



# 2022

Sustainability Report



**阳光保险集团**  
Sunshine Insurance Group

**Sunshine Insurance Group Company Limited**

**阳光保险集团股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 06963)**

# Contents

## Opening

- 1 Notes on Report Preparation
- 3 Chairman's Statement
- 5 About the Group
- 6 Annual Performance Highlights
- 8 Annual Honors
- 10 Adhering to Sustainable Development

## 1 Enhancing Corporate Governance for High-Quality Development

- 17 Party Building-Led Construction
- 19 Creating a Sunshine Culture
- 21 Improving Governance
- 22 Strengthening Risk Management
- 23 Ensuring Compliant Operation

## 2 Improving People's Well-Being and Serving the Real Economy

- 29 Safeguarding Healthy China
- 33 Protecting the Real Economy

## 3 Promoting Green Development to Realize Harmonious Coexistence

- 39 Developing Green Finance
- 43 Exploring Transition Finance
- 43 Promoting Green Services
- 44 Practicing Green Office
- 46 Implementing Green Procurement

## 4 Driving Science and Technology Innovation to Set Sail for a New Era

- 49 Launching Digital Transformation
- 50 Building Intelligent Platform
- 51 Enhancing Basic Ability
- 52 Forging Technology Team

## 5 Focusing on Customer Experience and Improving Service Quality

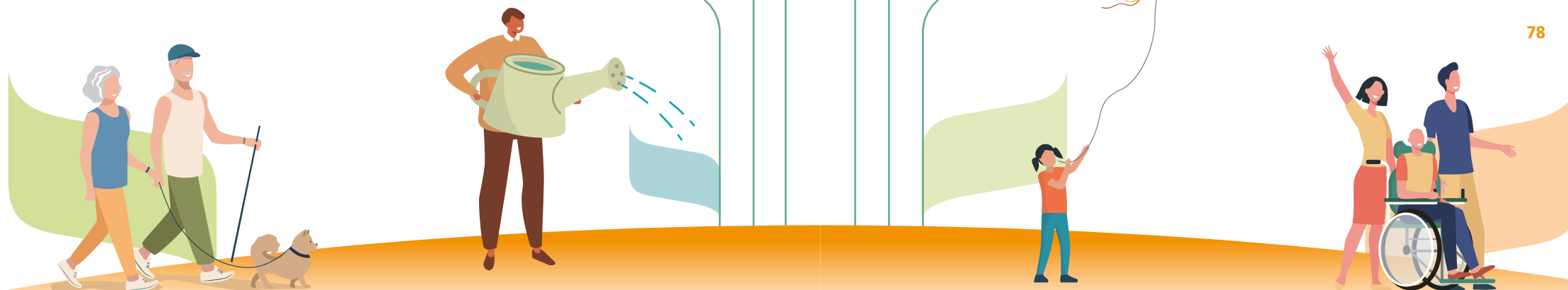
- 55 Optimizing Service Channels
- 56 Improving Service Experience
- 57 Protecting Consumer Rights and Interests

## 6 Implementing Talent Strategy and Enhancing Employee Care

- 61 Protecting Legitimate Rights and Interests
- 61 Fostering Career Growth
- 63 Focusing on Health and Safety

## 7 Pooling Strengths of All Parties to Form a Strong Joint Force

- 67 Enthusiastic about Public Welfare Undertakings
- 71 Popularizing Insurance Education
- 72 Strengthening Win-win Cooperation
- 73 ESG Performance
- 78 Appendix



# Opening

## Notes on Report Preparation

In order to better respond to the needs of stakeholders, Sunshine Insurance Group Company Limited issued *2022 Sustainability Report*. This report discloses the Group's important practices and accomplishments in environmental, social and governance spheres.



## Scope of Reporting

Covered organizations: Sunshine Insurance Group Company Limited, as well as its subsidiaries.

Covered period of time: January 1, 2022 to December 31, 2022.

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 (2022)*, the Global Reporting Initiative (GRI) *Standards for Sustainability Reporting (2021)*, 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 2022 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 made 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

The Report complies with the principles of Materiality, Quantification, Balance and Consistency.

## Accessibility

The electronic version of this report is accessible at the Group's official website [www.sinosig.com](http://www.sinosig.com), and available at the website of the Hong Kong Stock Exchange [www.hkex.com.hk](http://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 "P&C Insurance" both refer to "Sunshine Property and Casualty Insurance Company Limited".

**"Sunshine Life Insurance"** and "Life Insurance" both refer to "Sunshine Life Insurance Company Limited".

**"Sunshine Asset"** refers to "Sunshine Asset Management Company Limited".

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

## Third-party Assurance

In order to ensure the authenticity and reliability of this report, Ernst & Young Hua Ming 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.

## Chairman's Statement



**Chairman**  
**Zhang Weigong**

### Continuing with the course and embarking on a new journey to create a "Sunshine" model of sustainable development

On December 9, 2022, Sunshine Insurance was successfully listed on the main board of the Hong Kong Stock Exchange, becoming the only financial institution listed in Hong Kong in 2022 and the only domestic insurance company listed in the past five years. Since the establishment of the company 18 years ago, we have maintained our original aspiration, our main business of insurance, and the value development. Adhering to the mission of "bring more sunshine to people", we strive to build a customer-driven high-value insurance group and continue to promote the high-quality development of the company.

**In 2022, we actively served the national strategy, focused on supporting the real economy, and made active efforts to promote a Chinese path to modernization in an all-around way.** By the end of the year, Sunshine has provided more than RMB350 billion in financial support for the real economy, and an overall of more than RMB350 trillion in risk protection. In support of building China into a manufacturing powerhouse, we provided a total of over RMB58 trillion of risk protection for the manufacturing industry. Besides, we continued to strengthen the supply of commercial medical and health insurance products and services and formed a multi-level security system featuring critical illness insurance, the Medicare insurance, poverty prevention insurance, supplementary medical insurance for urban employees, and non-liability accident insurance for urban and rural residents. Furthermore, to serve agricultural production and ensure food security, we provided risk protection of RMB13.1 billion for 1.01 million households of farmers, and insurance payments benefiting 300,000 farmer households affected by disasters.

**We gathered strengths to support the "carbon peaking and carbon neutrality" (Dual Carbon) transformation under the two-wheel drive of insurance and investment, and promoted the construction of a green and low-carbon operating system.** In 2022, Sunshine provided nearly RMB60 trillion of green insurance protection for 16.35 million enterprises and individuals, involving compensation support of over RMB4 billion. Meanwhile, we built a framework for sustainable investment, incorporating environmental, social and governance factors into investment decisions, with a balance of sustainable investment exceeding RMB40 billion. We also promoted low-carbon office, energy saving and resource recycling, and continuously increased the utilization rate of electronic insurance policies and online services, in an effort to put the concept of "Dual Carbon" into practice.

**We fulfilled our solemn responsibility as a corporate citizen, and worked together with our employees and customers to build a harmonious and beautiful society.** By the end of the year, Sunshine had invested RMB596 million in various public welfare and charity undertakings. Meanwhile, in 24 provinces across the country, 71 Bo'ai Schools were built, bringing benefits to more than 28,000 teachers and students. We also carried out the village doctor plan to empower rural medical care. A total of 16,372 rural doctors have been trained and 68 telemedicine service stations have been set up, benefiting nearly 11 million villagers. We sincerely cared for the employees and their families, with parental support allowances granted among 33,200 employees.

**We consolidated corporate governance in all aspects, insisted on prudent operation, and built the cornerstone of high-quality development.** We continued to deepen the integration and empowerment of the Party building. Under a corporate governance structure featuring the coordinated operation of the "General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Senior Management", we built a professional and diversified Board of Directors and constantly improve the corporate governance. Besides, we made continuous efforts to strengthen comprehensive risk management capabilities to ensure compliant operations. By integrating the concept of sustainable development into corporate governance, we set up an ESG Committee under the Board of Directors and comprehensively explored ESG practices to drive Sunshine to build long-term competitiveness.

Continuing with the course, we embarked on a new journey. Looking forward to 2023, at a new historical starting point, Sunshine will adhere to the development of its main insurance business, insist on value development, uphold an open and inclusive heart, continue to write a "Sunshine" model for sustainable development, and contribute to the promotion of a Chinese path to modernization with sustainable development practices with Chinese characteristics!



## About the Group

Established in July 2005, Sunshine Insurance is a fast-growing private insurance service group in China, and now boasts several specialized subsidiaries, including in such areas as P&C insurance, life insurance, surety insurance, asset management, medical and health. Since its establishment, the Group has taken value creation as its main course. It has always been doing finance as its principal business as if it were an industrial company. While growing its strength in an earnest manner, it has been performing its social responsibility in a down-to-earth manner. For this reason, the Group has been among China's top 500 enterprises and top 100 service enterprises in a short span of 5 years since its inception. With just a little more than a decade's development, it has today grown into an emerging force in the financial sector of China. On December 9, 2022, Sunshine Insurance was successfully listed on the Hong Kong Stock Exchange, ushering a new chapter in the capital market.

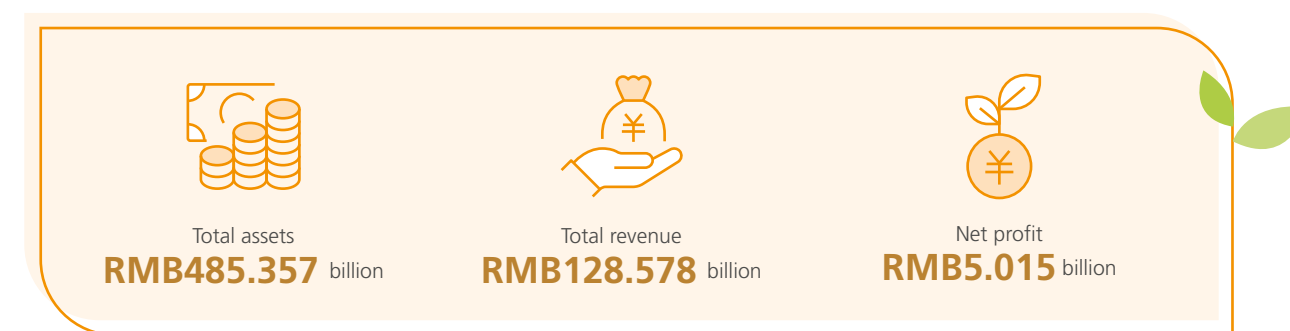
A foundation for the Group's rapid development has been laid due to its unique entrepreneurial genes, excellent corporate culture, and high-quality talent team. A steady stream of new momentum for the Group's business development is derived from its excellent innovation capabilities and continuous innovation and transformation. Besides, the Group is endowed with great potential for the development of its strong scientific and technological strength, rich industrial chain ecosystem, and leading customer service capabilities. Furthermore, the Group has won high recognition among society owing to its long-term commitment to social responsibility and undertakings.

After more than a decade of deep cultivation in the industry, Sunshine Insurance has been developing at "Sunshine Speed", created "Sunshine Brand", and formed a strong brand competitiveness. As of 31 December 2022, the Group has been selected as one of the top 500 Chinese enterprises for 12 consecutive years and has been appraised as one of China's 500 most valuable brands for 11 consecutive years.

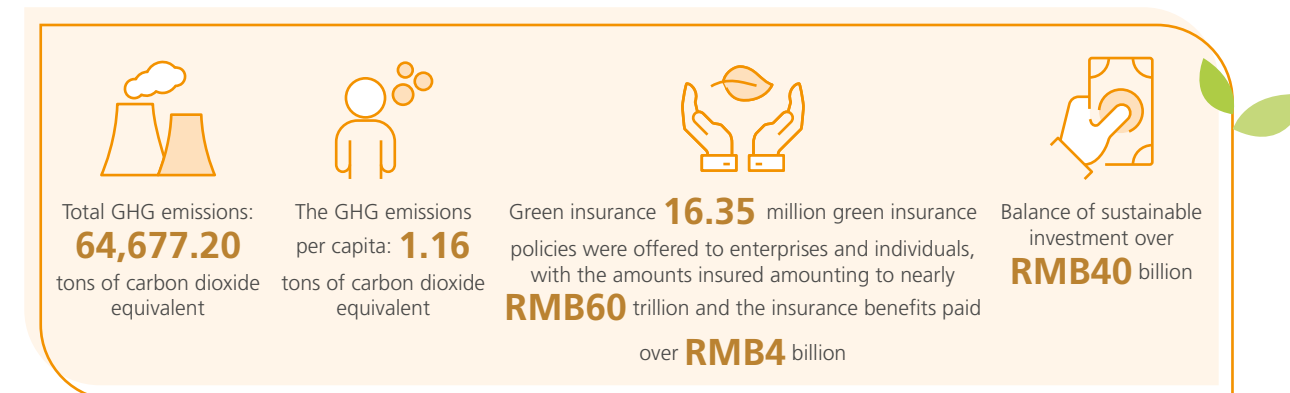
A journey of a thousand miles begins with a single step, and the road ahead will be long. Looking forward to the future, Sunshine Insurance will continue to take "being a professional and leading family insurance provider and a reliable enterprise risk management partner" as its business pursuit, and comprehensively promote the six strategic goals, including individual customer strategy, group customer strategy, channel strategy, data technology strategy, investment and asset management strategy, medical care and health strategy. The Group will adhere to the core value pursuit of "all for customers" and stick to the development cultural concept of "obeying the national strategy, benefiting the society and people's livelihood, warming customers and employees, and repaying the company's shareholders". By doing so, Sunshine Insurance will seek high-quality development and create high-value growth, so as to be an enterprise of the new age with characteristics of uniqueness, value, warmth, and a sense of social responsibility, and to practice the corporate mission of "bring more sunshine to people" with concrete actions.

## Annual Performance Highlights

### Financial Performance



### Environmental Performance



## Social Performance



The financial support for the real economy exceeded **RMB350 billion**, with cumulative risk protection of more than **RMB350 trillion**.

As for the end of year, number of effective customers **32.88 million**

Cumulative charity investment

**RMB596 million**



Employees at the end of the period: **167,768**

Number of regular employees: **57,152**

Proportion of employees: **44%** male employees, **56%** female employees

Investment in talent training exceeded **RMB280 million**

Cumulative disbursement of employee parental support allowance **RMB428 million**

## Governance performance



Anti-corruption and anti-embezzlement training **9,699** person-times



Anti-money laundering training **82,409** person-times



Number of directors **12**

## Annual Honors



### Awards of Sunshine Insurance Group for 2022

Awarding entity	Honors and Awards
China Enterprise Confederation, China Enterprise Directors Association	Ranked among the "Top 500 Chinese Enterprises" for 12 consecutive years
All-China Federation of Industry and Commerce	71st among the Top 500 Chinese Private Enterprises
China Foundation for Poverty Alleviation	Outstanding Contribution Award for Facilitating Poverty Alleviation
China Banking and Insurance News	Model of China's Influential Financial Brand
National Business Daily	Annual Award of Annual Financial Contribution for Serving the Real Economy
Securities Times	2022 Ark Award for Insurance Companies with Outstanding Social Responsibility
Yicai	Insurance Company of the Year
21st Century Business Herald	2022 Asia Excellent Technology Insurance Institution

### Awards of Sunshine P&C for 2022

Awarding entity	Honors and Awards
21st Century Business Herald	2022 Excellent Customer Service
National Business Daily	Excellent Property and Casualty Insurance Company of the Year
ZMoney	Insurance Company for Excellent Claims Service



### Awards of Sunshine Life for 2022

Awarding entity	Honors and Awards
National Business Daily	Annual Outstanding Life Insurance Company
The Economic Observer	Annual Excellent Customer Experience Insurance Company Award
JRJ	Outstanding Insurance Service Award

### Awards of Sunshine AMC for 2022

Awarding entity	Honors and Awards
China Securities Journal	Insurance Asset Management Portfolio Product Golden Bull Award
Securities Times	2022 Ark Award for Innovative Insurance Asset Management Products

### Award of Sunshine Union Hospital for 2022

Awarding entity	Honors and Awards
All-China Federation of Trade Unions, Publicity Department of the Communist Party of China, Central Civilized Office, Ministry of Industry and Information Technology, Ministry of Commerce, State-owned Assets Supervision and Administration Commission of the State Council	The 17th National Model Unit for Professional Ethics Construction

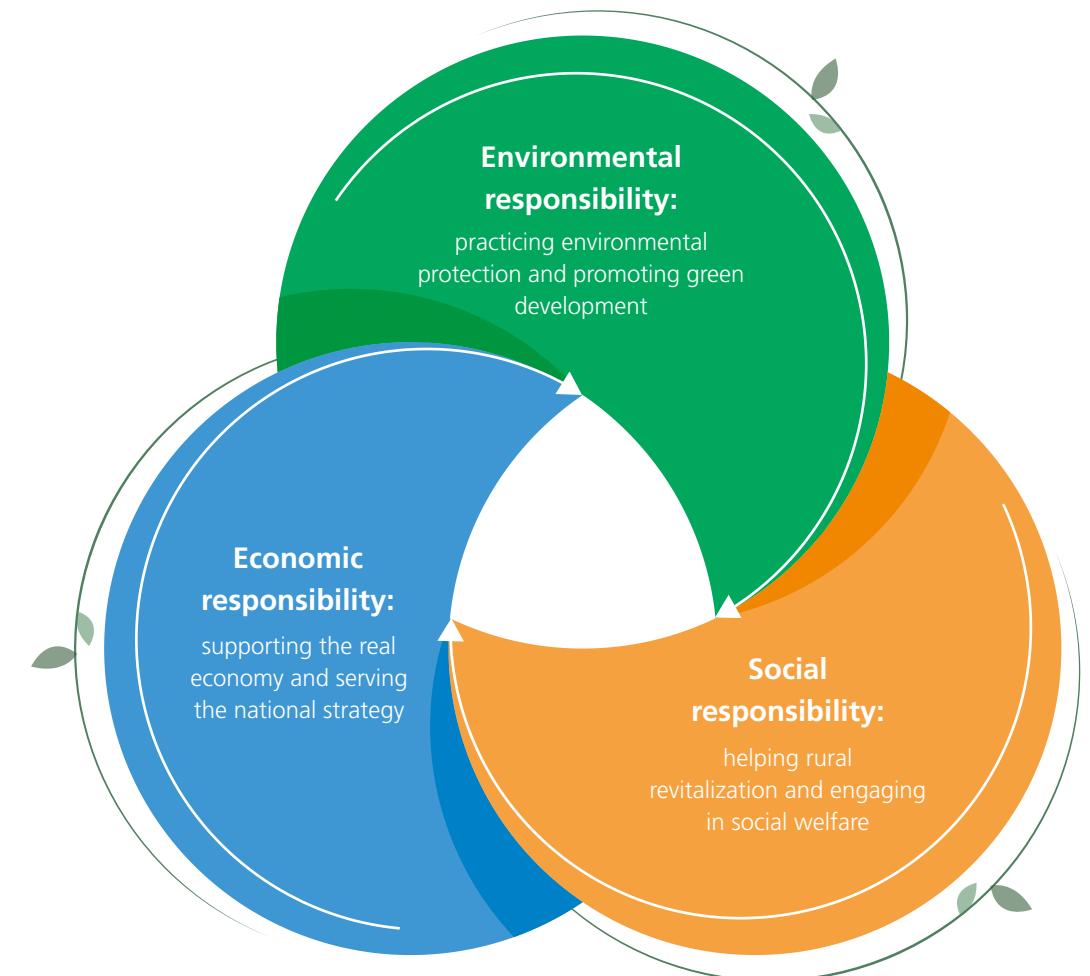
## Adhering to Sustainable Development

Sunshine Insurance integrates the concept of sustainable development into its development strategies, corporate governance, corporate culture, and business processes. By engaging in active communication with stakeholders, it realistically advances ESG management, continuously improves ESG risk management capabilities, and upgrades ESG data management levels, in the hope of working together with stakeholders to achieve a blueprint for a better and more sustainable future.

### ESG Planning

Sunshine Insurance integrates ESG concepts closely with its development strategies. The *Sunshine Insurance Group Three-Year Development Plan from 2022 to 2024* takes "love and responsibility" as the keynote, and proposes a work plan for Sunshine to fulfill its social responsibilities by centering on the economy, environment and society.

Taking ESG major issues as a reference, in 2022, Sunshine Insurance formulated a series of ESG capacity improvement work plans and issued the first green development special plan – the *Opinions on Work Guidance of Green Finance for Sunshine Insurance Group*. Starting from green insurance, low-carbon operation, sustainable investment system and other aspects, it guided Sunshine Insurance to actively carry out ESG practices from top to bottom, and promoted the quality improvement and capacity expansion in relation to sustainable insurance and responsible investment.



## ESG Management Structure

Sunshine Insurance continues to improve the ESG management structure and set up an ESG Committee under the Board of Directors. Through coordinating with the Management's Green Finance Working Committee, it incorporates the entire group and major subsidiaries into the scope of ESG management.

The ESG Committee raises its opinions and puts forward recommendations to the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Management regarding the Group's ESG work. Its primary responsibilities include but not be limited to the following: reviewing the Group's ESG visions, goals and strategies and making recommendations to the Board of Directors for approval with respect to the Group's ESG work; overseeing and reviewing the Group's ESG policies and practices to ensure that they fit in with the Group's needs and comply with applicable legal and regulatory requirements as well as international standards; evaluating major issues concerning corporate governance and making recommendations to the Board of Directors, and where necessary, to the General Meeting of Shareholders and the Board of Supervisors; overseeing the implementation of the Group's ESG work, formulating relevant goals and evaluating performance outcomes; and reviewing the *Sustainability Report*.

## ESG Risk Management

Sunshine Insurance makes full efforts to improve its organizing and coordinating capacity to deal with ESG risks. In line with the global sustainable development-related standards and initiatives, it has established an active ESG risk management mechanism, which can comprehensively assess the impact of ESG risks on corporate operations and long-term business development. Consequently, Sunshine Insurance's ESG risk management has been improved in terms of timeliness and effectiveness.

By tracking global ESG risk trends, Sunshine Insurance continues to pay attention to climate change vulnerability, privacy & data security, population change and other emerging risks. It considers climate risks as an important business risk factor and publishes articles to share our research regarding to this subject.

For asset management products and external non-standard projects, Sunshine Insurance uses external information retrieval as a means to realize full-coverage ESG risk monitoring and incorporate ESG risks into due diligence.

## Technology Empowering ESG Management

In 2022, Sunshine Insurance's self-developed ESG information management system was officially launched. The system focuses on key ESG performance, such as carbon emissions, sustainable investment, green insurance, consumer rights protection, public welfare and charity, personnel and training. By integrating data of the group and subsidiaries, it establishes an ESG data management platform, realizing dynamic monitoring and management of abnormal data and ensuring the timeliness and accuracy of ESG key data management.

## Stakeholder Engagement

In its course of development, Sunshine Insurance attaches great importance to communication and exchange with various stakeholders. It allows stakeholders to fully voice their opinions and make feedbacks, and constantly improves and widens the channels to engage stakeholders, in order to improve the effectiveness of communication with stakeholders and respond actively to their concerns.

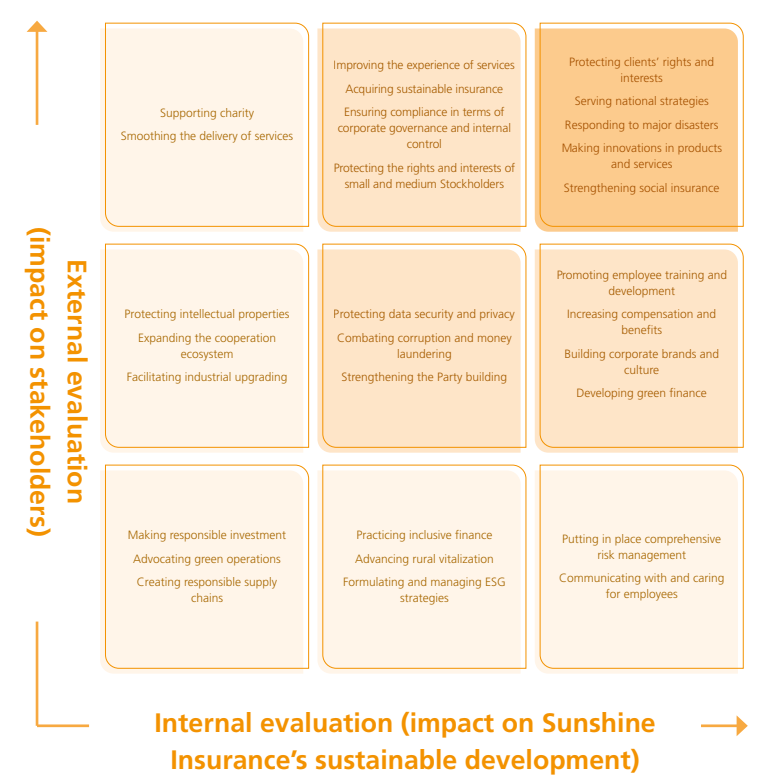
Stakeholders	Expectations and Appeals	Means of Communication
 <p>Government agencies and regulatory bodies</p>	<ul style="list-style-type: none"> <li>To comply with laws and regulations</li> <li>To respond to national strategies</li> <li>To regulate corporate governance</li> <li>To promote anti-corruption efforts</li> </ul>	<ul style="list-style-type: none"> <li>Studying legal and regulatory documents</li> <li>Putting in place regulatory policy guidelines</li> <li>Participating in investigations and visits</li> <li>Making routine reports</li> </ul>
 <p>Shareholders and investors</p>	<ul style="list-style-type: none"> <li>To stabilize operational performance</li> <li>To improve corporate governance</li> <li>To make transparent information disclosure</li> <li>To practice comprehensive risk management</li> <li>To protect shareholders' rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>General Meeting of Shareholders</li> <li>Making regular reports and announcements</li> <li>Conducting surveys and communications with investors</li> <li>Staging roadshows and reverse roadshows</li> </ul>
 <p>Client</p>	<ul style="list-style-type: none"> <li>To protect Consumer Rights and Interests</li> <li>To protect Privacy &amp; Data Security</li> <li>To improve service experience</li> <li>To open up service channels</li> <li>To innovate product development</li> </ul>	<ul style="list-style-type: none"> <li>Consumer rights protection and education</li> <li>Digital platforms, such as official websites, official WeChat accounts, Apps</li> <li>Intelligent Q&amp;A robots for customer services</li> <li>Remote video services</li> <li>NPS client experience probe</li> <li>Client service festivals</li> <li>Product presentations</li> <li>Client symposia and return visits</li> <li>Client complaint responses</li> </ul>



Stakeholders	Expectations and Appeals	Means of Communication
 Employees and individual agents	<ul style="list-style-type: none"> <li>To protect employees' rights and interests</li> <li>To promote employees' personal development</li> <li>To ensure vocational health and safety</li> <li>To increase compensation and benefits</li> <li>To balance work and life</li> <li>To ensure inclusiveness and diversity</li> </ul>	<ul style="list-style-type: none"> <li>Holding employee representatives' meeting</li> <li>Convening employees' symposia</li> <li>Creating internal training systems</li> <li>Practicing performance and compensation management</li> <li>Conducting cultural, sports and care activities by trade unions</li> <li>Emerging means such as OA forums, WeChat public accounts and Apps</li> </ul>
 Suppliers and partners	<ul style="list-style-type: none"> <li>To consult on an equal footing</li> <li>To be honest and credible</li> <li>To complement each other</li> <li>To seek mutual benefits and reciprocity</li> </ul>	<ul style="list-style-type: none"> <li>Conducting exchanges and paying visits</li> <li>Convening symposia and seminars</li> <li>Signing agreements</li> <li>Conducting industry research</li> </ul>
 Environment	<ul style="list-style-type: none"> <li>To create green financial systems</li> <li>To promote green operation concepts</li> <li>To forge sustainable supply chains</li> </ul>	<ul style="list-style-type: none"> <li>Putting in place energy conservation and emission reduction policies</li> <li>Collecting and disclosing environmental data</li> <li>Holding green financial forums and conferences</li> <li>Conducting green public welfare activities</li> </ul>
 Communities	<ul style="list-style-type: none"> <li>To respond to emergencies, disasters and accidents</li> <li>To devote to public welfare</li> <li>To respond to hotspot issues</li> <li>To popularize financial insurance concepts</li> </ul>	<ul style="list-style-type: none"> <li>Sunshine Museum</li> <li>Sunshine Insurance Youth Volunteers' Association</li> <li>Beijing Sunshine Insurance Charitable Foundation</li> <li>National public welfare-themed activities, such as the village doctors and poverty-stricken students support plan</li> <li>Community and charitable activities conducted by affiliates across the country</li> </ul>

### Annual Materiality Analysis

In accordance with reference to the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Guide (2022)*, the ESG report disclosure standards at home and abroad, and the United Nations Sustainable Development Goals (SDGs), Sunshine Insurance carries out a materiality analysis, by studying the macro policies and industry hotspots, and collecting feedbacks from internal and external stakeholders, and combining with its own development strategy. It establishes a list of issues based on many studies. Through expert review and departmental interviews, it comprehensively evaluates the impact of various issues on stakeholders and Sunshine Insurance. Sunshine Insurance finally identifies 30 major ESG issues, which are entirely disclosed and addressed in this report.



# 1



## Enhancing Corporate Governance for High-Quality Development

Sunshine Insurance regards stable operation as the cornerstone of high-quality development. It continues to improve corporate governance by constantly improving its corporate governance mechanisms, implementing comprehensive risk management systems, ensuring compliant operations, promoting anti-corruption and anti-money laundering work, and attaching importance to intellectual property protection, in a down-to-earth approach to establish long-term guarantee for healthy development.

### 2022 Performance Indicators

Participate in anti-corruption and anti-embezzlement training **9,699** person-times

Cumulative participation in anti-money laundering learning courses **82,409** person-times

Number of patents application granted **33**

Structure of the Board

**5** executive directors, **2** non-executive directors, **5** independent directors

Percentage of women on the Board **8.3%**

Party organization building

Having **333** Party branches, with **24** of them newly established

### UN SDGs



Peace, justice and strong institutions

### Sunshine Operation

We continue to pay attention to the development of laws and regulations, steadily promote the improvement of the internal control and supervision system, carry out compliance performance assessments, cultivate a compliance culture atmosphere, and ensure compliant and stable operation



## Party Building-Led Construction

Adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Sunshine Insurance comprehensively implemented the general requirements for the Party building in the new era and took welcoming, studying, publicizing, and implementing the 20th National Congress of the Party as the main theme of its work. Establishing the leading role of the Party organization and its core role in politics, Sunshine Insurance focused on developing strategies, deepening the integration and empowerment of the Party building, consolidating the grassroots foundation, gathering momentum, and boosting development, in order to ensure and promote the implementation of various central tasks, lead the company's high-quality development, and provide powerful political, ideological, and organizational guarantees.

### Strengthening political construction and consolidating the original purpose of insurance to serve the people

- We firmly grasped the political and popular nature of “insurance for the people”, and applied the people-centered development thought to all aspects of operation and management.
- We consolidated the achievements of learning and education of the Party history and made it a regular and long-term task. We fully implemented the “first topic” system of the Party committee and the Party committee's theoretical learning center group. Nine lectures on the theoretical study were issued by the Party Committee to promote the in-depth and practical study of theory.

### Grasping the main theme and mainline, and promoting the implementation of the guiding principles of the 20th CPC National Congress

- We took the studying and implementation of the guiding principles of the 20th CPC National Congress of the Communist Party of China as the main theme and mainline, and organized and held meetings to promote the Party building.
- We carried out practical activities under the theme of “Greeting the 20th CPC National Congress with New Contributions”, and held a singing contest for employees at the headquarters under the theme of “The Voice of Sunshine Will Always Follow the Party”.
- We carried out a series of activities to learn the guiding principle of the 20th CPC National Congress, such as, listening to or viewing the opening ceremony of the 20th CPC National Congress, summoning a meeting of the theoretical learning center group (enlarged) to learn the report of the 20th CPC National Congress, holding a seminar in which experts were invited to lecture on the interpretation of the guiding principle of the 20th CPC National Congress.
- We launched a series of courses on “Learning the Guiding Principles of the 20th CPC National Congress”, and set up a column on “Remarks of the Party Members of the Sunshine Group on Implementing the Guiding Principles of the 20th CPC National Congress” on the WeChat public accounts to promote the guiding principles of the 20th CPC National Congress among the grassroots and employees.

### Striving for excellence to promote integration, and enhancing the vitality of the Party building

- We carried out various theme practices and activities of striving for excellence. We guided party members to base on their positions and play a pioneering role. We also encouraged party members to actively participate in various innovative practices of the Sunshine strategy upgrading. By doing this, we stimulated the vitality of the Party organization.
- In the selection and commendation of “July 1” “Three Excellences and One First”: 30 outstanding Communist Party members, 15 outstanding Party workers, 15 advanced grass-roots Party organizations and 19 outstanding “front-line development leaders” in institutions were commended.

### Focusing on innovation to lay a foundation and enhance the quality and effectiveness of the Party building

- We carried out the “value Party building” brand creation activity. For those branch Party organizations which boost “strong Party building and strong development”, we focused on their cultivation and training. We promoted the integration and interaction of grassroots Party building and central tasks, and selected and commended a batch of “value Party building” brand units, which have the qualities of mature practices and can serve an exemplary role.
- We promoted full coverage of the Party organizations and the Party work. In 2022, 24 new Party branches were established, and the elections of 333 Party branches were completed to a high standard.



• A singing contest for the employees under the theme of “The Voice of Sunshine Will Always Follow the Party”

## Creating a Sunshine Culture

Culture is the soul of Sunshine Insurance. The Sunshine culture is a culture of responsibility and progress, an accumulation of knowledge and experience in the insurance industry, a crystallization of entrepreneurs' ideals and aspirations, and a condensation of the wisdom of all Sunshine people.

Since the establishment of Sunshine Group, the "Fifty Characters Proverbs" has concentrated the core ideas of the Sunshine culture and guided the formation of the whole company. Later, on the basis of the original entrepreneurial culture of "daring to challenge and perseverance" and "Fifty Words Proverbs", the "Sunshine Way" was formed. It described the company's basic concepts and management policies, clarified the basic code of conduct for Sunshine people, and laid the foundation of guiding principles, conception, and spiritual driving force for the development of Sunshine Group.

### 50-character Proverbs

Learn from different sources and choose our own course

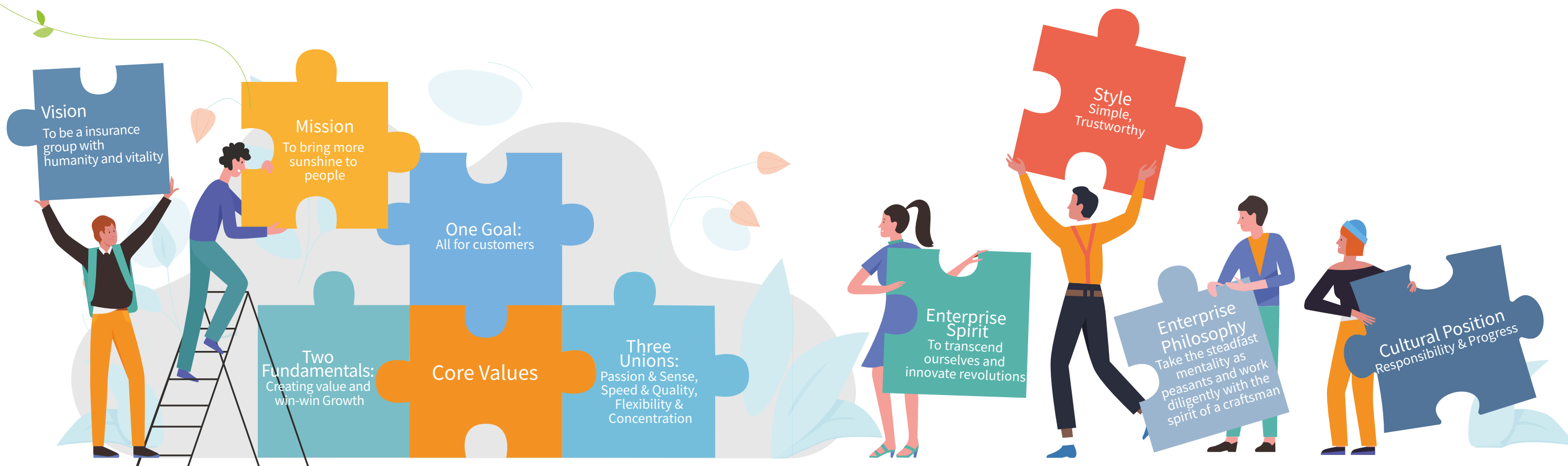
Bring together industry talents and outside experts

A high starting point sets the pace for a long-term strategic development

Overcome hardships and always stick to integrity

Unswervingly pursue professionalism to build the Sunshine brand

## Sunshine's Core Cultural Concepts



## Construction of Sunshine Culture

Based on the practical experience and combined with the improvement and innovation of management mode, Sunshine Group enriches the connotation of corporate culture, achieves a key breakthrough in the corporate culture system, and explores a cultural construction mode that plays a guiding role for all lines, branches, and posts of the company. While forming a set of cultural concept system composed of core culture, sub-culture, sub-item culture and post culture, it achieves the efficient construction and effective management of Sunshine culture in an all-around way. By the end of 2022, Sunshine has formed 5 sub-cultures, 20 sub-item cultures, 24 post cultures, and 2 special-item cultures, achieving basic coverage of the main lines, plate sub-cultures, and sub-item cultures of the entire system.

## Implementation of Sunshine Culture

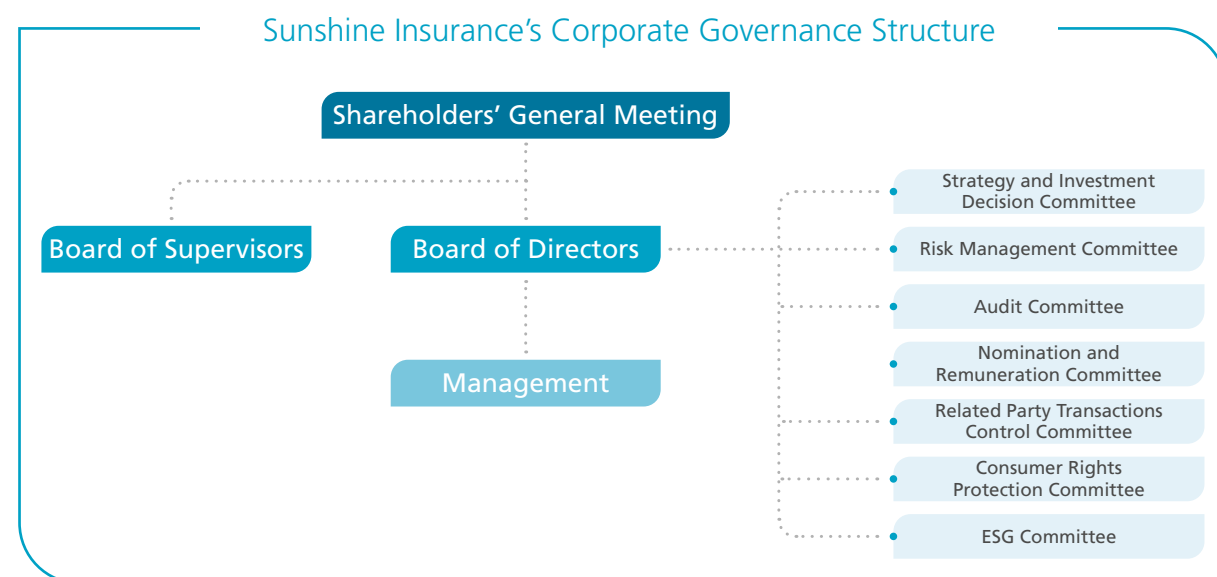
Sunshine Group integrates various management tools and methods through its cultural concept, endowing systems with rationality and injects soul into processes. It fully implements the Sunshine cultural concept by means of creating a "sunshine ring" of cultural management and promoting cultural productivity projects. In 2022, the Sunshine Culture lecturer team had a cumulative reserve of 253 people. A total of 566 trainings have been completed, with more than 20,000 person-times covered and an overall activity rate reaching 99%, which plays an important role in the cultural training of various lines.



## Improving Governance

Sunshine Insurance endeavors to develop a corporate governance mechanism featuring compliance, efficiency, and scientific decision-making. In December 2022, Sunshine was successfully listed on the Hong Kong Stock Exchange. During the listing process, we passed the dual regulatory review of the China Banking and Insurance Regulatory Commission and the China Securities Regulatory Commission, as well as inquiries from the Stock Exchange and strict due diligence from investment banks and law firms. In a way, this is a comprehensive inspection and test of Sunshine Insurance's corporate governance. We uphold the mission of a public company and a highly responsible attitude towards stakeholders, and continue to improve the governance capability and structure.

Sunshine Insurance has established a corporate governance structure consisting of the "Three Meetings and One Management", namely, the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Management, and set up seven special committees to provide advice and suggestions for decision-making of the Board of Directors. Meanwhile, Sunshine Insurance has created a sound system of rules and regulations for corporate governance. It has issued more than 20 rules and regulations and their revisions, thus providing institutional support for the Group to pursue long-term, steady, and sustainable development.



## Diversification of Directors

With respect to the composition of the Board of Directors, Sunshine Insurance adheres to the principles of both professionalization and diversification to ensure a reasonable distribution of director seats. All independent directors are senior experts, scholars or executives of enterprises or public institutions in economic, financial, investment or financial areas, thus bringing diversified expertise to guarantee the scientific decision-making of the Board. By the end of 2022, the Group's Board of Directors comprises 12 members, including five executive directors, two non-executive directors and five independent directors. One of the independent directors is a female.

## Disclosure of Compliance Information

In accordance with laws, regulations, and regulatory provisions, Sunshine Insurance fulfills its information disclosure obligations strictly abiding by the principles of truthfulness, accuracy, completeness, timeliness, and effectiveness, and comprehensively protects the legitimate rights and interests of stakeholders. Meanwhile, in view of the new situation and new requirements after listing, the Group strictly follows the information disclosure requirements of the listing place, and continuously tightens coordination, supervision, and inspection of the public information disclosure work in an effort to forestall false documentation, misleading representations, and major omissions. Fully following the standards of listed companies, the Group improves the management of information disclosure in general and ensured that all parties enjoy the fair right to know.

## Protecting Shareholders' Rights and Interests

Sunshine Insurance establishes effective investor relations management mechanisms to safeguard the rights and interests of all shareholders, including small and medium ones. In response to the needs of shareholders of tradable shares and non-tradable shares after the company's listing, it maintains real-time communication with shareholders via multiple forms of communication and exchange platforms, including the investor relations column on the official website, investor hotlines, and investor relations emails, in a bid to address their appeals in a timely manner and protect their legitimate rights and interests.

## Strengthening Risk Management

Sunshine Insurance firmly builds a bottom line of risks, and establishes a risk management system with a clear hierarchy and distinct division of rights and responsibilities. It has issued several risk management protocols, including the *Guidelines of Sunshine Insurance Group for Risk Management*, the *Guidelines of Sunshine Insurance Group for Risk Appetite Management*, etc. to continuously improve the framework of risk management systems and standardize risk management practices. By taking advantage of technological means, Sunshine Insurance enhances its risk management capabilities and creates a proactive risk management model.

## Risk Management Framework

Sunshine Insurance has created a risk management organizational structure, under which the Board of Directors takes the ultimate responsibility, the senior management exercises direct leadership, the risk management departments play a key role, relevant functional departments cooperate closely, and all organizations and posts are involved.

The Board of Directors is the highest authority of the Group's risk management. A chief risk officer is appointed among the senior management to be responsible for the overall risk management of the Group. A relatively independent risk management department is set as the secretariat and executive office of the Group's Risk Management Committee. The risk management departments conduct comprehensive risk management under the leadership of the chief risk officer.

## Smart Risk Control Platform

Sunshine Insurance has set up a smart risk control platform covering the group and its subsidiaries. The platform improves the Group's risk management capabilities. Through the construction of core modules such as the large risk control screen and the key risk indicator system, the smart risk control platform conducts systematic monitoring and early warning for the indicators of the risk preference system to achieve systematic support for the Group's risk control mechanism.



## Ensuring Compliant Operation

Sunshine Insurance continues to pay attention to the dynamics of laws and regulations, steadily promotes the improvement of the internal control and supervision system, carries out compliance performance assessments, and develops a compliance culture atmosphere to ensure compliant and stable operation.

## Internal Control and Supervision System

Sunshine Insurance optimizes the internal control management system, by adhering to the strict internal control management principles and continuously deepening the reform of the internal control organization system. It builds a management structure with the group risk control center as the core, and the risk control center of each subsidiary as the branch. Under this framework, internal control management is infiltrated into all levels of operation and management, and clear internal control policies are formulated for various business and management activities to ensure the realization of internal control objectives. Besides, it continues to improve the internal control and supervision mechanism, conducts "self-examination" of internal control, and carries out annual independent evaluations of the implementation of internal control. A third-party independent evaluation agency is also appointed to audit the annual internal control performance of the Group as well as P&C Insurance, Sunshine Life Insurance, Sunshine Assets and Sunshine Surety, to evaluate the Group's internal control management from an objective and neutral perspective for the sake of realizing management risk warnings and improving internal control management capabilities.

## Compliance Performance Appraisal

Sunshine Insurance establishes an assessment mechanism to evaluate key performance indicators, and to conduct performance evaluations over the senior management of the Group and various subsidiaries as well as the personnel of internal control and compliance departments. It aims to strengthen the risk compliance awareness of relevant personnel and use compliance evaluation and supervision as an important means to improve risk management and compliance effectiveness, thus ensuring the company's long-term stability and long-term success.

## Compliance Cultural Construction

The sub-item of compliance culture is an important part of the Sunshine culture and an important support to ensure the effective operation of the compliance management system. Under the guidance of Sunshine compliance culture, the employees are encouraged to comply with laws and regulations consciously and establish the concept of compliance. The Group also advocates compliance conduct and creates an atmosphere of compliance to form a good soft environment for compliance. In 2022, the *Sub-item of the Compliance Culture Manual* was issued, and it has been set as a compulsory course for new employees involved in the internal control and compliance service throughout the entire Group and its subsidiaries.

## Combating Corruption

Sunshine Insurance attaches great importance to anti-corruption work and promotes the "three non-corruption" campaign to do well in the combat against corruption. In 2022, a total of 9,699 people participated in anti-corruption and anti-embezzlement training sessions and publicity activities.

### Continuing to strengthen the deterrence of corruption:

We hold zero tolerance for corruption issues. We investigate and severely punish corruption cases and corrupt behaviors, maintain a high-pressure in discipline inspection and supervision, transfer suspected criminals to judicial organs to investigate their criminal responsibilities, and give full play to the deterrent role of warning.

### Effectively tightening the cage of no corruption:

We give full play to the supervisory role of auditing and supervision, strengthen anti-corruption monitoring, ensure the correct exercise of rights, carry out a series of special inspections on pledges of integrity, and strengthen the integration of supervision and regulation to improve the effectiveness of corruption governance.

### Continuously enhancing the awareness of anti-corruption:

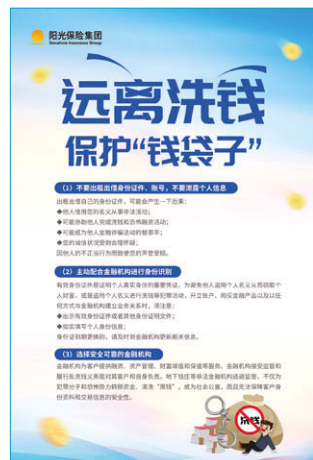
In 2022, the Group issued eight special publications on clean government education and law popularization through "Sunshine Sword", and launched the course "Learning and Implementing Measures Related to Disciplinary Actions for the Party Members" on the internal training platform "Sunshine Academy" to spread the culture of integrity. The Group emphasized the use of positive and negative cases as typical examples to explain discipline and law and carry out warning education.

### Cracking down on Money Laundering

Sunshine Insurance always adheres to the "risk-based" approach to combat money laundering, upholds the working principle of diligence and responsibility, fully implements various regulatory requirements, and fulfills the obligations of anti-money laundering. The Group clarifies the money laundering risk management responsibilities of the Board of Directors, the Board of Supervisors, and the senior management. Meanwhile, it authorizes the person in charge of compliance to take the lead in managing money laundering risks, for the purpose of strengthening the decision-making role of the anti-money laundering leading group.

In accordance with anti-money laundering laws and regulations, Sunshine Insurance has formulated such internal control rules as the Measures of Sunshine Insurance Group Company Limited for Managing the Self-evaluation of Money Laundering and Terrorist Financing Risks, the Measures for Managing Money Laundering and Terrorist Financing Risks, the Measures for Reporting and Managing Large-amount and Suspicious Transactions and the Specifications for Internal Reporting of Money Laundering Risks to strictly comply with anti-money laundering and counter-terrorist financing obligations. Meanwhile, it has created a compliance risk monitoring and alert system for anti-money laundering purposes, developed money laundering risk management tools in the form of platforms and created a joint operation mechanism between the first defense line and the second defense line. On regular basis, it has also carried out the red, yellow, and blue evaluation and management of anti-money laundering, and constantly improves the level of anti-money laundering.

Sunshine Insurance is active in providing diversified, high-quality training and education on anti-money laundering practices. Specifically, it produces and distributes the Handbook of Sunshine Insurance Group on Anti-money Laundering Knowledge, and sets up an anti-money laundering training system. In 2022, the nine anti-money laundering courses of the "Sunshine School" engaged trainees of 82,409 person-times.



In 2022, 9 anti-money laundering courses engaged trainees of 82,409 person-times

### Protecting Intellectual Properties

Sunshine Insurance actively implements relevant laws and regulations on intellectual property protection, including the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Trademark Law of the People's Republic of China, etc. Meanwhile, it applies for patent and software copyright registration in a timely manner, with the aim of safeguarding the Group's intellectual property rights, respecting others' intellectual achievements, and avoiding infringement risks.

In order to improve scientific and technological innovation and core competitiveness, Sunshine Insurance strengthens the protection and application of inventions and creations, activates digital transformation and high-quality development, and continues to promote the application of patents for innovative achievements. Thus, it formulates the Patent Management Measures to encourage all entities to actively apply for innovation. As of the end of 2022, a total of 33 patents have been authorized, including 13 inventions, 18 designs, and 2 utility models. There were 13 newly authorized patents in the year, including 3 inventions and 10 designs.



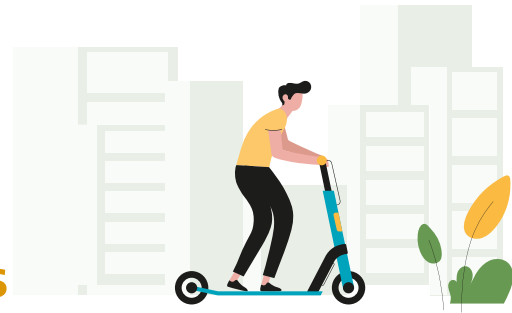
Case

#### Fraud Risk Prediction Empowered by Innovation

An invention patent is authorized for A Method, Device, Equipment and Storage Medium for Information Process. The invention is based on the background of the high incidence of insurance fraud cases and low fraud cost in recent years, but there is still no effective means of identification in the process of claim settlement and no objective standard for case handling. By using a series of algorithms to train the claim settlement anti-fraud model, it provides an accurate model prediction, and realizes an intelligent and automatic prediction of fraud risks throughout the process, which reduces labor costs and improves business efficiency.

# 2

## Improving People's Well-Being and Serving the Real Economy



Sunshine Insurance actively responds to the national development strategy, serves the real economy, and participates in the construction of a new development pattern. Based on the core functions of insurance, it promotes the improvement of the social security system and the construction of a healthy China. Besides, Sunshine Insurance supports the steady and healthy development of micro, small and medium-sized enterprises (MSMEs), enhances the comprehensive strength of rural development in multiple dimensions, and promotes the construction of a modern industrial system with high-quality financial services by playing the role of a “source of vitality” for the finance.

### Performance Indicators of 2022

Serving the real economy:

By the end of 2022, we provided financial support for the real economy of more than **RMB350 billion**, with the amounts insured of more than **RMB350 trillion**.

By the end of 2022, a total of over **RMB2.2 billion** of risk protection has been provided for more than **7,000** medical institutions across the country.

Medicare Insurance:

37 projects were insured, covering more than **27.38** million people.

We provided risk protection of **RMB13.1 billion** for **1.01** million households of farmers, and **RMB210 million** in compensation for 300,000 disaster-affected rural households.

**21** insurance projects were insured for the first piece/set of “important equipment”, with a risk protection limit of **RMB1.3 billion**.

**157** new material projects were insured, with a risk protection limit of **RMB2.9 billion**.

### UN SDGs

### Sunshine Insurance Highlight Action



No poverty

We participated in the investment and establishment of the “China Insurance Industry Poverty Alleviation Investment Fund” to provide financial support for resource development, industrial park construction, and new urbanization development in poverty-stricken areas, helping the development of agricultural-related enterprises and promoting rural revitalization.



Zero hunger

We actively participated in food security and a stable supply of important agricultural products, and steadily expanded the insurance coverage of agricultural products related to the national economy, people's livelihood, and national food security.



Good health and well-being

Based on the core functions of insurance protection, we extended the provision of high-quality products and services in multiple scenarios, such as medical care, health care, and elderly care, and established multi-level medical security and elderly care services. We also participated in the improvement of the social security system, by promoting investment in the medical and health field and facilitating the upgrading and expansion of medical resources. We created a high-quality elderly care service brand, to help implement the Healthy China strategy with a full chain of medical care and all-around nursing services.



Industry, innovation and infrastructure

We actively carried out innovation in insuring the first piece/set of major technology and equipment, and insuring the first batch of applications of key new materials, and promoted the transformation and application of innovation achievements in the manufacturing industry.



Reduced inequalities





We attach importance to the strategy of promoting the rural revitalization, keeping an eye on the poverty-stricken areas such as “Yellow River Beach” “Yimeng Mountain”, and focusing on the disadvantaged people of the “elderly, sick and disabled”. We were devoted to narrowing the regional gaps.

## Safeguarding Healthy China

Undertaking the insurance mission and basing on the core functions of insurance protection, Sunshine Insurance extends the provision of high-quality products and services in multiple scenarios, such as medical care, health care, and elderly care, and established multi-level medical security and elderly care services. It also participates in the improvement of the social security system, by promoting investment in the medical and health field and facilitating the upgrading and expansion of medical resources. Besides, it creates a high-quality elderly care service brand, to help implement the Healthy China strategy with a full chain of medical care and all-around nursing services.

## Abundant Supply of Health Insurance Products

Sunshine Insurance accelerates the development of medical-related insurance products in an effort to improve its product system. Also, it gives full play to its professionalism and security functions as an insurer in building a multi-level security system, including critical illness insurance, the Medicare insurance, poverty prevention insurance, supplementary medical insurance for urban employees, and non-liability accident insurance for urban and rural residents. In order to meet the needs of the elderly, it develops long-term care insurance services, providing more personal insurance for the elderly. Meanwhile, it actively explores the innovation of commercial medical insurance to benefit the general public.

	Sunshine Life Insurance	Sunshine P&C Insurance
 <p><b>Commercial Health Insurance</b></p>	<p><b>30</b> types of medical insurance products and <b>32</b> types of critical illness insurance products are on sale. In 2022, about <b>711,000</b> medical insurance claims were settled, with compensation amounting to <b>RMB950</b> million approximately.</p>	<p><b>41</b> types of medical insurance products and <b>2</b> types of critical illness insurance products are on sale. In 2022, <b>1,005,200</b> medical insurance claims were settled, with compensation amounting to <b>RMB373</b> million.</p>
 <p><b>Critical Illness Insurance for Urban and Rural Residents</b></p>	<p>In 2022, <b>3</b> critical illness insurance programs and large-sum insurance programs for employees were insured, covering a total of more than <b>11</b> million people, with a compensation amount of <b>RMB582</b> million.</p>	<p>In 2022, <b>6</b> critical illness insurance programs were insured, covering a total of <b>7.1542</b> million people, with a compensation amount of <b>RMB183</b> million.</p>
 <p><b>Medicare Insurance</b></p>	<p>In 2022, Chongqing “Yu Kuai Insurance” project and Hunan “Aimin Insurance” project were insured, covering <b>387,900</b> people, with a compensation amount of <b>RMB6.256</b> million.</p>	<p>In 2022, <b>35</b> Medicare Insurance projects were insured, covering <b>27</b> million people, with a compensation amount of <b>RMB89</b> million.</p>
 <p><b>Long-term Care Insurance</b></p>	<p>In 2022, we are chosen as a provider for the long-term care insurance commissioned service projects in Chongqing, covering <b>657,400</b> people, serving a total of <b>2,494</b> disabled people, and serving <b>16,700</b> person-times throughout the year.</p>	<p>In 2022, we were successfully selected for Chengdu Long-term Insurance Project, serving a total of <b>5,403</b> disabled people, and serving <b>18,000</b> person-times throughout the year.</p>

## Strengthening Medical and Health Liability Protection

Sunshine Insurance helps to upgrade the medical care industry through liability insurance, and carries out medical liability insurance, drug and medical device clinical trial liability insurance, life science liability insurance, vaccine insurance and other businesses. In terms of medical liability insurance, by the end of 2022, a total of more than 7,000 medical institutions across the country are insured with sum insured exceeding RMB2.2 billion, effectively protecting the rights and interests of patients.



Case

### Clinical Trial Liability Insurance: Supporting the Advancement of Medical Technology

Sunshine P&C Insurance has provided RMB70 million of clinical trial liability insurance protection for 31 clinical trial projects through its participation in life science projects led by Shanghai Science and Technology Commission. It also established a clinical trial project insurance service center and set up a special team for claim settlement services to give rapid responses around the clock. It also continuously optimized biomedical insurance product plans and services, helping improve the insurance compensation mechanism for the biomedical industry, and further stimulated the vitality of biomedical innovation.



Case

### Liability Insurance for Elderly Care Institutions: Safeguarding the Development of the Elderly Industry

In 2022, Sunshine P&C Insurance has provided liability insurance for 19 elderly care institutions in Hulun Buir. The insurance plan covered the entire process from check-in to receiving elderly care services, and provided targeted protection for the main risks faced by the elderly, such as falls and fractures. It effectively reduced the management and operation risks of elderly care institutions, protected the legitimate rights and interests of the elderly living in elderly care institutions, and helped optimize the supply of local elderly care services, which is highly recognized by the local civil affairs department and the institutions.

## Promoting Investment in the Healthcare Sector

Sunshine Insurance actively participates in the reform of the health care industry, keeps a close eye on the development of the medical and health industry, and pays attention to the innovation of drugs and vaccines. It strives to explore investment opportunities in the upstream fields of medical devices and life sciences, promotes investment in the medical and health sector by focusing on the two directions of “technology innovation” and “self-supporting”, and helps solve medical problems, such as the unbalanced supply of health services. As of the end of 2022, the balance of investment in the medical and health field reached RMB11.1 billion.



Case

### Investing in the Medical Industry to Help Enterprises Improve Their Capabilities

In 2022, Sunshine Insurance invested in a medical device manufacturer to promote the expansion of high-quality medical and health resources. As a leading enterprise in China's blood purification industry, the invested company has mastered its own core technology. Since its establishment, it has focused on the two strategic directions of hemodialysis and peritoneal dialysis, and has completed the layout of the whole industry chain of blood purification including dialyzer, dialysis machine, blood pipeline, peritoneal dialysate, chronic disease management platform, and comprehensive service platform. On this basis, it continued to expand new businesses and built itself an ecological competition barrier, by realizing an effective connection of patients, hospitals and related pharmaceutical industry ends and achieving the full coverage of treatment scenarios.



## Strengthening Health Care Services for the Elderly

Sunshine Insurance continues to strengthen the layout of the big health industry, anchoring for the realization of its goal in the "strategic layout of key regions and cities across the country". It has created a long-term residence cooperation model of "Sunshine Life Insurance Policy + 'Sunshine Family' Health Care Community", which provide customers with health checks before check-in, short-term stay experience, life services, multi-faceted medical care, social entertainment, and quality life services after check-in, to meet the differentiated elderly care and health needs of different age groups. Sunshine Insurance is committed to creating a brand new, elegant, and dignified high-quality healthy life for Sunshine parents, so that every Sunshine family member can enjoy a high-quality and long-lived life.



Case

### "Sunshine Family" Health Care Community for All Ages: Creating a More Comfortable Lifestyle for the Elderly

Sunshine Insurance strives to create a high-quality brand of "Sunshine Family" for all ages. "Sunshine Family – Guangdong, Hong Kong, Macao All-age Health Care International Community" integrates high-quality health care resources at both home and abroad, innovates and creates an open and dynamic "University for the Elderly", and provides systematic health management solutions. The community even has a high-end nursing center and a special health spa resort center, which focuses on the promotion of family affection and sharing, integration and co-construction of all age groups. In addition, it is equipped with butler teams for life, meals, activities, health, and medical care to provide customers with panoramic and warm services, creating a new standard for the healthy life of all age groups in the Guangdong-Hong Kong-Macao Greater Bay Area. In 2022, the "Sunshine Family" Guangzhou Community was awarded by the Guangdong Health Care Association as the "Health Care Base of the Guangdong Health Care Association", and was selected as the "2022 Annual Health Care Innovation Demonstration Project" by *cricchina.com*. Meanwhile, we won the "Excellent Member Unit" of Guangdong Elderly Care Service Association in 2022 and the "Popularity Award" of the Guangdong-Hong Kong-Macao Greater Bay Area Elderly Care Service Brand Activity in 2022.



Case

### Dashilar Nursing Care Center: Protecting the Health of the Elderly

Dashilar Street Elderly Care Center in Xicheng District, Beijing, is a small and micro institution that provides community and home services such as life care, catering, professional nursing, home assistance, and health management for the elderly in various communities in the street. It practices Sunshine's health mission of "Let the elders live a more relaxed and comfortable life than when they were young. Let them be happy and enjoy their old age". With professional care, patient psychological comfort, a rich and colorful life, and meticulous love, it has won the affirmation of the elderly and their families, as well as the praise and recognition of various government departments and people from all walks of life. With excellent performance in serving the elderly in 2022, Dashilar Street Elderly Care Center was awarded as an excellent member unit of Beijing Xicheng District Elderly Care Industry Association.



## Building an "Online + Offline" Medical Model

### | Chengdu Shuangliu Sunshine Union Internet Hospital

Chengdu Shuangliu Sunshine Union Internet Hospital, invested and established by Sunshine Group, is committed to building a smart medical service platform, developing a network of medical institutions, and exploring a full-cycle of medical and health care service system that combines online and offline, hospitalization and home care, and other health care services. The hospital focuses on the capacity building of grassroots medical care, and use the Internet as a carrier to provide patients with services such as family doctors, online consultations, online prescriptions, and chronic disease management. As of the end of 2022, the hospital has provided a total of 250,522 online consultation services and issued 76,881 prescriptions.

Relying on the online resources of Internet hospitals, Sunshine Group's first nursing station was established. Through self-built rehabilitation nursing team, self-built standardized service system, and integration of high-quality service resources in the market, it provides daily care, home nursing, rehabilitation and health care, and other nursing services for the elderly, patients with critical illness, and disabled and mobility-impaired people in the community. Through the connection between online Internet hospital, offline nursing service network, and Sunshine Union Hospital, it establishes a full-cycle of medical and health care service system that combines online and offline, hospitalization and home care, and other health care services.



### | Sunshine Union Hospital

Sunshine Union Hospital is the first large-scale general hospital invested and established by China's insurance industry. It is the only one non-public hospital in China, among its more than 20,000 counterparts, that has obtained the sixth edition of JCI certification, HIMSS7 information rating, China's Grade 3 accreditation and the seventh edition re-evaluation certification.

Sunshine Union Hospital deeply practices the core values of "patient-centered care" and "doctor-centered management". In order to better provide patients with disease diagnosis and treatment services, it has set up 48 clinical departments and 9 medical technology departments, equipped with 34 (compound) operating rooms and 57 intensive care beds. It adopts the MDT mode of multidisciplinary consultation to protect the health and safety of patients. Sunshine Union Hospital also puts forward the service motto of "Here, everyone cares about you!", and has established a new doctor-patient relationship of equality, courtesy, and respect. In addition, the Hospital has forged strategic cooperation with medical institutions at home and abroad, launched the recruiting project of specially-invited famous Chinese doctors for Union Hospital and Weifang, brought in external experts to make round visits, and continuously improved the team's medical service capabilities. As of the end of 2022, 11 disciplines of the hospital have been rated as key municipal medical and health disciplines (specialties).

From the perspective of "insurance + medical" integration, Sunshine Insurance integrates insurance resources and medical resources through product R&D, expansion of services, cost of management and other methods, and explores the establishment of a new medical security system shared by the market and individuals to enrich the connotation and extension of supply-side reform. Besides, Sunshine Insurance cooperates with the government to launch a "direct compensation" service, and implements real-time reimbursement and settlement, which greatly reduces patients' medical expenses and expands the scope of medical insurance for the people. By the end of 2022, the cumulative number of beneficiaries of exclusive health insurance products has reached 40,600 person-times, with an accumulated compensation amounting to RMB353 million.

By 2022, the number of beneficiaries of exclusive health insurance products reached **40,600** person-times, with an accumulated compensation amounting to **RMB353** million



By 2022, more than **RMB350 billion** has been provided for the real economy, and the cumulative risk guarantee provided has exceeded **RMB350 trillion**

In 2022, we provided risk guarantee of more than **RMB170 billion** for **12,000 MSMEs**

## Protecting the Real Economy

Sunshine Insurance regards “continuing to focus on the real economy in pursuing economic growth” as a guideline for action. By centering on risk protection and direct investments and actively serving the national strategy, it is committed to helping MSMEs, promoting rural revitalization, building modern industries, helping to build a manufacturing power, and making due contributions to the comprehensive promotion of the great rejuvenation of the Chinese nation. By the end of 2022, more than RMB350 billion of financial support has been provided for the real economy, and the cumulative risk protection provided has exceeded RMB350 trillion.

## Helping MSMEs

Sunshine Insurance actively implements the requirements of laws and policies, such as the *Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises*, the *Several Opinions on Strengthening Financial Services for Private Enterprises*, and the *Guiding Opinions on Promoting the Healthy Development of Small and Medium-sized Enterprises*. Adopting a “financial institution + insurance” model, it responds to the national inclusive financial policy by aiding the MSMEs and ensuring their stable and healthy development.

Sunshine Insurance continues to study the risk exposure and insurance needs of small and medium-sized enterprises (SMEs), and actively escorts the development of the private economy and the MSMEs. It provides them with specialized insurance products and efficient and convenient insurance services, such as “Laoban Anxin” “Qiye Anxin” and “Zhuangxiubao”, helping MSMEs build risk barriers and spread operational business risks. In 2022, it provided risk protection of more than RMB170 billion for 12,000 MSMEs.

Sunshine Insurance helps small and micro enterprises to obtain financing support and bridge the funding gap through credit guarantee insurance. By the end of 2022, it has provided services to 85,000 small and micro enterprises with a financing amount of RMB14.507 billion.

## Promoting Rural Revitalization

Sunshine Insurance attaches great importance to supporting the national rural revitalization strategy, keeping an eye on the “Yellow River Beach” and “Yimeng Mountain”, targeting the disadvantaged group of “the elderly, sick and disabled”, in an effort to narrow the regional gap.

Sunshine Insurance actively participates in food security and a stable supply of important agricultural products. Focusing closely on the high-quality development requirements of “expanding coverage, enriching products and raising protection level” for agricultural insurance, it has steadily expanded the insurance coverage of agricultural products that are related to the national economy, people's livelihood, and national food security. In 2022, it provided insurance coverage for 21.22 million mu of crops, 91.07 million heads of livestock and poultry, and 41.38 million mu of forest, with the amount insured standing at RMB13.1 billion for 1.01 million households and the compensation paid to 300,000 households affected by disasters reaching RMB210 million.

Sunshine Insurance grasps the digital development trend of agricultural insurance, uses technology to empower disaster prevention and loss reduction in agricultural insurance, continues to increase investment in scientific and technological resources, and strengthens early warning and prevention of agricultural natural disasters. To this end, it uses satellite remote sensing, drone aerial photography, biometrics, and other scientific and technological means to assist in underwriting and claim settlement in many places. Sunshine Insurance also adopts the industry-leading “cow face recognition” technology to overcome the difficulty of identifying biological targets and improve the efficiency and quality of underwriting and verification. Meanwhile, in cooperation with the online operation service of the Sunflower Agricultural Insurance APP, it shortens the case closing cycle, and realizes “precise underwriting” and “precise claims settlement”.

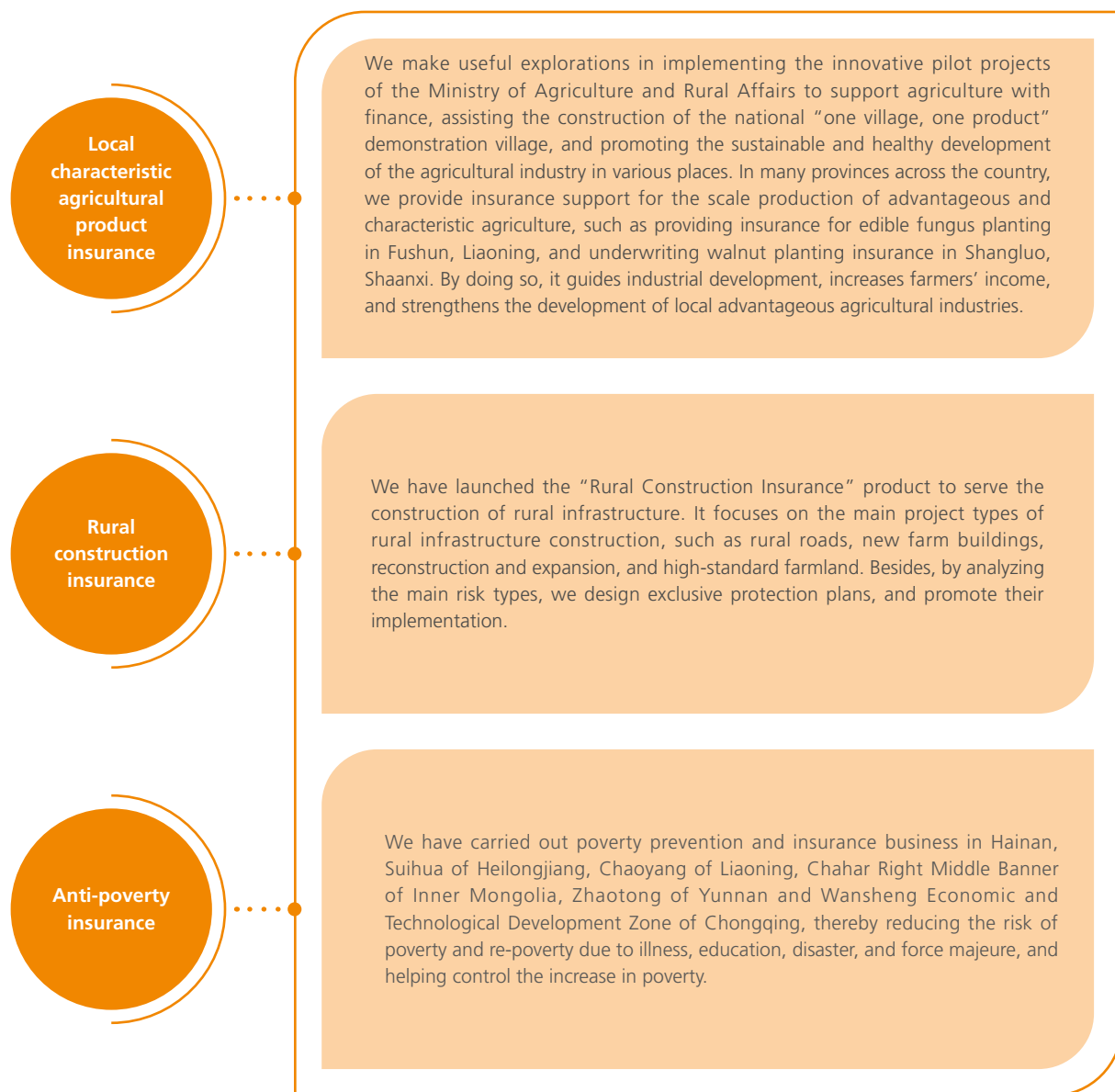
By 2022, we has provided services to **85,000** small and micro enterprises with a financing amount of **RMB14.507 billion**



### Case

#### “Qiye Anxin”: Weaving a Risk Security Net for Small and Micro Economies

“Qiye Anxin” insurance product is specially developed for MSMEs and individual businesses, covering accidental death, disability, medical treatment, hospitalization allowance, sudden death, and other insurance liabilities. Meanwhile, on the basis of the conventional accidental injury medical insurance liability, it adds the self-paid drug medical insurance liability, providing the insured with more comprehensive accidental injury protection. As of the end of 2022, the total amount of insured exceeded RMB260 billion, and more than RMB20 million was paid for compensation. More importantly, behind the protection and compensation data, it maintains the confidence of the majority of insured MSMEs and employees to cope with the epidemic and tide over the difficulties by providing comprehensive accidental injury protection for corporate employees.



Sunshine Insurance joins in setting up the Industrial Poverty Alleviation Fund of the Insurance Industry in China. The fund is invested in the exploitation of resources, the building of industrial parks, the new urbanization drive, etc. in poverty-stricken areas to help the development of agriculture-related enterprises and promote rural revitalization. Additionally, it has also invested in a number of agricultural-related enterprises in the form of equity investment, among which a fruit company was successfully listed in 2022. As of the end of 2022, Sunshine Insurance has invested RMB170 million in rural revitalization.

## Boosting China's Strength in Manufacturing

Focusing on the innovative national strategy, Sunshine Insurance participates in the construction of a modern industrial system, safeguards the development of China's manufacturing industry, and helps accelerate its transformation to a country strong in manufacturing.

Based on the advantages of its main business, Sunshine P&C Insurance is active in offering insurance for the first piece/set of important technology and equipment ("important technology and equipment insurance") as well as insurance for the first batch of use of important new materials ("new materials insurance"), boosting the transformation and application of manufacturing innovation achievements, and helping the construction of the country's modern industry. It provides enterprise clients with a package of professional services across the lifecycles of their business, including policy interpretation, risk evaluation, insurance planning, subsidy application, claims settlement, etc., facilitating the conversion and application of innovation results. In 2022, it provided 21 important technology and equipment insurance projects, with an insured amount reaching RMB1.3 billion; 157 new material insurance projects and an insured amount of RMB2.9 billion.

In 2022, we provided **21** important technology and equipment insurance projects, with an insured amount reaching **RMB1.3 billion**; **157** new material insurance projects and an insured amount of **RMB2.9 billion**



Case

### "New Materials Insurance" Helps High-tech Innovation and Application

In order to stimulate the innovation vitality of enterprises, Sunshine P&C Insurance provides "New Material Insurance" to a key high-tech enterprise in the country. The insured company has domestic first-class and internationally advanced R&D level and technical capabilities of a certain rare earth functional material, listed as the national key industry. In 2022, Sunshine P&C Insurance provided the company with about RMB200 million of "New Materials Insurance" risk protection, which helped activate and release the downstream industry's demand for new material products, and accelerate the transformation and application of the company's new material innovation achievements.

Sunshine Insurance expands its investment direction and grasps new development opportunities in the fields of technology, strategic emerging industries, and advanced manufacturing. Focusing on investment logics such as penetration rate increase, import substitution, and globalization, Sunshine Insurance has conducted in-depth research and made investment layouts in the fields of the Internet, semiconductors, military industry, machinery, and new energy vehicles. By the end of 2022, Sunshine Insurance's equity investment in building modern industries has reached RMB51.6 billion.



Case

### Industrial Investment Boosting the Growth of High-Tech Manufacturing

Sunshine Insurance continues to increase investment support for advanced technology industries. In 2021, it invested in a domestic DRAM manufacturing company in the form of equity investment, providing financing support for the R&D, manufacturing, and domestic substitution of semiconductor devices, and cultivating the innovation power of the industry. The invested company is currently the only DRAM company in China that can independently develop and realize mass production and sales. Its main customers include Intel, AMD, Alibaba, Huawei, Honor, Xiaomi, OPPO, etc.

# 3 Promoting Green Development to Realize Harmonious Coexistence



Sunshine Insurance fully supports the realization of the national carbon peaking and carbon neutrality goals. It embeds green and low-carbon into its own operating philosophy, improves the green financial governance system, and innovates green insurance products. It serves the development of green industries, assists in low-carbon, zero-carbon, and negative-carbon technology research, and supports the green, low-carbon and sustainable transformation of economic and social activities.

## 2022 Performance Indicators

We provided nearly **RMB60** trillion of green insurance protection for **16.35** million enterprises and individuals, with compensation support of over **RMB4** billion.

We provided nearly **RMB1.5** billion of environmental pollution risk protection for **1,176** companies, and nearly **RMB3.7** billion of ship oil pollution liability risk protection for **795** ships.

We underwrote more than **3,300** photovoltaic, hydropower and wind power projects, providing insurance protection of over **RMB216** billion.

We issued **1.38** million new energy vehicle insurance policies, provided risk protection of **RMB892** billion, and paid about **RMB680** million in compensation.

By the end of 2022, the balance of sustainable investment exceeded **RMB40** billion, and the scale of existing transformational financial investment reached **RMB7.7** billion.

We provided remote video services for customers over **82,900** person-times, saving **124,300** hours for them, and reducing carbon emissions by **1,343** tons.

UN SDGs	Target Name	Sunshine Insurance Action
	Clean water and sanitation	We provide ship oil pollution liability insurance, helping the shipping industry manage marine environmental pollution and damage compensation risks caused by ship oil pollution.
	Affordable and clean energy	We support the development of renewable energy and actively served the construction of green and clean energy, such as wind power and solar power.
	Sustainable cities and communities	We support the green development of transportation, promote the application of new energy and clean energy, support the construction of green transportation infrastructure such as rail transit, and help form a green and low-carbon transportation mode.
	Responsible consumption and production	We conscientiously implement the decision-making and deployment of the Party Central Committee and the State Council on the "Dual Carbon" goals, by strengthening the concept of green and low-carbon circular development, further promoting the implementation of green office work, practicing green procurement, and deepening green supply chain management.
	Climate action	We respond to the challenge of climate change and provided relief for residents and families in natural disasters, such as typhoons, mudslides, and rainstorms. We participate in the innovation of green investment and financing mechanisms and support the development of clean energy industries, industrial innovations, and energy-saving and environmental protection industries.
	Life on land	We launch "forest insurance" to protect forest carbon sinks.

In 2022, we provided nearly **RMB3.7** billion of ship oil pollution liability risk guarantee for **795** ships

In 2022, we has undertaken more than **3,300** photovoltaic, hydropower and wind power projects, with insurance guarantee exceeding **RMB216** billion

## Developing Green Finance

Sunshine Insurance actively responds to the new development concept and the "Dual Carbon" transformation strategy, and vigorously carries out green financial exploration and innovation. With the two-wheel drive of "insurance + investment", it deeply expands the connotation of green finance and promotes the standardized, systematic, and normalized development of the company's green financial business.

### Green Insurance

Based on insurance protection, Sunshine Insurance actively advocates and promotes the concept of sustainable development. It innovates the supply of green insurance products, continues to enrich the green insurance system, promotes the comprehensive green transformation of economic and social development, and helps realize the "Dual Carbon" goals. In 2022, it provided nearly RMB60 trillion of green insurance protection<sup>1</sup> for 16.35 million enterprises and individuals, with compensation support of more than RMB4 billion.

### Protecting Green Mountains and Waters

"Environmental Pollution Liability Insurance" product can promote enterprises to strengthen environmental risk management and provide compensation for enterprises' environmental pollution damage liabilities. In 2022, through such a product, Sunshine Insurance provided nearly RMB1.5 billion in environmental pollution risk protection for 1,176 companies, covering high-pollution industries, such as cement, chemical, pharmaceutical, paper, textile, printing and dyeing, mining, and steel. In 2022, it also provided nearly RMB3.7 billion of ship oil pollution liability risk protection for 795 ships, helping the shipping industry manage marine environmental pollution and damage compensation risks caused by ship oil pollution.

### Helping Green Industry

Sunshine Insurance pays attention to the development needs of green industries, and has launched specialized insurance products such as "important technology and equipment insurance" and "new materials insurance" to continue to provide risk protection for energy-saving and environmental protection industries, such as energy-saving equipment manufacturing, environmental pollution prevention and control, and resource recycling. It strongly supports the development of renewable energy, actively serves the construction of green and clean energy, such as wind power and solar power, and vigorously promotes the upgrading of green industries. In 2022, it has undertaken more than 3,300 photovoltaic, hydropower and wind power projects, with insurance protection exceeding RMB216 billion.

## Addressing Climate Disasters

Sunshine Insurance proactively responds to the challenges posed by climate changes. It helps companies sort out climate risks by providing natural disaster risk protection services and effectively reducing their vulnerability and exposure to climate change. Sunshine Insurance actively communicates with the reinsurance market, innovates and designs products, and deeply participates in catastrophe risk management. As one of the insurance providers in natural disaster relieving in Shandong, Chongqing and other places, Sunshine Insurance provides residents and families with protection against natural disasters, such as typhoons, mudslides, and rainstorms. In 2022, it provided nearly RMB400 million risk protection.

## Supporting Green Transportation

Sunshine Insurance supports the development of green transportation, promotes the application of new energy and clean energy, supports the construction of green transportation infrastructure such as rail transit, and helps form a green and low-carbon transportation mode. It supports the development of new energy vehicles, by improving the risk pricing models and building a special claim settlement capability system for them. It also strengthens the training of new energy vehicle inspection and loss assessment skills to improve claimants' skills in this respect. Besides, Sunshine Insurance advocates a green lifestyle. In 2022, 1.38 million new energy vehicle insurance policies were issued, providing risk protection of RMB892 billion, and paying about RMB680 million in compensation.

## Protecting Forest Carbon Sinks

Sunshine Insurance presents the "Forest Insurance" products that insure public welfare forests and commercial forests across the country that are subsidized by central and local governments in a bid to enhance their risk resistance, protects forest carbon sinks, and mitigate economic losses from fires, geological disasters, meteorological disasters as well as diseases, pests, weeds and mice. Besides, Sunshine Insurance responds to the call of the local government to promote the construction of a green industrial system and guide the green transformation of the economy. It innovated and developed "Fujian Forest Meteorological Index Insurance". When the insured trees suffer from economic losses due to the agreed meteorological disasters in the insured geographical area, the insurer shall bear the compensation liability according to the grade of meteorological disaster index. Consequently, it contributes "Sunshine Power" to the development of local forestry and the undertaking of forest carbon sinks. In 2022, 41.38 million mu of forests were insured by Sunshine Insurance, greatly enhancing forest carbon sinks, and improving the ecological environment.



Case

### Enhancing Climate Risk Management Services with Scientific and Technological Strength

In 2022, Sunshine P&C Insurance established a corporate customer risk management partner service model. Combining the power of "professional + technology", it creates an air-space-ground integrated risk control service product chain for non-vehicle customers to help customers cope with climate risks. On the basis of innovative technologies, such as location intelligence technology, big data, and the Internet of Things, it develops the Sunshine Eye Risk Management Platform. On the platform, it launched service modules including natural disaster risk rating, strong wind and precipitation risk analysis, national meteorological disaster warning, sunshine warning applet, and disaster prevention IoT monitoring platform. At the same time, it continues to innovate, constantly improves risk management and service capabilities, and makes every effort to provide customers with safe production and stable operation of risk control services. Once launched, the service solution won a number of service awards in the industry.

<sup>1</sup> Green insurance are disclosed on the basis of Green Insurance Statistical System issued by the China Banking and Insurance Regulatory Commission.



## Green Investment

### Improving the Green Financial Investment System

Sunshine Insurance actively participates in the innovation of green investment and financing mechanisms. Focusing on national strategies, such as "green and low-carbon, circular economy, scientific and technological innovation, and industrial upgrading", Sunshine Insurance has deeply explored the connotation and extension of sustainable investment, and actively made deployment on investment and asset allocation in important related fields. By the end of 2022, its balance of sustainable investment<sup>2</sup> exceeded RMB40 billion.

### Building Sustainable Investment Framework

Sunshine Insurance practices the concept of sustainable development in its investment activities. It has constructed a sustainable investment framework that integrates environmental, social and governance factors into investment decisions. It has also established a regular review mechanism for the sustainable investment framework. Targeting the impacts of climate risks on the insurance business, it has conducted relevant research and formed positive and negative screening investment strategies, which further strengthened ESG risk management. Specifically, Sunshine Insurance has identified five positive themes, including "building a modern industrial system" "strategy of rejuvenating China through science and education and the new system for mobilizing resources nationwide" "improving people's livelihood and building a healthy China" "green development" and "national security system", as well as three negative themes, including "economic structural transformation and regulatory issues" "polarization issues" and "issues concerning security challenges". According to the themes, it further clarified a list of 53 positive industries and 20 negative industries. Guided by the lists of positive and negative industries, Sunshine Insurance completes the analysis of investment targets and thus realizes the identification and management of sustainable investment opportunities and risks.



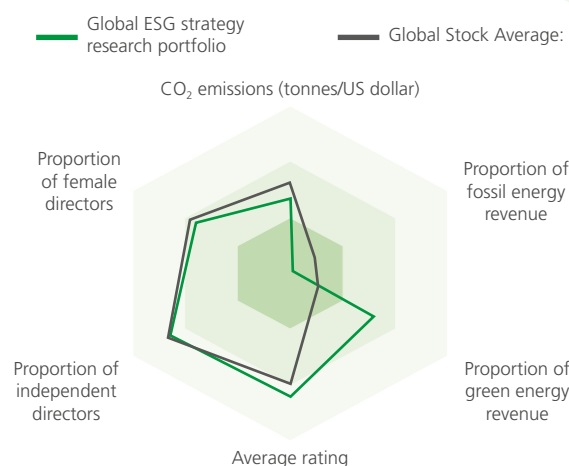
#### Case

#### Global ESG strategy research portfolio

In 2022, Sunshine Assets set up a global ESG strategy research portfolio. It adopts the FOF management mode to construct a thematic investment strategy that combines quantitative and qualitative analysis with passive ETFs as the target. The portfolio currently has an investment size of approximately US\$17 million.

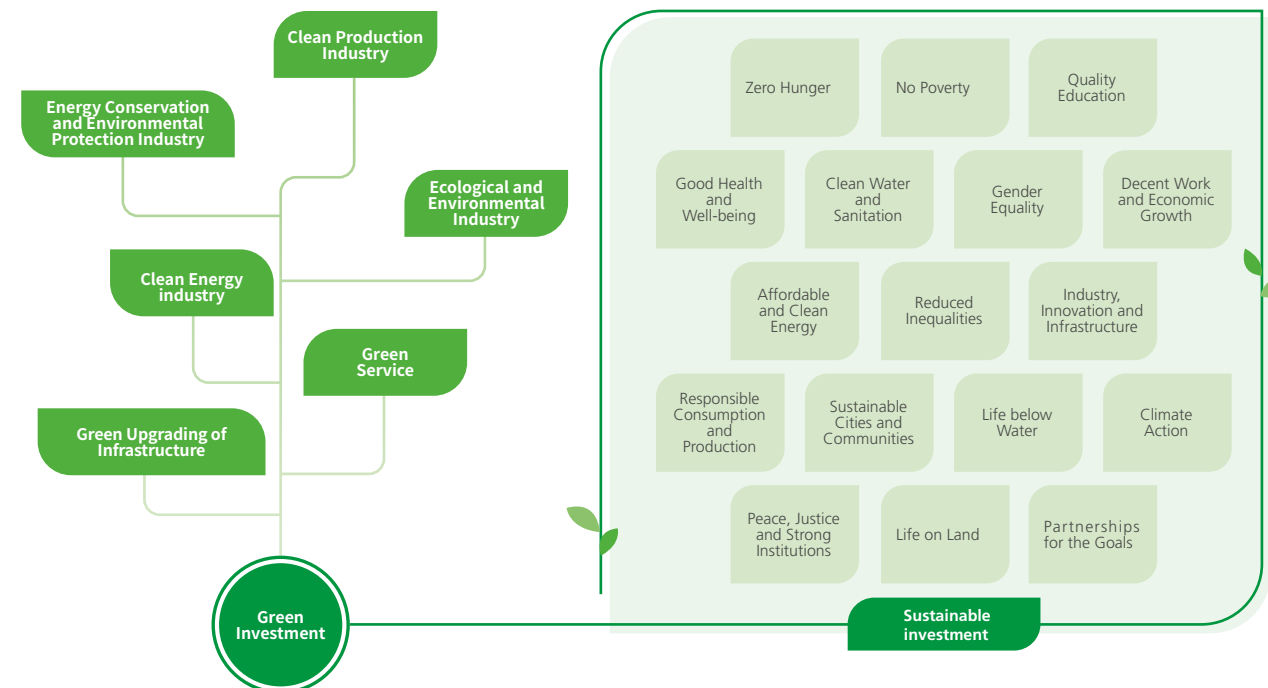
The portfolio selects investment themes with distinctive characteristics and long-term growth potential, by targeting the three major sustainable development issues: accelerated global aging, stagnant productivity, and increasing social and intergenerational inequality. Already covering seven of the 17 UN SDGs, it promotes the sustainable development of green, health, and smart industries around the world.

By the end of 2022, the average (calculated on an equal-weighted basis) of assets held by this portfolio emits 1.34 tons of carbon dioxide per 10,000 US dollars of revenue, about 15% lower than the global average (calculated by the ACWI index). Specifically, fossil energy revenue accounted for only 0.6%, significantly lower than the global average of 4.7%. The revenue from green industries accounted for as high as 15.5%, significantly exceeding the global average of 4.7%. In addition, 89% of assets in the portfolio are rated AA or above by MSCI ESG.



## Promoting the Green Transformation of the Investment System

Sunshine Insurance is committed to promoting the green transformation of the investment and asset allocation system. It has established a green and sustainable investment evaluation system that combines domestic standards for green industry development and 17 UN SDGs with extensive international consensus. It forms a "6 + 17" classification evaluation system, conducts in-depth analysis and careful screening of the "green and sustainable investment" attributes of the investment targets, and promotes the flow of funds into green and high-quality assets. By the end of 2022, it took the dominant position in the investment layout in clean energy industry, industrial innovation, and energy conservation and environmental protection industry, the investment scale in the above fields reached RMB16.8 billion, RMB11.9 billion, and RMB3.1 billion respectively.



#### Case

#### Supporting the Development of the Clean Energy Industry

Sunshine Insurance continues to support the development of the clean energy industry. In 2022, through a special fund, it indirectly invest in a domestic new energy battery company, which is committed to providing global new energy vehicle enterprises with safe, environmentally friendly and efficient overall solutions for power battery systems from batteries, modules, BMS to PACK. As one of the leading enterprises in the new energy industry, this company practices energy conservation and emission reduction, and sets a responsibility target of reducing consumption by 6% per unit of 10,000 yuan of output value per year.

<sup>2</sup> The sustainable investments are calculated based on *the Catalog of Green Bond-supported Projects (2021 version)*, the 17 SDGs of the United Nations and the positive and negative lists of industries for sustainable investment purposes developed by Sunshine Insurance itself.



## Exploring Transition Finance

The low-carbon transformation of enterprises in high-carbon industries is an important part of the green transformation of the economy and society. Transition finance is the financial support for the transition of market entities, economic activities, and asset projects to low carbon, especially for those traditional projects and enterprises that have high carbon emissions and huge impacts on the environment.

Sunshine Insurance continues to strengthen communication with carbon trading markets around the world, seeks in-depth cooperation with high energy-consuming enterprises, and explores the “insurance + service” model to help the green transformation of those “brown industries”. In 2022, Sunshine Insurance developed an innovative product of *Carbon Trading Loss Insurance for Machine Damages of the Low Carbon Projects*, to provide carbon loss insurance for emission reduction equipment of various enterprises participating in carbon trading. It guided the high-emission enterprises in power, steel, nonferrous metals, cement building materials, petrochemical, chemical, paper, and aviation industries to improve energy conservation and environmental protection efficiency and to use carbon emission reduction technology. It was an innovative measure that we took to serve the “Dual Carbon” economy and facilitate the transformation of enterprises with high carbon emissions.

Sunshine Insurance actively supports projects and enterprises with green transformation needs, such as environmental improvement for the renovation of the old cities, renewable energy project construction, and technological upgrading projects for traditional high energy-consuming and high-emission enterprises. By the end of 2022, the scale of ongoing investment in the financial transformation amounts to RMB7.7 billion, and the investment directions mainly include clean energy power generation, lithium battery cathode material industrialization and environmental protection technological transformation projects, urban water ecological comprehensive treatment, and the construction of Hangzhou-Shaoxing-Taizhou High-speed Railway.



### Case

#### Investing in Sustainability-Linked Bonds

Sunshine Insurance implements major decision-making arrangements for carbon peaking and carbon neutrality, increases financial support for the low-carbon transformation of traditional industries, and responds to and supports the low-carbon transformation of “brown industries”. In 2022, Sunshine Asset participated in the investment in the sustainability-linked bond (SLB) of an energy company. When the bond was issued, its sustainability performance target (SPT) was set as the installed capacity of the company's renewable energy power generation holdings, and the terms of the bond were linked to the realization of the SPT. By doing so, it not only provided a new way of financing the green transformation of high-carbon enterprises, but also helped them to achieve sustainable development.

## Promoting Green Services

Sunshine Insurance attaches great importance to the improvement of green service capabilities, and comprehensively promotes the upgrading of green service in terms of “green insurance application” “green preservation” and “green claims settlement”. It formulates a *Medium-to-long-term Plan for Client Green Service Upgrading* that helps build a green service brand, create a good atmosphere for green and low-carbon circular development, and promote a green lifestyle.

In order to further improve its online service capability, Sunshine Insurance uses advanced technologies, such as face recognition, live detection, electronic signature, intelligent robots and 5G to launch remote video services, which frees customers from downloading and installing, simplifies the process, reduces materials, saves time, and keeps customers from errands. In 2022, the remote video service served the customers by 82,900 person-times, saving 124,300 hours for customers, reducing carbon emissions by 1,343 tons, and customer satisfaction reaching 99.33%.

In 2022, Sunshine Life continued to promote online insurance and online claim settlement services. The online processing rate of insurance services reached 96.8%, and the online application rate for claims reached 99.5%. Meanwhile, Sunshine P&C Insurance's commercial auto insurance electronic policy utilization rate reached 98.5%, saving 52.1846 million pieces of paper. Sunshine P&C Insurance also practiced the concept of conservation and environmental protection in auto insurance claims, and actively promoted green claims through low-carbon repair and recycling of vehicle parts, with low-carbon repair parts accounting for 14.83%.

## Practicing Green Office

Sunshine Insurance has issued the *Guidelines of Sunshine Insurance Group on Low-carbon, Green Offices* to put the green office initiative in place. The document helps Sunshine Insurance refine the requirements for green office, guide employees to practice the concept of green and low-carbon office, and comprehensively sharpen all employees' awareness of green and low-carbon office. It also conducts virtual accounting of workplace expenses, strengthens energy management and control in the workplace, and promotes energy-saving and cost-reducing to create a new pattern of green office on a regular basis.

### Energy saving



We establish energy management and control plans for electrical appliances in the workplace and optimize elevator distribution and air-conditioning temperature control schemes to reduce energy consumption. We strengthen safety and energy-saving inspections, insist on keeping the lights off for one hour at noon, conduct energy-saving inspections four times a day, and strictly implement “unplugging before leaving”. For those departments and individuals failing in the implementation, we circulate a notice of criticism.

### Paperless office



We strengthen the promotion and application of the online conference system, build a Sunshine Cloud conference platform, and advocate online conferences and video training. We continue to improve the coverage of the OA system and mobile office APP on work items, reduce the use of paper documents, and encourage duplex printing, and promote electronic invoices and paperless reimbursement.

### Green travel



We advocate low-carbon travel and strengthen the statistical management of vehicle fuel consumption through the establishment of ledgers. We carry out a vehicle operation approval system to check vehicle usage and fuel consumption and encourage employees to reduce the use of private cars based on travel safety. Relying on the “Sunshine E Travel” platform, we provides employees with convenient and low-carbon business travel options, with 44,719 service guarantees.

### Garbage classification



We install sorting trash cans and sorting signs in bathrooms, elevator rooms, tea rooms and canteens in the office, and implement clearing and transporting sorted garbage. We set up a waste sorting bulletin board in a conspicuous place in the office to introduce the basic knowledge and classification standards of waste sorting. We launch the “Clean your plate” campaign, encouraging diners to take small quantities to avoid waste, and advocating packing leftovers after dining.



## Case

**Empowering Green Office with Digitalization**

Through the integration of hardware video, cloud video, live broadcast platforms and social conference tools, Sunshine Cloud Conference has built a unique digital conference solution with Sunshine characteristics for the benefit of employees, customers, and partners. Throughout the year, 68,000 online conferences were held, with a total duration of 84,600 hours; 23,000 people logged in and used the platform per month, further reducing travel expenditures and conference fees.

Sunshine's visual management platform for process efficiency takes "data analysis + digital presentation" as the core, and transforms process efficiency management from "passive notification" to "active management". Since its launch in the fourth quarter of 2022, the time needed for approval of company matters has been reduced tremendously. In December, the approval time for a single node has dropped from an average of 4.75 hours in the first three quarters to 3.97 hours after the platform took effective, saving an average of 29,400 hours in total approval time per month.

With the help of digital and intelligent technology, the human resources digital platform has set up a personnel service model that the company's headquarters can directly access to each organization in the fields of recruitment, personnel, and salary. In 2022, the average processing time for a single personnel business was shortened by more than 30 minutes, with processing speed increased by 65%. The average monthly salary calculation time was shortened to 9.74 hours/month/unit, about 66% faster. The personal tax declaration was shortened to 0.1 hour/month/subject, about 97% faster.

The Company conducts centralized management of 3,287 official seals, establishing a "full self-service intelligent electronic seal" model, and implements technical means and management concepts such as "document pre-stamping, intelligent allocation of work pools, full link logs, and QR code anti-counterfeiting". The safety and efficiency of using electronic printing have been greatly enhanced. In 2022, the rate of using electronic stamping reached 98.09%, and the automation rate reached 97.81%.

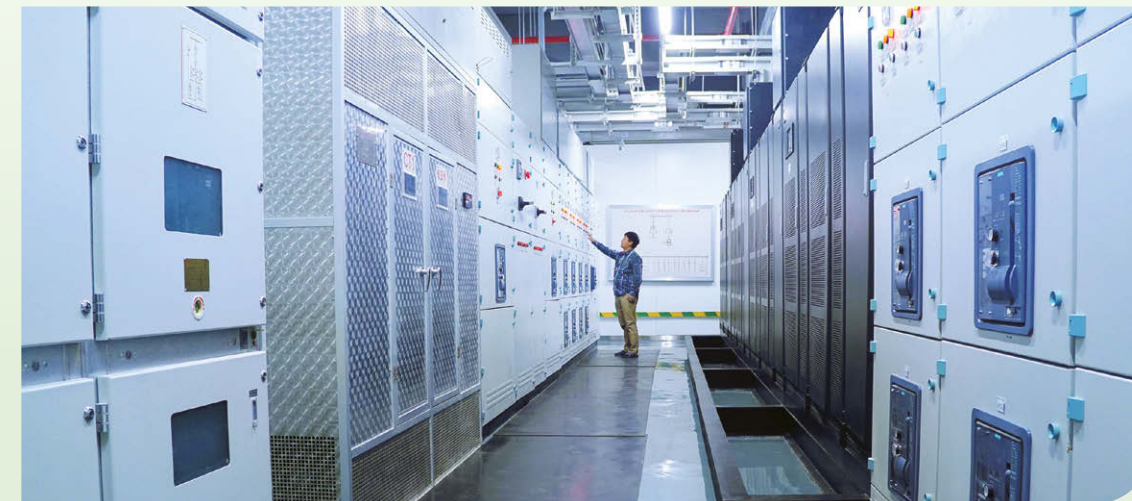
On December 27, 2022, the "Sunshine Insurance Digital Office Platform" declared by Sunshine Insurance won the Outstanding Case Award for Digital Finance and Technological Innovation Application (Office Application Category) in the 2022 Excellent Case Selection of China Digital Finance and Technology Innovation and Application organized by *Financial New Watch*.



## Case

**Energy Saving Transformation of Tongzhou Data Center in Beijing**

Sunshine Insurance Tongzhou Data Center has completed the upgrade and replacement of refrigeration system equipment and the precise control of the terminal air supply pipeline, which has greatly improved the energy efficiency of the computer room. With the increase of the load of Tongzhou Data Center, the electricity consumption can be reduced by about 2.35 million kWh per year after full load, and the PUE value (the ratio of all energy consumed by the data center to the energy consumed by IT load) can be controlled within 1.5, further improving its energy efficiency.



● Energy Saving Transformation of Tongzhou Data Center

**Implementing Green Procurement**

Following the principle of open, fair, and impartial working philosophy and procurement principles, Sunshine Insurance formulates and releases the *Sunshine Insurance Group Supplier Management Measures*. It puts forward the green supplier management rule under the measures. It guides suppliers to respond to the Dual Carbon goals and participate in building the green, low-carbon economy. Moreover, it urges them to comply with energy conservation and consumption reduction requirements for production purposes. In view of the types of procurement, it signs *Letters of Commitment for Suppliers to Engage in Energy-saving Production* to deepen green supply chain management.

Sunshine Insurance implements the principle of green procurement and uses an online procurement platform. All bidding documents are uploaded to and issued on the platform, achieving basically standardization and digitalization of the entire procurement process. Priority is given to office equipment and supplies with national green certification indications and the procurement of high-energy consumption office equipment and facilities is decreased.

# 4

## Driving Science and Technology Innovation to Set Sail for a New Era



Sunshine Insurance continues to deepen the deployment of digital transformation, and utilizes the new generation of information technology to drive business transformation and upgrading with technological innovation. In 2022, through measures such as overall planning, organizational structure adjustment, and technology management process optimization, Sunshine Insurance ensured the smooth implementation of digital transformation so as to promote the digital transformation of the entire group.



### 2022 Performance Indicators

Online self-service processing rate of property and life insurance business over **90%**

Annual online service times of one-click compensation for property insurance more than **940,000** times

Rate of life insurance claims services applied online over **99.5%**

In-house engineers and technicians **1,619**

UN SDGs	Target Name	Sunshine Insurance Action
	Decent work and economic growth	We accelerate the construction of a digital talent echelon, and gradually increase the proportion of technology employees.
	Industry, innovation, and infrastructure	We continue to explore big data and artificial intelligence technology, and successfully build four artificial intelligence platforms: NLP platform, voice platform, OCR platform, and face recognition platform.





## Launching Digital Transformation

Sunshine Insurance has formulated the *Digital Transformation Development Plan of Sunshine Insurance Group Co., Ltd. (2022-2025)*. Relying on data assets, it builds a data asset management system and deepens data governance. Additionally, it carries out scientific and technological innovation layouts by centering on five core capabilities, including digital customer insights, digital marketing, digital product innovation, digital risk control, and digital operations, to empower and lead the collaborative development of business.

### Developing Five Core Capabilities to Lead Sunshine's Digital Transformation

#### Digital customer insight

It builds a customer data analysis and customer label application system, so as to deeply describe customer preferences, accurately grasp customer needs, and improve customer experience. Sunshine Life's "Tianshu" customer data platform integrates customer data from 55 systems to complete the construction of a comprehensive customer segmentation system, which provides data and technical services to 28 business application scenarios, and fully supports personalized customer experience.

#### Digital Marketing

It creates a multi-functional digital marketing system, such as customer product service matching, content operation, marketing rule control, and marketing activity management. In 2022, Sunshine Life continued to empower individual insurance marketing channels through the online sales robot Ray. Since its launch in October, Ray has reached 10,951 customers and generated 24,781 guarantee gap analysis reports and guarantee plans for 9,184 customers.

#### Digital product innovation

It continuously promotes health big data engineering. By optimizing critical illness and medical expense models, it establishes intelligent risk quantification and strengthens ecological cooperation with external big health data, which is conducive to the continuous development of innovative life insurance products. Sunshine P&C Insurance takes the mortality table for auto insurance and non-owner car insurance as the starting point, and continuously accelerates the innovation of the pricing and payment models of auto insurance products.

#### Digital risk control

It creates a big data risk identification model to improve the risk control capabilities of key businesses, including risk identification and pricing, claims settlement, anti-fraud, and anti-money laundering. The risk identification rate of the anti-fraud model for life insurance claims exceeds 89%.

#### Digital operation

Adhering to customer demand-oriented, it realizes the transformation of operation management to a fully online, automated, and intelligent operation. The online self-service rate of property and life insurance business exceeds 90%, the annual number of online services for property insurance one-click claims exceeds 940,000, and over 99.5% of life insurance claims services are applied online.

## Building Intelligent Platform

Sunshine Insurance continues to explore the application of big data and artificial intelligence technology to enable high-quality business development. In 2022, to meet the work requirements of "Sunshine Robot", Sunshine Insurance pursued greater technological innovation and breakthroughs along the robot development route of "supporting, coordinating, assisting, working together, and replacing".

Sunshine Insurance successfully built four artificial intelligence platforms, including the NLP platform, voice platform, OCR platform, and face recognition platform. In 2022, the platforms supported 87 application scenarios cumulatively.

Based on artificial intelligence and focusing on atomic AI capabilities, Sunshine Insurance has created an artificial intelligence Middle Platform for business applications. In addition, it has also built "Wendao" intelligent content analysis and filtering platform, "Zhizhou" intelligent dialogue platform, "Mingzhan" intelligent decision-making platform, "Sunshine Face-Scanning" health analysis platform and other solution platforms for multiple scenarios, which supported various business application projects coming into operation. Besides, Sunshine Insurance builds and continues to optimize iterative project management collaboration platform, data management platform, modeling platform, development platform, model management platform and service forecasting platform. It also provides AI development full-process solutions to reduce business costs and increase efficiency, and enhance intelligent service capabilities.



### Case

#### Self-developed Image Recognition Artificial Intelligence Platform

Based on the latest computer vision technology, Sunshine Insurance has independently developed an image recognition platform. It has launched functions of image classification, text positioning, and identification service for 25 kinds of images in four categories, including certificate recognition, bill recognition, contract recognition, and general recognition. Its overall capability has reached the leading level in the industry, with 19 patents in application and another three authorized.

01



#### certificate recognition

- ID card, driving license, Driver's license, bank card;
- Birth certificate, household registration booklet, Passport, marriage certificate, house Certificate, passbook;
- Business license, insurance agent license management;
- New car certificate, vehicle Registration certificate.

02



#### bill recognition

- Special VAT invoices, VAT ordinary invoices, VAT electronic general receipt;
- Train tickets, plane tickets;
- New car ticket, second hand Car ticketing, vehicle and boat taxes Voucher.

03



#### contract recognition

- Life Insurance Policy: Sunshine, Ping'an, China Life, PICC, Taikang and 14 other main-stream life insurance company policies;
- Automobile insurance policy: commercial and compulsory third-party liability insurance policies of Sunshine automobile insurance policies.

04



#### general recognition

- Advertising art images
- E-commerce images
- Document class image

## Enhancing Basic Ability

Sunshine Insurance has formulated the 4th Five-Year Science and Technology Development Strategic Plan of the Sunshine Insurance Group (2021-2025), with the purpose of effectively promoting the construction of scientific and technological infrastructure, strengthening technological innovation and independent control ability, continuing to improve the technical mid-stage capability, ensuring the safe and stable operation of production. Therefore, it lays the foundation for Sunshine Insurance's digital transformation.

## Actively Improving Self-control Ability

Sunshine Insurance independently developed the Yunshan Container Cloud Management Platform to realize multi-cluster management and unified resource allocation and to improve the resource management capabilities of the operation and maintenance team. On the basis of the original big data platform, it has independently built the Huyanglin Big Data Development Platform, creating a big data development environment with high integration and high automation level. It further promotes the application of big data technology and improves the development efficiency and quality of data applications. Sunshine Insurance improves the development delivery process and standards, develops automated tools such as code inspection and unit testing, and improves the agile delivery capabilities of business systems. It promotes the replacement of operating systems, middleware, and databases and improves the self-control ability of the basic software level to reduce system operating costs.

## Continuously Enhancing Safety Management Capabilities

Sunshine Insurance strengthens the apps' security management and improves the security management system. It builds multiple security platforms, such as the vulnerability management platform and the security logging analysis platform, to realize the full-cycle management of security risk discovery, analysis, and processing, which effectively improves security protection capabilities.

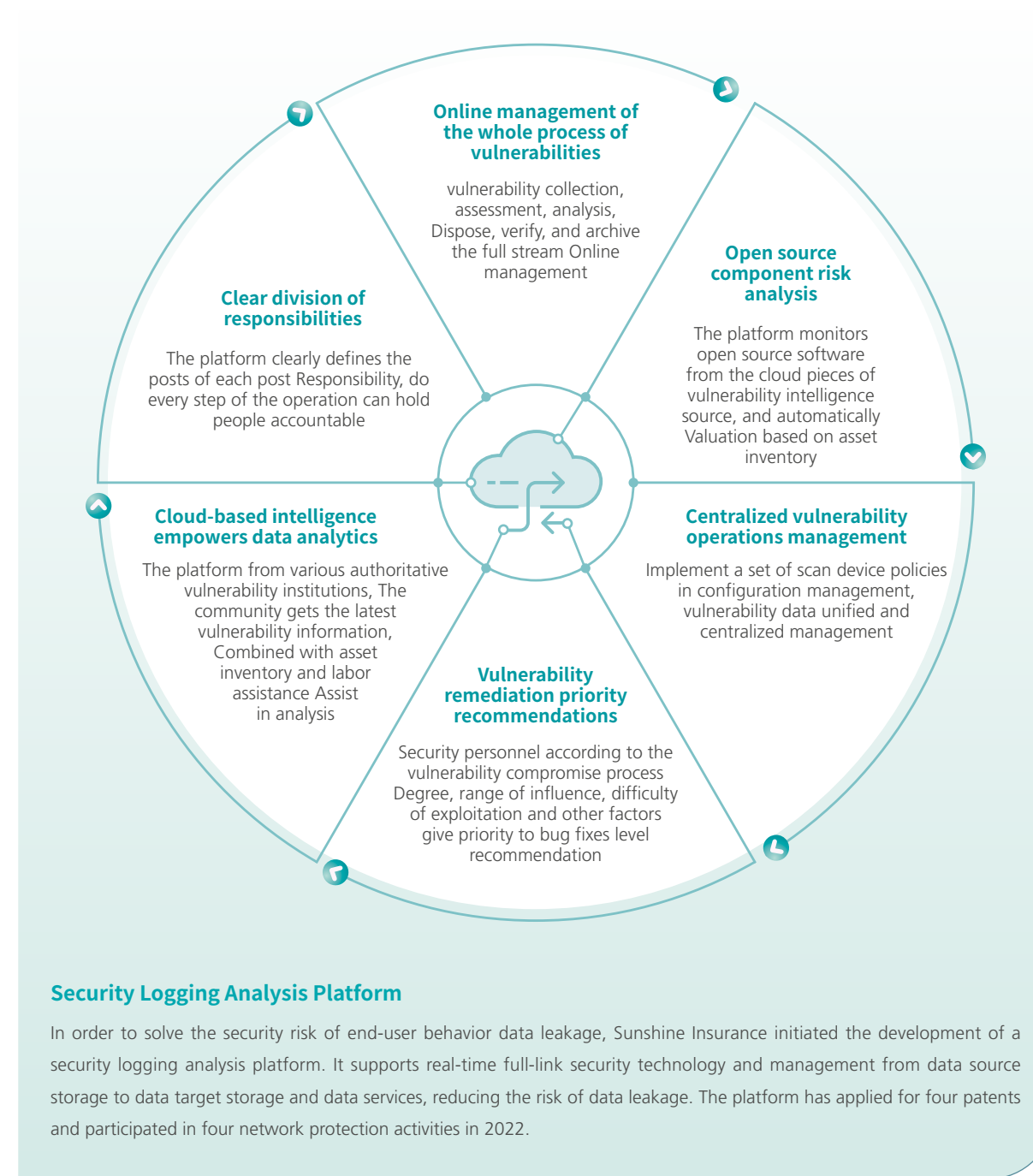


Case

### Building a Full-cycle Management Information Security Platform

#### Vulnerability Management Platform

With the development of digital transformation, the surge of information assets and the urgent need to improve the ability to discover security vulnerabilities, the full-cycle management of vulnerabilities is particularly important. Sunshine Insurance developed a vulnerability management platform, in order to solve the four pain points relating to loopholes, including miscellaneous sources of vulnerabilities, slow vulnerability assessment, empty vulnerability system, and slow vulnerability repair. It realizes automatic discovery of vulnerability hotspots, intelligent assessment of vulnerability risks, centralized management of vulnerabilities, and full-cycle management of unified disposal, effectively improving security protection capabilities.



## Forging Technology Team

Sunshine Insurance is committed to attracting high-quality scientific and technological talents and gradually increasing the proportion of technological employees, with an aim of maintaining advanced and innovative technological capabilities. It accelerates the construction of a digital talent echelon and promotes the integration of scientific and technological talents and business talents, so as to cultivate more cross-border scientific and technological talents possessing innovative-product development capabilities and advanced digital technology skills. In 2022, Sunshine Insurance's R&D team included 1,619 in-house engineers and technicians, accounting for 2.83% of the total number of employees.





# 5

## Focusing on Customer Experience and Improving Service Quality

Sunshine Insurance adheres to the core value pursuit of “all for the customers”. Using financial technology as the development engine, it promotes the construction of online and offline dual channels and improves the availability of financial services. It also focuses deeply on customer experience, innovates service models, and strives to provide customers with professional, warm, and high-quality services.

### 2022 Performance Indicators



We established a total of **2,865** branches and outlets.

**172,000** seniors enjoyed one-click direct service.

We developed a total of **68** consumer protection courses, and nearly **280,000** people studied the courses.

We released **6** episodes of training courses on laws in relation to personal information protection, with more than **80,000** people studying and watching them.

UN SDGs	Target Name	Sunshine Insurance Action
	Quality education	We carry out financial knowledge popularization activities and advocate rational consumption and investment. We are committed to improving consumers' financial literacy and risk prevention awareness.
	Sustainable cities and communities	We expand the construction of service channels, continuously optimize the layout of outlets, and ensure that physical outlets cover more areas.  We provide professional and efficient financial services, promote the inclusive development of financial services, and help special groups overcome the digital divide.

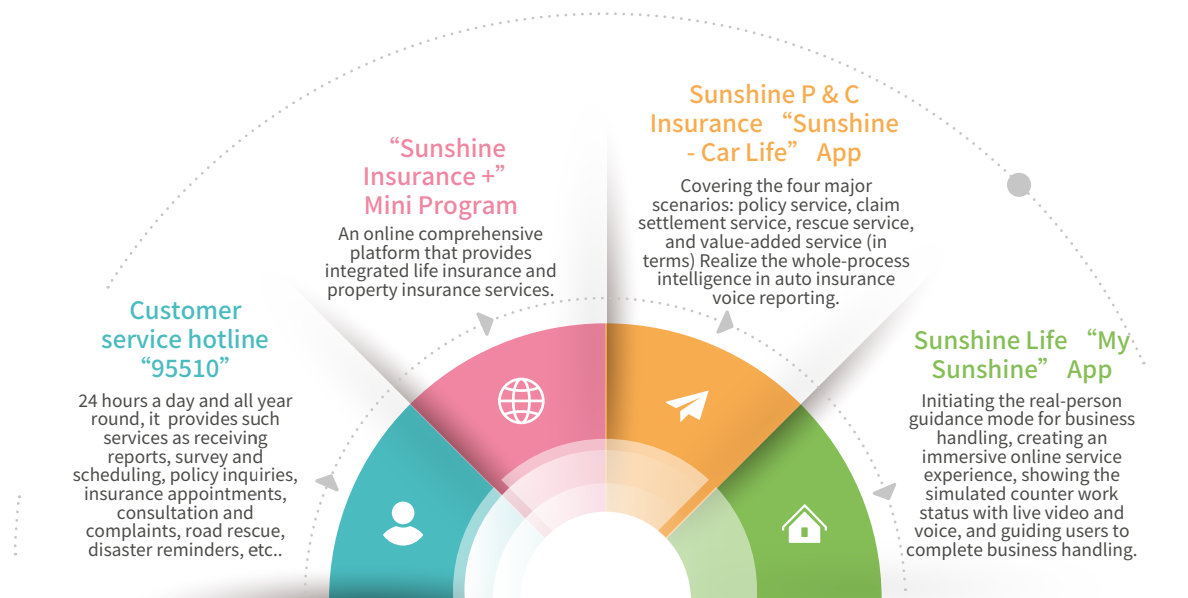


## Optimizing Service Channels

Sunshine Insurance continuously expands the construction of service channels and constantly optimizes the coverage of service points, in an effort to ensure that physical outlets cover more areas and solve the problems of regional financial service imbalance. By the end of 2022, Sunshine Insurance has established 2,865 branches, covering all provinces, cities, districts and counties in China, bringing convenient and considerate services to our customers.

Sunshine Insurance uses financial technology as a powerful driving force to speed up the innovation of online channels and comprehensively promote the construction of mobile online channels. While improving service channel experience, it breaks the limitations in time and space to achieve barrier-free access to financial services and effectively improve the access to finance.

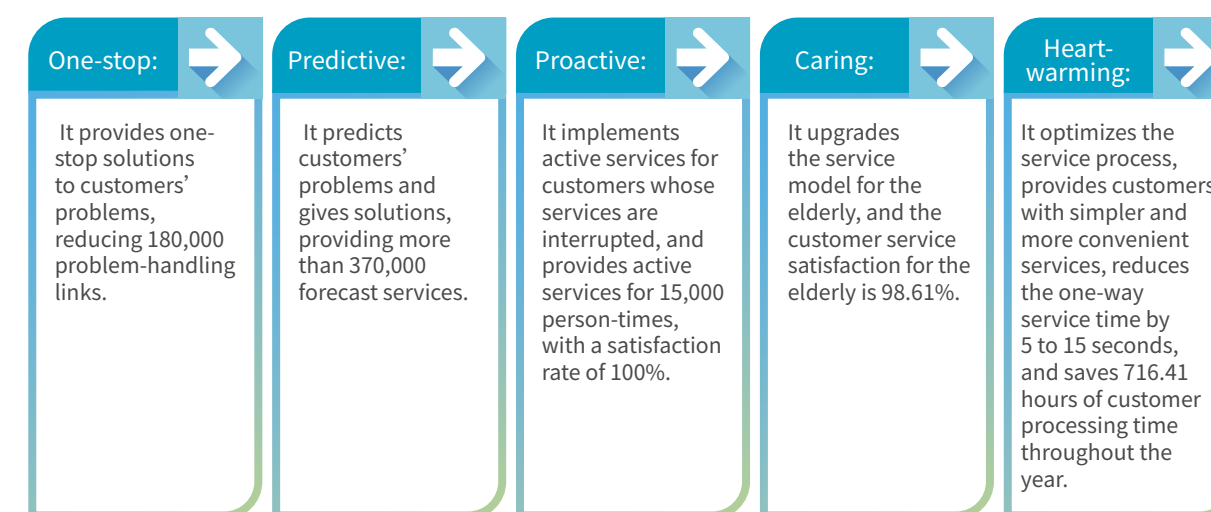
### Sunshine Insurance Mobile Online Service Matrix



## Improving Service Experience

Sunshine Insurance practices the customer culture of "making customers satisfied, and all for the customers". It digs deep into customer needs and wholeheartedly provides customers with professional and efficient financial services. In 2022, Sunshine Insurance brought customers a more humanized and forward-looking service experience. With the "blessing" of technology, Sunshine Insurance innovatively launched the "Consonance Experience Plan", which opens up all aspects of insurance services. Through data-driven closed-loop experience management, it continuously optimizes service processes and provides customers with accurate, proactive, warm, and considerate services. It also carries out a "heart-warming campaign" to improve customer experience with one-stop, predictive, proactive, caring, and heart-warming services.

### Achievements of the "Heart-Warming Campaign" in 2022



Sunshine Insurance is committed to promoting the inclusive development of financial services and helping special groups overcome the digital divide. It actively promotes the aging-friendly and barrier-free transformation of online and offline financial service channels, providing sincere and warm personalized services for special groups of people. By the end of 2022, 172,000 elderly people have enjoyed one-click direct service.



#### Case

### Building the "Sunshine E-stores": A New Model of Store without Counters

We launched the "Sunshine E-stores" to upgrade and transform offline stores, by dismantling traditional counters and creating a new model of stores without counters. In terms of image, we present a new digital, intelligent, and standardized image to our customers. In terms of the service model, we have built a new store service ecosystem integrating brand promotion, policy service and customer management. Through mobile devices and integrated terminals, we can provide customers with convenient services. By the end of 2022, we have completed image updates for 209 stores (including those under construction and MINI stores).



#### Case

### Caring for Elderly Customers to Help Them Overcome the Digital Divide

The "Sunshine Car-Life" APP increases the font display of commonly used functions such as "checking policy" "handling claims" "one-click rescue" and "business outlets", making the content clearer and more concise. It also adds an "online customer service" floating button, supports voice messages, solves the difficulty of typing on mobile phones for the elderly, and facilitates the elderly to obtain timely help from customer service personnel when they encounter business problems.

## Protecting Consumer Rights and Interests

Sunshine Insurance attaches great importance to the protection of consumer rights and interests. It conscientiously implements the relevant requirements of the insurance supervision department by actively assuming the main responsibility of consumer rights protection, and constantly improves the working system and mechanism of consumer rights protection.

Following the *Guiding Opinions on Strengthening the Development of Consumer Protection Systems and Mechanisms at Banking and Insurance Organizations* issued by the China Banking and Insurance Regulatory Commission, Sunshine Insurance has formulated the *Measures for Managing the Consumer Protection Work*, the *Specifications for Managing the Consumer Protection Work*, *Specifications for Managing Insurance Consumer Complaints*, and the *Standards for the Audit of Consumer Rights Protection*, among other things. Sunshine Insurance's subsidiaries at all levels have been urged to conduct consumer protection work in an earnest manner, for the sake of improving their capability to protect consumer rights and interests.

## Cultivating Consumer Protection Culture

Sunshine Insurance incorporates the protection of consumer rights and interests into the construction of corporate culture. Under the guidance of Sunshine's core culture and sub-item culture relating to customer service, it has established a special culture for consumer rights protection. In pursuit of a working concept of "customer first and ensuring consumer satisfaction", we require all Sunshine people to "do the best to protect the interests of consumers and oppose any behaviors that harm consumers."

## Supervising Responses to Client Complaints

Sunshine Insurance continues to improve the complaint management system, supervises the complaint resolution process, and deepens the complaint management work. It facilitates the online and offline customer complaint channels. It makes available customer complaint acceptance functions on online platforms, such as official websites, official WeChat accounts, Apps and so on. Meanwhile, it sets up complainant reception areas at its business outlets across the country, specifying that all employees have the responsibility to address complainants' concerns when they are first contacted to keep the complaint channels open for complainants.

Targeting the most concerned problems of our customers, Sunshine Insurance implements a governance mechanism tracing to the root of the problems. On one hand, we continue to optimize the process and system to improve the quality of products and services. On the other, we upgrade the complaint handling system, implement a network-wide coordination mechanism for complaint handling, and improve the quality and efficiency of complaint handling. Additionally, we have strengthened complaint assessment, strengthened accountability, and improved complaint monitoring and analysis mechanisms, so as to promptly discover and properly resolve customer problems.

## Carrying Out Publicity and Education on Consumer Protection

Sunshine Insurance actively carries out multi-channel and multi-form financial knowledge popularization activities, in an effort to advocate rational consumption and investment. We are also committed to improving consumers' financial literacy and risk prevention awareness.

Internally, Sunshine Insurance actively carries out internal employee consumer protection training to enhance the awareness of all employees on consumer rights protection. On the Group's online learning platform, we have set up a training column for consumer rights protection. In 2022, we developed 68 new consumer protection courses and trained nearly 280,000 people.

Externally, for consumers, we actively carry out financial publicity and education activities, to advocate rational consumption concepts and strengthen their self-protection capabilities. Taking the opportunity of "March 15 Consumer Rights Protection Education Publicity Week" "July 8 National Insurance Public Publicity Day" and "Financial Knowledge Popularization Month" as an opportunity, we actively carried out activities such as entering communities, nursing homes, campuses, business districts, and villages to carry out publicity and education on consumer protection. At the same time, we also expand the influence of publicity through external media and official WeChat account. Furthermore, we produced brochures and promotional videos in sign language and minority languages for special groups and people in minority areas, enabling them to have better access to financial knowledge.

## Consumer Information Protection

Sunshine Insurance attaches great importance to customer privacy protection and data security management and has adopted several measures to protect personal information security. Sunshine Insurance has earnestly complied with, among others, the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and the *Technical Specifications for Personal Financial Information Protection*, and formulated such management system as the *Specifications for Client Information Security Management*, and disclosed data security protection policy.

For the collection and processing of personal data, Sunshine Insurance follows clear and legitimate purposes. It implements customer information desensitization display requirements to protect personal and sensitive information. When using data, it insists on legal and reasonable application. It strengthens the application of privacy protection technology to prevent data leakage. At the system level, Sunshine Insurance uses traffic monitoring technologies such as UEBA to provide early warning protection for customer data risks. At the operational level, it uses strict systems and process management to ensure compliance throughout the data processing process and conducts regular reviews of information security policies and systems. In addition, Sunshine Insurance carries out special training on personal information protection to enhance employees' awareness of personal information protection. In 2022, it released six training courses on laws in relation to personal information protection for all employees, covering risks and procedures relevant to data security and privacy. More than 80,000 people have completed the learning and viewing.

# 6

## Implementing Talent Strategy and Enhancing Employee Care






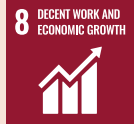
Sunshine Insurance resolutely implements the talent development strategy, fully respects the rights and interests of employees, and cares for their growth. It formulates an equal and open talent policy that pays attention to the health and safety of our employees. It also strives to cultivate many high-quality insurance talents and uses talents to support Sunshine on the road to high-quality development.

### 2022 Performance Indicators

Investment in talent training **RMB280** million

Number of employees<sup>3</sup> in the company at the end of the year **167,700** people

Carried out staff training holding **7,863** various training courses, with online learning of **10.92** million person-times

UN SDGs	Target Name	Sunshine Insurance Action
	Good health and well-being	We implement various labor union care policies for our employees and care for their health.
	Quality education	We build a panoramic talent training system, and build a blueprint for talent training, covering different development stages and development orientations of all employees.
	Gender equality	We eliminate any gender-based discrimination in open recruitment and internal recommendation recruitment.
	Decent work and economic growth	We strengthen the construction of cultural and sports clubs throughout the system and promote the development of grassroots cultural and sports activities.



<sup>3</sup> Insurance agents are included.



## Protecting Legitimate Rights and Interests

Sunshine Insurance is in strict accordance with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, among other laws and regulations. It hires and uses labor in a standardized and legal manner, adhering to the principles of just, fair and open recruitment. Sunshine Insurance expressly defines standardized recruitment processes and employment requirements to garner talents extensively through open recruitment and internal recommendation and clearly define standardized recruitment processes and employment requirements. It does not discriminate against any people based on their race, gender, religion, age, social background, or other factors. Further, it prohibits such illegal employment behaviors as the use of child labor, forced labor, and restriction of employees' freedom.

By 2022, the company employs more than **167,700** people

Sunshine Insurance actively performs corporate social responsibility by implementing the decisions and arrangements of the Party Central Committee and the State Council to "stabilize employment" and "secure employment". By the end of 2022, the company employs more than 167,700 people (insurance agents included). It actively improves the general meeting system for employee representatives, establishes trade unions' committees at various levels, and convenes the general meeting of union members and employee representatives on a regular basis to safeguard employees' right to participate, right to know and right to supervise, thus promoting democratic management.

Sunshine Insurance observes the performance-oriented income distribution principle and offers competitive compensation and benefits in the industry. It participates in the endowment, medical, unemployment, work injury and maternity insurance schemes and the housing provident fund for the benefit of employees, and pays festival, meal, travel, telecommunication, extreme heat, heating allowances/subsidies/fees to employees, with a view to creating a comprehensive support system for all employees. Sunshine Insurance's employees enjoy such time-offs as public holidays, statutory festivals, annual leave, marriage leave, prenatal check-up leave, maternity leave, paternity leave, family planning leave, menstrual leave, work injury leave, mourning leave, and parental leave. Moreover, employees also enjoy other leaves characteristic of Sunshine Insurance, such as the leave to celebrate parents' birthdays, the leave to attend a teacher-parent meeting, the leave to have family reunions on the occasion of Spring Festival, the leave to visit family for employees relocated away from their homes, the contribution leave, the seniority leave, the test leave for special posts, and the leave to go after dreams.

## Fostering Career Growth

Sunshine Insurance always holds the opinion that talents are the core competitiveness of the enterprise. It puts the development of human resources at the top priority, cultivates excellent potential talents in an all-round way, and incorporates the investment in talent training into strategic basic guarantees. On the basis of the "post competency model", it carries out several track-based development projects, with the goal of covering all employees and meeting the individual needs of employees. It also builds a talent training blueprint that supports the development of employees in terms of general ability, professional ability, leadership, and working experience. Further, it shapes the IDP, a talent training system with Sunshine characteristics. In 2022, Sunshine Insurance invested RMB280 million in talent training, provided employees with examination allowances of RMB444,200, held 7,863 training courses of various types, and realized 10.92 million online learning person-times.

In 2022, Sunshine Insurance invested **RMB280** million in talent training

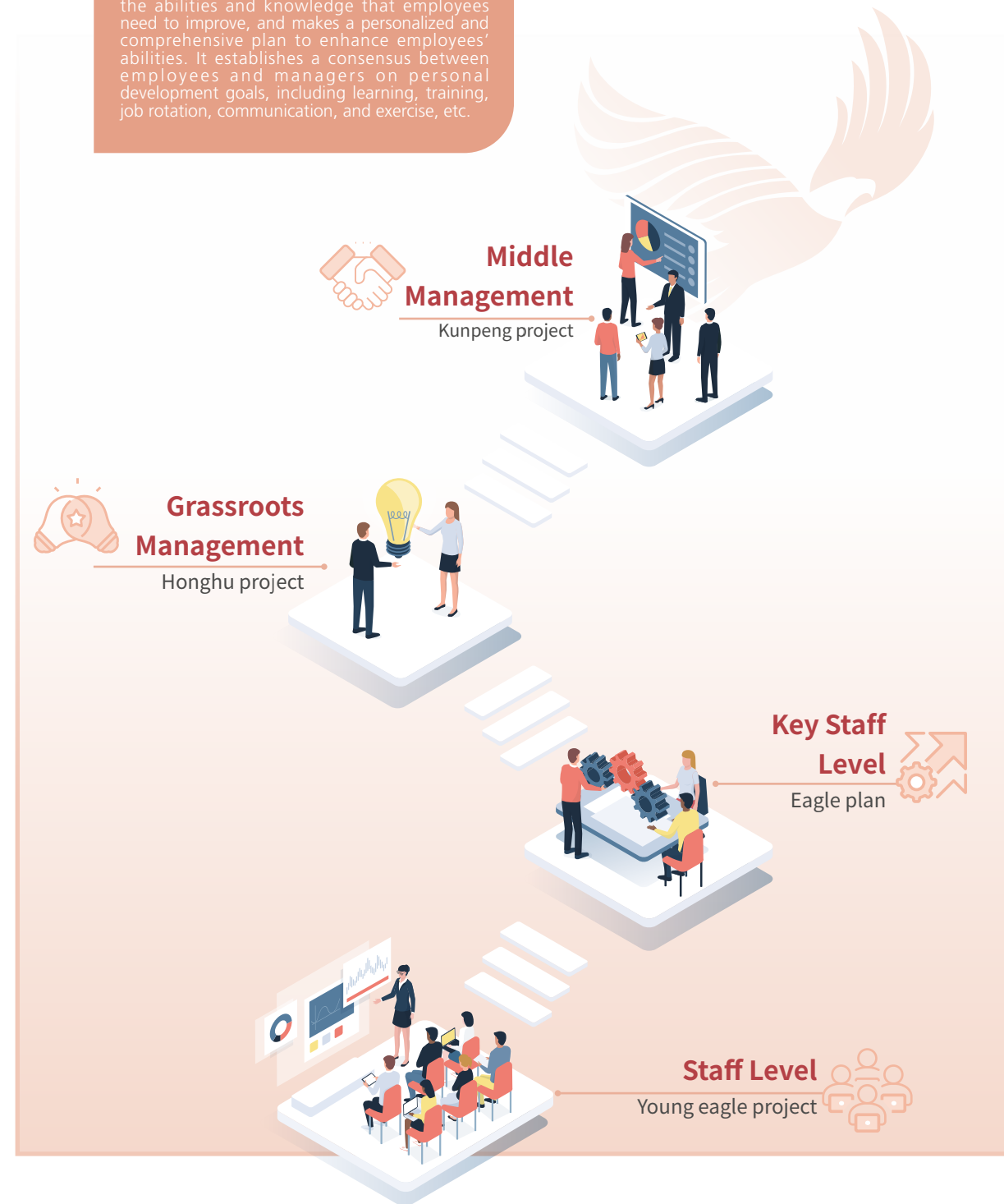
provided employees with examination allowances of **RMB444,200**

held **7,863** training courses of various types

and realized **10.92** million online learning person-times

## Panoramic Talent Training Blueprint

Based on talent-based inventory, IDP identifies the abilities and knowledge that employees need to improve, and makes a personalized and comprehensive plan to enhance employees' abilities. It establishes a consensus between employees and managers on personal development goals, including learning, training, job rotation, communication, and exercise, etc.



### Focusing on Health and Safety

Sunshine Insurance cares about the physical and mental health of employees, and actively builds "Employees' Homes" and "Health Cabins" for their sake. At the same time, it also carries out a variety of cultural and sports activities and organizes employees to participate in physical exercise and improve their physical fitness. It cares for the employees in need and sends the company's care and warmth to the hearts of our employees. By the end of 2022, 61 "Health Cabins" for employees have been built in the Group and its subsidiaries.

### Building "Employees' Homes" and Organizing Activities for Employees

Sunshine Insurance strengthens the construction of cultural and sports clubs and promotes the development of grassroots cultural and sports activities. In 2022, the Group held the fifth employee badminton competition, with more than 1,000 badminton enthusiasts participating in the competition. Different clubs of the Group also carried out more than 200 training activities and 19 external friendly matches. For instance, activities such as the New Year calligraphy competition, dance exhibition competition, and basketball league were held within the Group. Additionally, together with the Financial Calligraphers Association and the Financial Artists Association, a Sunshine Insurance Calligraphy and Painting Lecture Exhibition entitled "Ode to the Party with Writing, Painting, and Calligraphy (翰墨颂党恩)", or "Prosperous Sunshine Tour, Celebrating the 20th CPC National Congress" Sunshine Financial Calligraphy and Art Exhibition in the New Era, was held to enrich employees' cultural life. Furthermore, the Group also organized youth fellowship activities to expand the friendship circle of young employees.



Men's Basketball League

### Taking Care of Female Employees

Sunshine Insurance places considerable value on the protection of women's rights and interests and organizes caring activities for female employees. It promotes the construction of care rooms for female employees. A case in point, the China Financial Trade Union and the Group jointly build care rooms for female employees in 7 branches including the Suzhou Central Branch of Sunshine P&C Insurance. Besides, it has also held a series of activities on March 8 Women's Day, including personal shows, flower arrangement tutorials, and women's health care lectures to improve the happiness of female employees in the workplace.

### Showing Concerns to Needy Employees

Sunshine Insurance actively extends warmth and care to employees in need. During New Year's Day and the Spring Festival, it conducted the activity of showing concern to needy employees in various forms, distributing over RMB1.6 million to 477 financially difficult employees. Still, it allocated RMB3.8 million of care funds to grassroots branches and invested more than RMB9 million to purchase health protection materials and emergency medicines for employees.

More than **1,000** badminton enthusiasts participated in the fifth employee badminton competition

Different clubs of the Group carried out more than **200** training activities and **19** external friendly matches

We showed concern to **477** financially difficult employees in various form

allocated **RMB3.8** million of care funds to grassroots branches

invested more than **RMB9** million to purchase Health protection materials and emergency medicines for employees



"Health Cabins" Employees Care Project

Unveiling Ceremony of "Employees'Home" in Sunshine Financial Center

# 7

## Pooling Strengths of All Parties to Form a Strong Joint Force



Sunshine Insurance takes the initiative to undertake social responsibility. It focuses on issues such as youth development, cultural communication, scientific research and win-win cooperation. It continues to promote cooperation with the government, scientific research institutions and enterprises. It joins hands with our partners to bring together the strengths of all parties to jointly promote the development of the industry, society and the country, and shares the results of development.

### 2022 Performance Indicators

Visitors to Sunshine Museum more than **8,000** person-times

A total of **3,000** copies of Sunshine Museum Brochure have been issued

Charity Cumulative investment of **RMB596** million

“Competence Enhancement Plan for 10,000 Village Doctors” **16,372** rural doctors have been trained, and **68** telemedicine service stations have been established, benefiting nearly **11** million villagers

Sunshine Bo'ai School **71** Sunshine Bo'ai schools were built in **24** provinces and regions across the country

UN SDGs	Target Name	Sunshine Insurance Action
	No poverty	We promotes and practices the new model of “Sunshine and Beautiful Villages” featuring “dynamic industries, talented people, rural customs, and good products”.
	Zero hunger	We carry out paired assistance work and purchase agricultural and sideline products from enterprises in poor areas, which provide an opportunity for employees to devote their love and for local residents to increase their income steadily.
	Quality education	We continue to promote public welfare projects such as the “10,000 Poor Students Assistance Program (萬名貧困學生幫扶計劃)” “Bo'ai School (博愛學校)” and “Sunshine Clinic (陽光衛生室)” to earnestly fulfill our corporate social responsibilities.
	Reduced inequalities	We are committed to reducing the inequality in economic development between urban and rural areas, implementing insurance protection measures in poverty-stricken areas, and continuously deepening accident insurance and critical illness insurance services.
	Partnerships for the goals	We integrate the group's insurance, medical care, pension, health, investment, real estate, and resources in other sectors, and continue to build industry-oriented and professional core service capabilities. We incorporate insurance guarantee into the entire life cycle of corporate customers and fully integrate products, services, and technology to provide partners with a full range of risk management solutions.



## Enthusiastic about Public Welfare Undertakings

In accordance with the original mission of serving the country and giving back to the society, Sunshine Insurance actively participates in public welfare undertakings, assumes social responsibilities, helps vulnerable groups, and promotes social equity. By the end of the year, Sunshine has invested RMB596 million in various public welfare and charity undertakings.



### Chronology of Sunshine's Public Welfare Undertakings

2008

Officially launched the Sunshine Bo'ai School Project, and carried out school aid and joint construction activities in poverty-stricken areas across the country.



2010

Beijing Sunshine Insurance Love Foundation was established with the purpose of "helping the poor, promoting public welfare, caring for people's livelihood, and assuming social responsibilities".

2011

Launched the insurance project of "Sunshine Volunteer Care Plan" to provide insurance protection for various volunteer groups.

2015

Initiated the "Sunshine Run" public welfare project, relying on major running events to provide public welfare lectures on running knowledge, voluntary services, and insurance support.

2014

Launched the "Sunshine Flywheel" public welfare activity, creating opportunities for students in universities and colleges to realize their public welfare dreams and pass on their love through "advance-practice-delivery" process.

2016

Initiated the "Sunshine All the Way, Along with Love" rural teacher training activity.

2017

Launched the "Sunshine Soul Project" public welfare project to keep a watchful eye on the mental health of left-behind children in rural areas.

2018

Officially launched the "Shuangsheng Program":

- The "10,000 Poor Students Assistance Program" donated money to help poor students in the deeply impoverished areas of the three regions and the three prefectures.
- The "Competence Enhancement Plan for 10,000 Village Doctors" trained rural doctors for villages.

2020

- Donated more than RMB100 billion of insurance guarantee to those who fought the Covid-19 in Wuhan, including all frontline medical staff, medical support teams from various provinces and cities, and their families.
- Initiated the "Pink Sunshine --Easy Love" public welfare program to care for women, and donated money to help poor women who unfortunately suffered from breast cancer.

2022

Carried out the "We will take care of your family, when you go out to battle against Covid-19", an anti-epidemic family care campaign, to provide caring services for the families of front-line anti-epidemic workers, as a way for the Company to contribute to epidemic prevention and control.

2021

- Carried out the "Little Orange, Big Love" series of public welfare activities to help the elders, to improve their awareness of fraud prevention, and offered courses to help them bridge the digital divide.
- By carrying out the "Sunshine Bookstore" project, donated extracurricular books to rural primary school students to make up for the current shortage.





The second phase of the village Doctor Program: In the next **10** years, **100,000** village doctors will be trained in **10** provinces in the central and western regions, and no less than **3** demonstration areas for improving the capabilities of village doctors will be established in each province.

Sunshine Bo'ai School: A total of **71** Bo'ai Schools are built in **24** provinces across the country, benefiting more than **28,000** teachers and students.

## Village Doctor Program

### | The "Competence Enhancement Plan for 10,000 Village Doctors"

Focusing on the cultivation of the village doctor team, it is committed to training and retaining a group of outstanding rural doctors for the vast rural areas, and improving the medical and health service capabilities and medical level in the poverty-stricken areas. By the end of 2022, 68 telemedicine service stations have been established in Shandong, Inner Mongolia, Jilin and other provinces, and 16,372 rural doctors have been trained, benefiting nearly 11 million villagers in 10,000 villages.

### | The second phase of the village Doctor Program

In the next 10 years, 100,000 village doctors will be trained in 10 provinces in the central and western regions, and no less than 3 demonstration areas for improving the capabilities of village doctors will be established in each province.

## Educational Assistance

### | The "10,000 Poor Students Assistance Program"

Money is donated to help poor students in the deeply impoverished areas of the three regions and the three prefectures, assisting more than 30,000 students, covering 34 national-level poverty-stricken counties and 73 schools, with a cumulative donation of more than RMB35 million.

### | Sunshine Bo'ai School

A total of 71 Sunshine Bo'ai Schools are built in 24 provinces across the country, benefiting more than 28,000 teachers and students.

## Supporting Rural Revitalization

In response to the national rural revitalization strategy, Sunshine Insurance promotes and practices the new model of "Sunshine and Beautiful Villages" featuring "dynamic industries, talented people, rural customs, and good products".

### | Longquan Village, Antu County, Jilin Province

Since the beginning of aiding Longquan Village, Sunshine Insurance took top priority in the realization of sustainable development in the local area, and to create a complete industrial chain in combination of Longquan Village's resource endowment and industrial characteristics. A rice mill and a pancake processing plant were set up in the village. Using Sunshine's accumulated experience in enterprise management over the years, we helped the village enterprises build a modern management system and ensure their long-term, stable, and healthy development. Meanwhile, a sales platform for poverty alleviation products was established to help Longquan Village create a brand of ecological and organic characteristics and enhance the competitiveness of the local agricultural products. In cooperation with the village Party branch committee and the village committee, we carried out the "construction of beautiful rural civilization" initiative. We formulated rules and standards for honest production and operation as well as healthy and civilized life style, in an effort to create a righteous village style and simple folk customs. With such efforts, we made Longquan Village more harmonious and civilized on the road to prosperity.

Over the past five years, Sunshine Group has invested a total of RMB10.18 million in Longquan Village. As of the end of 2022, the two village enterprises have achieved cumulative sales of RMB7.295 million, paid RMB2.168 million to their villager employees, increased the collective economic income of the village by nearly RMB500,000, and got more than 40 people out of poverty in Longquan Village and surrounding areas by offering them job opportunities and increasing their income. Longquan Village, with a collective income of less than RMB50,000 in 2018, has now successfully gotten rid of poverty, presenting a new look of thriving industries, livable ecology, civilized rural customs, effective governance, and affluent life.

### | Wusutu Town, Chayouzhong Banner, Inner Mongolia

Paired assistance to Wusutu Town was carrying out through industrial assistance, insurance assistance, and consumption assistance. Government officials, large local growers, and entrepreneurial leader from Wusutu Township were invited to visit Shouguang of Shandong province, known as the hometown of vegetables. They were offered experiences and technical assistance of modern agricultural planting technology and management methods during the study tour. Sunshine Insurance played a role of insurance risk compensation and developed a "carrot target price index insurance" product for local pillar agricultural products to help farmers cope with price fluctuations. Besides, a total of RMB1.5 million was donated to build a constant temperature warehouse for agricultural products to provide support for farmers to store agricultural products and sell them when the market price rises. More than 5,000 permanent residents of Wusutu Town were provided with "poverty prevention insurance" services with a maximum hospitalization medical insurance amount of RMB50,000 to prevent them from returning to poverty due to illness. Besides, Sunshine Insurance continued to help farmers by means of consumption, resulting in an increase in their incomes. By the end of 2022, a total of more than RMB3.7 million of agricultural products have been purchased from the local area.

### | Ya'an, Sichuan Province

Sunshine Insurance explored an innovative model of industrial assistance in Ya'an. It provided fund support in the upstream, increased guarantees in the midstream, and improved brand marketing in the downstream, realizing a sort of "blood-making" assistance from an industrial perspective. Co-constructed with the China Foundation for Poverty Alleviation and local Cooperatives, Sunshine Insurance helped farmers realize scale production and quality improvement in products, and supported the establishment of oranges, loquats, tea, and kiwis bases, occupying a total area of more than 3,200 mu. Additionally, more efforts were carried out to help farmers expand and deepen work on technology, management and control, branding, etc. Sunshine Insurance also made use of its Internet and brand influence to increase farmers' income.

## Popularizing Insurance Education

As an important window for the cultural dissemination of the insurance industry, the Sunshine Museum boasts the functions of display, education, and research. In 2022, the museum was open for more than 330 days and received more than 8,000 visitors.

In 2022, the Sunshine Museum expanded its brand effect through various modes of transmission. Its three live broadcasts were viewed by more than 3,000 person-times. The museum brochure, which helps establish its brand image, was officially published, with a total of 3,000 copies issued. Its WeChat Official Account "Bowu Zhizhi" published more than 20 articles in columns such as "Insurance Masters" "Collection Stories" and "Latest Information", with a total of over 10,000 views.



Case

### Carrying Out Cooperation with Universities and Colleges to Help Cultivate Young Talents

Sunshine Museum actively cooperates with major universities to support the development of insurance education in universities. It has successively cooperated with the School of Economics of Beijing Technology and Business University, the School of Finance of Capital University of Economics and Business, and the School of Insurance of the University of International Business and Economics, to establish teaching practice bases, strengthen exchanges and cooperation in the fields of education and scientific research, and help the cultivation of financial and insurance talents.



Case

### Carry Forward the Red Spirit and Build a Red Education Base

The Sunshine Museum closely follows the "red theme" to create a red education base for the insurance industry. In order to truly reproduce the moving stories that the Party organization led the masses heroically resisting Japan, saving the nation, and developing the people's insurance business during the Anti-Japanese War, the museum set up a special topic of "red" insurance after many visits, demonstrations, and collections. It was awarded by the Research Association of Ideological and Political Work of China Financial Institutions as a "Red Financial Education Base".



● Red Insurance Themed Booth, Sunshine Museum

## Strengthening Win-win Cooperation

Sunshine Insurance actively shares benefits with its partners. It cooperates with the government, scientific research institutions and enterprises in multiple fields to carry out in-depth joint innovation and win-win cooperation, so as to grow together hand in hand and to jointly build a prosperous ecological environment and create a new situation for sustainable development.

### Cooperation with Government

Sunshine Insurance actively builds a two-way information communication channel with the government and participates in government activities. It has become the government's trusted strategic partner for environmental and social risk management, by vigorously developing policy-based insurance businesses such as people's livelihood security, industrial upgrading, rural revitalization, and inclusive finance. By the end of 2022, Sunshine Insurance has established strategic cooperative relations or made exchange visits with provincial governments of Guizhou Province, Heilongjiang Province, Yunnan Province, Hainan Province, Guangxi Autonomous Region, Tibet Autonomous Region, and Chongqing, as well as municipal governments of Qingdao, Suzhou, Xiamen, Ningbo, Liaocheng, and Weifang.

### Cooperation with Scientific Research Institutions

Sunshine Insurance attaches great importance to scientific and technological innovation cooperation with scientific research institutions, puts them in an important position, and vigorously develops an industry-university-research cooperation mode. Since the launch of Sunshine Insurance Group's postdoctoral workstation, there are a total of 5 postdoctoral fellows. With the completion of basic work like institutional and system construction, the workstation continues to introduce high-end talents and train industry experts to provide support for more follow-up strategic research cooperation and transformation of innovative achievements.

In addition, Sunshine Insurance continues to promote the layout and construction of major scientific and technological infrastructure, providing important support for breakthroughs in scientific research and technology. Sunshine Insurance has established close cooperation with major scientific research institutions and university research institutes to promote the sharing of scientific research data and research results. Its cooperating institutions include the Chinese Academy of Social Sciences, the PBC School of Finance of Tsinghua University, the School of Economics of Peking University, the School of Insurance and Economics of the University of International Business and Economics.

### Cooperation with Enterprises

Sunshine Insurance adheres to the concept of openness and gives full play to the insurance industry's functions in risk protection, financial integration and social management. Striving to promote in-depth cooperation with large enterprises and social organizations, it has formed a major customer group, including large-scale central and state-owned enterprises, as well as leading private enterprises and e-commerce platforms. Sunshine Insurance has also established cooperative relations or realized high-level exchanges with corporate customers such as China Telecom, BAIC Group, Shandong Heavy Industry, Shougang Group, Wanda Group, Gome, JD.com, ProLogis, and Jidu Automobile.

» We have integrated the resources of the Group's insurance, medical care, pension, health, investment, real estate, and other sectors to form a strong force and persistently provide partners with a package of overall risk management solutions.

» We teamed up with the real sector and China Association for Disaster Prevention to jointly publish the *White Paper on Smart Risk Management in Logistics Parks* to comprehensively improve the level of digital management, network collaboration and intelligent control of risks in the logistics industry.

» We released the *White Paper on Insights into Demands of Full Life Cycle "Insurance Plus" for Chinese Modern Family*. Together with Nielsen IQ, we conducted comprehensive, detailed, and in-depth research on the characteristics of Chinese modern families and their needs and concerns. The white paper covers 27 provinces and 100 cities, 10,029 quantitative samples and 120 qualitative samples, depicts 11 typical family portraits, and constructs a map of family insurance and service needs.

## ESG Performance

### Financial Performance<sup>4</sup>

Financial KPIs	Unit	2022
Total assets	RMB100 million	4,853.57
Total revenue	RMB100 million	1,285.78
Net profit	RMB100 million	50.15

### Environmental Performance<sup>5</sup>

GHG Emissions	Unit	2022
Total Emissions	ton of carbon dioxide equivalent	64,677.20
Greenhouse gas emissions in scope 1	ton of carbon dioxide equivalent	18,594.11
Greenhouse gas emissions in scope 2	ton of carbon dioxide equivalent	46,083.09
Greenhouse gas emissions per person	ton of carbon dioxide equivalent/person	1.16

Energy Consumption	Unit	2022
Direct energy consumption	MWh	79,001.30
Natural gas consumption	MWh	23,760.48
Liquefied petroleum gas consumption	MWh	211.23
Coal consumption	MWh	20.40
Gasoline consumption	MWh	54,333.22
Diesel consumption	MWh	675.97
Direct energy consumption per person	MWh/person	1.42
Indirect energy consumption	MWh	80,804.99
External electricity purchase	MWh	80,804.99
Indirect energy consumption per person	MWh/person	1.46

<sup>4</sup> Financial performance data are from financial statements prepared in accordance with the International Accounting Standards, and may differ from the annual report released in accordance with the Chinese Accounting Standards.

<sup>5</sup> The statistical scope of environmental performance data in 2022 includes Sunshine Insurance Group, Sunshine Property Insurance, Sunshine Life Insurance, Sunshine Asset, 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 outsourced 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 Doing a Good Job in the Management of Electric Power Industry Greenhouse Gas Emissions Reports (2023-2025)* issued by the Ministry of Ecology and Environment of the People's Republic of China and *2006 IPCC Guidelines for National Greenhouse Gas Inventories* published by the Intergovernmental Panel on Climate Change (IPCC).

Water Consumption	Unit	2022
Water consumption	ton	1,208,116.94
Municipal water supply	ton	1,089,678.49
Potable water	ton	118,438.45
Water consumption per person	ton/person	21.76

Wastes	Unit	2022
Non-hazardous wastes	ton	3,753.08
Paper consumption	ton	3,753.08
Non-hazardous wastes consumption per person	ton/person	0.07
Hazardous wastes	ton	101.47
Wasted toner cartridges	ton	74.52
Wasted ink cartridges	ton	26.95
Hazardous wastes consumption per person	ton/person	0.0018

### Social Performance

Employment	Unit	2022
Total number of employees	person	57,152
Sunshine Insurance Group and subsidiaries <sup>6</sup>	person	55,425
Sunshine Union Hospital	person	1,727
Interns and outsourcing labor	person	49
Number of new employees	person	11,133
By gender		
Number of male employees	person	24,885
Number of female employees	person	32,267

<sup>6</sup> The statistical scope includes Sunshine Insurance Group, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, and Sunshine Surety.

## By age

30 and under	person	17,151
31 to 40	person	29,508
41 to 50	person	8,488
51 and above	person	2,005

By region<sup>7</sup>

Northern China	person	13,439
Northeastern China	person	4,933
Eastern China	person	16,867
Central China	person	7,505
Southern China	person	3,587
Northwestern China	person	3,260
Southwestern China	person	7,561

## By education

Bellow bachelor	person	30,356
Bachelor	person	24,657
Master	person	2,093
Doctor and above	person	46

## By employment type

Managers	person	6,312
Professional technicians	person	18,120
Sales staff	person	32,720

Employee turnover<sup>8</sup>

	Unit	2022
Employee turnover rate	%	8.4

## By gender

Male	%	9.0
Female	%	7.9

<sup>7</sup> 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.

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

## By age

30 and under	%	13.5
31 to 40	%	7.1
41 to 50	%	3.6
51 and above	%	2.4

By region<sup>9</sup>

Eastern China	%	8.5
Central China	%	9.4
Western China	%	8.5
Northeastern China	%	5.4

Development and Training<sup>10</sup>

	Unit	2022
Coverage rate of employees trained	%	78.99
Average training hours for employees	class hours	60.4

## Coverage rate of employees trained by gender

Coverage rate of male employees trained	%	85.08
Coverage rate of female employees trained	%	74.69

## Coverage rate of employees trained by employee category

Management	%	99.92
Professional technical employee	%	99.63
Sales employees	%	70.32

## Average training hours of employees trained by gender

Male	class hours	69.6
Female	class hours	53.9

## Average training hours of employees trained by employee category

Management	class hours	126.0
Professional technical employee	class hours	105.4
Sales employees	class hours	35.3

<sup>9</sup> The standards for the division of regions are as follows: Eastern region: 10 provinces (municipalities directly under the central government) including Beijing, Tianjin, Hebei, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan; Central region: 6 provinces including Shanxi, Anhui, Jiangxi, Henan, Hubei and Hunan; Western region: 12 provinces (autonomous regions and municipality directly under the central government) including Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang; Northeastern region: 3 provinces including Liaoning, Jilin and Heilongjiang.

<sup>10</sup> Class hours are the internal statistical rules formulated by Sunshine Insurance according to different types of training courses.



Supply Chain Management	Unit	2022
-------------------------	------	------

Number of suppliers	/	10,931
Number of suppliers by region		
Northern China	/	3,330
Northeastern China	/	642
Eastern China	/	3,217
Central China	/	910
Southern China	/	1,426
Southwestern China	/	1,001
Northwestern China	/	405

Product Responsibility				
------------------------	--	--	--	--

Customer Complaints in 2022	Unit	Sunshine Property Insurance	Sunshine Life Insurance	Sunshine Credit Insurance
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	2022
-----------------	------	------

Anti-corruption training for employees	person-times	9,699
--	--------------	-------

Community Investment	Unit	2022
----------------------	------	------

Accumulated investments in public charity	RMB100 million	5.96
---	----------------	------

## APPENDIX

### | HKEX Environmental, Social and Governance Report Guide

Aspect, General Disclosure and KPI	Description	Section
A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P86
KPI A1.1	The types of emissions and respective emissions data.	P73
KPI A1.2	Greenhouse gas emissions in total (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	P06;P73
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P74
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P74
KPI A1.5	Description of measures to mitigate emissions and results achieved.	P43-P46
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P43-P46
A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	P86
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).	P73
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P74
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	P43-P46
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P43-P46
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	-

Aspect, General Disclosure and KPI	Description	Section
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P86
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P39-P46
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.	P86
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.	P11
Employment and Labour Practices		
B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P86; P61
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	P74-P75
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P75-P76
B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P86
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	-
KPI B2.2	Lost days due to work injury.	-
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P63-P64

Aspect, General Disclosure and KPI	Description	Section
B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P23-P25; P61-P62; P86
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P76
KPI B3.2	The average training hours completed per employee by gender and employee category.	P76
B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	P86
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	P61
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	-
Operating Practices		
B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P46;P86
KPI B5.1	Number of suppliers by geographical region.	P77
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P46
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P46
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P46

Aspect, General Disclosure and KPI	Description	Section
<b>B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P25; P56-P58 P86
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.	P57;P77
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P25
KPI B6.4	Description of quality assurance process and recall procedures.	-
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P58;
<b>B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P23- P25;P86
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, how they are implemented and monitored.	P23-P24
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P23-P24
<b>Community</b>		
<b>B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P86; P67-72
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P67-P72
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	P77

## GRI Standards for Sustainability Reporting

GRI Indicators	Interpretations	Section
<b>GRI 1 Foundation 2021</b>		
1 Foundation 2021	Reporting foundations, including publishing a GRI content index, providing a statement of use, etc.	P01;P82
<b>GRI 2 General Disclosures 2021</b>		
The organization and its reporting practices		
2-1	Organizational details	P05
2-2	Entities included in the organization's sustainability reporting	P11
2-3	Reporting period, frequency and contact point	P01;P95
2-4	Restatements of information	-
2-5	External assurance	P87-P90
Activities and workers		
2-6	Activities, value chain and other business relationships	P05
2-7	Employees	P61-P64
2-8	Workers who are not employees	-
Governance		
2-9	Governance structure and composition	P11;P21
2-10	Nomination and selection of the highest governance body	P11
2-11	Chair of the highest governance body	P11;P21
2-12	Role of the highest governance body in overseeing the management of impacts	P11;P21
2-13	Delegation of responsibility for managing impacts	P11
2-14	Role of the highest governance body in sustainability reporting	P11;P21
2-15	Conflicts of interest	-
2-16	Communication of critical concerns	P12-P13
2-17	Collective knowledge of the highest governance body	P11;P21
2-18	Evaluation of the performance of the highest governance body	-
2-19	Remuneration policies	P61
2-20	Process to determine remuneration	P61
2-21	Annual total compensation ratio	-

GRI Indicators	Interpretations	Section
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	P10-P11
2-23	Policy commitments	-
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	P21-P26
2-28	Membership associations	P31
Stakeholder engagement		
2-29	Approach to stakeholder engagement	P12-P13
2-30	Collective bargaining agreements	-
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	P13
3-2	List of material topics	P13
3-3	Management of material topics	P13
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	P06
201-2	Financial implications and other risks and opportunities due to climate change	P11
201-3	Defined benefit plan obligations and other retirement plans	P61
GRI 203 Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	P29-P36
203-2	Significant indirect economic impacts	P29-P36
GRI 205 Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	P24
205-2	Communication and training about anti-corruption policies and procedures	P24
205-3	Confirmed incidents of corruption and actions taken	-

GRI Indicators	Interpretations	Section
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-
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	P73-P74
302-2	Energy consumption outside of the organization	-
302-3	Energy intensity	P73-P74
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	P73
305-2	Energy indirect (Scope 2) GHG emissions	P73
305-4	GHG emissions intensity Emissions	P73
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	P74
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	P46
308-2	Negative environmental impacts in the supply chain and actions taken	P46
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	P74-P76
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P63
401-3	Parental leave	P63



GRI Indicators	Interpretations	Section
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	P63-P64
403-2	Hazard identification, risk assessment, and incident investigation	-
403-3	Occupational health services	P63-P64
403-4	Worker participation, consultation, and communication on occupational health and safety	-
403-5	Worker training on occupational health and safety	-
403-6	Promotion of worker health	P63-P64
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P63-P64
403-8	Workers covered by an occupational health and safety management system	P63-P64
403-9	Work-related injuries	-
403-10	Work-related ill health	-
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	P76
404-2	Programs for upgrading employee skills and transition assistance programs	P61-P62
GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	P21;P61
GRI 413 Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	P67-P72
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	P46
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	P57-P58

## Policy List

ESG Reporting Guide of the Hong Kong Stock Exchange	Sunshine Insurance Internal Policies
A1. Emissions	<i>Guiding Opinions of Sunshine Insurance Group on Low-carbon, Green Offices</i>
	<i>Guidelines of Sunshine Insurance Group on Low-carbon, Green Offices</i>
A2. Use of Resources	<i>Guiding Opinions of Sunshine Insurance Group on Low-carbon, Green Offices</i>
	<i>Guidelines of Sunshine Insurance Group on Low-carbon, Green Offices</i>
A3. Environment and Natural Resources	<i>Guiding Opinions on Green Finance Work of Sunshine Insurance Group</i>
B1 Employment	<i>Measures on Recruitment Management of Sunshine Insurance Group</i>
	<i>Measures for Managing Entry and Dismission of Employees of Sunshine Insurance Group</i>
	<i>Interim Measures for the Management of Interns of Sunshine Insurance Group</i>
B2 Health and Safety	<i>Management Measures on Employees' Recreational Activities Club of Sunshine Insurance Group</i>
B3 Development and Training	<i>Measures on Training Management of Sunshine Insurance Group</i>
B4 Labor Norms	<i>Measures for the Administration of Labor Contracts and Agreements of Sunshine Insurance Group</i>
	<i>Measures for the Administration of Attendance and Leave of Employees of Sunshine Insurance Group</i>
B5 Supply Chain Management	<i>Supplier Management Measures</i>
B6 Product Liability	<i>Management Measures on Consumer Rights Protection and Education</i>
	<i>Specifications for the Evaluation and Management of Consumer Rights Protection</i>
	<i>Specifications for the Management of Insurance Consumer Complaints</i>
	<i>Specifications for Auditing of Consumer Rights Protection</i>
	<i>Specifications for the Management of Customer Information Security</i>
B7 Anti-Corruption	<i>Specifications for the Management of Financial Services in Response to Emergencies of Sunshine Insurance Group</i>
	<i>Measures for the Administration of Supervision Work</i>
	<i>Measures for the Administration of Anti-Fraud</i>
	<i>Guidelines for Reporting and Investigation</i>
B8 Communities	<i>Specifications for Integrity and Self-discipline of Management Cadres</i>
	<i>Regulations of Sunshine Insurance Group on Correcting Work Style, Rectifying the Roots, Transparency Governance, and Cleaning the Environment</i>
B8 Communities	<i>Articles of Association of Beijing Sunshine Insurance Charitable Foundation</i>

## Third-Party Assurance Report



Ernst & Young Hua Ming LLP  
Level 17, Ernst & Young Tower  
Oriental Plaza, 1 East Chang An Avenue  
Dongcheng District  
Beijing, China 100738

安永华明会计师事务所(特殊普通合伙) Tel 电话: +86 10 5815 3000  
中国北京市东城区东长安街1号 Fax 传真: +86 10 8518 8298  
东方广场安永大楼17层 ey.com  
邮政编码: 100738

### Independent accountant's assurance report

安永华明(2023)专字第 60935692\_A05 号  
Sunshine Insurance Group Company Limited.

#### To the Board of Directors of Sunshine Insurance Group Company Limited:

##### Scope

We have been engaged by Sunshine Insurance Group Company Limited (the "Sunshine Insurance") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the Sunshine Insurance identified subject matter (the "Subject Matter") in the *Sunshine Insurance Group 2022 Sustainability Report (the "2022 Sustainability Report")* as of 31 December 2022 and for the year ended 31 December 2022.

##### Subject Matter

- External electricity purchase (MWh)
- Natural gas consumption (MWh)
- Liquefied petroleum gas consumption (MWh)
- Coal 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)
- Number of new 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 employees - male (class hour)
- Average training hours of employees - female (class hour)
- Number of suppliers (I)
- Accumulated investments in public charity (RMB 100 million)
- Number of female directors (person)

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the *2022 Sustainability Report*, and accordingly, we do not express a conclusion on this information.

##### Criteria applied by Sunshine Insurance

In preparing the Subject Matter, Sunshine Insurance applied the criteria set out in the "Notes on Report Preparation" within the "Report Preparation basis" and the "Basis of Key Data Compilation" in the *2022 Sustainability Report* (the "Criteria").



### Independent accountant's assurance report

安永华明(2023)专字第 60935692\_A05 号  
Sunshine Insurance Group Company Limited.

##### Sunshine Insurance's responsibilities

Sunshine Insurance's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

##### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter as of 31 December 2022 and for the year then ended in the *2022 Sustainability Report* based on the evidence we have obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised): *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board and the terms of reference for this engagement as agreed with Sunshine Insurance. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter in the *2022 Sustainability Report* is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

##### Our independence and quality control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Independent accountant's assurance report

安永华明(2023)专字第 60935692\_A05 号  
Sunshine Insurance Group Company Limited.

Description of procedures performed

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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures was performed at the Head Office of Sunshine Insurance, which included:

- 1) Conducted interviews with personnel to understand the business and reporting process of the Subject Matter during the reporting period;
- 2) Undertook analytical review procedures;
- 3) Tested, on a sample basis, underlying source information;
- 4) Recalculation

We also performed such other procedures as we considered necessary in the circumstances.



Independent accountant's assurance report

安永华明(2023)专字第 60935692\_A05 号  
Sunshine Insurance Group Company Limited.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 31 December 2022 and for the year then ended in the 2022 Sustainability Report, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Sunshine Insurance and is not intended to be and should not be used by anyone other than those specified parties. We do not assume responsibility towards or accept liability to any other person for the content of this report.

*Ernst & Young Hua Ming LLP*

Ernst & Young Hua Ming LLP  
31 March 2023  
Beijing, China



## Basis of Key Data Compilation

### | External electricity purchase (MWH)

The term disclosed herein refers to *Guidelines on Environmental, Social and Governance Reporting* in Appendix 27 of the *Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited. External electricity purchase is the total amount of electricity that purchased from power companies by Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period. External electricity purchase is calculated through the amount of electricity purchase displayed on the meter.

### | Natural gas consumption (MWH)

The term disclosed herein refers to *Guidelines on Environmental, Social and Governance Reporting* in Appendix 27 of the *Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited. Natural gas consumption is the total amount of natural gas consumed by Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period. Natural gas consumption is calculated based on the amount consumed on the invoices from the suppliers during the reporting period.

### | Liquefied petroleum gas consumption (MWH)

The term disclosed herein refers to *Guidelines on Environmental, Social and Governance Reporting* in Appendix 27 of the *Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited. Liquefied petroleum gas consumption is the total volume of liquefied petroleum gas consumed by Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period. Liquefied petroleum gas consumption is calculated based on the amount shown on the supplier invoices.

### | Coal consumption (MWH)

The term disclosed herein refers to *Guidelines on Environmental, Social and Governance Reporting* in Appendix 27 of the *Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited. Coal consumption is the total amount of coal consumed by Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period. Coal consumption is calculated based on the amount shown on the supplier invoices.

### | Gasoline consumption (MWH)

The term disclosed herein refers to *Guidelines on Environmental, Social and Governance Reporting* in Appendix 27 of the *Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited. Gasoline consumption is the total volume of gasoline consumed by Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period. Gasoline consumption is calculated by the amount shown on the supplier invoices.

### | Diesel consumption (MWH)

The term disclosed herein refers to *Guidelines on Environmental, Social and Governance Reporting* in Appendix 27 of the *Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited. Diesel consumption is the total volume of motor and non-motor diesel consumption by Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period. Diesel consumption is calculated by the amount shown on the supplier invoices.

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

The term disclosed herein refers to the total emission of greenhouse gas emissions in scope 1 generated by Sunshine Insurance, including natural gas, liquefied petroleum gas, coal, gasoline and diesel. The scope of statistics includes Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital. Greenhouse gas emissions in scope 1 presented as carbon dioxide equivalent, and it is calculated in accordance with *The Notice on the Management of Corporate Greenhouse Gas Emissions Reporting in the Power Generation Sector for 2023-2025* released by the Ministry of Ecology and Environment of the People's Republic of China and *2006 IPCC Guidelines for National Greenhouse Gas Inventories* publicized by the Intergovernmental Panel on Climate Change (IPCC). The definition of greenhouse gas emissions in scope 1 refers to the *Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide (2022)*.

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

The term disclosed herein refers to the total emission of greenhouse gas emissions in scope 2 generated by Sunshine Insurance, including external electricity purchase. The scope of statistics includes Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital. Greenhouse gas emissions in scope 2 presented as carbon dioxide equivalent, and it is calculated in accordance with *The Notice on the Management of Corporate Greenhouse Gas Emissions Reporting in the Power Generation Sector for 2023-2025* released by the Ministry of Ecology and Environment of the People's Republic of China and *2006 IPCC Guidelines for National Greenhouse Gas Inventories* publicized by the Intergovernmental Panel on Climate Change (IPCC). The definition of greenhouse gas emissions in scope 2 refers to the *Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide (2022)*.

### | Total Emissions (tons of carbon dioxide equivalent)

The term disclosed herein refers to the total greenhouse gas emissions in scope 1 and scope 2 generated by Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital, including natural gas, liquefied petroleum gas, coal, gasoline, diesel and external electricity purchase. Total Emissions presented as carbon dioxide equivalent, and it is calculated in accordance with *The Notice on the Management of Corporate Greenhouse Gas Emissions Reporting in the Power Generation Sector for 2023-2025* released by the Ministry of Ecology and Environment of the People's Republic of China and *2006 IPCC Guidelines for National Greenhouse Gas Inventories* publicized by the Intergovernmental Panel on Climate Change (IPCC). The definition of total emissions refers to the *Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide (2022)*.



## | Total number of employees (persons)

The term disclosed herein refers to the number of employees who signed labor contracts by the end of the reporting period. The total number of employees is from the employee list of the respective companies. The scope of statistics includes Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited or Sunshine Union Hospital.

## | Number of female employees (persons)

The term disclosed herein refers to the number of female employees who signed labor contracts by the end of the reporting period. The number of female employees is from the employee list. The scope of statistics includes Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited or Sunshine Union Hospital. The gender information is based on employees' identity cards.

## | Number of new employees (persons)

The term disclosed herein refers to the number of employees who have signed labor contracts with Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited or Sunshine Union Hospital during the reporting period.

## | Coverage rate of employees trained (%)

The term disclosed herein refers to the ratio of employees attending online trainings to the total number of employees. Employees attending online trainings are recorded by the training system automatically. The scope includes the employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited, Sunshine Union Hospital Company Limited, as well as the employees of service subsidiaries.

## | Average training hours for employees (class hours)

The term disclosed herein refers to the total online training hours of employees divided by the total number of employees during the reporting period. The total online training hours of employees is recorded by the training system automatically. The scope includes the employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited, Sunshine Union Hospital, as well as the employees of service subsidiaries.

## | Coverage rate of male employees trained (%)

The term disclosed herein refers to the portion of male employees attending online trainings during the reporting period. Gender information is based on official identification of the employees. When employees attending online trainings, the training system automatically records their training participation. The scope includes of employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited, Sunshine Union Hospital, as well as the employees of service subsidiaries. The gender information is based on employees' identity cards.

## | Coverage rate of female employees trained (%)

The term disclosed herein refers the portion of female employees attending online trainings during the reporting period. Gender information is based on official identification of the employees. When employees attending online trainings, the training system automatically records their training participation. The scope includes employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited, Sunshine Union Hospital, as well as the employees of service subsidiaries. The gender information is based on employees' identity cards.

## | Average training hours for male employees (credit hours)

The term disclosed herein refers to the total online training hours of male employees divided by the total number of male employees during the reporting period. Gender information is based on official identification of the employees. When employees attending online trainings, the training system automatically records their training hours. The scope includes employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited, Sunshine Union Hospital, as well as the employees of service subsidiaries. The gender information is based on employees' identity cards.

## | Average training hours for female employees (credit hours)

The term disclosed herein refers to the total online training hours of female employees divided by the total number of female employees during the reporting period. Gender information is based on official identification of the employees. When employees attending online trainings, the training system automatically records their training hours. The scope includes employees of Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited, Sunshine Union Hospital, as well as the employees of service subsidiaries. The gender information is based on employees' identity cards.

## | Number of suppliers (number)

The term disclosed herein refers to the sum of suppliers in Northern China, Northeastern China, Eastern China, Central China, Southern China, Southwestern China and Northwestern China during the reporting period. The scope includes Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital. Suppliers are defined according to *The Government Procurement Law of People's Republic of China* and *The Tendering and Bidding Law of People's Republic of China*.

## | Accumulated investments in public charity (RMB100 million)

The term disclosed herein refers to the sum of public charity investment from Sunshine Insurance Group Company Limited, Sunshine Property and Casualty Insurance Company Limited, Sunshine Life Insurance Company Limited, Sunshine Asset Management Company Limited, Sunshine Surety Insurance Company Limited and Sunshine Union Hospital during the reporting period. The calculation of accumulated investments in public charity is in accordance with *The Regulation on Annual Expenses and Administrative Expended of Charitable Organizations in the Performance of Charitable Activities* released by the Ministry of Civil Affairs of the People's Republic of China, Ministry of Finance of the People's Republic of China and State Taxation Administration of the People's Republic of China.

## | Number of female directors (persons)

The term disclosed herein refers to the number of female directors among the members of the board of members of Sunshine Insurance Group. The gender information of directors is derived from the *2022 Annual Report of Sunshine Insurance*.

## | Reader Feedback Information Form

Dear Reader:

Hello!

Thank you for taking the time to read this report. In order to provide you and other stakeholders with more complete, professional, and valuable sustainability information and to improve the quality of our sustainability report, we sincerely invite you to assist in completing the relevant questions in the feedback information form. Do not hesitate to give us your advice.

1. Are you satisfied with your overall impression of this report?

Yes  Normal  No

2. Do you think this report can reflect the significant impact of Sunshine Insurance on the environment, society, and self-governance?

Yes  Normal  No

3. Do you think the analysis of the stakeholders identified in this report and their relationship with Sunshine Insurance is accurate and comprehensive?

Yes  Normal  No

4. Do you think the information requested in this report is comprehensive?

Yes  Normal  No

5. Do you think the information requested in this report is readable?

Yes  Normal  No

6. Do you think the overall design of this report is satisfactory?

Yes  Normal  No

7. Your other comments and suggestions on this report are welcome.

We are looking forward to hearing your feedback.

Address: Sunshine Financial Center, Building 1, Yard 33, Jinghui Street, Chaoyang District, Beijing

Postcode: 100020



阳光保险集团

Sunshine Insurance Group