

**SHARING THE SUNSHINE
TO WIN THE FUTURE TOGETHER**

2023 / SUSTAINABILITY
REPORT



Stock Code: 06963

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Notes on Report Preparation

In order to better respond to the needs of stakeholders, Sunshine Insurance Group Company Limited issued 2023 Sustainability Report. This report discloses the Group's important practices and accomplishments in the field of environmental, social and governance.

Scope of Reporting

Covered organizations

Sunshine Insurance Group Company Limited, as well as its subsidiaries.

Covered period of time

January 1, 2023 to December 31, 2023.

Reporting frequency

This report is an annual report.

Preparation Basis

This report is prepared with reference to the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Guide*, the Global Reporting Initiative (GRI) *Standards for Sustainability Reporting*, the Task Force on Climate-Related Financial Disclosure (TCFD), and the United Nations Sustainable Development Goals (SDGs).

Notes on Reported Data

The financial data used in this report are all derived from the *Sunshine Insurance Group 2023 Annual Report*, and other data generated from the Group and its subsidiaries' systematic output and manual reporting. Unless otherwise specified, the types and amounts of currencies referred to in this report are all denominated in Chinese RMB.

Languages

This report is written in simplified Chinese and is also available in both traditional Chinese and English. Should there be any discrepancy among the three versions, the simplified Chinese version shall prevail.

Principles of Disclosure

Materiality

In accordance with reference to the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Guide*, this report has carried out stakeholder engagement and material issue identification, and defined the content and scope of the report with reference to the results of the identification.

Quantitative

This report provides a quantitative approach to the disclosure of applicable KPIs, with reference to applicable quantitative standards and management, and descriptions of their measurements, methods, assumptions and/or calculation tools, as well as the sources of conversion factors used, where applicable.

Balance

This report objectively discloses both positive and negative information to ensure that the content presents the Group's ESG performance during the reporting period in an unbiased manner.

Consistency

Unless otherwise indicated, the scope of disclosure in this report is consistent with the Group's previous sustainability reports, and the disclosure statistical methods used are consistent with those of previous years.

Accessibility

The electronic version of this report is accessible at the Group's official website www.sinosig.com, and available at the website of the Hong Kong Stock Exchange www.hkex.com.hk.

Definitions

"Sunshine Insurance" "Sunshine" "the Group" and "we" all refer to "Sunshine Insurance Group Company Limited".

"Sunshine P&C Insurance" and "Sunshine P&C" both refer to "Sunshine Property and Casualty Insurance Corporation Limited".

"Sunshine Life Insurance" and "Sunshine Life" both refer to "Sunshine Life Insurance Corporation Limited".

"Sunshine AMC" refers to "Sunshine Asset Management Corporation Limited".

"Sunshine Surety" refers to "Sunshine Surety Insurance Company Limited".

Third-party Assurance

In order to ensure the authenticity of this report, PricewaterhouseCoopers LLP was specially hired to conduct an audit of this report in accordance with *International Assurance Engagement Standards No. 3000 (Revised): Assurance Services Other than Auditing or Reviewing Historical Financial Information* to perform limited assurance of selected key indicator data disclosed in this report, and issue a third-party assurance report.

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Chairman's Statements

Sharing the sunshine to win the future together

Since its establishment, Sunshine Insurance (hereinafter referred to as the Group) has always adhered to the principle of approaching finance with the mindset of industry, establishing an excellent reputation and brand through professional and attentive service, customer-needs-oriented products, standardized management, and stable development. The year 2023 marked Sunshine Insurance's first full fiscal year of listing on the Main Board of the Hong Kong Stock Exchange, as well as the year of the Group's eighteenth anniversary. During this year, we implemented the spirit of the Central Financial Work Conference, remaining true to our original aspirations and steadfast in our resolve. Adhering to the mission of "making people enjoy more sunshine" we committed to value-driven development, upheld our principles, took on social responsibilities, and, in collaboration with shareholders, customers, employees, and other stakeholders, forged ahead to write a new chapter in sustainable development, sharing the sunshine and achieving a win-win future.

Founder, Chairman of the Board



Comprehensively improving corporate governance and solidifying the foundation for sustainable development

We continuously refine our internal management and strengthen comprehensive risk control, adhering to the business ethics of honesty, integrity, and fair competition, thereby establishing a solid guarantee for compliant operations and sustainable development. In 2023, we continued to strength our sustainable development governance system. At the group management level, we reorganized and upgraded the original Green Finance Working Committee to the Sustainable Development Management Committee, fully integrating the concept of sustainable development into corporate governance. We formulated ESG strategic planning and action plans, actively improving our ESG practice level, driving the company towards high-quality, sustainable, and stable development.

Deepening and solidifying risk reduction services, firmly practicing green and low-carbon operations

Leveraging our technological prowess and professional services, we have developed industry-specific risk management solutions to assist our corporate clients in risk reduction, becoming a trusted risk management partner for them. In 2023, relying on our self-developed "Sunshine Sky Eye Risk Map Platform," we provided climate risk prevention and risk reduction services to 14,000 corporate clients and issued 800,000 early warning alerts to clients and the public. We implement the national "dual carbon" strategy, practice green and low-carbon office operations, strive to build green data centers, promote energy saving and consumption reduction, and enhance the efficiency of resource recycling. We actively implement paperless green services such as electronic insurance policies and endorsements, working diligently to reduce the environmental impact of our operational activities.

Looking forward to 2024, Sunshine Insurance will continue to improve ESG management levels, actively respond to market changes, strengthen risk management, and enhance service quality, meeting customer needs with higher quality products and services. With firmer confidence and a more pragmatic approach, we will tirelessly work towards the sustainable development of Sunshine Insurance, making a greater contribution to the prosperity and progress of society!

Integrating business with ESG in depth to support national sustainable development

We fully integrate ESG factors into both assets and liabilities. In the insurance business, we fully consider social, governance, and environmental risk factors in various aspects such as product development, underwriting, claims, and customer service, actively promoting sustainable business development. In 2023, we provided nearly RMB 108 trillion in sustainable insurance coverage, including over RMB 12 trillion in green insurance coverage, helping corporate clients transition towards "green and low-carbon" practices. On the investment side, we continue to refine our sustainable investment framework, incorporating ESG factors into investment decisions and establishing a rational and orderly sustainable investment management mechanism. By the end of 2023, the company's sustainable investment balance exceeded RMB 50 billion, with green investment balance surpassing RMB 18 billion.

Actively fulfilling our social responsibilities to build a harmonious and beautiful society

We actively participate in various social activities such as education, elderly assistance, and rural revitalization with dedication and passion, fulfilling our corporate responsibilities. In 2023, we conducted 16,672 hours of volunteer service. By the end of 2023, we had contributed over RMB 681 million to various charitable causes; built 73 Bo'ai Schools in 24 provinces nationwide, benefiting more than 29,000 teachers and students; covered 9 provinces with the Ten Thousand Village Doctors Program, training 19,478 rural doctors and establishing 69 remote medical service stations, continuously expanding the coverage and depth of grassroots doctor training. The Group has contributed a total of RMB 73 billion in taxes, distributed RMB 100 billion in employee wages and benefits, and paid out RMB 29 billion in commissions, contributing over RMB 200 billion in total.



About Sunshine Insurance

Sunshine Insurance is a private insurance service group established and developed in China in accordance with the market-oriented mechanism. In July 2005, Sunshine Property & Casualty Insurance Company Limited was established, and in June 2007, the Group was founded. After years of development, it now has a number of specialized subsidiaries, including Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Surety, Sunshine AMC Management, Sunshine Medical and Health Care, etc. On December 9, 2022, Sunshine Insurance was listed on the Hong Kong Stock Exchange.

Since its establishment, Sunshine Insurance has adhered to its main business, insisted on conducting financial services with an industrial mindset and value development as the main line, built its core competitiveness, and fulfilled its social responsibilities in a practical manner. The Group has built its reputation and brand with high-quality development, professional management and excellent service, and has been ranked among "Top 500 Chinese Enterprises" and "Top 100 Chinese service enterprises" in five years after its establishment. Today, the Group has been selected as one of the "Top 500 Chinese Enterprises" for 13 consecutive years and has been recognized as one of "China's 500 most valuable brands" for 12 consecutive years, making it a new force in China's financial industry.

Sunshine Insurance adheres to the core value of "all for customers" and takes "Being a professional and leading family insurance provider and a reliable enterprise risk management partner" as its business pursuit to provide customers with professional risk protection and comprehensive service solutions for retirement, health, education, wealth, risk management and so on throughout the whole life cycle. Adhering to the core values of "obeying the national strategy, benefiting the society and people's livelihood, warming the customers and employees, and repaying the company's shareholders", we have always been a distinctive, valuable, warm and socially responsible new-age enterprise, practicing the mission of "more sunshine to people".

Annual Performance Highlights



Environmental performance



Total greenhouse gas emissions
59,524.91
tons of carbon dioxide equivalent

with a decrease of
7.9% from previous year



Greenhouse gas emissions per capita
1.25
tons of carbon dioxide equivalent per person



Social performance

In 2023



The Group provided sustainable insurance coverage of nearly RMB **108** trillion

Sustainable investment balance was over RMB **50** billion



Green insurance coverage of RMB **12.2** trillion to **1.77** million enterprises and individuals and provided over RMB **4.1** billion in claims support



The Group provided RMB **304.02** billion of risk protection for SMEs and helped **68,200** SMEs obtain financing of RMB **11.30** billion



The Group provided more than RMB **98** billion of risk protection for the **402** projects of "Belt and Road"



Total number of employees was **50,629** of which **57.9%** are female

By the end of 2023



The accumulated investment in public welfare and charity amounted to RMB **681** million of which **506** million was paid as support allowance to employees' parents



The anti-money laundering training courses covered **120,353** attendees

The coverage rate has continuously reached **100%** for several years



Anti-corruption training covered **20,749** attendees



The number of female directors was **2**



Governance performance



Honors and Awards

Sunshine Insurance

<p>2023 China's Top 500</p> <p>Fortune</p>	<p>"Ranked among the Top 500 Chinese Enterprise" for 13 consecutive years</p> <p>China Enterprise Confederation, China Enterprise Directors Association</p>	<p>Ranked 62nd among the Top 500 Chinese Private Enterprises</p> <p>All-China Federation of Industry and Commerce</p>	<p>Ranked among the "China's 500 Most Valuable Brands" for 12 consecutive years</p> <p>World Brand Lab</p>
<p>Annual Award of Annual Financial Contribution for Serving the Real Economy</p> <p>National Business Daily</p>	<p>2023 Ark Award for Insurance Companies with Outstanding Social Responsibility</p> <p>Securities Times</p>	<p>Technology and Innovation Insurer of the Year</p> <p>Financial News</p>	<p>Outstanding Fintech Enterprise of the Year</p> <p>The Paper</p>

Sunshine P&C Insurance

<p>Excellent Property and Casualty Insurance Company of the Year</p> <p>National Business Daily</p>	<p>2023 Ark Award for Insurance Service</p> <p>Securities Times</p>	<p>Annual Insurance Service Award</p> <p>Shanghai Securities News</p>
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Sunshine Life Insurance

<p>2023 Best Life Insurance Company</p> <p>China Times</p>	<p>2023 Annual Outstanding Customer Service Organization</p> <p>The 21st Century Business Herald</p>	<p>Insurance Investment Golden Bull Award</p> <p>China Securities Journal</p>
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Sunshine AMC

<p>2023 Top 500 Global Asset Managers</p> <p>Investment & Pensions Europe (IPE)</p>	<p>Insurance Asset Management Company Golden Bull Award</p> <p>China Securities Journal</p>
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Sunshine Union Hospital

<p>May 8th Humanity Contribution Award</p> <p>Red Cross Society of China Shandong Branch</p>
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01

SUSTAINABLE DEVELOPMENT MANAGEMENT

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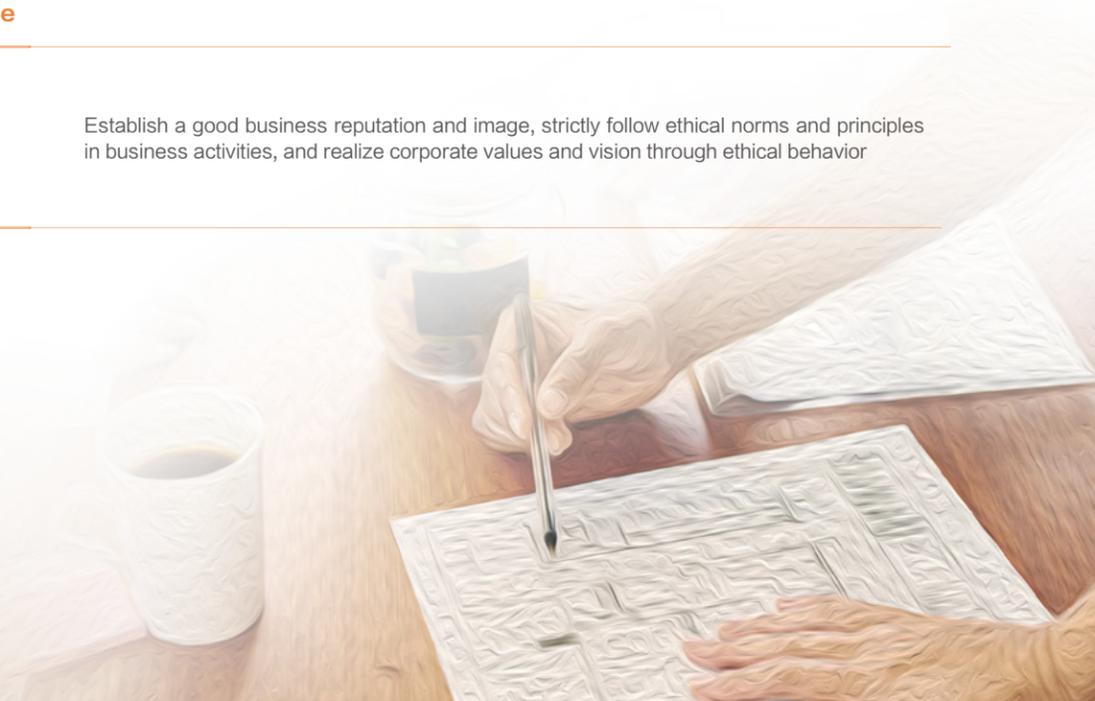


Sustainable Development Strategies

Sunshine Insurance actively promotes sustainable development and integrates the concept of sustainable development into the overall development strategy of the Group. Taking into account the regulatory requirements and actual business development, the Group has formulated the *ESG Development Plan for the Period of 2024–2026* to specify the planning of the Group's overall ESG development strategy, to promote the realization of ESG practices and to comprehensively enhance the level of ESG governance. The Group carries forward the main theme of "Love and Responsibility", realizes the organic integration of economic, environmental and social benefits, and is committed to working with stakeholders to realize a better and more sustainable future.

Sustainable development topics	Development goals
<p>Sustainable insurance</p>	Incorporating ESG factors into the entire process of insurance business activities, actively developing sustainable insurance business, empowering the company's sustainable development, and sustaining growth in overall premium
<p>Sustainable investment</p>	Fully integrate ESG factors into the management of the entire process of investment decision-making, and achieve no less than 20% growth in the balance of sustainable, green investments in 2026 with 2023's level as the baseline
<p>Consumer protection</p>	Adhere to the basic principle of "Customer First, Consumer Satisfaction". The NPS values of the main member companies rise steadily, and regularized internal audits on consumer protection are carried out every year
<p>Employee and agent development</p>	Conduct regular satisfaction surveys, improve training coverage for employees and agents, and increase employee satisfaction
<p>Science and technological innovation and data security</p>	Ensure that customer privacy and data security are adequately protected and promote the legal, compliant and effective use of data
<p>Supply chain sustainability</p>	Ensure that supply chains are economically, environmentally and socially sustainable, strengthen environmental and social risk management and promote cooperation for sustainable development

Sustainable development topics	Development goals
<p>Climate change</p>	Committed to supporting the realization of the country's "dual carbon" goal and exploring carbon neutral routes for assets and operations
<p>Green operation</p>	Actively practice green energy saving and emission reduction, promote resource recycling, and realize the balance between environmental and economic benefits.
<p>Biodiversity</p>	Fully integrate the principles of biodiversity in business development and company operations, promote biodiversity conservation, and maintain the ecological balance of the planet.
<p>Social prosperity</p>	Work together with all sectors of society to achieve overall social prosperity and progress and to share the fruits of sustainable development with all parties
<p>Corporate governance</p>	Establish a sound internal control system, risk management system and compliance culture to ensure that Company's decisions and operations are in compliance with laws, regulations and industry standards, and to strengthen communication and interaction with stakeholders
<p>Business ethics</p>	Establish a good business reputation and image, strictly follow ethical norms and principles in business activities, and realize corporate values and vision through ethical behavior



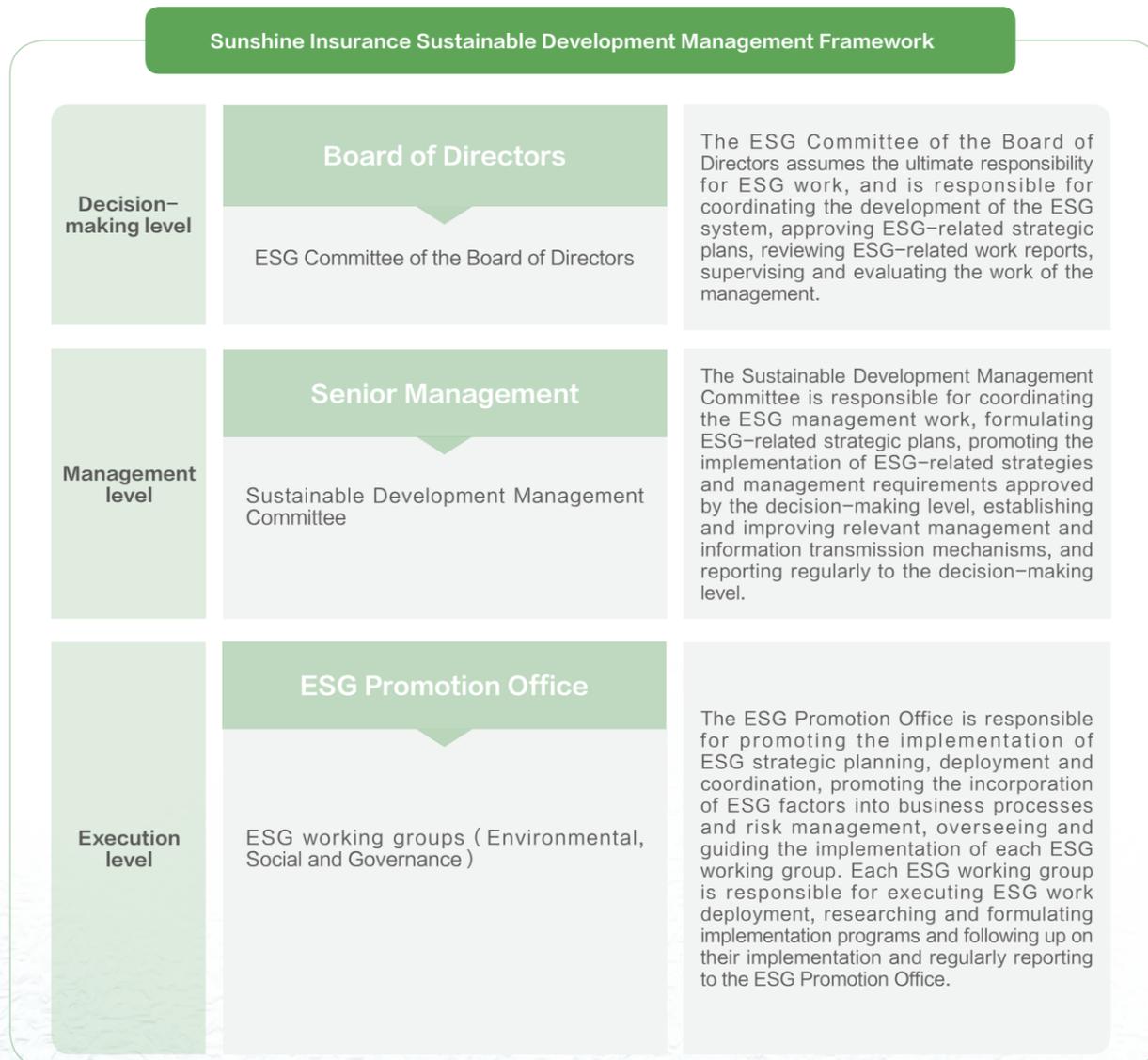


Sustainable Development Management System



Sustainable Development Governance Structure

Sunshine Insurance regards sound sustainable governance as an important cornerstone of sustainable development, and continuously improves its sustainable governance structure to provide organizational support for carrying out relevant work.



ESG Management System

To strengthen the practice of sustainable development strategy, effectively respond to the increasing demands of regulators and investors, solidify the company's ESG work construction level and management standards, and enhance sustainable development influence, Sunshine Insurance has formulated several public sustainability policy statements. These statements are based on the *Guidelines on Green Finance for the Banking and Insurance Industries* by the National Financial Regulatory Administration (the formerly CBIRC), the *Environmental, Social and Governance (ESG) Reporting Guide* by the Hong Kong Stock Exchange, the *Guidelines for Environmental, Social, and Governance Information Disclosure by Insurance Institutions* by the Insurance Association of China and other relevant standards and company management practices. These policy statements showcase the company's management principles and commitments in the field of sustainable development.

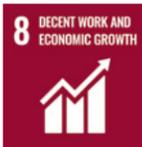




Sustainable Development Action

The United Nations Sustainable Development Goals (SDGs) are the common goals and beautiful blueprint of global social development. Sunshine Insurance actively carries out actions in the three areas of environment, society and governance, and contributes sunshine power to protecting the environment, promoting social justice and promoting economic development.

SDGs	Sunshine Action
 <p>1 NO POVERTY</p>	<p>No poverty</p> <p>In response to the national rural revitalization strategy, we continue to consolidate the achievements of poverty alleviation assistance with counterpart products, and carry out various forms of industrial assistance and consumer assistance.</p> <p>We actively carry out diversified charitable activities such as cash donations and material donations, and by the end of 2023, a total of RMB681 million has been invested in various charitable undertakings.</p>
 <p>2 ZERO HUNGER</p>	<p>Zero hunger</p> <p>We actively participate in food security and the stable supply of important agricultural products, and steadily expand the coverage of agricultural products insurance that has a bearing on the national economy and people's livelihood and national food security.</p> <p>We carry out fixed-point assistance work to assist enterprises in Longquan Village, Antu County, Jilin Province, to do a good job in developing characteristic agricultural products and build high-quality agricultural products brands.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Good health and well-being</p> <p>We continue to respond to the "Healthy China" strategy, actively respond to the aging population trend, and form a multi-level security product system including serious illness insurance, medical supplements for urban workers and other insurance products.</p> <p>We actively establish and improve the insurance ecosystem in the field of medical and health services, build sunshine "insurance + medical" nursing worry-free service system, and rely on the accumulation of sunshine medical and health care resources to promote the standardized development of elderly care services.</p>
 <p>4 QUALITY EDUCATION</p>	<p>Quality education</p> <p>Relying on the Sunshine Insurance Museum, we popularize insurance knowledge education.</p> <p>We continue to promote the "Bo'ai Schools" public welfare project, and earnestly fulfill corporate social responsibility. By the end of 2023, 73 Bo'ai Schools have been built in 24 provinces across the country, benefiting more than 29,000 teachers and students.</p>

SDGs	Sunshine Action
 <p>5 GENDER EQUALITY</p>	<p>Gender equality</p> <p>In the process of open recruitment and internal recruitment recommendation, we adhere to the principle of gender equality and eliminate any discrimination based on gender. By the end of the reporting period, female employees accounted for 57.9%.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Clean water and sanitation</p> <p>We provide ship oil pollution liability risk protection, help the maritime industry to manage the marine environmental pollution caused by oil pollution and damage compensation risks.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Affordable and clean energy</p> <p>Actively we promote the risk protection insurance products in the field of clean energy, such as new energy vehicle insurance.</p> <p>We focus on sustainable investment in clean energy, energy conservation and environmental protection. By the end of 2023, the investment in clean energy, energy conservation and environmental protection has reached RMB8.6 billion.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Decent work and economic growth</p> <p>We build a diversified and multi-level inclusive insurance product system to provide risk protection such as group accident insurance and group health insurance for industries that attract new citizens to work.</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Industry, innovation and infrastructure</p> <p>We actively promote the construction of green buildings and green data centers, and carry out energy conservation and consumption reduction upgrading.</p> <p>Sunshine Financial Center has been successfully certified to LEED (Green Building) and WELL (Healthy Building) double international gold level standards.</p>

SDGs	Sunshine Action
 <p>10 REDUCED INEQUALITIES</p>	<p>Reduced inequalities</p> <p>We attach great importance to helping the national rural revitalization strategy, narrow the regional gap, and continue to provide risk protection for the construction of projects along the "Belt and Road". In 2023, we provided more than RMB98 billion of risk protection for Chinese enterprises to "go global", involving 56 countries along the "Belt and Road" and 402 projects.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Sustainable cities and communities</p> <p>We vigorously develop sustainable insurance products designed for risk protection in the fields of environmental protection, energy saving, clean energy, green transportation, green building, etc.</p> <p>We focus on sustainable investment in industrial innovation, health and welfare, clean energy, energy conservation and environmental protection, and green upgrading of infrastructure, etc.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Responsible consumption and production</p> <p>We strengthen the concept of green, low-carbon and circular development, further promote the implementation of green office and green services, practice green procurement, and deepen green supply chain management.</p>
 <p>13 CLIMATE ACTION</p>	<p>Climate action</p> <p>To address the challenge of climate change, we identify climate change risks and develop targeted management and control measures.</p>
 <p>14 LIFE BELOW WATER</p>	<p>Life below water</p> <p>We provide financial guarantee for the comprehensive water ecological management project of Ruzhou city, and plays a positive role in improving the water environment.</p>

SDGs	Sunshine Action
 <p>15 LIFE ON LAND</p>	<p>Life on land</p> <p>We develop meteorological index insurance, and promote the establishment of a forest insurance system for pre-disaster prevention, disaster recovery, and post-disaster compensation.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Peace justice and strong institutions</p> <p>We continue to pay attention to the dynamics of laws and regulations, abide by the compliance operation of honesty and trustfulness and fair competition, and establish a sound business ethics training system.</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Partnerships for the goals</p> <p>We listen to and respond to the expectations of stakeholders, actively assume social responsibilities, and ensure that the development of enterprises can achieve more results and benefit more groups.</p>





Stakeholder Communication

Sunshine Insurance proactively identifies various stakeholders and clarifies their expectations and demands through effective communication. The Group actively listens to and responds to the expectations of the stakeholders, effectively strengthens its own capacity, and ensures that the development of the enterprise achieves more results and benefits more groups.

Stakeholder	Expectations and demands	Communication ways
 Government and regulatory agencies	Compliance with laws and regulations Responding to national strategies Standardizing corporate governance Promoting anti-corruption and integrity	Research on legal and regulatory documents Implementing regulatory policy guidelines Participating in research visits Daily regulatory reporting
 Shareholders and investors	Solid operating performance Sound corporate governance Transparent information disclosure Comprehensive risk management Protection of shareholders' rights and interests	General meeting of shareholders Periodic reports and information announcements Investor research and communication meetings Roadshows and reverse roadshows
 Customers	Consumer protection Protecting privacy and security data Enhancing the service experience Opening up service channels Innovative product development	Consumer rights protection education and advocacy Official website Official microblog APP Customer service intelligent robots etc. NPS (Net Promoter Score) customer experience survey Customer service festivals Product seminars Customer talks and return visits.

Stakeholder	Expectations and demands	Communication ways
 Employees	Protecting employee's rights and interests Promoting employee's growth Occupational health and safety Compensation and benefits Work-life balance Inclusion and diversity	Employee congress Employee symposium Labor union culture sports and care activities OA forum WeChat official Account APP, etc.
 Agents	Humanistic care for agents Agent training system	Daily work communication
 Vendors and partners	Equal consultation Honesty and trustworthiness Complementarity of strengths Mutual benefits	Exchange and visits Discussion and research Signing agreement Industry research
 Community non-governmental organizations	Disaster and accident response Public welfare programs Responding to social issues Popularizing the concept of environmental protection	Sunshine Museum Sunshine Insurance Youth Volunteer Association Beijing Sunshine Insurance Love Foundation Community building and public welfare activities



Assessment of Materiality Issues

Sunshine Insurance complies with the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong, understands the views of stakeholders on Sunshine Insurance's ESG issues, and carries out the identification and materiality assessment of the issues of concern to the stakeholders, which serves as an important basis for determining the extent and boundaries of disclosure of the issues to ensure that ESG information is disclosed in a more precise and comprehensive manner, so as to effectively respond to the concerns of the stakeholders.



Collection of relevant issues

The identification of material issues is carried out by Sunshine Insurance. The data sources for issues are wide-ranging, including the *Environmental, Social and Governance Reporting Guide* of the Hong Kong Stock Exchange, GRI indicators, stakeholder engagement opinions, company policies and management strategies, industry benchmarking, and ESG rating system analysis.

Questionnaire survey

Sunshine Insurance conducts a questionnaire survey on stakeholders, including government and regulatory agencies, shareholders and investors, customers, employees, agents, suppliers and partners, and community/non-governmental organizations, etc., and invites stakeholders to evaluate the importance of each issue from their own perspectives. On the basis of the survey results, Sunshine Insurance analyzes, identifies and evaluates the importance of the issues.



Confirmation of Issue Ranking

Based on the comprehensive analysis, statistics and analysis are conducted according to the two dimensions of the importance of the issues to various stakeholders and to the sustainable development of Sunshine Insurance, and the matrix form is used to show the issues. This matrix of material issues will be used as an important reference for future strategy formulation, target setting and information disclosure.

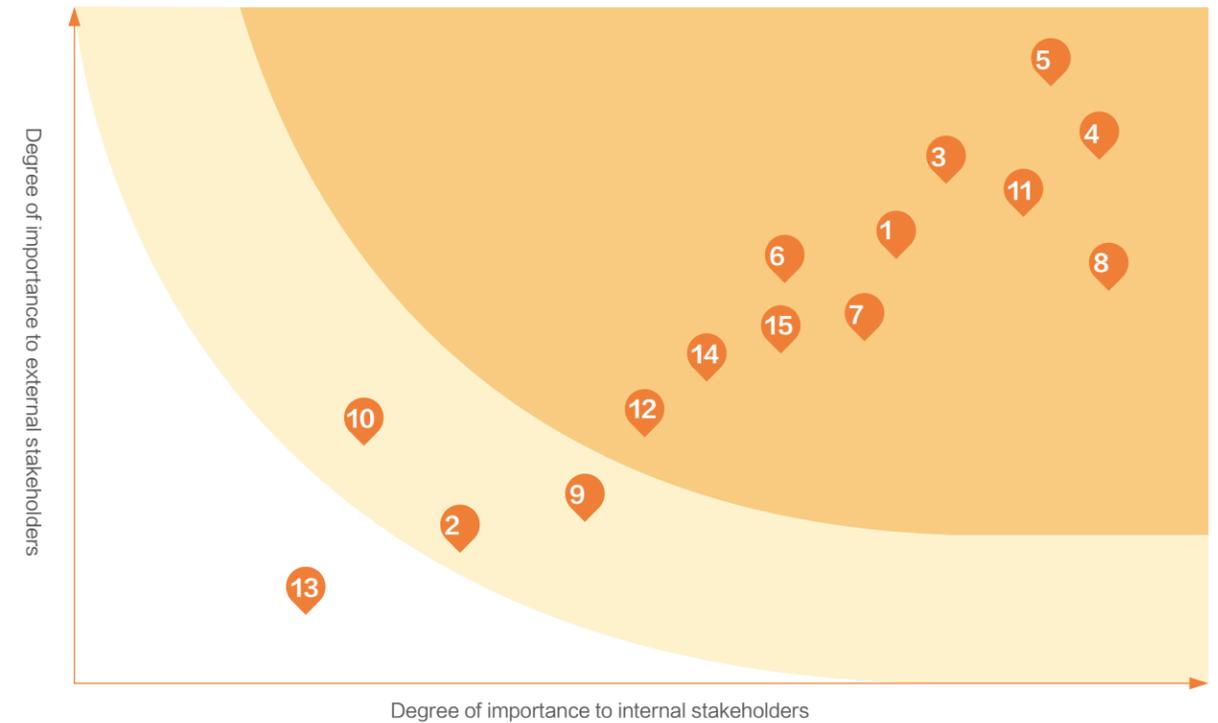


Operational impact analysis

Seeking input from management to assess the importance of the issues to Sunshine Insurance from the Group's perspective.



Sunshine Insurance Importance Issue Matrix



Material issue identification of sunshine insurance

- | | | |
|-----------------------------|--|--|
| 1 Climate change response | 6 Human resource management | 11 Science and technology innovation |
| 2 Biodiversity conservation | 7 Protection of consumers' rights | 12 Intellectual property rights protection |
| 3 Green operation | 8 Privacy and data security management | 13 Supply chain sustainability management |
| 4 Sustainable investment | 9 Access to financial services | 14 Corporate governance |
| 5 Sustainable insurance | 10 Public welfare and community building | 15 Business ethics |

02

SUSTAINABLE BUSINESS

- 028 Sustainable Insurance
- 036 Sustainable Investment
- 040 Sustainable Health Management
- 042 Accessibility of Financial Services





Sustainable Insurance

Sunshine Insurance is committed to playing a positive role in establishing a sound green, low-carbon and recycling economic system and promoting economic and social sustainability. We standardize the sustainable insurance management system, innovate in sustainable insurance categories, strengthen our service capabilities, and extend the coverage of sustainable insurance.

Sustainable Insurance Management System

Guided by market orientation and customer centricity, we have formulated and issued the Sustainable Insurance Policy Statement, which explicitly integrates ESG factors into the development of insurance business, promoting ESG risk management throughout business processes. For the stages of insurance product development, underwriting and other segments, we have established an insurance risk management system, defined relevant workflow processes for risk management, and continuously researching and monitoring ESG risks.

Product development

In product pricing, ESG risk factors are considered, including the market environment and customer management capabilities of the proposed products, and we set rate adjustment coefficients for ESG risks such as climate change and changes in population demographics trends, we conduct cash flow analysis and test the existing products.

Insure

In project insuring, we assess customers' environmental, social, and governance(ESG) risks and determine differentiated insuring plans and product rates based on the results of the risk assessments. For example, in Environmental Pollution Liability Insurance, we establish differentiated underwriting policies based on the insurer's environmental risk assessment level. Additionally, when we underwrite Continue Enforcement Guarantee Insurance business, we focus on the financial state of the insurer to avoid improper sales and moral risks.

Underwriting

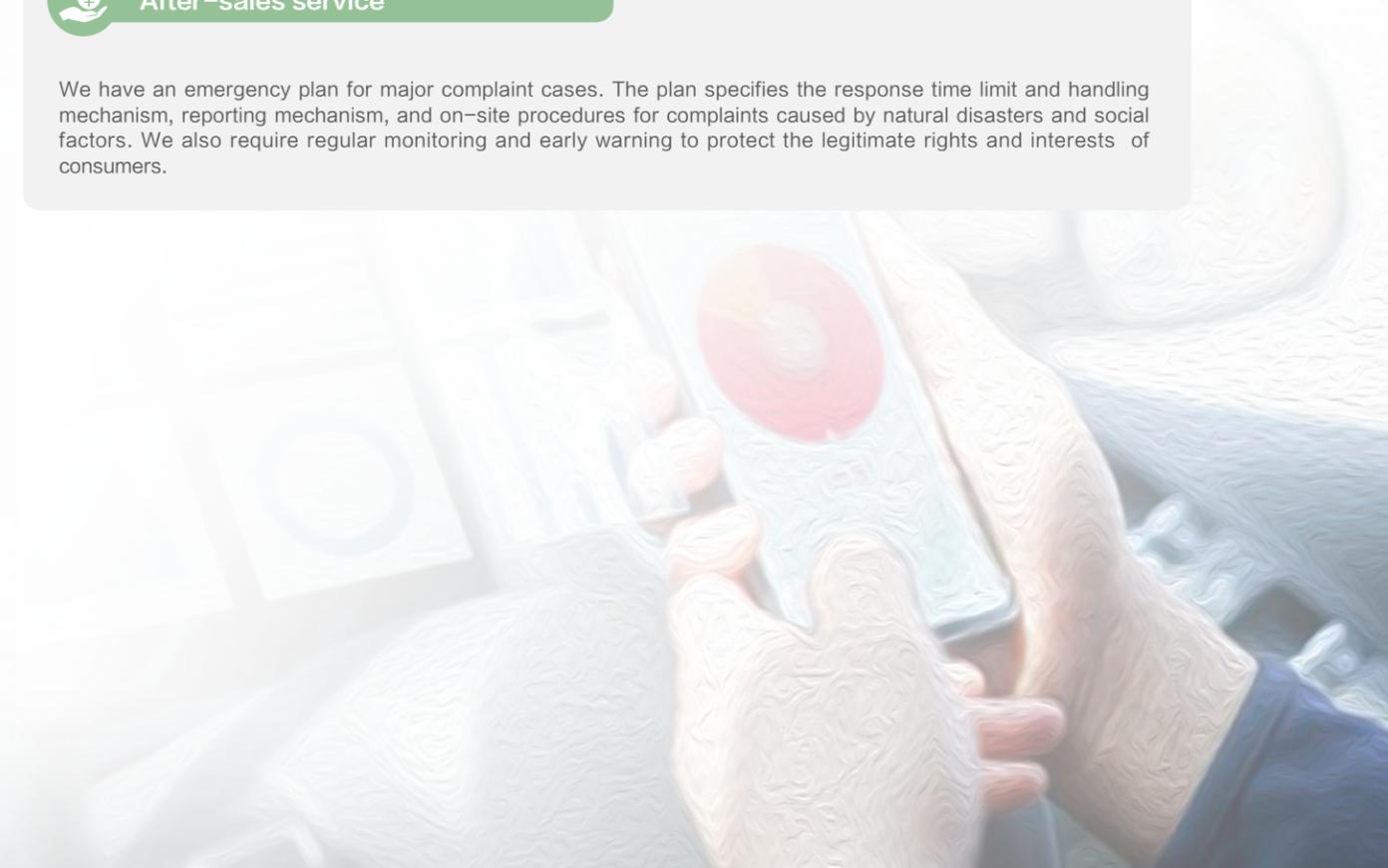
The underwriter conducts risk assessments based on project data and makes tiered decisions according to underwriting authority, providing clients with suggestions for risk improvement and management plans. For example, Sunshine P&C assesses the impact of disasters such as typhoons, earthquakes, and floods on the subjects during the property insurance underwriting stage. Similarly, Sunshine Life Insurance, through its independently developed "Sunshine Face-Scanning" BMI body prediction system predicts customers' body mass index using facial recognition imaging to assess their health risks.

Claims handling

During the claims process, a contingency plan for major cases is established, which defines organizational support, emergency case handling rules, and information reporting mechanisms. This structure is designed to provide customers with prompt, convenient, and transparent claims services.

After-sales service

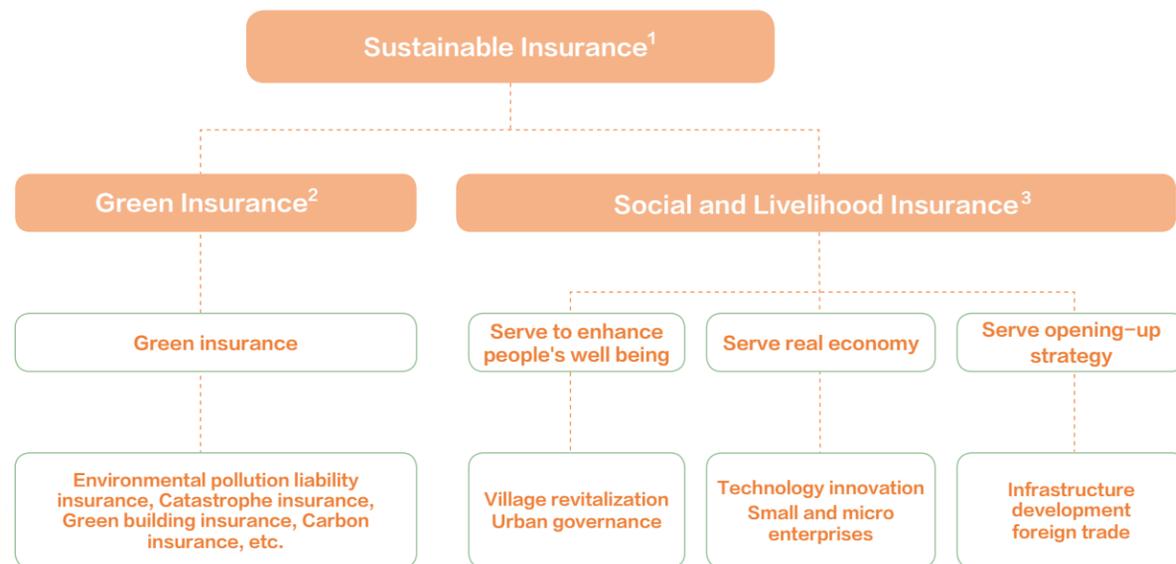
We have an emergency plan for major complaint cases. The plan specifies the response time limit and handling mechanism, reporting mechanism, and on-site procedures for complaints caused by natural disasters and social factors. We also require regular monitoring and early warning to protect the legitimate rights and interests of consumers.



Sustainable Insurance Product System

Committing to the development of sustainable insurance products and services, Sunshine Insurance has developed the classification standards and development objectives of sustainable insurance, enhanced the innovation in sustainable insurance business, improved and diversified the sustainable insurance product portfolio. We vigorously develop green insurance as well as social and livelihood insurance to support the development of the real economy and the green and low-carbon transformation, and to serve the well-being of the community and people's livelihood.

Sustainable insurance product categories



1 Sustainable insurance, aligning with the United Nations Sustainable Development Goals (SDGs), is formulated in accordance with domestic regulatory policy requirements and disclosure guidelines, integrating industry-referenced measurement standards.

2 Green insurance refers to insurance products designed to support economic activities that improve the environment, address climate change, and promote the efficient use of resources. These include risk protection for sectors such as environmental protection, energy conservation, clean energy, green transportation, and green buildings.

3 Social and livelihood insurance in China refers to personal insurance products designed to address high-frequency diseases and health threats arising from demographic and health trends in the Chinese population. It also includes insurance products related to food safety, public liability, medical liability, support for small and micro enterprises, agriculture and rural areas, infrastructure construction, residential safety, and elderly care services. These products are categorized into three types: those enhancing public welfare, those serving the real economy, and those supporting opening up to the outside world.

2023 sustainable insurance performance

Business Type	Premiums (RMB 10 thousand)	Insured amount (RMB 100 million)	
Sustainable Insurance	Include: Green insurance	801,553	121,750
	Social and livelihood insurance	6,687,862	954,370
	Total	7,489,415	1,076,121

Green Insurance

We closely follow the industry dynamics, deeply explore customers needs for insurance, and center on them to make efforts in the supply, coverage and extent of green insurance products, green risk data collection, and other key aspects. Moreover, to establish a multi-scenario and multi-faceted green insurance product and service system and contribute to the green transformation of the economy and society, we have developed sound mechanisms relating to green insurance policy research and product innovation.

We have been exploring, developing and strengthening our green and low-carbon insurance products and businesses. On the one hand, we have continued our efforts in traditional products such as Environmental Pollution Liability Insurance, Green Ecological Agriculture Insurance, weather Index Insurance, and Catastrophe Insurance. On the other hand, we have innovated and expand our new insurance products related to green energy, green transportation, green building, green technologies and other fields. To improve our green insurance service system, we have been developing and providing New Energy Vehicle Insurance, Carbon Loss Insurance for corporate emission-reducing equipment, and special Green Building Insurance. In 2023, Sunshine Insurance provided green insurance protection totaling RMB 12.18 trillion to 1.77 million enterprises and individuals, and settled claims of over RMB 4.1 billion.

Green insurance coverage of RMB **12.18** trillion to **1.77** million enterprise and individuals and provided over RMB **4.1** billion in claims





Case: Fujian's first weather index-based forest typhoon insurance in Zhangzhou

In April 2023, the first commercial Weather Index-based forest typhoon Insurance agreement in Fujian Province developed by Sunshine P&C was officially signed in Zhangzhou Tianbao State-owned Forest Farm, providing a guarantee of RMB 460 thousand for 460 mu of commercial forest there. Zhangzhou Forestry Bureau, Zhangzhou Meteorological Bureau and Sunshine P&C have worked together to develop a cooperation mechanism of "Forestry + Insurance + Meteorology". In this cooperation, the three parties gave full play to their respective strengths, such as forestry production management, early warning of meteorological disasters, and post-disaster relief and jointly developed a sound forest insurance system that integrates disaster prevention, post-disaster relief, and compensation functions. As a result, a long-term forest insurance mechanism has been formed to provide a guarantee for securing the forestry reform and maintenance of ecological development achievements in Zhangzhou.



Case: Green Building Energy Efficiency Insurance supporting low-carbon transition of engineering industry

To fully support the low-carbon development of the economy and achieve the "dual carbon" strategic goals, in June 2023, Sunshine P&C launched a Green Building Performance and Building Energy Efficiency Insurance program in Zhejiang Province. This provides a practical example for implementing the "dual carbon" strategy in the engineering industry. The program provides risk protection based on the 2-star green building criteria, covering 300 thousand square meters of buildings of three real estate developers in Hangzhou. Specifically, after the construction is completed, if the green building evaluation results are lower than the 2-star rating or there is a deviation, Sunshine P&C shall provide compensation for green rectification as agreed in the contract to reach the 2-star criteria, helping to achieve the green and low-carbon goals. In 2023, Sunshine Property & Casualty provided carbon related insurance coverage of RMB 41.7 billion, realized premium income of RMB 72.43 million, and provided claims support over RMB 17 million.



Case: Developing Agricultural Catastrophe Index Insurance in collaboration with the government

In August 2023, Sunshine P&C Jiangxi Branch Xinyu Center signed an Agricultural Catastrophe Insurance policy in Xinyu City, which provides risk protection of RMB 4 million for the insured area. This insurance policy covers all seven major disasters in the insured area: storm, drought, freezing, hail, wind, snow, and earthquake (aftershock). It is supported by a tripartite cooperation mechanism of "Government + Insurance + Meteorology", which integrates weather warnings with insurance protection. This initiative can effectively alleviate the pressure on the local government in disaster relief, post-disaster recovery, and reconstruction following natural disasters, contributing to the development of local agriculture and economy.



Social and Livelihood Insurance

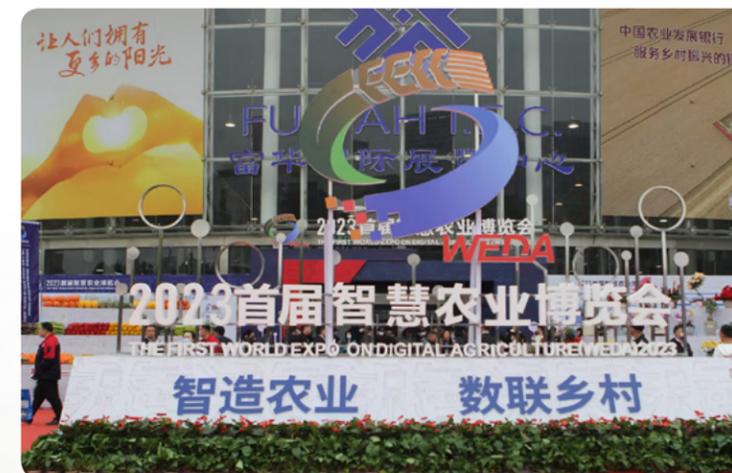
Sunshine Insurance has been actively implementing the rural revitalization strategy and supporting urban governance by offering social and livelihood insurance products. To this end, we have been engaging in building a multi-level social security system in urban and rural areas and enhancing people's well-being with our services. We also provide targeted and convenient insurance services to micro, small and medium-sized enterprises to support the development of the real economy. Moreover, we have enhanced risk protection for construction projects along the "Belt and Road" to support infrastructure development and the opening-up strategy.

Contributions to People's Well-Being



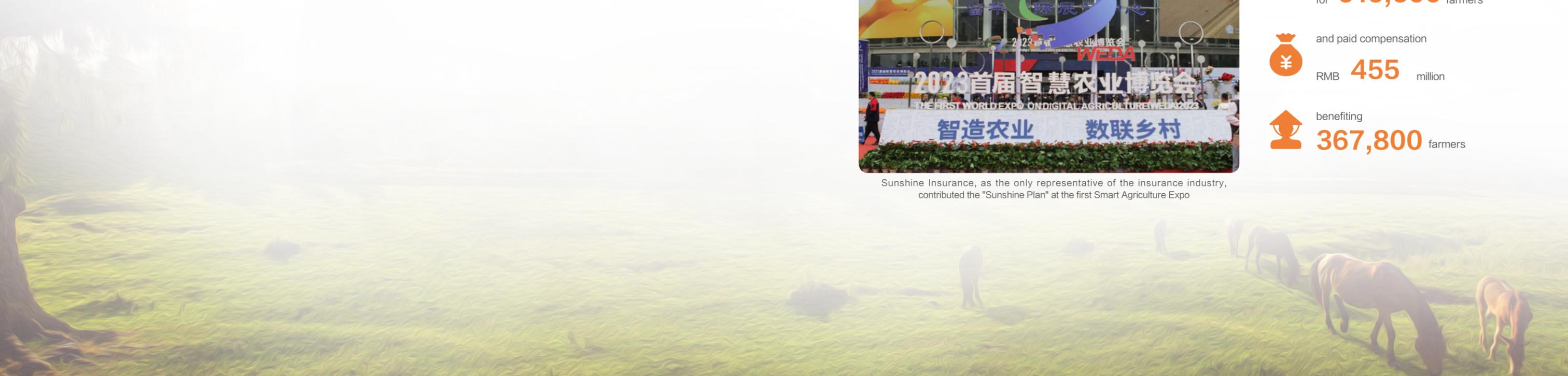
Agricultural Insurance for Food Security

We build a whole chain of agricultural insurance products from bulk grain and oil to whole varieties, from basic insurance to "basic + business + add-ons," from agricultural production to "production + warehousing + logistics + production facility equipment". Clients and areas of service continue to extend, which accurately undertakes the needs of "Agriculture, Rural Areas, and Farmers" insurance. We vigorously develop the agricultural insurance and agriculture-related insurance business. Through the construction of three crop full cost insurance, income insurance, commercial supplemental insurance, corn soybean compound planting insurance and other multi-level product system, the security of staple foods is guaranteed. By promoting full cost insurance for soybeans and income insurance for cultivation, the production guarantee system of oil crop such as canola, peanut and oil anemone is improved, and the oil crop production capacity is promoted. In 2023, Sunshine Insurance provided agricultural insurance risk protection of more than RMB 28.6 billion for 916,600 farmers in 32 provinces, and paid compensation of RMB 455 million, benefiting 367,800 farmers. Sunshine Insurance also develops a variety of innovative products in "Agriculture, Rural Areas, and Farmers" protection, such as rural infrastructure insurance, rural environmental liability insurance and homestay insurance.



Sunshine Insurance, as the only representative of the insurance industry, contributed the "Sunshine Plan" at the first Smart Agriculture Expo

We provided agricultural insurance of more than RMB **28.6** billion for **916,600** farmers and paid compensation RMB **455** million benefiting **367,800** farmers



People's Livelihood Insurance for Social Governance

We build a multi-dimensional, multi-level inclusive insurance product system, actively carry out major disease insurance, Huimin insurance, anti-poverty insurance and other insurance. In 2023, we had provided 16.08 million persons with major disease insurance totaling nearly RMB 11.52 trillion and paid RMB 1.048 billion in claims. In addition, our city-customized commercial medical insurance business had covered 31.81 million persons with risk protection totaling nearly RMB 8.50 trillion, where we had paid RMB 180 million in claims. Moreover, we also provide insurance protection for government workers who are engaged in poverty alleviation and rural revitalization and poor people, preventing them from returning to poverty due to accidents or injuries. We actively implement the policies that require enhancing financial services for new citizens and focus on the livelihood and well-being of new citizens to increase their sense of security and well-being. Specifically, we actively provide group accident insurance, group health insurance and other risk protection for industries that provide a large number of positions for new citizens. The industries mainly include catering, warehousing, construction, loading/unloading, transportation, household management services, express delivery, and online car-hailing. In addition, we have been innovative in exploring insurance products and services to enrich the categories and expand the insurance coverage. In 2023, we had provided risk protection totaling nearly RMB 2 trillion to 70.9 thousand enterprises and 4,252.6 thousand persons, and had paid nearly RMB 10 million in claims.

Case: Supporting the "Healthy China" strategy with a multi-level medical insurance system

Sunshine P&C has continuously strengthened the supply of commercial medical and health insurance products and services, forming a multi-level protection system. The system mainly consists of major disease insurance, city-customized commercial medical insurance, poverty prevention insurance, supplemental medical insurance for urban workers, and no-liability accident insurance for urban and rural residents. In 2023, 139 projects and over 40 million persons had been covered.

Sunshine Life Insurance has been working on insurance products related to medical care, health, and care for the elderly, infants and children. Specifically, Sunshine Life Insurance has refined its product system to give full play to the protection function of insurance. Resultantly, a multi-level medical insurance and care system for the elderly and children has been established. This helps us to put the "Healthy China" strategy into practice for the benefit of the public. Based on the needs of different customer groups for a better life, Sunshine Life Insurance has launched multiple medical insurance products. As of the end of 2023, Sunshine Life Insurance had 21 disease insurance products and 28 medical insurance products on sale, which allows customers to enjoy high-quality and customized medical insurance services.

Participate in insuring
139 medical insurance projects

Persons had been covered
over **40** million

Disease insurance products on sale
21

Medical insurance products on sale
28

Case: Guarding more than 400 thousand disabled people in Inner Mongolia with group insurance

Sunshine P&C supported the Inner Mongolia Autonomous Region Disabled Persons' Federation in establishing a social care system for people with disabilities. The company has developed a considerate service plan to provide comprehensive insurance coverage for registered persons with disabilities in Inner Mongolia. Specifically, the plan covers insurance protection against accidents and injuries, death and disability, medical treatment of accidental injury, sudden death, family property loss, and death caused by natural disasters. This action aims to enhance the resilience of disabled people in accidents and injuries, alleviate their financial burden arising from accidents and injuries, and help them improve life quality.

Case: Food safety liability insurance making food safer

As we all know, food safety directly affects the health and safety of the general public, the development of the country, and the harmony and stability of society. In view of this, Sunshine P&C has launched food safety liability insurance to the market to protect food quality and safety, and promote the healthy development of enterprises producing green and ecology food. In 2023, Sunshine P&C provided RMB 31.6 billion of food safety protection for 10,626 food enterprises or individuals, covering a wide range of industries, including food production and operation as well as catering.

For **10,626**
enterprises or individuals

we provided
RMB **31.6** billion
of food safety protection

Contributions to the Development of Real Economy

We actively implement the requirements of the CPC Central Committee on financial services for small and micro enterprises and adhere to the development direction of "Serving Entities and Being Inclusive". In practice, based on the needs of small and micro entities, we provide optimized insurance services to make them more suitable for small and micro enterprises and to promote the development of inclusive finance. In 2023, we provided risk protection totaling RMB 304.02 billion to approximately 25.8 thousand micro, small and medium-sized enterprises and helped approximately 68.2 thousand enterprises obtain funding of RMB 11.30 billion.



We provided risk protection of
RMB **304.02** billion
to **25.8** thousand SMEs

Helped approximately **68.2** thousand
enterprises obtain funding of RMB **11.30** billion



Case: "Fire Insurance" tailored for small and micro enterprises

Based on the data collected from customer surveys, institutional surveys, and market surveys, Sunshine P&C summarized the differentiated needs of small and micro customers, upgraded the "fire protection" and other products, and innovatively introduced exclusive products for the accommodation, catering, retail, entertainment and other industries. These products cover common risks such as property damage, premises liability, food safety, and employer liability. In addition, the company adopted a flexible menu-type design method to meet the diversified and personalized coverage needs of micro and small enterprises and self-employed individuals. In 2023, the "Fire Insurance" series products had provided risk protection totaling nearly RMB 19.9 billion to more than 19,000 small and micro enterprises, helping them enhance their business continuity.

Contributions to the Opening-Up Strategy

We support the national strategy and the development of the real economy and actively respond to the government's "Belt and Road" initiative. In 2023, Sunshine Insurance provided risk protection totaling more than RMB 98 billion for Chinese enterprises "going global", benefiting 402 projects in 56 countries along the "Belt and Road". To respond to the government's high-level opening-up deployment and support the strategy of building Shanghai into an international reinsurance center, Sunshine Insurance has established a reinsurance operation center in Shanghai, becoming one of the first seven insurers in the industry. This move has significantly enhanced Sunshine Insurance's financial service level and competitiveness in the international market.



We provided risk protection of more than
RMB **98** billion for Chinese enterprises
to enter the international market

benefiting **402** projects
in **56** countries along the Belt and Road



Case: First order on the "Reinsurance International Board" platform

In 2023, Sunshine P&C Shanghai Reinsurance Operation Center, as one of the first residents of Shanghai International Reinsurance Trading Center, attended the opening ceremony of the center and signed the first order on Shanghai Insurance Exchange's "Reinsurance International Board" platform. It provides insurance coverage for the photovoltaic power generation project launched by State Power Investment Corporation Limited (SPIC) in Turkey in 2023. It is also a typical example to show the support of the "Reinsurance International Board" platform for the "Belt and Road" initiative, for Chinese enterprises "going global" as well as for the use of clean energy with green insurance.



Sustainable Investment

China is at the new development stage in building a modern socialist country in all respects and embarking on a new journey toward the second centenary goal. The new development concept of "innovative, coordinated, green, open and shared development" is a guide for ensuring the sustainable and healthy development of China's economy and society. The values of "People, Planet, Prosperity, Peace, Partnership" in the United Nations *2030 Agenda for Sustainable Development* are highly compatible with China's new development concept. Sunshine Insurance follows the national strategy and the UN initiative, fully integrates international and domestic sustainable development concepts in its investment framework, continuously increases the support of insurance funds for sustainable investment, and firmly promotes and practices sustainable investment.

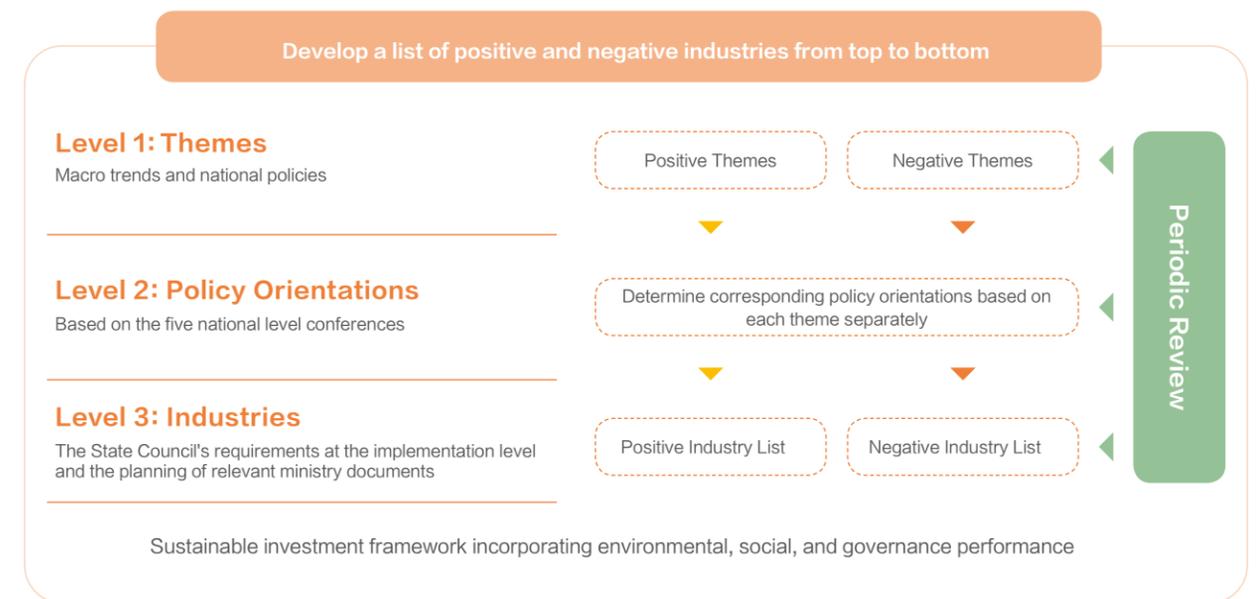
Sustainable Investment Management System

Sunshine Insurance follows the *Green Bond Endorsed Projects Catalogue* jointly issued by the People's Bank of China, the National Development and Reform Commission, and the China Securities Regulatory Commission, as well as the 17 Sustainable Development Goals set out in the United Nations *2030 Agenda for Sustainable Development*, and formulates the *Statistical Norms for Green and Sustainable Investment* by taking into account the business practice, so as to clarify the definition of sustainable investment and the caliber of statistics, to accurately identify and analyze the attribute of "green and sustainable investment" of investment targets, and to establish a reasonable and orderly management mechanism. The company gives full play to the advantages of insurance funds, actively integrates ESG factors into its investment activities, and promotes the inflow of funds into green, low-carbon and sustainable high-quality industries. By the end of 2023, the balance of the Group's sustainable investment exceeded RMB 50 billion, of which green investment exceeded RMB 18 billion. The Group focuses on industrial innovation, health and well-being, clean energy, energy conservation and environmental protection, and green upgrading of infrastructure. The total amount of investment in the above fields reached RMB 19.8 billion, RMB 10.9 billion, RMB 8.6 billion and RMB 8.4 billion, respectively.

Sustainable Investment Analysis

Sustainable Investment Framework with ESG Factors

We take the concept of sustainable development into our investment practice, incorporate environmental, social and governance factors into investment decisions, and develop a three-level sustainable investment framework of "theme-policy-oriented-industry" with Sunshine Insurance's characteristics. The framework identifies the "themes" based on long-term and universal macro-trends and national strategies, refines "policy orientations" based on important national conferences, and is applied to the relevant industries based on the concrete implementation at the executive level. The framework currently identifies five positive themes "modernizing the industrial system", "green development", "improving the people's wellbeing and building a healthy China", "the strategy for invigorating China through science and education and the new system for mobilizing resources nationwide", and "the national security system", as well as three negative themes "economy restructuring and regulatory issues", "the issue of polarization" and "security challenges". We also make a list of positive and negative industries based on the themes in order to define 57 positive and 16 negative industries. The framework thoroughly considers the adaptation to policy balance and adjustments in the context of economic structural transformation towards multiple objectives. Firstly, in the transition from positive and negative industry implications to specific targets, we carefully scrutinize the specific performance of the entities Sunshine Insurance invests in regarding their adherence to green finance requirements that incorporate ESG factors, the targets in the positive list are classified according to the "6+17" label, which is based on the six areas defined by the *Green Bond Endorsed Projects Catalogue* and the 17 Sustainable Development Goals set by the United Nations. Secondly, a review mechanism is established to regularly update themes, policy orientations, and sub-sectors, allowing the dynamic framework to flexibly align with policy objective adjustments.



ESG Due Diligence

Sunshine Insurance attaches great importance to the impact of ESG risk factors on credit risk, and carries out comprehensive ESG assessment scoring for standardized investment products and non-standard investment projects. The scoring system has three core indicators, Environmental Assessment (E), Social Assessment (S) and Governance Standards (G), with primary and specific secondary indicators under each core indicator, covering key dimensions such as employee diversity, employee safety management, community and climate change. For standardized investment products, we collect information from the public market, conduct ESG due diligence on the companies, and evaluate them. For non-standard investment projects, we conduct ESG due diligence, carefully review the ESG due diligence checklists submitted by the companies and formulate mitigation measures to address the risks identified. The checklists include key ESG issues such as pollution and energy consumption, climate change, environmental governance opportunities, and environmental assessment systems. For alternative investment projects, we develop ESG compliance document checklists and compliance risk review checklists based on the industry characteristics of different projects such as equity, real estate, and private equity, and conduct ESG compliance risk reviews during investment projects. We add ESG due diligence content to our legal due diligence reports and internal compliance reports accordingly. For ESG-related due diligence and analysis, we will sort out and make a sustainable evaluation analysis and issue corresponding conclusions, which will be used as a reference for investment decisions.

Post-investment ESG Management

Post-investment ESG Management System

We formulate system specifications such as *Post-investment Management Measures for Debt Investment Plan* and *Post-investment Management Measures for Equity Investment Plan* to incorporate ESG-related factors into the post-investment management process. In terms of project monitoring, our investment contract templates not only require the financing party to guarantee that there have been no significant ESG risks and that the investment project complies with relevant ESG regulations, but also include a mechanism that requires the financing party to promptly notify the trustee in the event of an ESG incident that materially affects the project. Additionally, we have added provisions that allow the trustee to hold the financing party accountable for breach of contract cases of significant ESG risks, ensuring continuous post-investment monitoring in strict accordance with the standard clauses of the contract. As for fund disbursement, we have added a corresponding ESG statement in the template of the withdrawal application form, requiring the financing party to make a declaration on the absence of significant ESG risks before the withdrawal. In the event of significant ESG risks, relevant risk disposal, such as suspension of investment, will be carried out in accordance with contractual agreements. When a significant ESG risk event occurs in the counterparty that is sufficient to affect the safety of the investment, internal personnel who have been aware of the event but have not reported it will be held accountable in accordance with the relevant accountability regulations.

Proxy Voting

In order to better standardize the governance performance of the portfolio companies and enhance their attention to ESG, Sunshine Insurance has formulated the *Administrative Measures for Proxy Voting of Shares* based on the *Code of Corporate Governance of Listed Companies*, *Fundamental System of Stock Investment* and other institutional documents, to clarify the relevant requirements for proxy voting and better supervise the corporate governance of the portfolio companies. We hope to express our opinions through voting, so as to promote the sustainable development of the invested enterprises.



Case: Sunshine-Runan water environment governance infrastructure debt investment

Sunshine AMC initiated the "Sunshine-Runan Water Environment Governance Infrastructure Debt Investment Plan". The project funds are used for the comprehensive environmental governance of the water system in the central urban area of Runan County, and the project design covers a scope of 1,438.19 h m². The project includes river dredging, bank slope protection, water pollution prevention and control and ecological environment engineering. The river channel treatment covers a length of 64.24km, including the reinforcement of 11.1 km of dike. The ecological engineering project of water-cleaning type covers an area of approximately 502,700 m², including many river courses such as the old course of the Ru River. As of the end of 2023, the registered size of the product is RMB 450 million, which has been put into operation, and has played a positive role in improving the water environment and preventing floods in Runan County, and has produced significant environmental and social benefits.



Case: Sunshine-China Energy Conservation and Environmental Protection Group (CECEP) infrastructure debt investment

Sunshine AMC initiated the "Sunshine-CECEP Infrastructure Debt Investment Plan (Phase I)", with funds used for domestic waste incineration power generation projects. As of the end of 2023, the actual fund raised amounted to RMB 1.075 billion. The project has been put into actual operation, effectively improving the domestic waste treatment in the four project sites in Hebei Province and Shandong Province, and promoting the development of regional domestic waste treatment towards harmlessness, minimization and resource utilization. Through this kind of power generation, the efficiency of waste reduction and recycling has been significantly enhanced, playing a positive role in protecting the ecological environment and building an environmentally friendly society.



Case: Sunshine-Henan province water ecological infrastructure debt investment

Sunshine AMC initiated the establishment of "Sunshine-Henan Province Water Ecological Infrastructure Debt Investment Plan (Phase I and II)", with funds allocated to the comprehensive water ecology management project in Ruzhou City. By the end of 2023, the total fundraising scale of the two products reached RMB 1.89 billion, providing strong financial support for the successful completion of the Ruzhou City Comprehensive Water Ecology Management Project. At present, the project has been put into operation, which has played a positive role in creating and maintaining good ecological environment and harmonious living conditions in Ruzhou city, and to a large extent alleviating the drought in the city, which has generated significant benefits for the local green urbanization.



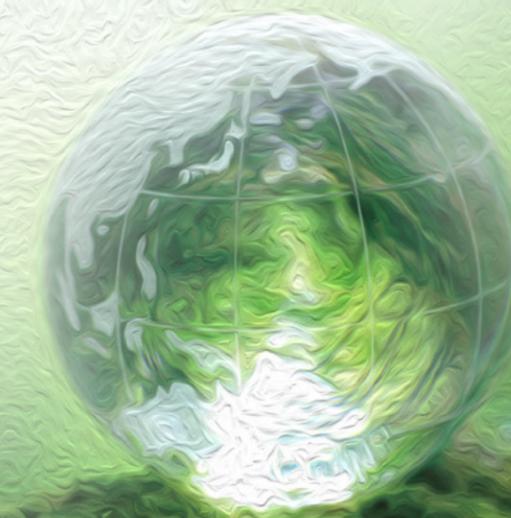
Research on Sustainable Investment Issues

In 2023, Sunshine AMC joined the "Financial Support for Biodiversity Research Group" of the Green Finance Committee, China Society for Finance & Banking and co-led the "Study on Biodiversity Dependence and Pressure Transfer in G20 Countries" with the Beijing Institute of Finance and Sustainability (IFS) and presented the milestone results at the annual meeting of Green Finance Committee, China Society for Finance & Banking in 2023. Starting from the perspective of industrial structure and ecological endowment, we carried out a quantitative study on the biodiversity/nature dependence of G20 countries. Meanwhile, based on the trade data in the industry of G20 countries, we analyzed the transfer of biodiversity pressure from international trade, expecting to identify the biodiversity-related risks of G20 countries and make policy recommendations for establishing a more comprehensive biodiversity-related risk management and cooperation mechanism within the international governance system.



Case: Environmental factor based RMB fair value model

Sunshine AMC has built the RMB environmental factor fair value model by utilizing three major environmental factors, namely biodiversity, climate vulnerability and carbon emission reduction rate, which are used to monitor the impact of environmental risks, such as biodiversity, on the exchange rate. Among the three major environmental factors, the biodiversity factor adopts the UNCTAD Biodiversity Trade Indicator, which reflects the proportion of biodiversity commodities in trade to the total volume, and the larger it is, the more the country's trade is in line with the requirements of sustainable development. The climate vulnerability factor is based on the University of Notre Dame's National Climate Vulnerability Index (ND-GAIN Index), which measures the propensity of countries to be exposed to negative climate shocks. The factor of carbon emission reduction rate is based on carbon intensity data from Carbon Dioxide Information and Analysis Center, which calculates the annual change in carbon intensity across countries to obtain the carbon reduction rate. The model enables relative value comparisons for asset allocation, and Sunshine AMC uses the model to conduct investment analysis and assist in investment decisions.





Sustainable Health Management

Sunshine Insurance consistently prioritizes customers, continuously focusing on their emerging needs in healthcare and elderly care services. The company steadfastly strengthens the development foundation of Sunshine Union Hospital, while also responding to the national "Healthy China" strategy and actively addressing the trend of an aging population. Based on the exploration and accumulation of elderly care formats and operational models, Sunshine Insurance innovates its elderly care product system, offering safety and protection to a broader customer base.



Medical Services

Sunshine Insurance is committed to establishing a sound insurance ecosystem for medical and healthcare services. Relying on our high-quality resources in the insurance and medical care industries, we have built our own medical care stations and integrated high-quality medical care networks to build a worry-free care service system in the "Sunshine Insurance + Medical Care" mode. The system covers all processes of health management to meet the needs of customers for in-hospital accompaniment/care and post-hospital care services.



"Online + Offline" Expansion of Medical Service Network

With the technical strength and solid foundation, Sunshine Union Hospital has been certified as the "National Standardized Atrial Fibrillation Center" and has set up the first vestibular disorders experts workstation under CMEA-VEDC (Vestibular Disorders Committee of China Medicine Education Association) in Weifang City. In addition, Sunshine Union Hospital has provided management services to Ningxia Sunshine Hospital in Yinchuan, Wulian Yibang Hospital in Rizhao, and Yinan Yangcheng Hospital in Linyi for health care, cardiovascular medicine departments, and medical image centers. Resultantly, a comprehensive medical union has been built to enhance the capacity and coverage of medical health services. Meanwhile, the "online" medical service channel has been established. In this way, the internet hospital makes family doctors more accessible, and an "online + offline" service system has been established. In this system, Sunshine Union Hospital adopts a new family-specific service model and keeps health records of customers. This empowers family doctors to take the initiative in managing the health of their customers throughout the life cycle of "medical treatment, rehabilitation, and care" and provide customized services.

In 2023, Sunshine Union Hospital received unanimous praise and honors from the society, such as: "Excellent Case of High-Quality Development Enterprises in Shandong Province" "Best Volunteer Service Organization" at the municipal level, "Top 50 National Non-public Institutions with the Best Brand Publicity" granted by DXY, and "Top 50 Non-public Hospitals" granted by GAHA. In addition, in the third-party assessment organized by the Weifang Municipal Health Commission on the public's satisfaction with medical treatment in 2023, Sunshine Union Hospital ranked first among the Level IIIA general hospitals of Weifang, increasing its influence in society.



"Insurance + Healthcare" Integration

We actively promote the integration of our main business, i.e. insurance, with the healthcare industry, and benefit our customers with financial innovation achievements. Sunshine Union Hospital invested more efforts in promoting the small amount quick compensation and nurse online compensation platform, and expanded the audit service of "Sunshine Aggregation Personal Injury Medical Audit Service Center" to non-automobile property insurance, life insurance, and group insurance, and introduced the injury judgment service for property insurance, accident and health insurance, and liability insurance. Meanwhile, through building the one-stop insurance service platform and refining the direct payment platform for customers, Sunshine Union Hospital has incorporated the Sunshine Union (Worry-free) insurance and hospitalization allowance insurance into the scope of direct payment. In this way, many products of Sunshine Insurance allow customers to enjoy medical treatment without advancing expenses. The customers can access integrated services such as medical consultation, which has improved the customer experience and satisfied the diversified needs of customers with various healthcare solutions. Sunshine Life Insurance continues to collaborate with other medical and healthcare organizations to launch Carefree Service, a value-added service for a maximum of 10 consecutive years. With this service, the customers of critical illness insurance can access a total of 32 home care services such as medical care and daily care as required.



Elderly Care Services

We are committed to providing high-level elderly care services. Relying on our health care resources, we promote the standardization of elderly care services. In addition, we incorporate Sunshine Insurance's wellness culture into every process throughout the life cycle of our products and services. As of the end of 2023, we had launched community elderly care projects in Beijing and Shandong and were widely recognized by the public for our service capabilities. In the 2023 reassessment for elderly care service institutions, our Sunshine Care Center in Dezhou was rated as a "four-star" elderly care service institution with a high score.

The project in Conghua, Guangzhou, "Sunshine Home - Guangdong, Hong Kong, Macao All-age Health Care International Community", is the first elderly care project opened by Sunshine Insurance. Since its opening at the end of 2021, the project has been positioned as a low-density, continuing cure retirement community (CCRC) located in a remote suburban area mainly catering to the needs of middle-aged and elderly people, as well as the needs of all-age recreation and sojourn. In 2023, this project was awarded the "Annual Eco-community for Insurance Policy Holders".



Accessibility of Financial Services

We have been improving our service modes and utilizing financial technologies to make insurance services more convenient. We also publicize insurance knowledge to a larger group of people to offer them refined insurance services. As of the end of 2023, we had service outlets in every province and city in China with focused efforts to meet the financial needs of more regions.

We continue to optimize "online" and "offline" channels and build mobile service channels, such as the customer service hotline, the "Sunshine Insurance+" mini program, the "Sunshine Auto Life" APP and mini program and "My Sunshine" APPs, and Sunshine Insurance's official website. By constantly innovating service channels, we have extended the coverage of our financial services to more people.

Comprehensive service platform



Sunshine Insurance official website

Comprehensive information on insurance products and services is provided, including detailed introduction of various insurance products, purchasing process, claims service. Meanwhile, it provides interactive functions such as online customer service and intelligent Q&A, so that customers can ask questions online at any time and get professional answers and assistance.



"95510" customer service hotline

Offering a range of services around the clock, 24 hours a day, throughout the year, including incident reporting, survey scheduling, policy inquiries, insurance appointment booking, consultation and complaints, roadside assistance, and disaster alerts.



"Sunshine Insurance+" mini program (WeChat)

An integrated online platform that provides integrated life and property insurance services.

Subsidiary specific service program



Sunshine P&C "Sunshine Car Life" APP and mini program

Four major scenarios: policy service, claim settlement service, rescue service, and value-added service (as stated in relevant terms and conditions).



"My Sunshine" APP of Sunshine Life Insurance

A groundbreaking live person guidance mode for business processes, which creates an immersive online service experience, simulates the teller process through live videos and voice, and guides users through the process.



Case: Exclusive agency stores (EA Stores)

Sunshine P&C actively explores the exclusive agency store (EA store) channel model, develops small and micro, community-based, store-based operation of regional agency stores, and provides Sunshine insurance products in the communities where financial services are difficult to reach. We continuously optimize the selection of employees, location, and layout of our stores by using big data technology, aiming to provide high-quality insurance services to more customers. As at the end of 2023, Sunshine P&C had 2,093 exclusive agency stores.



Sunshine P&C had
2,093
exclusive agency stores



Case: Horseback services provide support and protection for the livestock industry

The livestock industry is a vital component of agricultural and rural economic development in the yili region of Xinjiang. Developing livestock insurance is crucial for mitigating risks such as natural disasters, accidents, and epidemics in the livestock industry, enhancing the disaster prevention and reduction capabilities of herders, and ensuring the healthy development of the livestock sector. Due to poor road conditions in the mountainous areas, survey vehicles often cannot be used during the claims process, Sunshine Insurance's agricultural insurance specialists in Xinjiang have honed their equestrian skills to expertly navigate these challenges. During surveys, the specialists worked day and night, riding horses across rivers to assist farmers with the harmless treatment of livestock, making a significant contribution to the advancement of modern livestock farming.



Case: Construction of service stations for agriculture, rural areas and farmers

Sunshine Insurance actively promotes rural revitalization, supports agricultural and rural reforms, leverages the strengths of insurance as its main business, and implements the construction of rural insurance interdisciplinary talents by cultivating professional talent teams. In 2023, Sunshine P&C established 341 service stations for agriculture, rural areas and farmers (township level) and 801 service stations for agriculture, rural areas and farmers (village level) in the areas where agricultural insurance is carried out and cultivated 157 agricultural insurance personnel and 1,387 co-insurance personnel. Among them, Hubei Branch of Sunshine P&C effectively combined insurance team building with community assistance work to cultivate rural insurance teams with interdisciplinary talents who "have a good knowledge of agriculture, love our rural areas, and care about rural people" and contribute to the revitalization of the countryside.



Case: Drone technology expands the scope of financial services

To improve the workflow related to major disaster insurance and ensure the affected customers are appropriately arranged as soon as possible, Sunshine Insurance applied drone technology in claims investigation, effectively expanding the accessibility of services. In August 2023, when it rained continuously in Wuchang City, southern Heilongjiang Province, Heilongjiang Branch of Sunshine P&C deployed five drones to the disaster-stricken areas where it was difficult for employees to go, which effectively supported claims processing and received praise from customers.



03

SUSTAINABLE OPERATION

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- 062 Sustainable Supply Chain
- 063 Social Responsibility





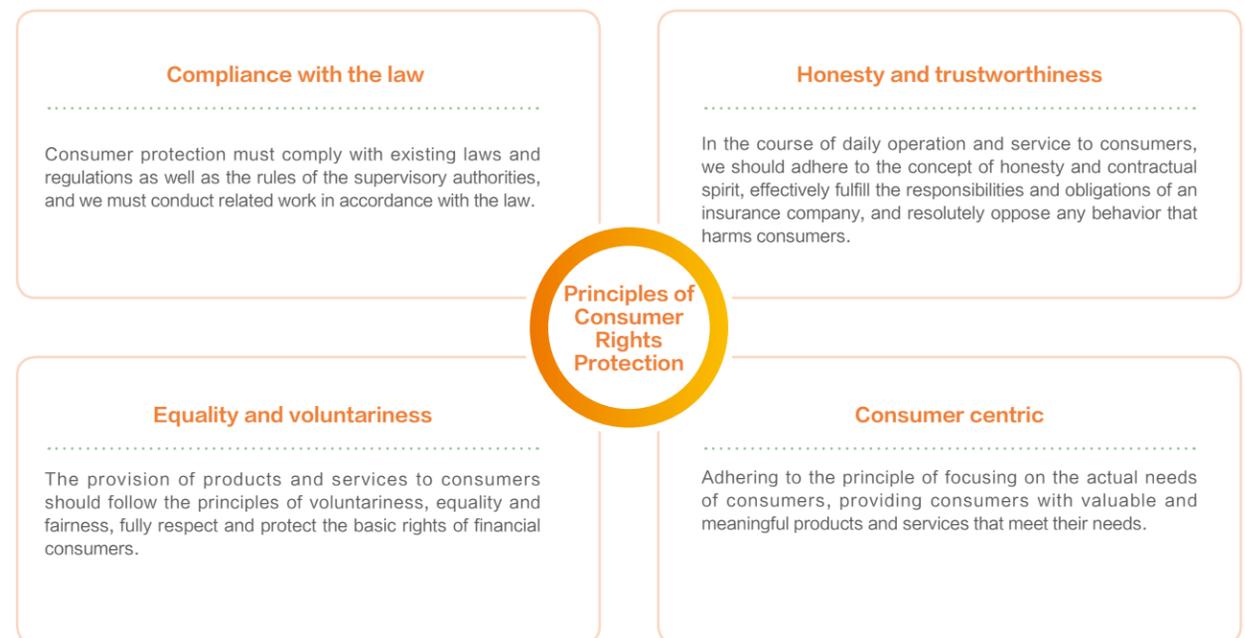
Customers' Rights and Interests

Sunshine Insurance always adheres to the development idea of "putting people first" and fully practices the political and people-oriented financial business. Guided by the corporate culture of "earning customer approval – all for the customer," the company undertakes a series of initiatives focusing on consumer rights protection and service quality enhancement, thereby promoting a culture of love, responsibility, and benevolence within the insurance industry.

Protection of Consumers' Rights and Interests

We strictly follow the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests, Measures for the Administration of the Protection of Consumer Rights and Interests by banking and Insurance Institutions* and other laws and policies. Under the guidance of the Consumer Rights and Interests Protection Committee of the Board of Directors, and with the Group's special culture for the protection of consumers' rights and interests as a leading role, we have comprehensively implemented the requirements for the protection of consumers' rights and interests. The Group has continued to improve its consumer protection system and mechanism, and has incorporated consumer rights and interests protection into its corporate governance, corporate culture and business development strategy. The Group has integrated consumer rights protection reviews into all consumer-related aspects, emphasized both online and offline, and strictly prevented and controlled the occurrence of incidents of consumer infringement. Through a strict internal assessment mechanism for the protection of consumer rights and interests, the Group has solidified the responsibilities of each main body to ensure that the protection of consumer rights and interests is carried out in detail.

We adhere to the four principles of consumer protection: compliance with the law, equality and voluntariness, honesty and trustworthiness, and putting consumer centric:



We strictly follow the *Advertising Law of the People's Republic of China, the Measures for the Administration of Insurance Sales Activities* and other laws and regulations, and continuously improve our responsible marketing policies. Sunshine Insurance and its subsidiaries have formulated marketing and publicity related management systems such as *Measures for the Management of Marketing and Publicity by Sales Personnel and Measures for the Management of Sales* to strictly regulate marketing behavior, clearly define the approval process and mechanism of marketing and publicity, the specification of marketing and publicity by sales practitioners, the daily monitoring and the accountability for violation of the law, etc., and list examples of prohibited marketing and publicity behaviors. For example, when sending marketing information to consumers through telephone calls, information mass mailing, network push, etc., consumers need to be provided with the option to reject or unsubscribe. If the consumer rejects or unsubscribes, the marketing information shall not be sent again in the same way. Marketing materials for products and services are reviewed for compliance to ensure responsible and truthful promotion and to avoid false marketing and misleading sales practices.

Vigorously Carrying out Consumer Education and Publicity

Sunshine Insurance earnestly implements the call of regulators, practices corporate responsibility, and carries out educational and publicity activities in various forms, with rich contents and distinctive features for the protection of consumers rights and interests. The Group reminds consumers of financial risks, carries forward the concept of honesty and trustworthiness, advocates rational consumption concepts, and helps integrate financial knowledge into consumers' lives.

"March 15th" consumer rights and interests protection education and publicity

Sunshine Insurance closely centered on the theme of "Building an Honest Consumption Environment and Boosting Confidence in Financial Consumption", and formed an education and publicity mode of "senior executives taking the lead, managers first, and all employees participating in the publicity". In terms of content, the company focuses on social concerns and strengthens publicity and guidance on consumer protection. In terms of groups, the company pays attention to special groups such as seniors, youngsters, newcomers and people with disabilities. In terms of region, it focuses on strengthening the radiation and coverage of financial education in rural areas, remote areas and ethnic minority areas, and carrying out a variety of education and publicity activities.



Education and publicity month for financial consumer rights and interests protection

In September 2023, Sunshine Insurance made concerted efforts to carry out a series of financial education and publicity activities in various forms and with wide coverage. The Group actively innovated publicity methods, broadened publicity channels and expanded the scope of audience. During the activity period, 2,689 branches across the country played the advantage and gathered strength to carry out the activities of spreading financial knowledge to the rural areas, communities, campuses, enterprises and business districts in many regions. The campaign has created a great atmosphere of "full participation" in publicizing financial knowledge. During the campaign, the Public Welfare Seminar was held to help the elderly in the community understand typical cases of fraud and the use of anti-fraud apps, and to enhance the risk identification and coping ability of the elderly.



2,689 branches participated in spreading financial knowledge

Carry out financial knowledge activities through five ways



enter rural areas



enter enterprises



enter business districts



enter communities



enter campuses



Case: Horseback lecture on consumer protection, bringing financial knowledge to the grassland

Relying on the Financial Consumer Rights Protection Education and Publicity Month, Sunshine Insurance went to Niannai Soma Village in Qinghai Province to carry out a bilingual financial knowledge lecture. The herdsmen sat on the ground in a circle, and the lecturer explained financial knowledge and financial risks to them in local language, and integrated financial knowledge into interesting interactive activities. Laughter hovered over the grassland.



Multi-measures to Spread the Concept of Consumer Protection Service

Sunshine Insurance has established a special culture of consumer protection with "customer first, make consumer satisfied" as the pursuit of work. The Group has improved the internal training system for consumer protection, organized and carried out internal training and interesting learning activities for consumer protection on a regular basis, promoted the concept of consumer protection into the mind and practice, and enhanced the awareness and ability of all employees in consumer protection.

Consumer Protection Education Integrated into the Internal Training System

We have established mandatory consumer protection training courses for new employees, grassroots business personnel, and management personnel, and special training courses for sales, claims, customer service, and other positions that are in close contact with consumers to standardize the service behavior of our employees. In 2023, a total of 118 consumer protection courses were launched, with over 220,000 participations.

"Executives Talk About Consumer Protection" encourages everyone to engage in consumer protection

In 2023, we focused on the "Executives Talk Consumer Protection" initiative, where executives at all levels utilized platforms and channels like morning meetings and video conferences to provide comprehensive explanations of consumer rights protection requirements. This effort deepened the cultivation of the concept that "everyone learns about consumer protection, knows about consumer protection, and practices consumer protection," integrating the philosophy of consumer rights protection into the entire business development process at Sunshine.



Case: Micro-video competition for consumer protection pioneers, cultivating the concept of consumer protection in a fun and educational way

Sunshine Insurance launched a system-wide micro-video competition entitled "To learn consumer protection easily and strive to be a pioneer", in which 115 videos were uploaded by organizations at all levels, with a cumulative viewing and voting volume of 30,000 times. The content of the videos included interpretation of consumer protection policies, dispute resolution techniques, excellent management experience in consumer protection, customer service stories, job skills, etc., which set off a wave of "easy learning of consumer protection" in the whole system.



Uploaded videos

115



With a cumulative viewing and voting volume of

30,000 times



Consumer Rights and Interests Protection Audit

Sunshine Insurance has established a regularized and standardized internal audit mechanism for consumer rights and interests protection and formulated an audit program. The Group includes consumer rights and interests protection in the scope of annual audits, comprehensively covering the relevant departments at headquarters and all first-level branches on a five-year cycle.

Enhancing Customer Service Quality

We always put customer first and adhere to the customer-oriented service. Our company advocates meeting customers' needs with perception, good products, and excellent services, taking practicality and usability as the principle of measuring services, supported by scientific and technological innovations, and constantly fine-tuning and refining our services, so as to make insurance services simpler, more efficient and more attentive.

Listening to customers' voices, and customer experience officers speak out for customers

We listen to customers' voices, set up and continuously enrich and grow the Group's characteristic "customer experience officer" team. In the product and service process design stage, the "Customer Experience Officers" conduct perception and evaluation from the customers' viewpoint by means of "small press conference" and "penetrating personal experience". In the operation stage of products and services, the "Mystery Man" approach is adopted to review the experience, and the continuous optimization of products and services is always driven by the customer's perspective.



Deepening the application of science and technology, improving quality and speeding and upgrading online services

We take science and technology innovation as the support and actively expand online, digital and intelligent operation services. By expanding the application of video, we have opened up the last kilometer of online services. We have launched the "Service Robot" and "Rhinoceros" programs to translate passive services into active services, so that customers can have access to the convenient and available services.

Showing love and responsibility, and organizing the Sunshine Customer Day

We organized a series of activities for the topic of "Listening to Customers' Voices. Showing Love and Responsibility" to strengthen the connection with customers and return their support and trust. We organized a painting and calligraphy competition for the seniors and youngsters, with traditional family culture as the focus. We also provided corporate clients with "professional + technology" risk reduction management services.

Attentive customer service and customer satisfaction surveys

For nine consecutive years, we have used NPS (Net Promoter Score) as the main means of customer satisfaction surveys. At present, our NPS Customer Experience Intelligent Management System has covered customer experience feedback in the whole service process. Through the NPS customer experience closed-loop management mechanism, we are able to have a clearer understanding of customers' feelings and feedback, thus driving the precise upgrade of our products and services, continuously improving customer satisfaction, and achieving steady growth.

Caring for the Elderly, Making Financial Services Age-Friendly

We actively respond to the national strategy on aging population, elevating the provision of quality products and services for the elderly to a strategic level within the company. With professional products and services, we offer comprehensive elderly care solutions to our clients, optimizing online services to help the elderly bridge the "digital divide". We enhance the accessibility of financial services for the elderly through green channels and home visit services, conduct charitable medical services for the elderly, offer targeted assistance to the elderly in remote and impoverished areas, and deliver health services to the elderly in revolutionary base areas, embodying the culture of love, responsibility, and benevolence through tangible actions.

Age-friendly service facilities

We have opened green service channels for elderly customers in our offline stores, with staff guiding them throughout the entire process and giving them priority in handling their business. We have set up the "Zone for the Elderly" in each of our nationwide outlets, equipped with elderly service facilities such as seats, presbyopia glasses, wheelchairs and first aid medicines, so as to make the elderly feel comfortable and at ease.

Sunshine Warming Day

We designate the 19th of every month as "Sunshine Warming Day" to carry out regularized activities to help and take care of the elderly, create an atmosphere of respect and love for them, and help build an age-friendly society.

Age-friendly service hotlines

Our national unified customer service hotline provides a green channel for the elderly with one-key direct access to artificial customer service, which enhances the convenience of services for the elderly.

Intelligent elderly assistance program

Focusing on high-frequency service scenarios such as travel, medical care, consumption, entertainment, etc., which are involved in the daily lives of the elderly, we have carried out a wide range of services to assist the elderly in various communities in Beijing, the Sunshine Agency in Conghua, Guangdong Province, and the Life Insurance Agency, through both offline and online channels.

Age-friendly online services

We have developed APP models for the elderly, such as the "Large Character Edition" and "Caring Edition", to enhance the online service experience of the elderly.





Employee Development

Sunshine Insurance adheres to the concept that talent is the first productive force, formulates fair and effective employee employment and welfare policies, provides a safe and comfortable working environment, creates an inclusive and open cultural atmosphere, and builds a competitive training platform and development channel.



Safeguarding Employees' Rights and Interests



Recruitment and Employment

We strictly abide by the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* and other laws and regulations, and establish labor relations with new recruits in accordance with the principle of consensus between the two parties, and all employees sign labor contracts with us. We continue to improve the labor rules and regulations, such as *Management Measures for the Labor Contracts and Agreements of the Company*, *Management Measures for Employees' Entry and Exit*, *Management Measures for Employees' Attendance and Vacation*, *Management Measures for Employees' Performance*, etc., to safeguard the lawful rights and interests of our employees, and are committed to building a harmonious labor relationship.

We issued the *Recruitment Management Measures* to standardize the Group's recruitment management and clarify the selection and employment criteria and selection process. The system clearly requires that staff members should uphold the principles of fairness and impartiality, and make appointments based on merit on the premise of ensuring that the recruitment process and personnel selection criteria have been known. At the same time, we actively promote fair employment in the practice of recruitment, and are committed to creating a diverse workplace culture and resolutely avoiding employment discrimination in terms of gender, ethnicity, geography, religion, race and nationality. We provide inclusive and equal employment opportunities for employees of different backgrounds.

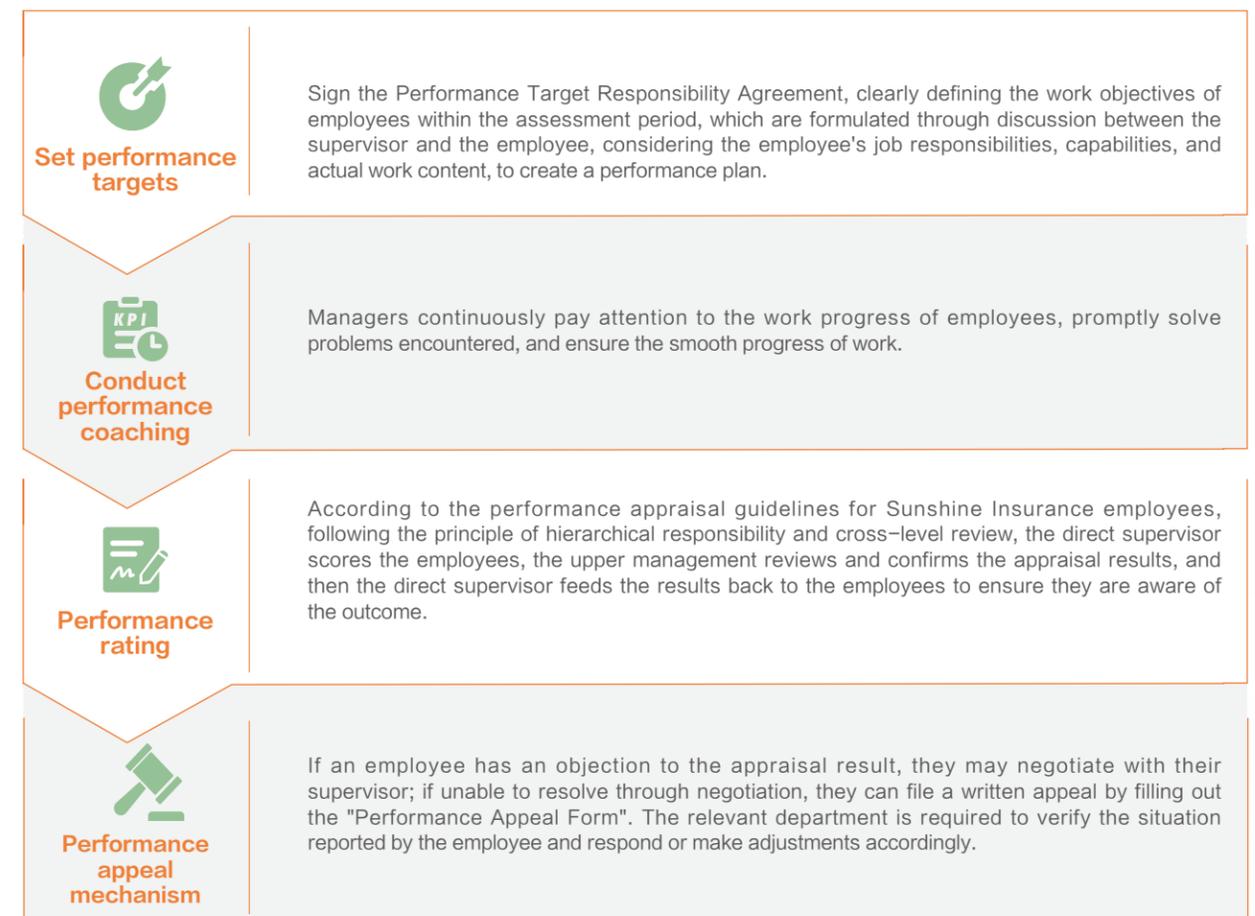
We strictly comply with laws and regulations preventing the employment of child labor or forced labor, and carry out strict risk prevention and control in the recruitment and onboarding processes. In the recruitment process, in addition to strictly reviewing the personal identity and age information of the applicants, we also conduct strict background checks and resolutely prevent the employment of child labor. We issued the *Management Measures for Employee Attendance and Vacation* to regulate the working hours, vacation and attendance of employees, and to protect the normal working order. We protect the legitimate rights and interests of employees and avoid forced labor. If any of the above situations are found, we will deal with them strictly in accordance with laws and regulations as well as internal requirements.

We have issued the *Regulations of the Staff Congress and the Operating Procedures of the Staff Congress* to standardize the convening of the Staff Congress and to safeguard the employees' rights to participate, to be informed and to supervise. When we formulate or amend the above employment-related policies, decide on rules and regulations or major matters involving the immediate interests of laborers, all of them are considered and approved by the Staff Representative Meeting. We have signed the *Special Collective Contract for the Protection of the Rights and Interests of Female Employees* to safeguard them.



Employee Performance Evaluation and Feedback

We formulate management systems such as the *Measures for Employee Performance Management* and *Measures for Remuneration Management*, and carry out performance evaluation and feedback for all employees every half a year. Detailed and feasible management requirements are clearly defined in salary-related management, performance plan formulation, performance counseling, performance result feedback and application. We unify the performance appraisal orientation and establish a scientific, reasonable and effective compensation incentive mechanism. We take the strategic objectives of the Group as the starting point and value creation as the core, reflecting the market-oriented incentive and constraint mechanism and fully mobilizing the enthusiasm of employees.



Employee Complaints Solutions and Communication

We continue to open up feedback channels for employee complaints and listen to their suggestions. We have established online and offline diversified communication platforms, such as the staff congress, 95510 employee hotline, OA innovation forum, and CEO mailbox, to reach employees in all departments and at all levels. We ensure that employees are aware of relevant information, listen to their opinions, and safeguard their rights to freedom of speech and expression.

Staff congress

We have established a standardized staff congress system to actively promote democratic management. We have launched a proposal collection campaign to listen to the opinions and suggestions of employees extensively.

95510 employee hotline

We have set up a 95510 employee feedback hotline to open up employee communication channels, conducted Q&A training, and publicized the 400 hotline to internal and external employees throughout the system.

Listening to employees' voices and conducting direct institutional management

Multi-departmental efforts are made to collect opinions of the employees. For example, for the whole system, we issued *Employees' Voice | Enhancing Employees' Service Happiness*. In addition, through the institutional management, we regularly investigate the organization's management pain points and solve management problems.



OA innovation forum

We have set up an innovation forum in Sunshine Insurance's internal OA system to build a platform for employees across the system to express their opinions.

CEO Mailbox

CEO Mailbox is an important channel for the top management of Sunshine Insurance to listen to the voices of employees. The top management gives specific instructions on typical problems and suggestions related to policy formulation, strategy implementation, grounded innovation and transformation, etc. in the letters and assigns the relevant departments to carry out the work.

Employee Satisfaction Survey

We regularly conduct multi-level and multi-dimensional employee satisfaction surveys for all employees of Sunshine Insurance every year to listen to their voices, understand their demands, and solve their problems, so as to continuously improve employee satisfaction. In 2023, we targeted 16 important dimensions of common concern to employees, such as organizational atmosphere, team orientation, employee dedication, employee motivation, career development, leadership, management and authorization, etc. Employee satisfaction questionnaires were designed and distributed throughout the Group to fully understand the working status of employees. According to the results of the questionnaire, the Group carried out quantitative analysis and research, made targeted adjustments, and continued to optimize the working environment of the employees. In 2023, the overall rating of the employee satisfaction survey was 8.74 points (out of 10 points).

Scope of questionnaire survey
All employees

Rating of employee satisfaction survey
8.74 points (out of 10 points)

Caring for Employee Development

Talent Development Strategy

Talent strategy is the first strategy of Sunshine Insurance. We have established a talent development system that covers all employees with a perfect mechanism, including talent evaluation standards, talent assessment means, talent development mechanism and norms. Among them, the talent evaluation standard involves professional competence, general competence and leadership, and these three competencies are the components of the full competence model for the position. This model is widely used in the recruitment, assessment, selection, training, promotion and appointment of employees at all levels, developing the opening and closed-loop management of talent evaluation standards. At the same time, we use a series of methods and means, such as talent inventory, questionnaire research, talent assessment, on-site observation, etc., to make all-round talent data labels and portraits for all employees, including personality traits, professional skills, behavioral data, learning experience and work history, etc., which lays a solid foundation for personalized cultivation and development of talents in Sunshine Insurance.

Career Development System

We regard our employees as the most valuable resources and wealth, and provide productized and customized training and development programs for managers and management reserve talents at different levels. We aim to improve the comprehensive quality and leadership of employees in all aspects through diversified cultivation methods, and accelerate the cultivation and delivery of talents for key management positions. Management reserve talents are required to complete the track-type development program. According to the development stages and training objectives of different groups of people, the track program at each level is further divided into three categories, namely, launching, accelerating and navigating programs.

Launching program

The launching program is designed for newly promoted managers of all tracks, with the goal of quickly adapting to new positions, and through systematic training to help them quickly adapt to their new roles and have high performance.

Accelerating program

The accelerating program is designed for the young, active and potential talents with strong learning ability reserved for each track, and accelerates the long-term development of the trainees through systematic cultivation.

Navigating program

The navigating program is designed for more mature talents with excellent performance and outstanding abilities reserved for each track, and through systematic cultivation, it helps trainees to lay the foundation of their abilities for the greater responsibilities they will soon take on.



Employee Training System

We have formulated the *Employee Training Management Measures*, established a comprehensive talent development system, and matched corresponding training resources with employees at different development stages and positioning. We continue to enrich all kinds of talent training programs, expand boutique courses and instructor resources, take the job competency model as the basis for training, and strive to cultivate talents in a multi-level, all-round, and cross-sectoral way to support the continuous and efficient learning and development of employees, and to enhance employees' leadership, general ability and professional ability.

Graduate/trainee training

Trainee training is a key component of our employee development training system. For trainees, we have designed a tailored Eagle Nest Training Program. The Eagle Nest Training Program runs once a year, targeting each trainee for continuous training over three years. The training emphasizes job-specific training and cross-departmental rotation experiences, and also emphasizes the development of core abilities such as leadership and project management.

New employee training

All new employees must complete basic knowledge, compliance, and consumer rights training and pass the corresponding exams before they can be fully employed. This ensures a 100% coverage of employee training and a pass rate for exams.

Leadership training

According to the Sunshine Insurance Leadership Model, differentiated and systematically coherent continuous empowerment training is provided for management cadres at various levels. This training revolves around the entire lifecycle of management talent development (from core employee level to front-line management, middle management, and senior management) and is developed from different development positions and training directions, ensuring that the content of cadre training is both differentiated and consistent. This project trained 444 new and reserve cadres throughout the year, with a total of 1,574 training sessions conducted face-to-face.



Job-specific professional skills training

By integrating individual development plans and the personalized career development needs of employees, over 2,200 specialized courses have been developed and configured, covering training content such as professional knowledge, case studies, methodologies, and tools. Line-specific skill training has been conducted to help employees adapt to job requirements.

University collaborative training

By aligning with high-quality learning resources from domestic universities, we have co-built teaching practice bases with eight top institutions, including Peking University, Tsinghua University, Central University of Finance and Economics, and Shanghai University of Finance and Economics. We have also established collaborations in areas such as the study of insurance history, the development of insurance technology, and the integration of industry and education for key topics.

Employee Professional Qualification Training and Support

We attach great importance to the development of employees' professional capacity and provide all employees with support for professional skill-based and certification-based examinations that meet business needs. We formulate *Interim Measures for the Management of Training Expenses* and *Management Measures for the Attendance and Vacation of Employees* for all employees, and support employees to take qualification exams and external training. For employees who have passed the CAA, SOA, IFoA, and CPA, we give them reimbursement support for examination fees and membership fees, and they are entitled to examination leave, so as to comprehensively upgrade employees' professional capacity.

We place great emphasis on exchanging and cooperating with professional associations both domestically and internationally to enhance our global perspective and stature. We participated in hosting the "30th Anniversary Celebration of the Cooperation between the Institute and Faculty of Actuaries (UK) and Central University of Finance and Economics and the Forum on Actuarial Science, Insurance, and Economic Social Development". We also co-hosted the Sunshine Insurance Actuarial Annual Conference with the China Association of Actuaries, which has been held for seven consecutive years. Furthermore, we have engaged in international exchanges with the Society of Actuaries in North America and the Actuaries Institute Australia and New Zealand on multiple occasions, delving into discussions on new projects and expanding cooperation in talent recruitment and financial wealth management training.

Employee Incentive Plan

We have started to implement the Employee Stock Ownership Plan since 2015 for core cadres and key position personnels including executives of Sunshine Insurance, and as at the end of December 2023, there were a total of 3,688 holders of the Sunshine Employee Stock Ownership Plan. The implementation of the Plan helps to promote employees' participation in corporate governance, advances benefit sharing and risk sharing among shareholders, the Group and employees, stimulates employees' enthusiasm, improves work efficiency and satisfaction, and provides a solid guarantee for further improving the Group's governance structure, developing long-term incentive and constraint mechanism, and promoting the Group's healthy development.



There were a total of **3,688** holders of the Sunshine Employee Stock Ownership Plan

Sunshine Insurance has established the long-term service contribution plan for its employees since 2023, to further optimize the Group's salary management system, establish and improve the long-term incentive and constraint mechanism, enhance the sense of responsibility, mission and loyalty of employees to achieve sustainable and healthy development of the Group, and embody the concept of "common growth" between the Group and its employees.



Non-salary Benefits

We actively practice employee care and are committed to creating a corporate atmosphere where both the company and its employees progress together in harmony and friendship. We provide a diverse range of benefits through multiple channels to all employees, invest significantly in building "Home for Employees," and organize a wide variety of cultural and sports activities. We hold youth fellowship activities, offer care and consolation to employees in need, and convey the care and warmth of Sunshine Insurance to our staff, enhancing their sense of happiness and belonging.

Construction of "Home for Employees"

The labor union of Sunshine Insurance built "Home for Employees" and "care rooms for female workers" with 27 grassroots labor unions of its subsidiaries. In 2023, the Sunshine Financial Center "Home for Employees" provided employees with more than 18,000 fitness and exercise services, and built a "Small Home for Employees" covering more than 2,000 employees in Beijing's Sunshine Financial City.

Cultural and sports activities

We actively support our employees to carry out of cultural and sports activities. In terms of cultural activities, Sunshine Insurance Calligraphy Association provides a learning and exchange platform for calligraphy lovers in the whole system, and organizes the 2nd Calligraphy Competition and Calligraphy Lecture Series. In terms of sports activities, we organized the Sunshine Insurance Staff Basketball Match, Table Tennis Match, Badminton Match, Soccer Match and the First Fat Loss Challenge. In 2023, we carried out more than 20 festive cultural and sports activities were carried out, attracting more than 15,000 participants.

Warmth sending activities

We actively carry out warmth sending activities to show our care to employees in difficulty. We have established a regularized mechanism to help employees in difficulty. In 2023, during the New Year's Day and the Spring Festival, trade unions at all levels visited 418 employees in difficulty, distributing a total of RMB 1.32 million in condolences.

Sunshine exclusive welfare protection

We provide all employees with the Sunshine exclusive welfare protection, the provision of comprehensive life and property insurance protection such as accidental injury insurance, accidental injury medical insurance, major disease insurance, transportation accident insurance, term life insurance, supplementary medical insurance for employees and their children, and family property insurance, so as to provide employees with an insurance protection from the economic point of view.

Sunshine characteristic holidays and subsidies

In addition to the "Five Insurances and One Fund" according to the national regulations, we will also provide employees with holiday expenses, meal allowance, transportation subsidies, communication subsidies, and cooling and heating expenses. At the same time, employees enjoy a series of special sunshine holidays on the basis of legal holidays: for example, on the birthday of the employee's parents or parents of his/her spouse, the employee can enjoy the "Parents' Birthday Leave". For example, in order to help employees pay attention to the learning and growth of their children, the employee that needs to hold a parent-teacher meeting can enjoy the leave. In order to encourage outstanding young employees to participate in cross-job competition, employees can apply for "Dream Chasing Leave" before the competition. In addition, employees with more than three years of seniority can be granted "Seniority Leave", and employees with outstanding performance reviews may receive "Contribution Leave" among other benefits.

Employee parental support

For several consecutive years, we have been implementing the "Employee Parental Support Allowance" care program, which provides a monthly parental support allowance to employees who have been with the company for over three years and whose parents meet the age criteria. A total of RMB 506 million in allowances has been paid. In addition, we have established "Birthday Leave" and "Birthday Celebration Bonus," allowing employees to return home for their parents' birthdays and offering a celebratory gift for their parents' significant milestones.

Tangible benefits

We have established the "Sunshine and Dew" flexible benefits platform, offering employees a wide range of tangible festival benefits with various products that can be freely combined and chosen. During festivals such as the Spring Festival, Lantern Festival, Dragon Boat Festival, and Mid-Autumn Festival, employees can make flexible purchases of various items through the benefits platform, enjoying the convenience of one-click ordering and home delivery services.

Protecting Employees' Health and Safety

We strictly abide by the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulation on Work-Related Injury Insurance* and other laws and regulations related to the health and safety of our employees, advocate the concept of healthy living, and are committed to creating a safe and comfortable working environment.

Diversity in health care

Annually, we design reasonable medical check-up plans for our employees, providing scientific and personalized health screening services. Simultaneously, through precise needs analysis, we regularly offer targeted health lectures and sharing sessions for our employees. Additionally, we have launched the "Sunshine Insurance Employee Psychological Care (EAP) Program," establishing a psychological support hotline and offering both online and offline counseling services to help employees alleviate psychological stress, enabling them to engage in life and work with a healthy state of mind and high spirits.

Enhancing workplace safety of employees

We rigorously implement various safety and prevention measures in the workplace, ensuring that emergency medications and equipment are readily available at all locations. Dedicated medical staff are positioned at each workplace, and regular safety training sessions, such as AED (Automated External Defibrillator) training, are scheduled. We actively enforce safety production protocols, hold related work meetings, sign safety responsibility statements, solidify safety responsibilities across departments, conduct specialized inspections and rectifications of potential safety hazards, strengthen daily safety management, and establish a zero-report mechanism for safety production across all subsidiaries and centers. As of December 2023, the entire system has completed 1,092 internal inspections, 3 special inspections for accident hazards, and rectified 354 safety hazards. We continuously enhance campus security, using facial recognition systems to verify the identities of individuals entering the premises, and conduct monthly "One Officer, Six Staff" training sessions. Security personnel are drilled at micro fire stations, and safety and fire management manuals and standards are established for key areas, comprehensively improving the emergency response capability for workplace safety risks.

Carrying out employee safety education and emergency drills

We actively carried out online and offline safety publicity and education, and continuously pushed out a total of more than 250 times of firefighting, traffic and travel, natural disasters, first aid for personal injuries, fraud prevention and other multi-scenarios of safety knowledge and information for more than 100,000 employees. We have supervised the entire system to improve safety mechanisms and emergency plans. The Group organized 887 system-wide emergency drills in 2023, and carried out 909 fire safety education and warning activities, with 100% institutional coverage and more than 50,000 participants.

From 2021 to 2023, the number of work-related fatalities among Sunshine Insurance employees were 1, 4, and 4, respectively, with the rates of work-related fatalities being 0.002%, 0.007%, and 0.008%, respectively. In 2023, office staff at the company experienced a loss of 1,019 working days due to work-related injuries, which predominantly occurred during commutes and business trips. When an employee is injured in an accident, we actively provide the local human resources and social security department with an application for work injury recognition, provide work injury compensation in strict compliance with the *Regulation Work-related Injury Insurance* and the relevant provisions of local governments, and send care and condolences to the injured employees and their families at the first time.



Agent Development

Sunshine Insurance continues to cultivate customer management, consolidate the agent organization structure, deepen the building of the agent merit system, and provide a variety of benefits and care to protect the legitimate rights and interests of the agents. The Group is committed to building a team of high-performance agents to enhance the team's production capacity.



Protection of Agents' Rights and Interests

We always adhere to the corporate culture of "employees are the greatest wealth of the enterprise", pay attention to the sustainable development of the agent team and protect the legitimate rights and interests of agents. We attach importance to the corporate value of agents. Through providing agents and their families with a variety of benefits and care, we continuously improve the motivation and initiative of agents, and strengthen their sense of responsibility and identification with Sunshine Insurance. In 2023, Sunshine Insurance provided all agents with team welfare protection, with a coverage rate of 100%, and practically implemented humanistic care for all agents. At the same time, Sunshine Insurance provides exclusive benefits for senior agents in charge of agents, agents with excellent performance and their families, including but not limited to:

- Parental support allowance provided to agents who have been with Sunshine Insurance for 3 years or more.
- Parental birthday celebration bonus and Salesperson Care Fund protection plan provided for some senior level agents.
- Sunshine care scholarship and annual health check-up program for some senior level agents.



Agent Development and Training

We continue to improve the quality of our agents and optimize their structure, pinpointing the client, market and team, and carrying out various forms of training with diversified contents to empower our agents.



Agent Team Building

We implement differentiated management based on regional characteristics and design differentiated policies to build an agent team that matches the customer base. We have strengthened the introduction of excellent talents at the entrance, attracted high-quality and highly educated teams through the building of internal brands and the improvement of the cultivation system, and gradually improved the structure of the team. In 2023, based on the research of customers and teams, Sunshine Insurance carefully planned a differentiated development and cultivation system for agents, and carried out a project to consolidate the foundation and make model innovation. In traditional marketing channels, Sunshine Insurance has comprehensively upgraded the system of excellent growth and cultivation in combination with regional difference, iterated the content of enrollment portrait, process, tools and training, strengthened the training and empowerment of attendees, and continued to promote the project, so as to realize the continuous optimization of newcomers' team. In the developed central city and the provincial capital, Sunshine Insurance has always focused on the building of central city team, and innovatively developed a training platform for them.



Agent Training System

We have strengthened team empowerment through training and continued to develop the training system, which has increased the capacity of the agent team and the number of merit personnel. We have made the enhancement of our agent team's ability our first demand, and have conducted rotational training for department managers and quarterly training for supervisors to improve the capacity of our agent team in customer management, product and service introduction, team management, etc. In order to meet the diversified insurance needs of our customers and ensure that our agents provide more comprehensive and high-quality services to our customers, we implemented FRA merit training, special training for insurance fund trusts, technological empowerment and other related trainings to empower our agents and effectively promote the enhancement of their professional capabilities, so as to better serve our customers.





Supply Chain Sustainability

Sunshine Insurance strictly abides by procurement-related laws and regulations, and has formulated internal systems such as the *General Rules for Procurement Management* and the *Measures for Supplier Management*, which are applicable to all suppliers within the scope of our subsidiaries, holding companies and branches.

Supplier ESG Consideration

We pay constant attention to the compliance of our cooperative suppliers and continuously strengthen the consideration of ESG-related dimensions such as business ethics and environmental performance of our suppliers to ensure that their operations comply with our relevant requirements in order to provide high-quality products and services. The *Measures for Supplier Management* incorporates environmental qualifications such as "China Energy Conservation Certification", "China Environmental Labeling Certification" and "ISO14000 Certification" into the bid evaluation criteria for procurement projects, and requires suppliers to fill out the *Supplier Energy Conservation Production Commitment Letter* to clearly define the suppliers' responsibilities and regulations regarding their production, energy management, energy conservation and emission reduction. The Group also advocates that the suppliers' employees should learn about environmental protection laws and regulations and carries out "energy conservation production commitment" activities.

Green Procurement

We continue to promote green procurement and follow the working concept and procurement principles of openness, fairness and impartiality. According to the actual needs of procurement, we carry out inspections of some short-listed suppliers to examine the environmental performance of the purchased products in terms of the selection of raw materials, production processes and the concept of sustainable development of enterprises, consider the environmental and social risks of the suppliers, prioritize the procurement of environmentally friendly products, and reduce the procurement of high energy-consuming office facilities and equipment. In terms of the procurement, we rely on the e-procurement platform to implement a standardized, online and paperless procurement process.



Social Responsibility

Sunshine Insurance attaches importance to the contribution of corporate value, pays attention to the hot spots and needs of the society, actively practices corporate social responsibility, improves community financial services, cares for and promotes the development of the society, devotes itself to social public welfare, and makes full use of its own business advantages to promote the sustainable development of the society.

Rural Revitalization

Sunshine Insurance thoroughly implements the comprehensive directives for rural revitalization proposed by the Central Committee of the Communist Party of China. In alignment with the State Council's decisions on consolidating and expanding the achievements of poverty alleviation and effectively linking them with rural revitalization, the Group fully leverages its insurance advantages, actively assumes corporate social responsibility, and provides comprehensive support for rural revitalization.

Continuous Promotion of Industrial Assistance

In accordance with the national rural revitalization requirement of "promoting the high-quality development of rural industries", we have continued to consolidate the results of poverty alleviation and provide industrial assistance, and created a sustainable model in Longquan Village in Antu County, Jilin Province. We established a complete industrial chain for the supply, production and marketing of agricultural products in the area. We aimed at cultivating the independent management ability of agricultural products production and processing enterprises, enhancing the brand value and influence of characteristic agricultural products, and building Longquan Village in Antu County into a replicable, popularized and peripheral demonstration project of industrial assistance.

Rural revitalization through industrial development

To enhance the capacity and endogenous power of Longquan Village, we have successively constructed the Sunshine bingquan Rice Eco-Farm, Longquan Pancake Processing Factory, Organic Fungus Specialized Production Cooperative and other projects in the village, with a cumulative total investment of more than RMB 12 million. Assistance was provided to Longquan Village establish a benefit linkage mechanism of "profits for the village collective economy, benefits for the villagers, and effectiveness for businesses", and the effective distribution mechanism of "driving industrial development and promoting farmers' prosperity". It has also provided Longquan Village with management and talent support, and guided village enterprises in conducting cost accounting, formulating financial management rules, setting up monthly financial statements, and enhancing the enterprise compliance management system.



Invested more than RMB **12** million in Longquan village

Rural revitalization through the quality of agriculture

In Longquan village, enterprises rely on the Sunshine management advantages and organic product standards and strictly control standardized production and operation. At the same time, in order to build a high-quality agricultural products brand, the Sunshine Products Professional Sales Company assisted their organic agricultural products for three-dimensional packaging. It hired organic rice, fungus planting experts to Longquan village to carry out organic planting standards and technical guidance to ensure that the basic conditions of production and the whole process of production, processing, circulation in line with the green and organic standards, to ensure the high-yield and high-quality crops. At the same time, it also hired a famous design company in Beijing to carry out brand packaging design for pancakes, fungus and rice to enhance the influence of Longquan brand. At present, Bingquan rice, Longquan pancakes and Guo Ran Yang Guang fungus have obtained the certification of "Food Production License", and rice has obtained the certification of "Green Food". Sunshine Insurance has assisted the village to do a good job in developing the market for its special agricultural products, and benefited the local villagers.

Deepening and Expanding Consumption Support

In accordance with the requirements of the National Rural Revitalization "Deepening and Expanding Consumption Support", we have carried out various forms of activities. Making full use of the enterprise's advantages of intensive human resources, wide coverage of institutions, and rich resources of the internal online platform system, we organized the centralized purchasing of holiday benefits, initiated the employees' daily purchasing instead of donating and made every effort to enhance consumption. We have conducted the industrial assistance projects to expand market sales, so as to realize the sustainable and benign interaction between the enterprise and the rural industry and motivate them to conduct production. Since 2018, the Group has purchased a total of RMB 14.77 million of agricultural products.

We leverage resource advantages, and actively carry out the "special agricultural products e-commerce livestreaming", fully leveraging the advantages of regional brands of local agricultural products. Through TikTok and other e-commerce platforms, we introduced the special agricultural products in Chongqing, Xinjiang, Inner Mongolia, etc., and got the favor of enterprises and the majority of netizens. By creating the "agriculture + e-commerce + finance" synergistic service model, we have driven the social forces to benefit farmers.



Purchased agricultural products

RMB **14.77** million



Village Doctor Program

We have gradually expanded the Ten Thousand Village Doctors Capacity Enhancement Program to central and western provinces, and are committed to training and retaining a number of outstanding village doctors for rural areas. In 2023, we opened up a total of seven extra-provincial regions in Inner Mongolia, Ningxia, Chongqing, Shaanxi, Guizhou, Yunnan and Henan for the first time, and trained an additional 3,118 village doctors. By the end of 2023, the Ten Thousand Village Doctors Program had covered 9 provinces, trained a total of 19,478 village doctors, and set up 69 telemedicine service stations, continuing to expand the coverage and depth of training for grassroots doctors, and contributing to the rural revitalization and health.

Development of Countryside Style and Civilization

In order to further carry forward the good family style and the civilization of countryside, the Group has joined hands with grassroots governments in many places to promote the selection of countryside civilization and the construction of beautiful villages and rural revitalization. In December 2023, Sunshine Life Insurance and Wuzhadian Village Committee of Maojie Town, Wuding County, Chuxiong Prefecture, Yunnan Province jointly held the "Most Beautiful Courtyard" commendation meeting, and publicly selected 22 households in accordance with the selection criteria of seven requirements: "Reasonable design and layout", "Neatness and cleanliness", "Planting trees and flowers", "Filial piety and love for parents", "Public welfare", "Industriousness and enrichment" and "Harmonious civilization and township style". The "most beautiful courtyard" families were awarded with prizes, medals and certificates of honor.

Public Welfare and Charity

We actively participated in various public welfare activities and formulated the Measures for the Administration of Social Welfare Activities to regulate the public welfare and charity activities. Under the leading management of Sunshine Insurance, all subsidiaries and organizations carry out public welfare activities in accordance with their own actual conditions, and the forms of public welfare activities include cash donations, material donations, insurance donations, volunteering services and care for the disadvantaged groups, etc. In 2023, Sunshine Insurance carried out 16,672 hours of volunteer service activities. By the end of 2023, we had invested a total of RMB 681 million in various public welfare and charity activities.



16,672 hours
of volunteer service activities were carried out

A total of RMB **681** million were invested
in various public welfare and charity activities

We established the Beijing Sunshine Insurance Love Foundation in 2010, formulated the Charter of Beijing Sunshine Insurance Love Foundation, and extensively carried out public welfare and charity activities such as rural revitalization, helping the poor and the needy, and assisting the elderly and the students, etc. In 2023, the Foundation was rated as a 4A-grade social organization by the Beijing Municipal Bureau of Civil Affairs, and it became the only insurance and financial industry foundation among the participating foundations in the evaluation of 2023.



Case: Audible post office

Concerned about the mental health of children in rural areas, Sunshine Insurance launched the "Audible Post Office" public welfare volunteering service project. The project recruited more than 200 employee and customer volunteers to record colorful and interesting stories and voices for the children of Sunshine Bo'ai Schools. They followed the healthy growth of rural children with the volunteers' loving voices and rich story contents, and mobilizing more public welfare forces to participate in the cause of rural children's development.



Case: Sunshine financial public welfare class

Sunshine Insurance gives full play to the professional advantages of Sunshine's volunteer financial practitioners to provide rural children with interesting and beneficial financial education. In 2023, Sunshine financial business public welfare classes were piloted in rural schools in Yunnan and Inner Mongolia, which greatly stimulated the children's interest and motivation to learn, and helped them better understand financial planning and management and raise their financial awareness by comprehensively applying financial knowledge and skills in their daily lives and studies.



Case: Bo'ai Schools

Sunshine Insurance completed the construction of two schools in Anhui and Guizhou province in 2023. Among them, Anhui Bo'ai School developed a brand-new donation mode, adopting for the first time the fund-raising form of "employee donation + foundation matching donation". By the end of 2023, we had built 73 schools in 24 provinces and cities across China, benefiting more than 29,000 teachers and students.



In **24** provinces and cities across China

We had built **73** schools

Benefiting more than **29,000** teachers and students



Popularization and Education of Insurance Knowledge

We are committed to making the Sunshine Insurance Museum the most historical, precise, vivid and condensed history textbook of China's insurance industry, continuously enhancing the public's awareness of risk management and boosting the cultural confidence of insurance practitioners. Sunshine Insurance Museum has increasingly become a dissemination base for insurance public education and knowledge popularization. Cooperating with major universities, societies, associations and other organizations, the Museum has carried out unique real-life teaching and research, and interpreted professional knowledge of risk management and insurance actuarial science with exhibit panels and display scenarios. In 2023, Sunshine Insurance Museum is open 360 days a year, with an annual reception of over 10,000 people.



Special Exhibition Hall of Insurance and Education at the Sunshine Museum

To effectively narrate the historical and cultural stories of insurance and promote insurance literacy education, the Sunshine Insurance Museum has developed a series of distinctive products:

Digital Museum

Presenting museum content digitally, with precision, and thematically to enable audiences to browse online anytime and anywhere.

The Epic of Insurance in the Museum

From the perspective of "Insurance of a Major Country", the museum exhibition is combined with expert comments and classic films from China and abroad to create an immersive experience that allows one to perceive the cultural concept "love and responsibility" of insurance.



Cultural and Creative Products

Refining the resources and elements of the collection, bringing the artifacts to life, enabling them to "speak", and telling the story of insurance history well, highlighting the essential attributes "mutual assistance and aid" of the insurance industry, and enhancing the social reputation of the insurance industry.



04

SUSTAINABLE GOVERNANCE

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Party Building

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Sunshine Insurance fully implements the guiding principles from the 20th National Congress of the Communist Party of China and the guiding principles of the Central Financial Work Conference and the Central Economic Work Conference, strengthens the political guidance and the organizational construction, and adheres to the principle of unification, integration and empowerment. By doing so, it provides strong political, theoretical and organizational guarantees for the landing of the New Sunshine Strategy and the completion of the central tasks. In 2023, the Sunshine Insurance Party Committee was awarded "Advanced Community-level Party Organization" by the Party Working Committee of new economic organizations and new social organizations in Shenzhen.

Advanced Community-level Party Organization

In 2023, the Sunshine Insurance Party Committee was awarded "Advanced Community-level Party Organization" by the Party Working Committee of new economic organizations and new social organizations in Shenzhen.

Enhancing the Effectiveness of Political Guidance

With a focus on implementing theoretical study of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we have carried out collective learning in the central group, held themed education reading classes, and listened to expert guidance reports. By doing so, we strengthen our theoretical armament and political stance, act on the politics and people-centered nature of financial work, and plan the Sunshine strategies and the development direction in the context of the overall situation of China and its main business of insurance, so as to contribute to a strong financial country. In May 2023, the Sunshine Insurance Party Committee conducted a leading thematic study on the New Sunshine Strategy, which effectively kept the political, reform, and development directions of Sunshine in mind, and significantly improved the effectiveness of political guidance.



The party committee of the group held a special mentoring report on the spirit of the Central Financial Work Conference

Upgrading the Empowerment and Pooling Strength of Party Building

We focus on empowering development and pooling strength, and promote the deep integration of party building innovation and business development. In 2023, we named 8 "value party building" brands, setting up role models that strengthen party building and promote development. We held high-quality development training courses for "frontline development leaders", training courses for party office directors on "implementing the guiding principles of the 20th CPC National Congress to promote high-quality development at the community level" and the first Sunshine Insurance Party Skills Competition. By doing this, the Party's skills and development capabilities at the community level are enhanced. We carried out the party building activities of "Promoting New Strategies and Building New Sunshine" across the Group, and selected and commended outstanding Communist Party members, outstanding party workers, and advanced community-level party organizations to enhance the vitality of the community-level party organizations.



Corporate Governance

Diversity of Directors

Sunshine Insurance attaches great importance to the professional and diversified composition of directors. Independent directors are professional experts or executives of enterprises and institutions in the fields of economics, finance, investment and finance. At the same time, we continue to practice the diversity principle to support the efficient functioning of the board and scientific decision-making. As of the end of 2023, there are two female directors.

Linking Sustainable Development with Remuneration

Sunshine Insurance has set up qualitative and quantitative indicators regarding sustainable development in the performance appraisal index system for Sunshine executives. In combination with Sunshine Insurance's sustainable development goals of accelerating sustainable insurance business, strengthening sustainable investment, protecting consumers' rights and interests, and improving corporate governance, we are improving the setting of sustainable development indicators and assessment mechanism in Sunshine's remuneration evaluation. By linking the assessment results with remuneration, we actively promote the implementation of relevant management measures.

Indicator Setting

We set assessment indicators of sustainable development, such as protecting consumers' rights and interests, serving the construction of ecological civilization, undertaking social responsibility, and strengthening risk management. These indicators, with a total weight of no less than 20%, include green finance, rural revitalization, protection of consumers' rights and interests, compliance risk management and control, and corporate governance ratings.



The proportion of assessment indicators related to sustainable development

no less than **20%**

Implementation

Since the establishment of sustainable development indicators, we continuously strengthen the close connection between sustainable development performance and executive compensation, using assessment results as the basis for determining performance-based annual salary fluctuation coefficients, directly linking them to the remuneration of executive directors and senior executives. Through this approach, we effectively promote the achievement of our sustainable development goals and objectives.

Remuneration Clawback Mechanisms

To fully leverage the guiding role of performance-based compensation in business management, balance the relationship between short-term and long-term outcomes, profit and risk, prevent aggressive business practices and violations of laws and regulations, and promote stable, sustainable development at Sunshine Insurance, we have formulated the Performance Compensation Recovery and Clawback Management Measures. For senior management and key position personnel, performance compensation is subject to deferred payment and clawback mechanisms strictly in accordance with regulatory requirements. When significant deviations from reasonable ranges in key business indicators occur, major risk events arise, or substantial damage is inflicted on the company's assets or reputation, we will claw back all performance compensation for the corresponding period from senior managers and key personnel primarily responsible, and a portion of the performance compensation from other responsible personnel, with the specific clawback ratio and scope determined by the Performance Incentive and Risk Compliance Assessment Committee.

Protecting Shareholders Interests

Sunshine Insurance continuously improves its investor relations management, ensures efficient and smooth communication with the capital market, and safeguards the interests of all shareholders, including small and medium-sized shareholders. We strictly fulfill information disclosure responsibilities as a listed company in accordance with regulations. Through various channels and platforms, such as performance press conference, investor hotline and investor email, we effectively communicate with investors in accordance with laws and regulations, and protect the legitimate rights and interests of investors.

We establish a reasonable dividend policy, taking into full consideration a number of factors such as Sunshine's profitability, cash flow position, future investment plans and its competitiveness in the industry. We strive to provide shareholders with a stable and sustainable return. Sunshine's independent directors have provided objective, fair and independent opinions on matters involving the interests of small and medium-sized shareholders, such as profit distribution plans, executive compensation and significant related party transactions. With respect to profit distribution plans, the independent directors will comprehensively consider factors such as the Group's profitability, future development needs, and shareholder returns to ensure that the profit distribution plans are in line with the Group's long-term interests and fully protect the interests of shareholders. In terms of determining the executive compensation, the independent directors will express objective and fair opinions based on factors such as the Group's performance, the executive's contribution, and compensation in the industry, to ensure that the executive compensation is closely linked to the Group's performance and shareholders' interests. With respect to significant related party transactions, the independent directors will strictly review the reasonableness and fairness of related party transactions to prevent tunneling and behaviors that harm the interests of small and medium-sized shareholders.



Business Ethics

Sunshine Insurance continues to improve the business ethics systems, adheres to the compliance operation of honesty, trustworthiness and fair competition. We have established strict internal management systems to ensure that Sunshine and our employees appropriately fulfill the code of business ethics.



Business Ethics System Building

We abide by the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Prevention of Bribery Ordinance* and other national laws and regulations related to anti-corruption and business ethics. We have strengthened the internal institutional construction and formulated management systems related to business ethics such as *Measures for the Administration of Supervision Work*, *Measures for the Administration of Anti-Fraud*, and *Regulations on Correcting Work Style, Rectifying the Roots, Transparency Governance, and Cleaning the Environment* (hereinafter referred to as the "Ten Provisions"), which apply to all employees of Sunshine Insurance and its subsidiaries.

The Board of Directors of Sunshine Insurance has established an Audit Committee. The Audit Committee reviews and gives guidance on the performance report of the responsible auditor of Sunshine Insurance on a quarterly basis. The content of its performance report includes the supervision and management of business ethics such as anti-bribery and anti-corruption.



Anti-corruption and Anti-bribery

We continue to strengthen our anti-corruption and anti-bribery systems, and have formulated *Anti-Bribery and Anti-Corruption Policy*. Every employee is required to uphold the principle of integrity and self-discipline, and take the initiative to avoid and declare actual or potential conflicts of interest. The use of official position and authority is prohibited for private gains, and relevant personnel who violate the requirements of Sunshine Insurance's anti-corruption and anti-bribery system will be strictly investigated and severely punished. The policy clearly stipulates the management structure and supervision mechanism for anti-bribery and anti-corruption. The Board of Directors, the Board of Supervisors and senior management work together to supervise anti-bribery and anti-corruption. Relevant departments have established a "Risk Control Center" for joint governance. The policy requires annual self-assessment of employee behavior management and self-assessment of case risks, and closely monitors the risks and work situation related to anti-bribery and anti-corruption. A sound reporting mechanism for bribery and corruption incidents should be established and whistleblower protection measures should be strictly implemented. Compliance education and training for all employees should be regularly organized, covering relevant laws and regulations on anti-bribery and anti-corruption, as well as warning education on corruption and bribery cases. Sunshine Insurance should strengthen the identification and investigation of abnormal behavior of employees in key areas and prevent employees from engaging in illegal and criminal acts such as bribery and corruption. The policy applies to Sunshine Insurance and its affiliated entities and to all employees.

In accordance with regulatory and internal management requirements, we develop and implement annual audit plans, under which, Sunshine Insurance and branches carry out routine audits once a year, central support branches conduct audits at least once every two years, and executives conduct audits at least once every three years during their tenure. Routine audits focus on operational violations, fraud, corruption and other risks in financial, business, human resources and administrative sectors. These audits involve checks on the implementation of the "Ten Provisions", integrity and self-discipline, to better supervise management cadres at various levels. Violations of laws and regulations related to integrity, self-discipline and fraud will be disclosed in the audit reports, and punishment will be proposed accordingly. For problems identified, relevant departments issue rectification and management suggestions to the audited entities, so as to continually refine and enhance Sunshine Insurance's internal control management.



Anti-Money Laundering

We have established a comprehensive internal control system for anti-money laundering, including regular internal inspection and audit mechanism, evaluation and reward & punishment mechanism. Sunshine Insurance has formulated the *Measures for Managing Anti-Money Laundering and Terrorist Financing Risks*, the *Measures for Reporting and Managing Large-amount Transactions and Suspicious Transactions*, the *Measures for Managing the Self-evaluation of Money Laundering and Terrorist Financing Risks*, and the *Specifications for Internal Reporting of Money Laundering and Risks*, and other anti-money laundering related policies. Each subsidiary and institution refines these policies according to its actual conditions to ensure the implementation and execution of these policies.

At the execution level, Sunshine Insurance and its subsidiaries have each established an Anti-Money Laundering Leading Group, and set up an anti-money laundering position in the leading departments to coordinate related work, promote the smooth progress of anti-money laundering activities and report to management of Sunshine Insurance. Additionally, Sunshine Insurance conducts anti-money laundering assessments and audits on its secondary institutions.

At the risk management level, we have developed a company-wide anti-money laundering compliance risk monitoring and alert management system, to conduct regular control over anti-money laundering data. Specially, we have constructed an anti-money laundering compliance risk monitoring rule model, and established a platform for anti-money laundering compliance risk monitoring and rectification tracking. The system automatically and periodically checks the compliance of key tasks across the platform, such as customer identity verification and classification of customers' money laundering risk levels. Through the systematic discovery of problems, tracking and rectification, analysis of loopholes, and optimization of card control, it realizes the closed loop of "investigating problems, plugging loopholes, and building mechanisms" in the management before and after the event, and controls the risk of anti-money laundering from multiple perspectives. Subsidiaries formulate customer identity verification processes and measures that fit their own operational characteristics, and rigorously implement anti-money laundering controls, including verification, re-verification, continuous verification of customer identity, and identification of beneficial owners of non-natural persons, to strengthen the identification of customers involved in high-risk products and services.



Business Ethics Training

To raise employees' awareness and understanding of business ethics, we have gradually developed a comprehensive business ethics training system, and provides ongoing ethics training and compliance warning education for all employees. On our "Sunshine Academy" platform, we've introduced special course modulars on anti-money laundering and anti-corruption, through which we've launched training courses on topics such as *Further Strengthening the "Ten Provisions"* and *Learning and Lecturing on Punishment Measures for Violation of Laws and Regulations*, with thousands of employees participating. Through our official WeChat account "Sunshine Sword", we've published 14 articles on integrity education and case study, to popularize relevant legal knowledge among all employees, which received over twenty thousand views. Furthermore, we establish business ethics forums, and invite lecturers from inside and outside the organization to discuss the latest policies and forefront topics, so as to broaden horizons and provide literacy and capability support for effective work. In 2023, the total number of participants of anti-money laundering training courses reached 120,353, maintaining a 100% coverage rate for anti-money laundering training for several consecutive years.



We published **14** articles on integrity education and case study through the "Sunshine Sword" platform



The total number of participants of anti-money laundering training courses reached **120,353**

Coverage rate for anti-money laundering training

100%

Whistleblowing and Communication

Whistleblowing and Communication Channels

We have formulated and published documents such as the *Measures for the Administration of Supervision Work*, the *Measures for the Administration of Anti-Fraud*, and the *Guidelines for Reporting and Investigation*, so as to standardize our internal reporting management mechanism. Sunshine Insurance has set up a Supervision Office, to manage and resolve complaints and reports, promptly communicate with the report handler or handling unit, and supervise the progress of report resolution. We provide various reporting channels, including email, telephone, and letter reporting. Furthermore, we've expanded online reporting methods by adding online supervision and reporting functions in the Sunshine Insurance OA system and subsidiaries' business terminal apps. This allows relevant reporting information to be sent to the audit intelligence platform in real time. In 2023, we followed up and provided feedback for 100% of reporting.

Whistle-blower Protection

To protect the whistle-blowers' legal rights and interests, we have formulated internal policies such as the *Reporting Management Policy*, the *Measures for the Administration of Supervision Work*, the *Measures for the Administration of Anti-Fraud*, and the *Guidelines for Reporting and Investigation*. We encourage employees at all levels to actively report illegal and non-compliant events, and promise to protect the legal rights and interests of whistleblowers.

The *Reporting Management Policy* applies to natural persons, legal persons, or other organizations (hereinafter referred to as "whistle-blowers") to report illegal and non-compliant behaviors of Sunshine Insurance, its subsidiaries, branches, and their staff. The reporting scope includes financial issues, internal control deficiencies, illegal acts, regulatory violations, insurance fraud, and other improper actions. The policy clearly stipulates the measures of whistle-blower protection. It requires to keep strictly confidential the reporting information, and effectively protects the confidentiality of identity and legitimate rights and interests of whistleblowers. Specifically, *the policy includes* accepting anonymous and named reporting, collecting and retaining reporting information on a minimum principle, keeping the reporting to a limited number of staff, and strictly punishing violations such as leaking reporting information and retaliating against whistleblowers. Sunshine Insurance enforces a recusal system, stipulating that if the person handling a report is a close relative of the individual being reported or if there are other circumstances that might affect the fairness of the proceedings, they must not participate in the handling of the report. Furthermore, the whistleblower and other related individuals have the right to request recusal to ensure impartiality in the process.



Intellectual Property Rights Protection

We have formulated the Patent Management Measures based on relevant national laws and regulations to standardize the management of patents, enhance technological innovation and core competitiveness of the Group. This policy applies to Sunshine Insurance and all subsidiaries and branches for patent application and management in the process of business operations and management activities.

For trademarks, we have established regulations such as the *Measures for the Management of Trademark Registration*, the *Measures for the Management of Trademark Use by Member Companies*, and the *Measures for the Management of the Use Font size*. Trademarks are primarily applied for in the name of the Sunshine Insurance Group. Based on the principle of "unified trademark registration", Sunshine Insurance centrally manages the trademark and grants the right of use to all subsidiaries. Additionally, based on the "unified registration" principle, we have established an authorization approval process to give different licenses to different types of companies and business practices, balancing protection effectiveness and efficiency. We focus on both internal development and external protection. Through regular trademark monitoring and daily rights protection measures, we are committed to safeguarding the distinctiveness and uniqueness of Sunshine trademarks. For copyrights, we standardize the process and mechanism of copyright application, and register the copyright of software, art, design and other works formed in the course of the company's operation, so as to protect the company's intangible assets and enhance the market value of the enterprise.



Privacy and Data Security

Sunshine Insurance attaches great importance to privacy and data security, and considers them crucial components of our governance. We strictly follow laws, regulations, and supervisory requirements, enforce internally developed management methods and norms, and continuously refine data security management policies in response to business development needs, aiming to elevate our management standards in privacy and data security.



Privacy and Data Security Policy

We strictly comply with national laws and regulations and regulatory requirements, such as the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Data Security Management of Banking and Insurance Institutions*, and constantly refine Sunshine Insurance's customer privacy and data security management mechanisms, including developing internal policies, such as the *Data Security Management Measures*, *Customer Data Management Measures* and the *Customer Information Security Management Procedures*. These efforts aim to consolidate and optimize the system structure, streamline and standardize the data security management work of Sunshine Insurance and clearly define the responsibilities and authority of all relevant departments.

We systematically organize internal management regulations in the field of personal information protection and form the *Key Points for Personal Information Protection Policy*. We also establish a personal information protection system applicable across Sunshine and its member companies, which covers operations of all business lines and various online and offline customer interaction scenarios, to guide all employees to comply with personal information security protection requirements and implement protective measures.

Regarding the construction of information security management system, Sunshine Insurance has released the *Information Security Policy Statement*, which elaborates on our progress in building the information security management system. The policy applies to all departments and employees of Sunshine Insurance Group, its member companies, and third parties who have access to our information assets. The policy also outlines our commitment and management structure in the field of information security management, and establishes key principles and measures for 12 tasks, including information security organization, human resources security, information asset security, access control security, physical and environmental security, operational security, communication security, information system development and maintenance, third-party security, business continuity security, legal compliance, and information security inspection and audit.



Management Measures for Privacy and Data Security

We have established management policies such as the *Information Security Management Measures* and the *Management Measures for Information Security Violations*, and require all employees to sign a confidentiality agreement, so as to clarify their information security responsibilities. We clearly delineate departmental responsibilities for managing information security incidents or violations, and preemptively prevent and alert potential information security risks. The *Management Procedures for Evaluation of Information Security Management Items* specifies the evaluation rules for departments or subsidiaries in information security management, to help enhance the information security protection awareness and performance of each entity.

We continue to refine our privacy and data security protection practices by regulating the collection, storage, use (including internal and external use), processing, transmission, provision, disclosure, deletion, and quality management of customer data. To protect the legal rights of customers and Sunshine from illegal infringement and to strengthen customer information security management, we have specified relevant measures through internal management policies. These include, but are not limited to:



Control over personnel data by individual customers

Based on business characteristics, we develop clear and understandable privacy policies/authorization terms at the customer information entry interface, to inform customers about the purpose, use, scope, type, and retention rules and practices related to the collection of personal information truthfully, accurately, and completely, and to obtain customer consent. We also provide customers the right to access, modify, and delete their personal information.

When indirectly collecting customers' personal information, we require the information provider to explain and confirm the legitimacy of the information source, and adhere to the granted scope of consent for the processing of the customer's personal information. If the processing of customer's personal information exceeds this scope of consent, explicit consent must be obtained from the customer within a reasonable timeframe after acquiring the personal information or before processing it.

If a customer requests the deletion of his or her personal information, we will decide whether to act on the request based on national laws, regulations, and regulatory requirements. If we decide to comply with the customer's deletion request, we will also notify any entities that have received the customer's personal information from Sunshine Insurance, instructing them to promptly delete the information, unless otherwise stipulated by law or regulation.



Access control and protection of personal/sensitive data

To ensure the confidentiality and integrity of data, appropriate physical and logical security measures are in place. This includes restricting physical and network access to the data, using strong passwords and multi-factor authentication, and regularly updating and patching software.



Minimum data collection and retention

We adopt a minimum principle for data collection and retention, under which we collect and process only the minimum amount of data necessary for business operations, and regularly delete unnecessary data. Furthermore, we will strengthen data storage and management to ensure the integrity and traceability of the data.



Third Party Privacy and Data Security Management

We have formulated the *Management Procedures for Third-Party Data Cooperation* and the *Management Procedures for Information Technology Supply Chain Security*, among other management policies, aiming to require partner suppliers to comply with laws and regulations related to privacy and data security, and clarify the legality, security, and transparency of third party's data processing.

We formulate plans based on the principle of "grant minimal permissions based on business-necessary authorization" and take effective protection measures to ensure data security. We also require third parties to comply with information security requirements. When signing contracts with third parties, we require suppliers to provide relevant security qualifications and certifications, review and evaluate the third party's network and information security capabilities to ensure they meet requirements, and sign the *Information Security Confidentiality Commitment* and *Security Responsibility Letter*.



Data Security Emergency Response

To respond to unexpected data security incidents we have formulated the *Guidelines for Cybersecurity Emergency Response (Plan)*. We utilize monitoring technologies to monitor, analyze, warn, and respond to cyber attacks, and then follow the emergency process (monitoring phase, analysis and judgment phase, disposal phase) for subsequent processing. The data security emergency response is integrated with the Class A risk control plan for customer information. Prior to any incident, supervision and tracking are conducted based on the risk level of customer information. Following an incident, an emergency response mechanism is activated to manage the situation.



Privacy and Data Security Training

We continuously strengthen and conduct data security-related training and enrich the training course system to enhance employees' awareness of privacy and data security. In 2023 we utilized the "Sunshine Assistant" online platform to provide all employees with interpretation of data security management practices to help employees gain a thorough understanding of the principles and basic regulations of data security management of data security, monitoring and disposal of data security risks, regulatory reporting, and penalties related to violations, thereby improving employees' privacy and data security awareness. Additionally, we conducted specialized training on data leakage prevention and cybersecurity knowledge, and played the video, "Preventing Data Leakage", to employees during the morning meeting and distributed a cybersecurity manual.



防范数据泄露，人人有责

数字化时代，数据是公司的命脉，具有巨大的价值，通过窃取数据来获取利益的诱惑也是巨大的。你是否了解数据泄露的危害？是否知道如何有效防范数据泄露？

Strengthen employees' information security knowledge

网络与数据安全小贴士

NOTICE

密码强度要加强，切勿泄露陌生人
打开链接仔细看，防止钓鱼和陷阱
公共网络应回避，保护信息和隐私
切勿扫码陌生源，避免下载中病毒
备份数据要定期，避免突发数据丢失
安全意识要做好，保证安全

ATTENTION!

《数据安全法》规定了哪些违法后果!

不履行规定保护义务:责令改正和警告给予单位5万至50万元罚款,给予责任人1万至10万元罚款。拒不改正或造成大量数据泄露等严重后果的,给予单位50万至200万元罚款,给予责任人1万至10万元罚款。



Information Security Audit

We actively carry out information security level protection filing. All Internet insurance business systems and official websites have completed the filing. In terms of information system audits, we hire external third parties every year to conduct comprehensive audits, including information system audits, covering Sunshine Insurance and its subsidiaries. In 2023, three internal audits of information systems were conducted, including the general control special audit project, the technology outsourcing special audit project, and the multi-entity shared Class A risk special audit project. Moreover, the audit on financial and funds application of third-party includes an external audit of the information system.

05

CLIMATE AND ENVIRONMENT

- 082 Climate Change Response
- 084 Green Energy Conservation and Emission Reduction





Climate Change Response

Sunshine Insurance adheres to the concept of sustainable development, actively responds to climate change, implements the requirements of the dual-carbon target, comprehensively promotes the green and low-carbon strategy, and promotes the virtuous cycle of economic development and environmental protection.

Climate Change Risk Identification and Response

We are highly concerned about the impact of climate change risks on the Group's operations, and have carried out systematic exploration and identification. Taking into account the overall strategic planning and business development of Sunshine Insurance, we have identified two types of climate change risks that will have a significant impact on our future business and formulated targeted control measures. We have strictly abided by the bottom line of our own risks and practiced the concept of sustainable development through active risk control.

Risk	Extreme weather risks	Technology and market risk
Risk types	Physical risks	Transition risks



Description

With increasing climate change, extreme weather events in recent years have been characterized by difficult prediction, heavy disasters and high losses, adding more uncertainty to the risks of insurance companies in terms of asset and liability.

With the continuous promotion of the national "dual-carbon" goal, the rapid updating and iteration of clean energy and other green technologies, as well as the restructuring and upgrading of the economy, insurance organizations are facing greater potential risks of transition.



Risk influences

Climate change leading to the over-expected occurrence of extreme weather events in non-high-risk areas will not only result in an increase in claims in the relevant business segments, but will also lead to issues such as under-pricing, which will create difficulties for insurance organizations' ongoing operations.

The rapid updating of green technologies and the economic restructuring may affect the operating costs and competitiveness of some of the investment targets, or even the failure of the transition, which may result in the risk of asset impairment of insurance institutions.

The rapid updating and iteration of clean energy and other green technologies, as well as the increase in market demand for green products and services, will lead to changes in the business structure and the accelerated replacement of traditional business by emerging business, which will increase the uncertainty in the operation of the insurance business.

Risk	Extreme weather risks	Technology and market risk
Risk types	Physical risks	Transition risks



Solutions

Integrate climate risk into the overall risk management framework for control.

Carry out full-process management of climate risk on the business side, including the implementation of preventive and control measures for climate risk in all business processes, including product development, underwriting, reinsurance, risk monitoring, disaster prevention and loss mitigation, and claims settlement.

Set up a full-time research position to conduct comprehensive research on climate risk and explore response strategies.

Actively promote green finance and sustainable development strategies on the investment side.

Actively participate in new types of business, such as new energy auto insurance, on the business side to lay out market transition.

Continuously optimize the analysis and pricing model of new insurance business to accurately grasp the cost of risk.

Actively respond to the industry self-regulation requirements initiated by the regulation institutions to standardize the development of new markets.



Business Enabling Climate Change Risk Mitigation

Climate change poses a serious challenge to the world, with rising global temperatures and frequent occurrence of extreme weather causing serious impacts on the ecological environment and agricultural production. We are highly concerned about the specific risks caused by climate change and have incorporated environmental factors into our business model. We continue to explore the path of business-enabling climate change risk mitigation. Sunshine P&C effectively considers customer needs, insists on strengthening risk management services with science and technology, and develops risk control service products to help corporate customers reduce risks.



Case: Strengthening climate risk management with science and technology and providing customers with in-depth risk reduction services

Sunshine P&C launched the "Sunshine Risk Map Platform", and built a national weather warning map and a WeChat warning mini program, providing customers with real-time disaster warnings and path tracking of typhoons, and realizing the function of automated online assessment of climate change for customers. In 2023, we provide scientific and technical disaster mitigation and professional risk advisory services to 14,000 enterprise clients. More than 800,000 times of warning information were provided to the customers and the public, which had a good risk reduction effect in terms of warning typhoons, rainstorms and other natural disasters.



Green Energy Conservation and Emission Reduction

Sunshine Insurance firmly upholds the concept of green operation, strictly follows the *Energy Conservation Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, advocates and practices the concept of green office, focuses on building a green data center, and strives to reduce the impact of its own operational activities on the environment.

Green Office

We formulated the *Low-Carbon Green Office Guidelines* to standardize the requirements related to green office, actively guide employees to practice the concept of green and low-carbon office, and continuously promote the implementation of related work. We have strengthened employees' low-carbon awareness and participation by holding promotional activities on the themes of green travel and green office, such as organizing bike-sharing cycling competitions and lectures on green travel knowledge. Starting from 2024, we will progressively enhance the greenhouse gas emission reduction supervision mechanism and the water resource management mechanism. We will promote the disposal of hazardous waste by professional third parties across the entire group and actively advocate for the use of energy-saving and environmentally friendly lighting fixtures.

● Reducing the use of paper

We practice electronic office, build the cloud conference platform, strengthen the application of the online conference system, and continuously improve the coverage of the OA system and mobile office APP for work matters. We use electronic invoices for paperless reimbursement to reduce the use of paper, improve the efficiency of paper use, with printers set to print on both sides by default. We set up an electronic document management system to improve the efficiency of information sharing and collaboration, and to reduce the use of printed and photocopied documents.

● Promoting garbage classification

We increase the awareness of employees and motivate them to conduct garbage classification, such as configuring classified garbage cans and classified signs in bathrooms, elevators, pantries and canteens, and doing a good job of removing and transporting classified garbage. We set up garbage classification bulletin boards in prominent positions in the office to popularize the basic knowledge of garbage classification. We set up classified garbage cans in office areas to encourage employees to classify and recycle waste paper, waste plastics and waste metals.

● Advocating green travel

We establish accounts to strengthen the statistical management of vehicle fuel consumption, implement the vehicle operation approval system, check the use of vehicles and fuel consumption, and encourage employees to reduce the use of private cars on the basis of ensuring travel safety. We configure cycling parking lots and charging piles for employees, and improve the supporting facilities for their green travel. We encourage employees to use public transportation, shared bicycles, walking and other green travel modes to reduce carbon emissions.

● Optimizing energy use in office areas

We carry out an electrical energy control plan to reduce energy consumption and optimize the energy-use structure by improving elevator dispatch and air-conditioning temperature control schemes. We insist on turning off the lights for one hour at lunchtime, carry out energy-saving inspections four times a day in order to strictly implement the idea of "when people leave, the electricity will be cut off", and notify and criticize the departments and individuals who fail to carry out the plan, with the aim of strengthening the concepts of safety and energy saving. We use energy-efficient LED lights and other lighting facilities to replace traditional incandescent and fluorescent lamps, and make rational use of natural light. We organize special program on energy conservation and consumption reduction, and continuously optimize our office space.

● Reducing the use of disposable items

We equip office space with recyclable office supplies, such as printers with refillable ink cartridges and pens with refillable ink. When issuing office supplies to employees, we prioritize the issuance of replaceable stationery made of environmentally friendly materials and provide employees with replacement sets, such as neutral pen refills and pencil refills.

● Promoting water conservation programs

We actively publicize water conservation knowledge, raise employees' awareness of water conservation, and dispose of wastewater generated in our operations in a compliant manner.



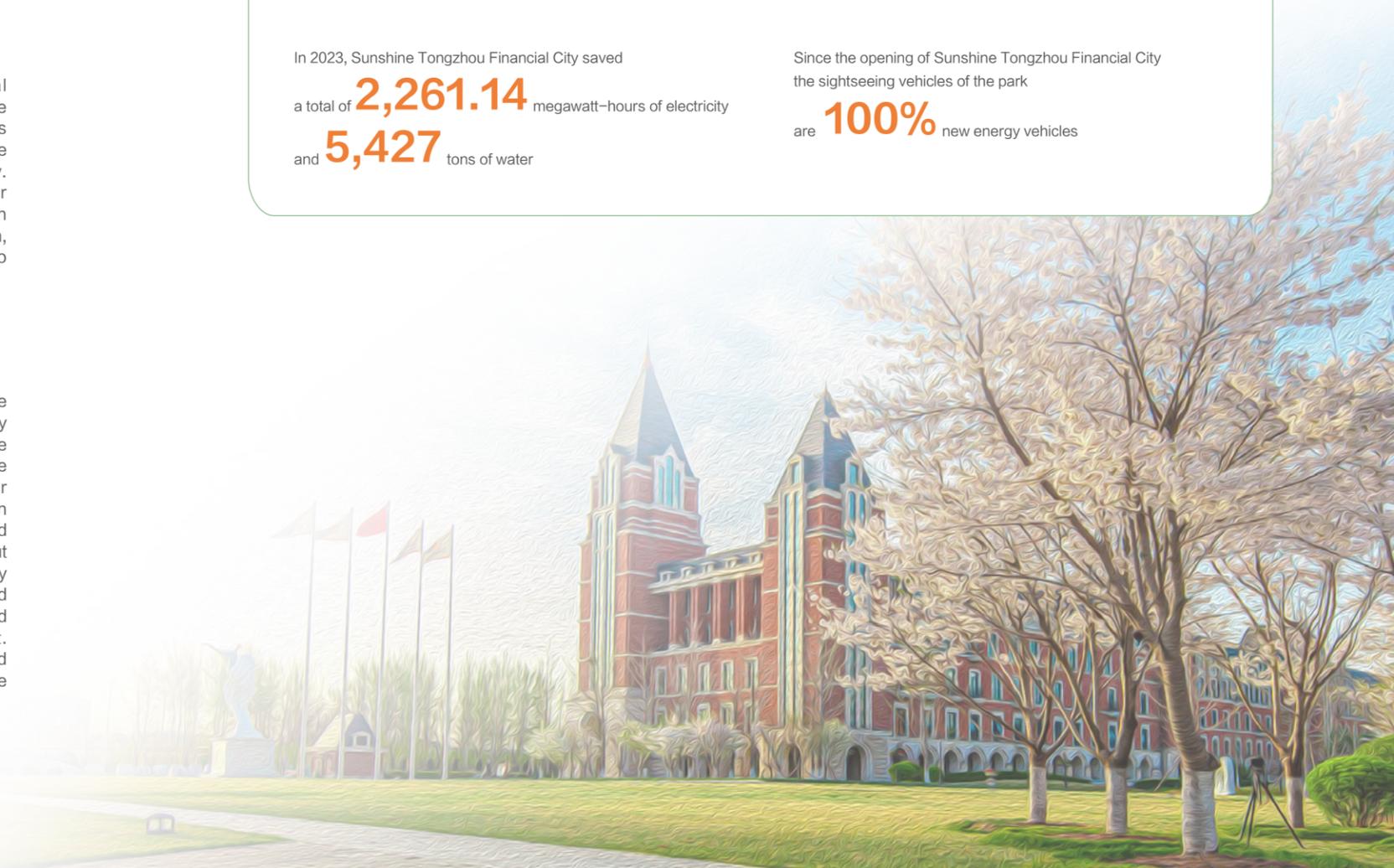
Case: Energy conservation and consumption reduction in Sunshine Tongzhou Financial City

In the Sunshine Tongzhou Financial City industrial park, we have carried out energy conservation and consumption reduction projects, adopting various measures to save energy and water. For instance, we switched to LED tubes, turned on time adjustments for different scenarios and different light source, repaired facilities rather than purchase new ones, promoted online and paperless office operations, and enabled new energy sightseeing vehicles, thus achieving green office operations in all aspects.

In 2023, Sunshine Tongzhou Financial City saved a total of 2,261.14 megawatt-hours of electricity and 5,427 tons of water through the implementation of energy conservation and consumption reduction projects. Since the opening of Sunshine Tongzhou Financial City, all the park's sightseeing vehicles are all the new energy vehicles.

In 2023, Sunshine Tongzhou Financial City saved a total of **2,261.14** megawatt-hours of electricity and **5,427** tons of water

Since the opening of Sunshine Tongzhou Financial City the sightseeing vehicles of the park are **100%** new energy vehicles



Green Building



Sunshine Insurance is committed to building a 5A-level headquarters building Sunshine Financial Center, which highlights our firm commitment to sustainable development and environmental protection.

The Sunshine Financial Center strives to integrate green and environmentally friendly concepts into every corner of the building, utilizing a large proportion of green building materials and advanced energy-saving technologies to ensure optimal facilities and environmental quality. The center has successfully obtained dual international gold-level certifications in LEED (Leadership in Energy and Environmental Design) and WELL (Wellness Building standards) reaching an international advanced level in the fields of green and healthy buildings. Additionally, the building extensively employs BIM (Building Information Modeling) technology for comprehensive architectural application, and the integration of multiple systems through IBMs (Intelligent Building, Management Systems) has elevated the building's level of intelligence.

Green Data Center

We have established the internal management system *Energy Conservation and Emission Reduction Measures for Sunshine Insurance Data Center*, which standardizes the energy management practices in the daily operation of the data center, actively responds to the requirements and initiatives of the national development plan, and gradually reduces the PUE (Power Usage Effectiveness) value of the data center.

Data Center Green Operation Measures

- 1 By adding reusable blind plates to cabinets and using blocking air ducts to reduce wind short-circuiting, the efficiency of air conditioning refrigeration is increased, contributing to power savings.
- 2 Adjusting the air supply floor to increase the air delivery distance from the underfloor plenum, enhancing the efficiency of air supply. Under the satisfaction of cooling capacity and air flow requirements, reducing the number of air conditioning units in operation, achieving energy-saving effects.
- 3 Replacing the screw chillers and expanding the plate heat exchanger capacity to increase the area of heat exchange for chilled and hot water, cooling the server room more efficiently and saving on electricity consumption.

Green Services

We advocate and practice the concept of green services, shoulder social responsibilities, and promote the development of green services at all levels of Sunshine Insurance. We have fully integrated the "green gene" and strengthened low-carbon and green development in digital transformation, effectively improving the quality of our business. Our APP provides full-process online services, comprehensively covering the underwriting, policy maintenance, and claims handling processes of insurance products. The functions have gradually expanded to include more than 20 basic insurance services such as policy inquiries, electronic policy downloads, online reporting, video investigation, roadside assistance, and so on.

We have introduced new video technology, implemented adaptive transformations, and broken through the limitations of time and space to provide customers with one-on-one dedicated video services. Currently, we can enable customers to transact without leaving their homes, paperless operations, and ensure system traceability, providing customers with a more convenient green financial service experience. At the same time, we have implemented an intelligent customer service hub, which analyzes customer needs, generates service tags, and automatically distributes proactive service task strategies, expanding the scope of the "green service" system and innovating service models.



Data highlights



In 2023, Sunshine Life Insurance utilized 5G video technology to achieve efficient remote services

serving **1,007,000** claim customers

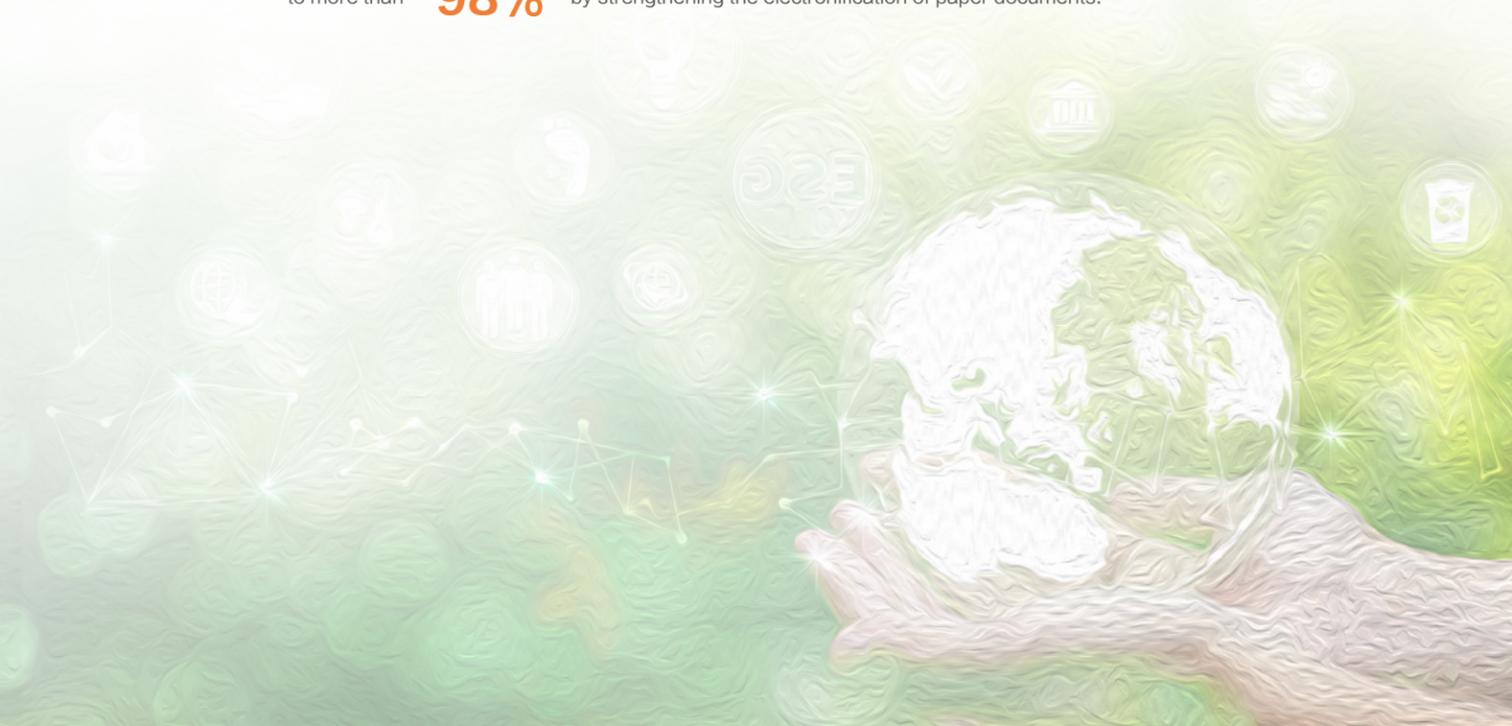
with a year-on-year growth of **32.5%**

and the online claim application rate and online policy maintenance usage rate are both above **97%**



In 2023, Sunshine P&C improved the usage rate of electronic policy documents for commercial vehicle insurance and the usage rate of electronic policy documents for compulsory traffic insurance

to more than **98%** by strengthening the electrification of paper documents.



APPENDIX

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Statement of the Board of Directors

The Board of Directors of Sunshine Insurance is committed to continuously improving ESG governance policies, management processes and information disclosure, and pursuing the harmonious development of the company, the environment and society while achieving steady improvement in the company's business.

Regulation of ESG matters

The Board of Directors is the highest responsible and decision-making body for ESG matters, and the ESG Committee of the Board of Directors has established under it, which bears the ultimate responsibility for ESG work, coordinates the construction of ESG system, approves ESG-related strategic planning and work reports, and plays a strategic leading role in guiding the development of work. The Board of Directors regularly listens to special reports on ESG matters every year, assesses and determines ESG risks, and ensures that Sunshine has established appropriate and effective ESG risk management and internal control systems.

ESG management policy and strategy

Sunshine Insurance integrates ESG governance requirements into its daily management system, regularly reviews the completion of ESG work, and prioritizes and manages the importance of various ESG issues based on macro policy analysis, regulatory requirements, and stakeholder communication results. The management regularly reports to the Board of Directors on the above matters, clarifies ESG management policies and strategies, and continuously improves its ESG performance.

Review of ESG targets

The Board of Directors regularly reviews Sunshine Insurance's ESG-related matters and progress towards its targets, and reviews ESG-related disclosures. During the year, the Board of Directors reviewed Sunshine Insurance's sustainability report, green finance work report, corporate governance report and three-year green finance development plan (2023–2025), and made recommendations on ESG-related information disclosure.

This report was reviewed and approved by the Board on 25th March 2024.



ESG Key Performance



Environmental Performance⁴

GHG Emissions	Unit	2023	2022
Total emissions	ton of carbon dioxide equivalent	59,524.91	64,677.20
Greenhouse gas emissions in scope 1	ton of carbon dioxide equivalent	13,864.81	18,594.11
Greenhouse gas emissions in scope 2	ton of carbon dioxide equivalent	45,660.10	46,083.09
Greenhouse gas emissions per person	ton of carbon dioxide equivalent/person	1.25	1.16

Energy Consumption	Unit	2023	2022
Direct energy consumption	MWh	56,127.53	79,001.30
Natural gas	MWh	9,438.78	23,760.48
Liquefied petroleum gas	MWh	7.96	211.23
Coal	MWh	–	20.40
Gasoline	MWh	46,439.83	54,333.22
Diesel	MWh	240.96	675.97
Direct energy consumption per person	MWh/person	1.18	1.42
Indirect energy consumption	MWh	80,063.30	80,804.99
Purchased electricity	MWh	80,063.30	80,804.99
Indirect energy consumption per person	MWh/person	1.68	1.46

⁴ The statistical scope of environmental performance data includes Sunshine Insurance, Sunshine P&C, Sunshine Life Insurance, Sunshine AMC, Sunshine Credit Insurance and Sunshine Union Hospital. The statistical scope of data per capita is the total number of on-the-job employees under the jurisdiction, including only the formal on-the-job employees who sign labor and employment contracts with Sunshine Insurance, excluding insurance brokers. Due to the nature of our business, greenhouse gas emissions are primarily from purchased electricity and fossil fuel burning. The list of greenhouse gases includes carbon dioxide, methane, and nitrous oxide. Greenhouse gas emissions data are presented in terms of carbon dioxide equivalents, and calculated in accordance with the *Notice on the Management of Greenhouse Gas Emission Reporting by Enterprises in the Power Generation Sector for 2023–2025* issued by the Ministry of Ecology and Environment of the People's Republic of China and the *2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories* published by the Intergovernmental Panel on Climate Change (IPCC).

Water Consumption	Unit	2023	2022
Water consumption	ton	1,017,790.52	1,208,116.94
Municipal water supply	ton	896,269.30	1,089,678.49
Potable water	ton	121,521.22	118,438.45
Water consumption per person	ton/person	21.37	21.76

Wastes	Unit	2023	2022
Non-hazardous wastes	ton	2,768.38	3,753.08
Paper consumption	ton	2,768.38	3,753.08
Non-hazardous wastes consumption per person	ton/person	0.06	0.07
Hazardous wastes ⁵	ton	112.12	101.47
Wasted toner cartridges	ton	89.78	74.52
Wasted ink cartridges	ton	22.34	26.95
Hazardous wastes consumption per person	ton/person	0.0024	0.0018

Social Performance

Employment	Unit	2023	2022
Total number of employees	person	50,629	57,152
Sunshine Insurance Group and subsidiaries ⁶	person	48,888	55,425
Sunshine Union Hospital	person	1,741	1,727
Number of interns	person	62	49
Number of dispatched employees	person	0	0
Number of part-time employees	person	0	0

⁵ Hazardous waste, including discarded toner cartridges and discarded ink cartridges, is recycled and disposed of by qualified recyclers.

⁶ The statistical scope includes Sunshine Insurance, Sunshine P&C, Sunshine Life Insurance, Sunshine AMC and Sunshine Surety.

Employment	Unit	2023	2022
By gender			
Number of male employees	person	21,334	24,885
Number of female employees	person	29,295	32,267
By age			
30 and under	person	12,748	17,151
31 to 40	person	26,862	29,508
41 to 50	person	8,925	8,488
51 and above	person	2,094	2,005
By region ⁷			
Northern China	person	11,820	13,439
Northeastern China	person	4,566	4,933
Eastern China	person	14,872	16,867
Central China	person	6,470	7,505
Southern China	person	3,467	3,587
Southwestern China	person	2,897	3,260
Northwestern China	person	6,537	7,561
By education			
Below bachelor	person	25,300	30,356
Bachelor	person	23,286	24,657
Master and above	person	2,043	2,139
By employment type			
Management	person	6,084	6,312
Professional technicians	person	16,710	18,120
Sales staff	person	27,835	32,720

⁷ The regional division criteria are North China: Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia Autonomous Region; Northeast China: Heilongjiang Province, Jilin Province, Liaoning Province; East China: Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong, Fujian, and Taiwan; Central China: Henan Province, Hubei Province, Hunan Province; South China: Guangdong Province, Guangxi Zhuang Autonomous Region, Hainan Province, Hong Kong Special Administrative Region and Macao Special Administrative Region; Southwest region: Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Tibet Autonomous Region; Northwest region: Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region.

Employee Turnover ⁸	Unit	2023	2022
Employee turnover rate	%	6.5	8.4
By gender			
Male	%	7.6	9.0
Female	%	5.6	7.9
By age			
30 and under	%	12.7	13.5
31 to 40	%	5.1	7.1
41 to 50	%	2.4	3.6
51 and above	%	0.8	2.4
By region			
Northern China	%	6.9	9.0
Northeastern China	%	3.6	5.4
Eastern China	%	6.4	8.6
Central China	%	5.6	7.9
Southern China	%	8.0	8.7
Northwestern China	%	9.9	10.9
Southwestern China	%	6.4	7.6

Employee Development and Training ⁹	Unit	2023	2022
Coverage rate of employees trained	%	93.2	79.0
By Gender			
Male	%	94.9	85.1
Female	%	91.9	74.7
By employment			
Management	%	100	99.9
Non-management	%	92.3	78.4
Average training hours for employees	class hour	71.6	60.4
By gender			
Male	class hour	78.4	69.6
Female	class hour	66.6	53.9

⁸ The statistical coverage of employee turnover indicators is the voluntary turnover rate of non-sales staff.

⁹ Class hours are the internal statistical rules formulated by Sunshine Insurance according to different types of training courses.

Employee Development and Training	Unit	2023	2022
By employment			
Management	class hour	136.1	126.0
Non-management	class hour	63.0	54.6

Supply Chain Management	Unit	2023	2022
Number of suppliers	/	10,620	10,931
Northern China	/	3,281	3,330
Northeastern China	/	619	642
Eastern China	/	3,034	3,217
Central China	/	944	910
Southern China	/	1,348	1,426
Southwestern China	/	951	1,001
Northwestern	/	443	405
Overseas suppliers	/	-	-

Product Responsibility				
2023				
Customer Complaints	Unit	Sunshine P&C	Sunshine Life Insurance	Sunshine Surety
Number of complaints transferred from the supervision department	/	1,323	1,581	66
Complaint handling rate	%	100	100	100
Three areas where complaints are concentrated	/	Jiangsu, Beijing, Guangdong	Zhejiang, Yunnan, Guangdong	Beijing, Shanghai, Zhejiang
2022				
Customer Complaints	Unit	Sunshine P&C	Sunshine Life Insurance	Sunshine Surety
Number of complaints transferred from the supervision department	/	1,359	1,780	32
Complaint handling rate	%	100	100	100
Three areas where complaints are concentrated	/	Jilin, Beijing, Jiangsu	Zhejiang, Hebei, Yunnan	Beijing, Shanghai, Zhejiang

Anti-Corruption	Unit	2023	2022
Anti-corruption training for employees	person-times	20,749	9,699

Community Investment	Unit	2023	2022
Accumulated investments in public charity	RMB100 million	6.81	5.96



Third-Party ESG Assurance Report



普华永道

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English Translation for Reference Only

Independent practitioner's assurance report

To the Board of Directors of Sunshine Insurance Group Company Limited

We have been engaged to perform a limited assurance engagement on the selected 2023 key data as defined below in the 2023 Sustainability Report of Sunshine Insurance Group Company Limited (the "Company").

Selected key data

The selected key data in the Company's 2023 Sustainability Report that is covered by this report is as follows:

- Purchased electricity (MWh)
- Natural gas consumption (MWh)
- Liquefied petroleum gas consumption (MWh)
- Gasoline consumption (MWh)
- Diesel consumption (MWh)
- Greenhouse gas emissions in scope 1 (ton of carbon dioxide equivalent)
- Greenhouse gas emissions in scope 2 (ton of carbon dioxide equivalent)
- Total emissions (ton of carbon dioxide equivalent)
- Total number of employees (person)
- Number of female employees (person)
- Coverage rate of employees trained (%)
- Average training hours for employees (class hour)
- Coverage rate of male employees trained (%)
- Coverage rate of female employees trained (%)
- Average training hours of male employees (class hour)
- Average training hours of female employees (class hour)
- Number of suppliers (number)
- Number of female directors (person)

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 Sustainability Report.

Criteria

The criteria used by the Company to prepare the selected key data in the 2023 Sustainability Report is set out in the basis of reporting of the key data (the "basis of reporting") after this assurance report.

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Management's Responsibilities

Management of the Company is responsible for the preparation of the selected key data in the 2023 Sustainability Report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2023 Sustainability Report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2023 Sustainability Report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Company's 2023 selected key data in the 2023 Sustainability Report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2023 Sustainability Report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. We have performed the following procedures:



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- 1) Interviews with relevant departments at the Headquarters of the Company involved in providing information for the selected key data within the Sustainability Report; and
- 2) Analytical procedure;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation; and
- 5) Other procedures deemed necessary.

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2023 selected key data in the 2023 Sustainability Report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the board of directors of the Company and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

April 19, 2024

Basis of Reporting

Purchased electricity (MWh)

The amount of purchased electricity disclosed in the Sustainability Report refers to the total amount of externally purchased electricity of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period.

Natural gas consumption (MWh)

The natural gas consumption disclosed in the Sustainability Report refers to the total natural gas consumption of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period, which was accounted for in accordance with the national standard of the People's Republic of China, *General rules for calculation of the comprehensive energy consumption* (GB/T 2589–2020).

Liquefied petroleum gas consumption (MWh)

The liquefied petroleum gas consumption disclosed in the Sustainability Report refers to the total liquefied petroleum gas consumption of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period, which was accounted for in accordance with the national standard of the People's Republic of China, *General rules for calculation of the comprehensive energy consumption* (GB/T 2589–2020).

Gasoline consumption (MWh)

The gasoline consumption disclosed in the Sustainability Report refers to the total gasoline consumption of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period, which was accounted for in accordance with the national standard of the People's Republic of China, *General rules for calculation of the comprehensive energy consumption* (GB/T 2589–2020).

Diesel consumption (MWh)

The diesel consumption disclosed in the Sustainability Report refers to the sum of motorized diesel consumption and non-motorized diesel consumption of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period, which was accounted for in accordance with the national standard of the People's Republic of China, *General rules for calculation of the comprehensive energy consumption* (GB/T 2589–2020).

Greenhouse gas emissions in scope 1 (ton of carbon dioxide equivalent)

Greenhouse gas emissions in scope 1 disclosed in the Sustainability Report refers to the total direct greenhouse gas emissions generated by the consumption of natural gas, liquefied petroleum gas, gasoline and diesel of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital. Greenhouse gas emissions in scope 1 emissions was presented in terms of carbon dioxide equivalent, and was accounted for in accordance with the national standard of the People's Republic of China, *General rules for calculation of the comprehensive energy consumption* (GB/T 2589-2020), and the *2019 refinement to 2006 IPCC Guidelines for National Greenhouse Gas Inventories* published by the Intergovernmental Panel on Climate Change (IPCC).

Greenhouse gas emissions in scope 2 (ton of carbon dioxide equivalent)

Greenhouse gas emissions in scope 2 disclosed in the Sustainability Report refer to the total indirect greenhouse gas emissions generated by purchased electricity of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital. Greenhouse gas emissions in scope 2 was presented on a carbon dioxide equivalent basis and was accounted for in accordance with the *Notice on the Management of Greenhouse Gas Emission Reporting by Enterprises in the Power Generation Sector for 2023-2025* issued by the Ministry of Ecology and Environment of the People's Republic of China.

Total emissions (ton of carbon dioxide equivalent)

The total emissions disclosed in the Sustainability Report refers to the sum of Scope 1 and Scope 2 greenhouse gas emissions of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital in the reporting period.

Total number of employees (person)

The number of employees disclosed in the Sustainability Report refers to the number of employees who signed labor contracts as of the end of the reporting period. The statistical scope includes: Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Number of female employees (person)

The number of female employees disclosed in the Sustainability Report refers to the number of female employees signed labor contracts as of the end of the reporting period. The statistical scope includes: Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Coverage rate of employees trained (%)

The coverage rate of employees trained disclosed in the Sustainability Report refers to the number of employees who participated in the trainings during the reporting period as recorded in the Sunshine Academy divided by the total number of employees. The statistical scope includes: employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Average training hours for employees (class hour)

The average training hours for employees disclosed in the Sustainability Report refers to the total number of class hours of training recorded in the Sunshine Academy during the reporting period divided by the total number of employees. The scope of statistics includes: employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Coverage rate of male employees trained (%)

The coverage rate of male employees trained disclosed in the Sustainability Report refers to the number of male employees who participated in the trainings during the reporting period as recorded in the Sunshine Academy divided by the total number of male employees. The scope of statistics includes: employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Coverage rate of female employees trained (%)

The coverage rate of female employees trained disclosed in the Sustainability Report refers to the number of female employees who participated in the trainings during the reporting period as recorded in the Sunshine Academy divided by the total number of female employees. The scope of statistics includes: employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Corporation Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Average training hours of male employees (class hour)

The average training hours of male employees disclosed in the Sustainability Report refers to the total number of class hours of training attended by male employees recorded by the Sunshine Academy during the reporting period divided by the total number of male employees. The statistical scope includes: employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Average training hours of female employees (class hour)

The average training hours of female employees disclosed in the Sustainability Report refers to the total number of class hours of training attended by female employees as recorded in the Sunshine Academy during the reporting period divided by the total number of female employees. The scope of statistics includes: employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Number of suppliers (number)

The number of suppliers disclosed in the Sustainability Report refers to the number of official suppliers in the Sunshine Bidding and Procurement System as of the end of the reporting period. The statistical scope includes: Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Corporation Limited, Sunshine Asset Management Corporation Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital.

Number of female directors (person)

The number of female directors disclosed in the Sustainability Report refers to the total number of female directors among the members of the Board of Directors of Sunshine Insurance Group as of the end of the reporting period.



Indicator Index

HKEX Environmental, Social and Governance Reporting Guide

Description	Aspect, General Disclosure and KPI	Section
Environmental		
A1: Emissions		
General Disclosure	<p>Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste on:</p> <ul style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer <p>Note: Air emissions include NOx, SOx and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	P084
KPI A1.1	The types of emissions and respective emissions data.	P091
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	P008; P091
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P092
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P092
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	P084-P085
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.	P084-P085
A2: Use of Resources		
General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources can be used production, in storage, transportation, in buildings, electronic equipment, etc.</p>	P084

Description	Aspect, General Disclosure and KPI	Section
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (KWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P091
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P092
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P084-P085
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.	P084-P085
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	-
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P084-P085
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P084-P085
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P082-P083
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P082-P083
Social: Employment and Labour Practices		
B1: Employment		
General Disclosure	<p>Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare on:</p> <ul style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer. 	P052-P053, P058

Description	Aspect, General Disclosure and KPI	Section
KPI B1.1	Total workforce by gender, employment type for example, full or part-time age group and geographical region.	P092–P093
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P094
B2: Health and Safety		
General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards on: <ul style="list-style-type: none"> ● the policies; and ● compliance with relevant laws and regulations that have a significant impact on the issuer. 	P059
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P059
KPI B2.2	Lost days due to work injury.	P059
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P059
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.	P055–P057
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P094
KPI B3.2	The average training hours completed per employee by gender and employee category.	P094–P095
B4: Labour Standards		
General Disclosure	Information relating to preventing child and forced labour on: <ul style="list-style-type: none"> ● the policies; and ● compliance with relevant laws and regulations that have a significant impact on the issuer. 	P052
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	P052
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	P052
Social: Operating Practices		
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P062
KPI B5.1	Number of suppliers by geographical region.	P095
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.	P062

Description	Aspect, General Disclosure and KPI	Section
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P062
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P062
B6: Product Responsibility		
General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on: <ul style="list-style-type: none"> ● the policies; and ● compliance with relevant laws and regulations that have a significant impact on the issuer. 	P075–P079
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	–
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	P095
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P075
KPI B6.4	Description of quality assurance process and recall procedures.	–
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P076–P079
B7: Anti-corruption		
General Disclosure	Information relating to bribery, extortion, fraud and money laundering on: <ul style="list-style-type: none"> ● the policies; and ● compliance with relevant laws and regulations that have a significant impact on the issuer. 	P073–P075
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.	Refer to Judicial Disclosure
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P073–P075
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P074; P095
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.	P063–P067
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P063–P067
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	P095

GRI Standards for Sustainability Reporting

GRI Indicators	Interpretations	Section
GRI 1 Foundation		
1 Foundation 2021	Reporting foundations, including publishing a GRI content index, providing a statement of use, etc.	P003–P005; P106
GRI 2 General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	P008
2-2	Entities included in the organization's sustainability reporting	P003
2-3	Reporting period, frequency and contact point	P003; P005
2-4	Restatements of information	-
2-5	External assurance	P096–P098
Activities and workers		
2-6	Activities, value chain and other business relationships	P008
2-7	Employees	P052–P059
2-8	Workers who are not employees	P060–P061
Governance		
2-9	Governance structure and composition	P016
2-10	Nomination and selection of the highest governance body	P016
2-11	Chair of the highest governance body	P016
2-12	Role of the highest governance body in overseeing the management of impacts	P016; P090
2-13	Delegation of responsibility for managing impacts	P016
2-14	Role of the highest governance body in sustainability reporting	P016; P090
2-15	Conflicts of interest	-
2-16	Communication of critical concerns	P022–P023
2-17	Collective knowledge of the highest governance body	P016
2-18	Evaluation of the performance of the highest governance body	-
2-19	Remuneration policies	P053; P071–P072
2-20	Process to determine remuneration	P053; P071–P072
2-21	Annual total compensation ratio	-

GRI Indicators	Interpretations	Section
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	P014–P015
2-23	Policy commitments	P014–P015
2-24	Embedding policy commitments	-
2-25	Processes to remediate negative impacts	-
2-26	Mechanisms for seeking advice and raising concerns	-
2-27	Compliance with laws and regulations	P046–P048; P052; P059; P073–P076
2-28	Membership associations	-
Stakeholder engagement		
2-29	Approach to stakeholder engagement	P022–P023
2-30	Collective bargaining agreements	-
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	P024
3-2	List of material topics	P024
3-3	Management of material topics	P024
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	-
201-2	Financial implications and other risks and opportunities due to climate change	P082–P083
201-3	Defined benefit plan obligations and other retirement plans	P058
GRI 203 Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	P028–P043
203-2	Significant indirect economic impacts	P028–P043
GRI 205 Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	P073
205-2	Communication and training about anti-corruption policies and procedure	P073–P074
205-3	Confirmed incidents of corruption and actions taken	-
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-

GRI Indicators	Interpretations	Section
GRI 207 Tax 2019		
207-1	Approach to tax	-
207-2	Tax governance, control, and risk management	-
207-3	Stakeholder engagement and management of concerns related to tax	-
207-4	Country-by-country reporting	-
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	P091
302-2	Energy consumption outside of the organization	-
302-3	Energy intensity	P091
GRI303 Water and Effluents 2018		
303-5	Water consumption	P092
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	P091
305-2	Energy indirect (Scope 2) GHG emissions	P091
305-4	GHG emissions intensity Emissions	P008
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	-
306-2	Management of significant waste-related impacts	-
306-3	Waste generated	P092
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	P062
308-2	Negative environmental impacts in the supply chain and actions taken	P062
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	P094
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P058
401-3	Parental leave	P058

GRI Indicators	Interpretations	Section
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	P059
403-2	Hazard identification, risk assessment, and incident investigation	-
403-3	Occupational health services	P059
403-4	Worker participation, consultation, and communication on occupational health and safety	-
403-5	Worker training on occupational health and safety	P059
403-6	Promotion of worker health	P059
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P059
403-8	Workers covered by an occupational health and safety management system	-
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GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	P094-P095
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GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	P052; P093
GRI408 Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	P052
GRI409 Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	P052
GRI 413 Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	P063-P067
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	P062
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	P046-P048

