over 4 years. The project invited well-known domestic medical experts and hospital management teams to provide public welfare training on tumor diseases (including breast cancer) for local village doctors and villagers, and organized free clinics and consultations.

In 2024, the charity visited Pingbian in Yunnan, Zhijin in Guizhou, Dongxiang in Gansu, Mianyang in Sichuan, Wuzhishan in Hainan, and Jimunai in Xinjiang. Approximately 100 clinical experts participated in the programs, benefiting over 1,800 patients and more than 550 primary medical personnel. The project also donated materials to support the development of county hospitals and village health stations, helping to bring high-quality medical resources to rural residents.

Third Party Assurance Report

ASSURANCE STATEMENT CN25/00002065

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN SHANGHAI FOSUN PHARMACEUTICAL (GROUP) CO., LTD.'s ESG & SUSTAINABILITY ACTIVITIES REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by SHANGHAI PHARMACEUTICAL (GROUP) CO., LTD. (hereinafter referred to as FOSUNPHARMA) to conduct an independent assurance of the Chinese version of THE ESG & SUSTAINABILITY ACTIVITIES Report (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all FOSUNPHARMA's Stakeholders.

RESPONSIBILITIES
The information in the Report and its presentation are the responsibility of the Board of directors of FOSUNPHARMA and relevant governing body. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all FOSUNPHARMA's stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA
The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. Additionally, it assessed the extent to which the Report's content is in accordance with requirements of *Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules* published by Hong Kong Exchanges and Clearing Limited (HKEX) and refers to the requirements of *GRI Standards 2021*.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees (which located at No. 1289, Yishan Road, Xuhui District, Shanghai, P. R. China and one of its subsidiaries which location at Guilin City, Guangxi Province, P.R. China who is Guilin Pharmaceutical Co.,Ltd.); documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION
Data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the Report has been directly adopted from the independent third party verification data and has not been double verified in this audit.

This assurance engagement was restricted to the group level of FOSUNPHARMA, only one of its subsidiaries was sampled and did not include traceability of original data from all subordinate institutions.

No compliance verification was conducted in respect of *Part D: Climate-related disclosures* of the *Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules* published by HKEX, and the climate-related verification was still implemented in accordance with the previous version of *Appendix C2 Environmental, Social and Governance Reporting Guide*.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries/regions and providing services. SGS affirm our independence from FOSUNPHARMA, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION
On the basis of the methodology described and the assurance engagement performed, the specified performance information included in Fosun Pharma's 2024 Environmental, Social and Governance (ESG) and Sustainability Report are accurate, reliable, and has been fairly stated.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF LISTING RULES PUBLISHED BY HKEX AND *GRI STANDARDS* 2021

The assurance team concludes that the Report has been prepared in accordance with the requirements of *Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules* published by HKEX, and has referred to the requirements of *GRI Standards 2021*.

FINDINGS AND RECOMMENDATIONS
All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of FOSUNPHARMA to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
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Apr. 02nd, 2025
WWW.SGS.COM

Appendix I Content Index of GRI Sustainability Reporting Standards

GRI 1 Adopted		GRI 1: Foundation 2021
GRI Standard	GRI Disclosure	Location
GRI 2: General Disclosures 2021		
The Organizations and its reporting practices		
2–1	Organizational details	Company Profile & Development Strategy
2–2	Entities included in the organization's sustainability reporting	Company Profile & Development Strategy
2–3	Reporting period, frequency and contact point	About This Report
2–4	Restatements of information	About This Report
2–5	External assurance	Third Party Assurance Report
Activities and workers		
2–6	Activities, value chain and other business relationships	Company Profile & Development Strategy
2–7	Employees	Talent Development Focus — Diversity and Equal Opportunity
2–8	Workers who are not employees	Talent Development Focus — Diversity and Equal Opportunity
Governance		
2–9	Governance structure and composition	Corporate Governance — Corporate Governance
2–10	Nomination and selection of the highest governance body	Corporate Governance — Corporate Governance
2–11	Chair of the highest governance body	Corporate Governance — Corporate Governance
2–12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance — Corporate Governance
2–13	Delegation of responsibility for managing impacts	Corporate Governance — Corporate Governance
2–14	Role of the highest governance body in sustainability reporting	Corporate Governance — Corporate Governance
2–15	Conflicts of interest	Corporate Governance — Corporate Governance
2–16	Communication of critical concerns	Corporate Governance — Corporate Governance
2–17	Collective knowledge of the highest governance body	Corporate Governance — Corporate Governance
2–18	Evaluation of the performance of the highest governance body	Corporate Governance — Corporate Governance
2–19	Remuneration policies	Corporate Governance — Corporate Governance
2–20	Process to determine remuneration	Corporate Governance — Corporate Governance
2–21	Annual total compensation ratio	Relevant internal information is unavailable for now
Strategy, policies and practices		
2–22	Statement on sustainable development strategy	Talent Development Focus — Diversity and Equal Opportunity
2–23	Policy commitments	Talent Development Focus — Diversity and Equal Opportunity
2–24	Embedding policy commitments	Corporate Governance — Business Ethics
2–25	Processes to remediate negative impacts	Corporate Governance — Business Ethics
2–26	Mechanisms for seeking advice and raising concerns	Corporate Governance — Business Ethics
2–27	Compliance with laws and regulations	Corporate Governance — Business Ethics
2–28	Membership associations	Win-win Partnership — Membership in Associations
Stakeholder engagement		
2–29	Approach to stakeholder engagement	Corporate Governance — Corporate Governance
2–30	Collective bargaining agreements	Talent Development Focus — Diversity and Equal Opportunity

Appendix I Content Index of GRI Sustainability Reporting Standards

GRI 1 Adopted		GRI 1: Foundation 2021
GRI Standard	GRI Disclosure	Location
GRI 3: Material Topics 2021		
3–1	Process to determine material topics	Corporate Governance — Corporate Governance
3–2	List of material topics	Corporate Governance — Corporate Governance
Material Topics		
GRI 202: Market Presence 2016		
202–1	Ratios of standard entry level wage by gender compared to local minimum wage	Relevant internal information is unavailable for now
GRI 205: Anti–corruption 2016		
205–1	Operations assessed for risks related to corruption	Corporate Governance — Business Ethics
205–2	Communication and training about anti-corruption policies and procedures	Corporate Governance — Business Ethics
205–3	Confirmed incidents of corruption and actions taken	Corporate Governance — Business Ethics
GRI 206: Anti–competitive Behavior 2016		
206–1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance — Business Ethics
Environmental		
GRI 301: Materials 2016		
301–1	Materials used by weight or volume	Environmental Protection — Environmental Management
GRI 302: Energy 2016		
302–1	Energy consumption within the organization	Environmental Protection — Coping with Climate Change
302–3	Energy intensity	Environmental Protection — Coping with Climate Change
302–4	Reduction of energy consumption	Environmental Protection — Coping with Climate Change
GRI 303: Water and Effluents 2018		
303–1	Interactions with water as a shared source	Environmental Protection — Environmental Management
303–2	Management of water discharge-related impacts	Environmental Protection — Environmental Management
303–4	Water discharge	Environmental Protection — Environmental Management
303–5	Water consumption	Environmental Protection — Environmental Management
GRI 305: Emissions 2016		
305–1	Direct (Scope 1) GHG emissions	Environmental Protection — Coping with Climate Change
305–2	Energy indirect (Scope 2) GHG emissions	Environmental Protection — Coping with Climate Change
305–3	Other indirect (Scope 3) GHG emissions	Environmental Protection — Coping with Climate Change
305–4	GHG emissions intensity	Environmental Protection — Coping with Climate Change
305–5	Reduction of GHG emissions	Environmental Protection — Coping with Climate Change
305–7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Environmental Protection — Environmental Management

Appendix I Content Index of GRI Sustainability Reporting Standards

GRI 1 Adopted		GRI 1: Foundation 2021
GRI Standard	GRI Disclosure	Location
GRI 306: Effluents and Waste 2016		
306–1	Total water discharge by quality and destination	Relevant internal information is unavailable for now
306–2	Total waste by type and disposal method	Environmental Protection — Environmental Management
306–3	Significant spills	Environmental Protection — Environmental Management
306–4	Transport of hazardous waste	Environmental Protection — Environmental Management
306–5	Water bodies affected by water discharges and/or runoff	Relevant internal information is unavailable for now
GRI 308: Supplier Environmental Assessment 2016		
308–1	New suppliers that were screened using environmental criteria	Win-win Partnership — Sustainable Supply Chain
308–2	Negative environmental impacts in the supply chain and actions taken	Win-win Partnership — Sustainable Supply Chain
Social		
GRI 401: Employment 2016		
401–1	New employee hires and employee turnover	Talent Development Focus — Development of Human Capital
401–3	Parental leave	Talent Development Focus — Diversity and Equal Opportunity
GRI 403: Occupational Health and Safety 2018		
403–1	Occupational health and safety management system	Talent Development Focus — Occupational Health and Safety
403–2	Hazard identification, risk assessment, and incident investigation	Talent Development Focus — Occupational Health and Safety
403–3	Occupational health services	Talent Development Focus — Occupational Health and Safety
403–4	Worker participation, consultation, and communication on occupational health and safety	Talent Development Focus — Occupational Health and Safety
403–5	Worker training on occupational health and safety	Talent Development Focus — Occupational Health and Safety
403–6	Promotion of worker health	Talent Development Focus — Occupational Health and Safety
403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Talent Development Focus — Occupational Health and Safety
403–8	Workers covered by an occupational health and safety management system	Talent Development Focus — Occupational Health and Safety
403–9	Work-related injuries	Talent Development Focus — Occupational Health and Safety
GRI 404: Training and Education 2016		
404–1	Average hours of training per year per employee	Talent Development Focus — Development of Human Capital
404–2	Programs for upgrading employee skills and transition assistance programs	Talent Development Focus — Development of Human Capital
404–3	Percentage of employees receiving regular performance and career development reviews	Talent Development Focus — Development of Human Capital
GRI 405: Diversity and Equal Opportunity 2016		
405–1	Diversity of governance bodies and employees	Talent Development Focus — Diversity and Equal Opportunity
405–2	Ratio of basic salary and remuneration of women to men	Relevant internal information is unavailable for now
GRI 406: Non–discrimination 2016		
406–1	Incidents of discrimination and corrective actions taken	Talent Development Focus — Diversity and Equal Opportunity
GRI 407: Freedom of Association and Collective Bargaining 2016		Talent Development Focus — Diversity and Equal Opportunity

Appendix I Content Index of GRI Sustainability Reporting Standards

GRI 1 Adopted		GRI 1: Foundation 2021
GRI Standard	GRI Disclosure	Location
GRI 408: Child Labor 2016		
408–1	Operations and suppliers at significant risk for incidents of child labor	Talent Development Focus — Diversity and Equal Opportunity
GRI 409: Forced or Compulsory Labor 2016		
409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Talent Development Focus — Diversity and Equal Opportunity
GRI 413: Local Communities 2016		
413–1	Operations with local community engagement, impact assessments, and development programs	Not applicable, less relevant to the Group's business and therefore not disclosed
413–2	Operations with significant actual or potential negative impacts on local communities	Not applicable, less relevant to the Group's business and therefore not disclosed
GRI 414: Supplier Social Assessment 2016		
414–1	New suppliers that were screened using social criteria	Win-win Partnership — Sustainable Supply Chain
414–2	Negative social impacts in the supply chain and actions taken	Win-win Partnership — Sustainable Supply Chain
GRI 416: Customer Health and Safety 2016		
416–1	Assessment of the health and safety impacts of product and service categories	Product Responsibility — Quality Management
416–2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Responsibility — Quality Management
GRI 417: Marketing and Labeling 2016		
417–1	Requirements for product and service information and labeling	Corporate Governance — Business Ethics
417–2	Incidents of non-compliance concerning product and service information and labeling	Corporate Governance — Business Ethics
417–3	Incidents of non-compliance concerning marketing	Corporate Governance — Business Ethics
GRI 418: Customer Privacy 2016		
418–1	Substantiated complaints concerning violation of customer privacy and losses of customer data	Corporate Governance — Information Security and Privacy Protection

Appendix II Content Index of Shanghai Stock Exchange Self-Discipline Regulatory Guidelines No. 14 for Listed Companies — Sustainability Reporting (Trial)

Disclosure Requirements	Corresponding Sections in This Report
Coping with Climate Change	Environmental Protection — Coping With Climate Change
Pollutant Emissions	Environmental Protection — Environmental Management
Waste Disposal	Environmental Protection — Environmental Management
Ecosystem and Biodiversity Conservation	Environmental Protection — Environmental Management
Environmental Compliance Management	Environmental Protection — Environmental Management
Energy Utilization	Environmental Protection — Coping With Climate Change
Water Resource Utilization	Environmental Protection — Environmental Management
Circular Economy	Environmental Protection — Environmental Management
Rural Revitalization	Social Contribution — Rural Revitalization
Social Contribution	Social Contribution — Community Caring
Innovation-Driven	Product Responsibility — Innovative R&D
Ethics of Science and Technology	Product Responsibility — Innovative R&D
Supply Chain Security	Win-win Partnership — Sustainable Supply Chain
Equal Treatment of SMEs	Not Applicable
Safety and Quality of Product and Service	Product Responsibility — Quality Management
Data Security and Customer Privacy Protection	Corporate Governance — Information Security and Privacy Protection
Employee	Talent Development Focus
Due Diligence	Corporate Governance — Corporate Governance
Stakeholder Communication	Corporate Governance — Corporate Governance
Anti-Commercial Bribery and Anti-Corruption	Corporate Governance — Business Ethics
Anti-Unfair Competition	Corporate Governance — Business Ethics

Appendix III Content Index of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange

Environmental, Social and Governance Areas and General Disclosures and KPIs		Index
A. Environmental		
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Environmental Protection — Coping with Climate Change
KPI A1.1	The types of emissions and respective emissions data.	Environmental Protection — Environmental Management, Appendix IV
KPI A1.2	Clause deleted on 1 January 2025	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection — Environmental Management, Appendix IV
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection — Environmental Management, Appendix IV
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Protection — Coping with Climate Change
KPI 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 Protection — Environmental Management
A2: Use of Resource		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection — Environmental Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000) and intensity (e.g. per unit of production volume, per facility).	Environmental Protection — Coping with Climate Change, Appendix IV
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Protection — Environmental Management, Appendix IV
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection — Coping with Climate Change
KPI 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.	Environmental Protection — Environmental Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Protection — Circular Economy, Appendix IV
A3：The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Protection — Coping with Climate Change
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection — Coping with Climate Change
A4：Climate change [Clause deleted on 1 January 2025]		

Appendix III Content Index of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange

Environmental, Social and Governance Areas and General Disclosures and KPIs		Index
B. Social		
Employment and Labor Practices		
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have 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 Focus — Diversity and Equal Opportunity
KPI B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	Talent Development Focus — Diversity and Equal Opportunity, Appendix IV
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Talent Development Focus — Diversity and Equal Opportunity, Appendix IV
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Talent Development Focus — Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Talent Development Focus — Occupational Health and Safety, Appendix IV
KPI B2.2	Lost days due to work injury.	Talent Development Focus — Occupational Health and Safety, Appendix IV
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Talent Development Focus — Occupational Health and Safety
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Talent Development Focus — Development of Human Capital
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Development Focus — Development of Human Capital, Appendix IV
KPI B3.2	The average training hours completed per employee by gender and employee category.	Talent Development Focus — Development of Human Capital, Appendix IV
B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Talent Development Focus — Diversity and Equal Opportunity
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Talent Development Focus — Diversity and Equal Opportunity
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Talent Development Focus — Diversity and Equal Opportunity

Appendix III Content Index of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange

Environmental, Social and Governance Areas and General Disclosures and KPIs		Index
Operating Practices		
B5：Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Win-win Partnership — Sustainable Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Win-win Partnership — Supplier Management, Appendix IV
KPI 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.	Win-win Partnership — Supplier Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Win-win Partnership — Sustainable Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Win-win Partnership — Sustainable Supply Chain
B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility — Quality Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility — Quality Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Quality Management
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility — Quality Management
B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Governance — Business Ethics
KPI 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.	Corporate Governance — Business Ethics, Appendix IV
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance — Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Governance — Business Ethics
Community		
B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social Contribution
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Social Contribution
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Contribution, Appendix IV

Appendix IV Table of Key Performance Indicators

Economic performance	Unit	2024	2023	2022
Revenue	RMB100 million	410.67	414.00	439.52
R&D expenditure	RMB100 million	55.54	59.37	58.85
R&D expenditures as a percentage of revenue for the year	%	13.52	14.34	13.39

Appendix IV Table of Key Performance Indicators

Environmental performance	Unit	2024	2023	2022
Energy				
Comprehensive energy consumption	GJ	7,427,434	7,748,179	8,368,603
Comprehensive energy consumption intensity	GJ/RMB10,000 revenue	1.81	1.88	1.9
Comprehensive energy consumption	Tce	256,942	/[1]	/
Comprehensive energy consumption intensity	Tce/RMB10,000 revenue	0.06	/	/
Energy consumption by type				
Direct energy consumption — Coal	Tce	39,739	/	/
Direct energy consumption — Petrol	Tce	295	/	/
Direct energy consumption — Diesel	Tce	1,474	/	/
Direct energy consumption — Liquefied gas	Tce	54	/	/
Direct energy consumption — Fuel oil	Tce	1,008	/	/
Direct energy consumption — Natural gas	Tce	38,591	/	/
Indirect energy consumption — Purchased electricity	Tce	99,081	/	/
Indirect energy consumption — Purchased steam	Tce	76,700	/	/
Carbon reduction of purchased green electricity	ton CO_2e	10,332	8,383	8,825
Clean energy Consumption	MWh	347,844	/	/
Clean energy consumption by type				
Natural gas	m^3	29,015,918	20,454,880	20,395,563
Solar energy	MWh	14,586	2,879	1,370
Purchased green electricity	MWh	19,253	14,700	16,920
Proportion of clean energy to total energy consumption	%	16.64	11.11	10.29
Saving in electricity	10,000 kWh	1,345	1,056	886
Saving in purchased steam	ton	7,307	4,402	4,700
Natural gas saving	10,000m^3	27	109	97
Greenhouse Gas Emission				
Scope 1 greenhouse gas emissions	ton CO_2e	184,016	210,819	289,044
Scope 2 greenhouse gas emissions	ton CO_2e	653,644	677,874	659,631
Scope 3 greenhouse gas emissions	ton CO_2e	91,775	72,171	794
Total greenhouse gas emissions (Scope 1 + Scope 2 + Scope 3)	ton CO_2e	929,435	960,864	949,469
Greenhouse gas emission intensity	ton/RMB10,000 revenue	0.20	0.23	0.22
Greenhouse gas emission reduction by energy saving	ton CO_2e	10,196	10,114	9,433
Greenhouse gas emission reduction by energy saving (Scope 1)	ton CO_2e	593	/	/
Greenhouse gas emission reduction by energy saving (Scope 2)	ton CO_2e	9,603	/	/
Greenhouse gas emission reduction by energy saving (Scope 3)	ton CO_2e	0	/	/
Water Consumption				
Water saving	10,000 ton	39	76	34
Total water consumption	10,000 ton	1,051.52	1,048.92	1,054.56
Water consumption intensity	ton/RMB10,000 revenue	2.56	2.54	2.40

[1] This report complies with the disclosure of a number of new indicators added to the Shanghai Stock Exchange Self-discipline Regulatory Guidelines No. 14 for Listed Companies — Sustainability Reporting (Trial) issued in 2024, all of which are labelled as '/' as they were not counted in previous years.

Appendix IV Table of Key Performance Indicators

Environmental performance	Unit	2024	2023	2022
Waste				
Total waste volume	ton	59,490	56,029	69,147
Total waste intensity	Kg/RMB10,000 revenue	14.49	13.58	15.72
Non-hazardous waste[2]	ton	48,539	46,411	61,579
Non-hazardous waste intensity	Kg/RMB10,000 revenue	11.82	11.25	14.00
Non-hazardous waste recycled	ton	41,350	38,093	45,476
Hazardous waste[3]	ton	10,950	9,618	7,568
Hazardous waste intensity	Kg/RMB10,000 revenue	2.67	2.33	1.72
Dangerous waste	ton	10,950	9,618	7,568
Dangerous waste intensity	Kg/RMB10,000 revenue	2.67	2.33	1.72
Sewage				
Total sewage discharge	ton	7,626,020	7,507,716	7,523,754
Sewage discharge intensity	ton/RMB10,000 revenue	1.857	1.82	1.71
COD emission	ton	789	817	841
COD emission intensity income	Kg/RMB10,000 revenue	0.192	0.2	0.19
Ammonia nitrogen emission	ton	214	192	175
Ammonia nitrogen emission intensity	Kg/RMB10,000 revenue	0.0521	0.047	0.04
Waste Gas				
Nitrogen oxide emissions	ton	122	158	204
Nitrogen oxide emission intensity	g/RMB10,000 revenue	29.73	38.38	46.45
Sulfur dioxide emissions	ton	84	123	118
Sulfur dioxide emissions intensity	g/RMB10,000 revenue	20.38	29.77	26.91
Emission of particles	ton	33	37	30
Particle emission intensity	g/RMB10,000 revenue	7.99	8.88	6.9
VOCs emission	ton	38	43	41
Qualified rate of VOCs emission	%	100	100	100
Packaging Material Consumption				
Packaging material consumption	ton	21,064	18,772	19,437
Intensity of package material consumption	kg/RMB10,000 revenue	5.13	4.55	4.42
Resource consumption divided by the attributes of packaging materials				
Total renewable materials	ton	10,507	9,148	9,669
Paper	ton	10,499	9,116	9,629
Wood	ton	8	32	40
Proportion of renewable materials	%	49.9	48.7	49.7

[2] General waste

[3] Hazardous waste

Appendix IV Table of Key Performance Indicators

Social performance	Unit	2024	2023	2022
Employee Employment				
Number of employees	person	40,557	40,370	38,399
Number of employees by age				
Under 30	person	11,884	12,550	12,506
Between 30–50	person	24,408	23,725	22,019
Above 50	person	4,265	4,095	3,874
Employment type				
Full-time	person	39,178	39,040	36,813
Part-time	person	1,379	1,330	1,586
Gender				
Male	person	20,170	20,375	19,785
Female	person	20,387	19,995	18,614
Education background				
Master's and doctoral degree holders	person	5,524	5,535	5,575
Geographical distribution				
China (including Hong Kong, Macao and Taiwan regions)	person	32,862	32,704	31,973
Overseas	person	7,695	7,666	6,426
Employee Turnover	%	12.30	13.02	15.95
Turnover rate by gender				
Male	%	13.20	13.79	22.25
Female	%	11.59	12.23	20.37
Turnover rate by age				
Under 20	%	29.63	17.54	41.32
Between 20–30	%	17.34	19.82	30.30
Between 30–40	%	12.69	12.58	20.66
Between 40–50	%	8.50	7.06	11.61
Between 50–55	%	4.62	5.40	7.95
Between 55–60	%	4.50	6.03	13.21
Above 60	%	4.70	11.86	23.70
Turnover rate by region				
China (including Hong Kong, Macao and Taiwan regions)	%	11.82	12.09	15.86
Overseas	%	14.30	17.03	17.70
Employee Equality and Diversity				
Total ethnic minority employees	person	1,228	1,220	1,115
Employment rate of ethnic minority employees	%	3.03	3.02	2.9

Appendix IV Table of Key Performance Indicators

Social performance	Unit	2024	2023	2022
Occupational Health and Safety				
Work-related fatalities	person	0	0	0
Rate of work-related fatalities	%	0	0	0
LTI rate per million working hours	/	0.133	0.104	0.101
Recordable injury rate per million work hours	/	0.297	0.193	0.202
Lost days due to work injury	day	208	/	/
Occupational hazard exposure rate	%	17.94	16.76	15.27
Work injury insurance staff coverage rate	%	100	100	100
Employee Training				
Total number of man-hours of training	man-hour	1,544,318	1,342,886	1,377,319
Training coverage rate	%	75	74	100
Training coverage rate by employee category				
Senior management	%	80	79	81
Other staff (excluding senior management)	%	75	73	72
Training hours of employees by gender				
Male	hour	50.9	45.6	43.9
Female	hour	50.6	44.2	57.2
Training hours of employees by employee category				
Senior management	hour	35.6	35.2	33.4
Other staff (excluding senior management)	hour	51.0	45.1	49.9
Total training expenses for the year	RMB10,000	787	756	985
Total EHS training hours	hour	465,336	475,293	468,731
Total EHS training person-times	time	306,664	296,291	274,444
EHS training hours per employee	hour	15.63	16.52	15.37
EHS training times per employee	time	10.3	10.3	9
R&D				
Number of patent applications[4]	item	220	206	249
Number of patent granted[4]	item	66	74	48
R&D staff	person	3,047	3,491	3,646
Proportion of R&D staff	%	7.51%	8.65%	9.50%
Public Welfare				
Total expenses for rural revitalization	RMB10,000	267	493	186
Number of people benefited from rural revitalization	person	Over 880,000	Over 270,000	Over 1,034,000
Total amount of charitable donation	RMB100,000,000	1.77	0.91[5]	0.61

[4] The number of patent applications and the number of patent granted refer to the number of patents involved in the Group's pharmaceutical manufacturing segment.

[5] Statistical adjustments, including donations of medical and health supplies.

Appendix IV Table of Key Performance Indicators

Social performance	Unit	2024	2023	2022
Production Quality				
Percentage of total products subject to recalls for safety and health reasons	%	0	0	0
Amount involved in damages caused by major safety and quality liability accidents related to products and services	RMB	0	0	0
Domestic and international official quality inspections & major client quality audits pass rate	%	100	100	100
First-pass yield	%	≥98	≥98	≥98
Number of complaints case	case	21	16	36
Market compliance rate for product quality	%	100	100	100
Complaint response rate	%	100	100	100
Timely completion rate of complaint investigations	%	≥97	≥97	≥97
Compliance rate for individual adverse reaction report submission	%	≥98	≥98	≥98
Compliance rate for safety summary report submission	%	100	100	100
Annual per capita quality training hours for production and operations personnel	hour	93	87	85
Supplier				
Total number of suppliers[6]	unit	4,674	4,466	3,166
Number of suppliers by region				
Chinese mainland	unit	4,476	4,055	/
Hong Kong, Macao and Taiwan regions of the PRC	unit	86	12	/
Overseas	unit	112	399	/

Governance performance	Unit	2024	2023	2022
Board of Directors				
Number of members of Board of Directors	person	12	12	12
Number of female Directors	person	2	2	2
Number of independent non-executive Directors	person	4	4	4
Business conduct				
Number of corruption proceedings concluded through assistance to the judiciary	case	1	5	2
Number of integrity trainings (anti-bribery and anti-corruption)	time	8	18	16

[6] The total number of suppliers refers to the member of suppliers of the Group's domestic subsidiaries within the pharmaceutical manufacturing segment.

Definitions

"ADC"	Antibody-drug Conjugate
"Anhui Jimin Hospital"	Anhui Jimin Cancer Hospital* (安徽濟民腫瘤醫院), a subsidiary of the Company
"API"	Active Pharmaceutical Ingredient
"Articles of Association"	the articles of association of the Company
"Avanc Pharma"	Jinzhou Avanc Pharmaceutical Company Limited* (錦州奧鴻藥業有限責任公司), a subsidiary of the Company
"Beijing Jnova"	Beijing Jnova Pharmaceutical Co., Ltd.* (北京吉洛華製藥有限公司), a subsidiary of the Company
"BIC"	Best-in-class
"Board"	the board of Directors of the Company
"Carelife Pharma"	Chongqing Carelife Pharmaceutical Co., Ltd.* (重慶凱林製藥有限公司), a subsidiary of the Company
"Chemo Biopharma"	Shanghai Chemo Biopharma Co., Ltd.* (上海凱茂生物醫藥有限公司), a subsidiary of the Company
"CMC"	Chemical Manufacturing and Control
"Company" or "Fosun Pharma"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥 (集團) 股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares and A Shares are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"CSRC"	China Securities Regulatory Commission* (中國證券監督管理委員會)
"Dengrui Feiye"	Hubei Dengrui Feiye Company Limited* (湖北登瑞肥業有限公司), a subsidiary of the Company
"Director(s)"	director(s) of the Company
"Dongting Pharma"	Hunan Dongting Pharmaceutical Co., Ltd.* (湖南洞庭藥業股份有限公司), a subsidiary of the Company
"EHS"	environment, health and safety
"End of Reporting Period"	31 December 2024
"ESG"	Environmental, Social and Governance
"ESG Committee under the Board"	Environmental, Social and Governance Committee under the Board
"EU"	European Union
"FIC"	First-in-class
"Foshan Fosun Chancheng Hospital"	Foshan Fosun Chancheng Hospital Limited* (佛山復星禪誠醫院有限公司), a subsidiary of the Company
"Fosun Aleph"	Fosun Aleph (Dalian) Biomedical Co., Ltd.* (復星雅立峰 (大連) 生物製藥有限公司), a subsidiary of the Company
"Fosun Adgenvax"	Fosun Adgenvax (Chengdu) Biomedical Co., Ltd.* (復星安特金 (成都) 生物製藥有限公司), a subsidiary of the Company
"Fosun Beiling"	Fosun Beiling (Beijing) Medical Technology Co., Ltd.* (復星北鈴 (北京) 醫療科技有限公司), a subsidiary of the Company

"Fosun Diagnosis"	Fosun Diagnosis Technology (Shanghai) Co., Ltd.* (復星診斷科技(上海)有限公司), a subsidiary of the Company
"Fosun Foundation"	Shanghai Fosun Foundation
"Fosun Health"	Shanghai Fosun Health Technology (Group) Co., Ltd.* (上海復星健康科技(集團)有限公司), a subsidiary of the Company
"Fosun Kairos"	Shanghai Fosun Kairos Biotechnology Co., Ltd.* (復星凱瑞(上海)生物科技有限公司), formerly known as Fosun Kite Biotechnology Co., Ltd.* (復星凱特生物科技有限公司, "Fosun Kite"), a subsidiary of the Company as at the end of the Reporting Period
"Fosun Wanbang"	Fosun Wanbang (Jiangsu) Pharma Group Co., Ltd.* (復星萬邦(江蘇)醫藥集團有限公司, formerly known as Jiangsu Wanbang Biopharmaceutical Company Limited* (江蘇萬邦生化醫藥集團有限責任公司)), a subsidiary of the Company
"GDP"	Gross Domestic Product
"Gland Pharma"	Gland Pharma Limited, a company incorporated in India and listed on the BSE and NSE (stock code: GLAND), a subsidiary of the Company
"GMP"	Good Manufacture Practices
"Group" or "Fosun Pharma" or "we"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"Guangzhou Xinshi Hospital"	Guangzhou Xinshi Hospital Co., Ltd.* (廣州新市醫院有限公司), a subsidiary of the Company
"Guilin Pharma"	Guilin Pharmaceutical Co., Ltd.* (桂林南藥股份有限公司), a subsidiary of the Company
"Hainan Mining"	Hainan Mining Co., Ltd.* (海南礦業股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 601969)
"Hengsheng Hospital"	Shenzhen Hengsheng Hospital* (深圳恒生醫院), a subsidiary of the Company
"Hexin Pharma"	Sichuan Hexin Pharmaceutical Co., Ltd.* (四川合信藥業有限責任公司), a subsidiary of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huaiyin Medical"	Huaiyin Medical Instruments Co., Ltd.* (淮陰醫療器械有限公司), a subsidiary of the Company
"Intuitive Fosun"	Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.* (直觀復星醫療器械技術(上海)有限公司), a subsidiary of the Company
"Intuitive Surgical"	Intuitive Surgical, Inc. (NASDAQ listed company, stock code: ISRG), registered in the United States
"Jisimei (Wuhan)"	Jisimei (Wuhan) Pharmaceutical Co., Ltd.* (吉斯美(武漢)製藥有限公司), a subsidiary of the Company
"Jisirui"	Chongqing Jisirui Pharmaceutical Co., Ltd.* (重慶吉斯瑞製藥有限責任公司), a subsidiary of the Company

"NMPA"	National Medical Products Administration (中國國家藥品監督管理局)
"NSE"	The National Stock Exchange of India Limited
"NZE"	Net Zero Emissions
"PALLEON"	Palleon Pharmaceuticals Inc., established in the United States
"PCT"	Patent Cooperation Treaty
"PRC" or "China"	The People's Republic of China
"R&D"	research and development
"RCP"	Representative Concentration Pathway
"Reporting Period"	the 12-month period from 1 January 2024 to 31 December 2024
"RMB"	Renminbi, the lawful currency of the PRC
"RMB", "RMB 10,000", "RMB 100 million"	Unless otherwise specified in the text, Renminbi, Renminbi 10,000, RMB 100 million
"Shandong Erye"	Shandong Erye Pharmaceutical Co., Ltd.* (山東二葉製藥有限公司), a subsidiary of the Company
"Shanghai Henlius"	Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司), a company incorporated in the PRC and listed on the Hong Kong Stock Exchange (stock code: 02696) and a subsidiary of the Company
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Shanghai Xingchen Children's Hospital"	Shanghai Xingchen Children's Hospital Co., Ltd.* (上海星晨兒童醫院有限公司), a subsidiary of the Company
"Shenyang Hongqi"	Shenyang Hongqi Pharmaceutical Co., Ltd.* (瀋陽紅旗製藥有限公司), a subsidiary of the Company
"Shine Star"	Shine Star (Hubei) Biological Engineering Co., Ltd.* (湖北新生源生物工程有限公司), a subsidiary of the Company
"Shinsun Pharma"	Liaoning Shinsun Pharmaceutical Co., Ltd.* (遼寧新興藥業股份有限公司), a subsidiary of the Company
"Sinopharm"	Sinopharm Group Co. Ltd.* (國藥控股股份有限公司), a company incorporated in the PRC and listed on the Hong Kong Stock Exchange (stock code: 01099), a subsidiary of our subsidiary Sinopharm Industrial
"SOP"	Standard Operating Procedure
"STEPS"	Stated Policies Scenario
"Supervisory Committee"	the supervisory committee of the Company
"Suzhou Erye"	Suzhou Erye Pharmaceutical Co., Ltd., * (蘇州二葉製藥有限公司, a subsidiary of the Company
"SVAX"	AL-TIRYAQ AL-KHALAWI Medical Company, registered in Saudi Arabia
"Tridem Pharma"	Tridem pharma S.A.S, a company incorporated in France, a subsidiary of the Company

"U.S." or "United States"	United States of America, its territories and possessions, any state of the United States and the District of Columbia
"U.S. FDA"	U.S. Food and Drug Administration
"VOCs"	Volatile Organic Compounds
"Wanbang Folon"	Hebei Wanbang Folon Pharmaceutical Co., Ltd.* (河北萬邦復臨藥業有限公司), a subsidiary of the Company
"Wanbang Jinqiao"	Xuzhou Wanbang Jinqiao Pharmaceutical Co., Ltd.* (徐州萬邦金橋製藥有限公司), a subsidiary of the Company
"Wanbang Tiansheng"	Shenyang Wanbang Tiansheng Biological Technology Co., Ltd.* (瀋陽萬邦天晟生物科技有限公司), a subsidiary of the Company
"Wenzhou Geriatric Hospital"	Wenzhou Geriatric Hospital Co., Ltd.* (溫州老年病醫院有限公司), a subsidiary of the Company
"WHO"	World Health Organization
"WHO PQ"	World Health Organization Prequalification
"Xingnuo Pharma"	Jiangsu Xingnuo Pharmaceutical Technology Company Limited* (江蘇星諾醫藥科技有限公司), a subsidiary of the Company
"Yao Pharma"	Chongqing Yaoyou Pharmacy Co., Ltd.* (重慶藥友製藥有限責任公司), a subsidiary of the Company
"Zhaohui Pharma"	Shanghai Zhaohui Pharmaceutical Co., Ltd.* (上海朝暉藥業有限公司), a subsidiary of the Company
"Zhongwu Hospital"	Suqian Zhongwu Hospital Co., Ltd.* (宿遷市鐘吾醫院有限責任公司), a subsidiary of the Company
"Zhuhai Chancheng Hospital"	Zhuhai Chancheng Hospital Co., Ltd.* (珠海禪誠醫院有限公司), a subsidiary of the Company
"%"	per cent

* *for identification purposes only*

FOSUN PHARMA
复星医药

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