

# SHARING THE SUNSHINE TO WIN THE FUTURE TOGETHER

2024 | Sustainability Report

# CONTENTS

## Opening

Notes on Report Preparation	03
Chairman's Statements	04
About Sunshine Insurance	06

## 01

### Sustainable Development Management

Sustainable Development Strategies	16
Sustainable Development Management System	19
Stakeholder Communication	20
Materiality Assessment	21

## 03

### Sustainable Operation

Customers' Rights and Interests	38
Employee Development	43
Agent Development	52
Supply Chain Sustainability	53
Social Responsibility	54

## 05

### Climate and Environment

Climate Change Response	67
Green Energy Conservation and Emission Reduction	71

## Special Section

Implementing the Five Major Areas of Finance, Showcasing Sunshine's Sustainability	09
------------------------------------------------------------------------------------	----

## 02

### Sustainable Business

Sustainable Insurance	23
Sustainable Investment	29
Sustainable Health Management	33
Access to Finance	35

## 04

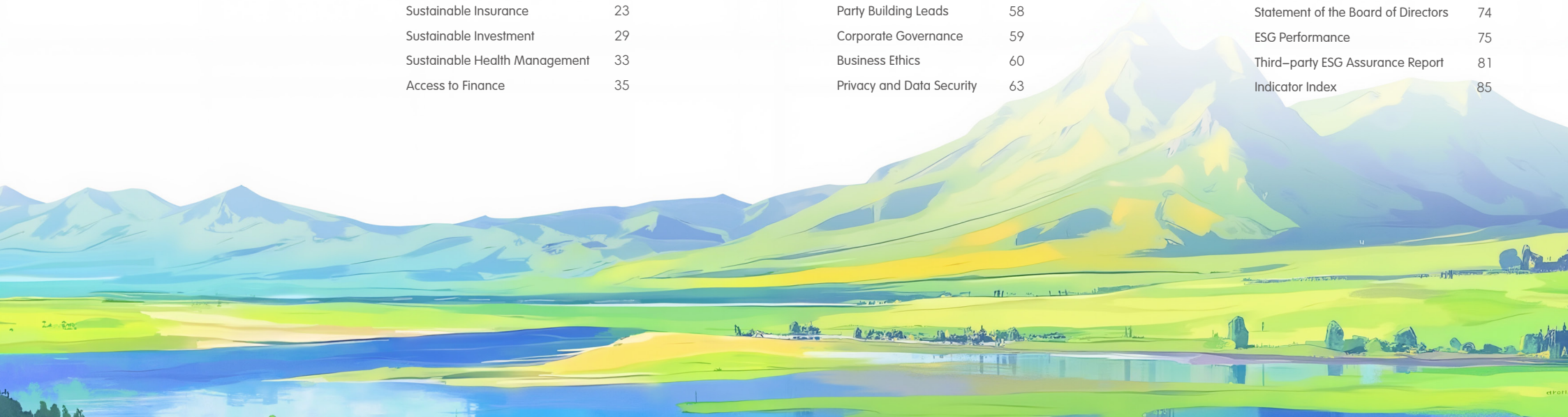
### Sustainable Governance

Party Building Leads	58
Corporate Governance	59
Business Ethics	60
Privacy and Data Security	63

## 06

### Appendix

Statement of the Board of Directors	74
ESG Performance	75
Third-party ESG Assurance Report	81
Indicator Index	85







# Opening

# Notes on Report Preparation

In order to better respond to the needs of stakeholders, Sunshine Insurance Group Company Limited issued 2024 Sustainability Report. This report discloses our important practices and accomplishments in the field of environmental, social and governance.

## // Scope of Reporting

Covered organizations: Sunshine Insurance Group Company Limited and our major subsidiaries.

Covered period of time: January 1, 2024 to December 31, 2024.

Reporting frequency: This report is an annual report.

## // Preparation Basis

This report is prepared in accordance with the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Code*, with reference to the Global Reporting Initiative (GRI) *Standards for Sustainability Reporting (GRI Standards)*, and the United Nations Sustainable Development Goals (SDGs).

## // Notes on Reported Data

The financial data used in this report are from the Sunshine Insurance's *2024 Annual Report*, and other data are derived from the Group and our subsidiaries' system export or 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

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

**Quantification:** This report adopts a quantitative approach to the disclosure of applicable KPIs, with reference to applicable quantitative standards and management, and explains its measurements, methods, assumptions and/or calculation tools, as well as the sources of conversion factors used, where applicable.

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

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

## // Accessibility

The electronic version of this report can be viewed and downloaded from Sunshine Insurance's official website at [www.sinosig.com](http://www.sinosig.com), and is also published on the website of the Hong Kong Stock Exchange at [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".

"Sunshine DIG & AI TECH" refers to "Sunshine Digital Intelligence Technology Co., Ltd"

## // Third-party Assurance

In order to ensure the authenticity and reliability of this report, PricewaterhouseCoopers LLP was specially hired to perform limited assurance on the selected key data disclosed in this report in accordance with the *International Standards on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and issue a third-party assurance report.

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## Chairman's Statements



Sunshine Insurance'  
Chairman

In 2024, Sunshine Insurance thoroughly implemented the New Ten Guidelines and deeply understood the core of high-quality development in the insurance industry. Adhering to the mission of "bring more sunshine to people", we actively implemented the Five Major Areas of Finance to serve national strategies, support the real economy, and shoulder social responsibilities. Sunshine Insurance strived to advance together with stakeholders such as shareholders, customers, and employees to create a shared future, contributing Sunshine's part to social harmony and stability and playing a new tune in sustainable development.

### // Deepening ESG Governance to Fortify Foundations of Sustainable Development

We attach great importance to the development of our ESG (Environmental, Social, and Governance) framework and sustainable strategy. Focusing on refining our ESG governance structure, implementing ESG planning, and enhancing ESG disclosure, we seamlessly integrate sustainable development principles into corporate governance, culture, and daily operations, thereby continuously bolstering our sustainability capabilities and ESG management efficacy. We continue to foster robust ESG coordination mechanisms by both horizontally delineating clear roles in ESG functions at the Group level and vertically reinforcing oversight and guidance among subsidiaries in ESG implementation, creating a synergistic ESG management matrix. Additionally, we establish a digital management platform to refine the precision and effectiveness of our ESG initiatives. Meanwhile, we highly value business ethics and compliance operations, continuously strengthen internal integrity construction, foster a culture of honesty and integrity, strictly observe the bottom line of risk compliance, and continuously improve the internal control system, laying a solid foundation for our sustainable growth and aspirations to become an enduring enterprise.

### // Implementing the Five Major Areas of Finance to Showcase Sunshine's Sustainability

In 2024, we diligently fulfilled our commitment to empowering the real economy through financial services, fostering business innovation and pioneering new models, while synergistically advancing the solid implementation of the Five Major Areas of Finance. In Sci-Tech finance, we vigorously supported the cultivation of new productive forces, broadening risk coverage for scientific and technological activities and enterprises, offering approximately RMB 41.3 billion in risk safeguards to various technology innovation enterprises. In green finance, we consistently enriched our green insurance offerings, providing nearly RMB 16 trillion in green insurance safeguards. In inclusive finance, we prioritized safeguarding agriculture, rural areas, and farmers, SMEs and people's livelihood and health and expanded the width and depth of inclusive insurance safeguards. In this area, we offered RMB 53.5 billion in agricultural risk safeguards and nearly RMB 18 trillion in critical illness insurance safeguards for residents. In pension finance, we actively participated in the development of the third pillar of the pension system, and launched commercial pension annuity and tax-deferred pension insurance products. Additionally, we undertook long-term care social insurance projects in Sichuan, Shandong and other provinces, providing nearly RMB 7 trillion in risk safeguards. In digital finance, we implemented the strategy of "Harnessing Data Intelligence to Build a Tech-Powered Sunshine", and deployed AI-powered solutions such as smart service robots and management automation tools. Moreover, we integrated cutting-edge AI technologies (e.g., DeepSeek) to further deepen the practical application of intelligence.

## // Boosting Green Development Momentum to Accelerate Green and Low-Carbon Transition

We have made concerted efforts on both the asset and liability fronts to comprehensively advance green and low-carbon development. On the liability side, we have continually expanded our green insurance offerings by introducing innovative products such as typhoon weather index insurance and fisheries weather index insurance. During rainstorms, cold waves and other extreme weather events, including Super Typhoon Yagi, we actively engaged in rescue operations to mitigate losses and provided prompt advance compensation, contributing our efforts to the establishment of an emergency response and disaster relief system. Additionally, we have deepened our "Partnership Action" comprehensive risk management service model, optimized and iterated the "Sunshine Sky Eye" disaster model and upgraded risk control offerings, providing technology-based loss mitigation and professional risk consulting services to more than 15,000 corporate clients. On the asset side, we have refined our sustainable investment framework, actively implemented green investment strategies, and directed capital flows towards green development and green transition sectors. By the end of 2024, the balance of green investments by Sunshine Insurance surpassed RMB 20 billion. Furthermore, we have prioritized the establishment of a green and low-carbon operational system and promoted green office practices throughout our entire system. Specifically, we take measures such as reducing paper usage through digital upgrades, optimizing energy management, decreasing carbon emissions, and encouraging green travel and low-carbon lifestyles, to support the realization of the national "dual carbon" targets.

## // Embracing Responsibility to Shape a Brighter Future

We consistently strive for harmony between corporate and societal values, actively fulfilling our social obligations. In 2024, we leveraged the "Insurance + Comprehensive Support" model to foster rural development across designated regions. This included offering supplementary health insurance with a coverage of RMB 100,000 to 6,216 residents in Benhong Town, Ulanqab, Inner Mongolia; introducing black fungus insurance to bolster the local industry in Antu, Jilin, and facilitating the purchase of distinctive agricultural products through consumption assistance from Yunnan and Inner Mongolia, thereby enhancing farmers' production and income. Furthermore, we are deeply involved in philanthropic endeavors, mobilizing and organizing educational aid, elderly care, and poverty alleviation initiatives to contribute Sunshine's power to the construction of a harmonious and better society. In 2024, the number of volunteers mobilized reached 9,244 person-times, contributing a total of 30,808 hours of volunteer service. By the end of 2024, we had supported the construction of 76 Charity Schools across 25 provinces nationwide. We had joined the "Capacity Building Program for 10,000 Rural Doctors" and a total number of village doctors trained reached 22,434 person-times. Additionally, we had sincerely cared for our employees and their families, having distributed RMB 593 million in parental support allowances to 47,564 employees and agents.

Looking ahead to 2025, Sunshine Insurance is approaching the landmark 20th anniversary, marked by two decades of youthful vitality and steadfast commitment. Moving forward, we will remain dedicated to our founding mission, prioritizing sustainable and high-quality development as our core impetus. Driven by innovation, anchored in responsibility, and interconnected through collaboration, we aim to generate enduring value for shareholders, employees, customers, and society, striding together towards an even brighter future.



## About Sunshine Insurance

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

Since its establishment, Sunshine Insurance has adhered to the main business, insisted on conducting financial services with an industrial mindset and value development as the main line, solidly built core competitiveness, and practically fulfilled social responsibilities. The Group has built its reputation and brand with high-quality development, professional management and excellent service, ranked among the "Top 500 Chinese Enterprises" and "Top 100 Chinese Service Enterprises" five years after its establishment, selected as one of the "Top 500 Chinese Enterprises" for 14 consecutive years and has been recognized as one of "China's 500 most valuable brands" for 13 consecutive years, becoming a new force in China's financial industry.

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



## // Annual Sustainability Performance Highlights

## Environmental performance

Total greenhouse  
gas emissions

57,133.16

tons of carbon dioxide equivalent

↓ a decrease of 4% year-on-year



GHG emissions per unit area

0.04223

tons CO<sub>2</sub> eq/m<sup>2</sup>

↓ down 2% year-on-year



Provided green insurance coverage

nearly RMB 16 trillion

provided claims support

about RMB 5.2 billion



Green investment balance

exceeded RMB 20 billion

"Sunshine Sky Eye" provided  
weather warning information to  
clients and the public

1.258 million times

## Social performance



Sustainable insurance coverage

nearly RMB 125 trillion

Sustainable investment  
balance

over RMB 58 billion



SMEs insurance

over RMB 412.8 billion

Served small and micro enterprises

about 39,000

Urban and rural residents'  
major disease insurance

provided risk coverage

nearly RMB 18 trillion

paid out in claims

RMB 1.428 billion



"Belt and Road" coverage

RMB 113.5 billion

a total of

616 projects



Total number of employees

48,477

of which 57.8% are female

Employee satisfaction  
survey score

8.87 (on a 10-point scale)

↑ satisfaction continues  
to improve

Volunteer service

9,244 person-times

total volunteer service time

30,808 hours

## Governance performance

The anti-money laundering  
training courses covered

118,343 person-times

with full coverage of  
positions at all levels for many  
consecutive years

Anti-corruption training covered

58,187 person-times



Female directors

2  
accounting for 13%

In executive appraisal

weighting of sustainability-related KPIs  
no less than 20%



## // Honors and Awards

### Honors and awards of the year

Honors and Awards	Awarded by
Sunshine Insurance Group	
World's Top 100 Most Valuable Insurance Brands 2024	Brand Finance
Awarded "Fortune China 500" in a row	Fortune
Ranked among the "Top 500 Chinese Enterprises" for 14 consecutive years	China Enterprise Confederation, China Entrepreneur Association
Ranked among the "China Top 500 Private Enterprises" for 9 consecutive years	All-China Federation of Industry and Commerce
Ranked among the "China's 500 Most Valuable Brands" for 13 consecutive years	World Brand Lab
Excellent Insurance Company of the Year	21st Century Business Herald
2024 Ark Award for Insurance Companies with Social Responsibility	Securities Times
Annual Insurance Company with Outstanding Fintech	The Paper

Honors and Awards	Awarded by
Sunshine P&C Insurance	
Excellent Property and Casualty Insurance Company of the Year	National Business Daily
2024 Ark Award for Insurance Companies' Inclusive Finance Practices	Securities Times
Insurance Company Excellent in Claims Services of the Year	The Economic Observer

Honors and Awards	Awarded by
Sunshine Life Insurance	
Excellent Life Insurance Company of the Year	National Business Daily
2024 Ark Award for Insurance Service	Securities Times
Annual Innovative Insurance Products Award	Shanghai Securities News

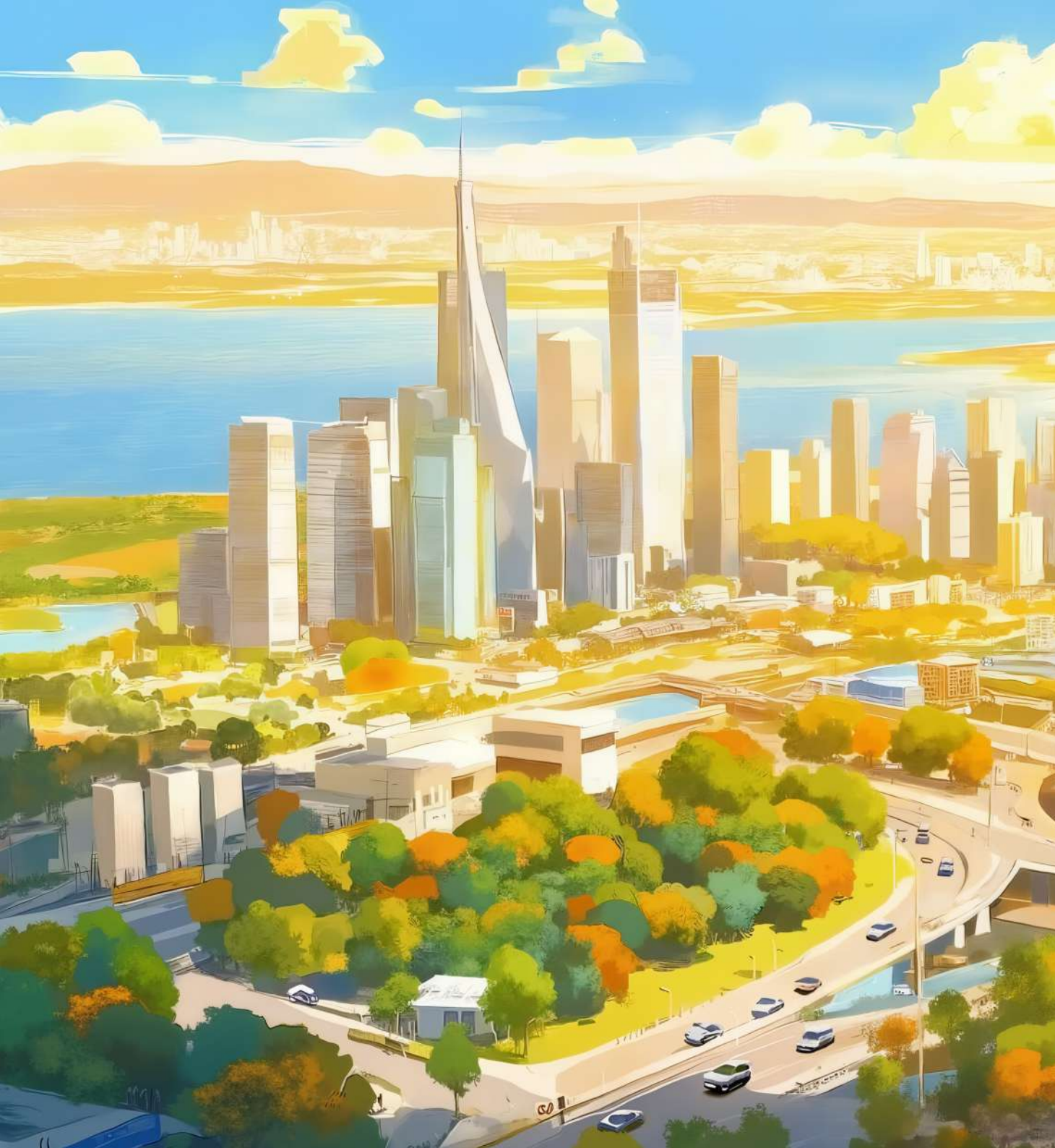
Honors and Awards	Awarded by
Sunshine AMC	
Top 500 Asset Managers 2024	Investment & Pensions Europe ( IPE )
Insurance Investment Golden Bull Award	China Securities Journal
Insurance Asset Management Company	

Honors and Awards	Awarded by
Sunshine Digital Technology	
Top Insurance Company in Big Model Application	InsurTectalk Asia
Annual Leading Innovative Products	The Paper

### Awards for sustainable development

Honors and Awards	Awarded by
Sustainable Development Awards	
Outstanding Green Finance Case among the Five Major Areas of Finance	National Business Daily
2024 Excellent Public Welfare Case	China Times
Typical Case of Insurance Industry Supporting Rural Revitalization in 2024 (Capacity Building Program for 10,000 Rural Doctors)	Tsinghua Financial Review
Award for Best Sustainability Disclosure Practice	Shenzhen Green Finance Association





# Special Section

## Implementing the Five Major Areas of Finance, Showcasing Sunshine's Sustainability

Positioned as a practitioner of high-quality development within the financial sector, Sunshine Insurance anchors in the core business, adopts an industrial mindset in financial endeavors, and diligently implements the pivotal directives of the Central Financial Work Conference, excelling in the Five Major Areas, thereby delivering comprehensive and compelling responses to the imperative question of "high-quality development" posed by the era.



## Improving Quality and Efficiency of Technology to Boost the Sci-Tech Finance

Sunshine Insurance consistently enhances technology insurance offerings, reinforcing enterprises' confidence in investing in novel technologies, and steadfastly augments commitment to safeguarding technological innovation and advanced manufacturing, with a particular emphasis on fostering the transformation and upgrading of a range of strategic emerging industries and traditional sectors. We escalate investment in the Chinese strategic emerging industries, nurturing the "seeds" of technological innovation with financial liquidity.

### Actively develop and enhance the operating capacity in technology insurance offerings

Sunshine Insurance is dedicated to addressing the pinch points and obstacles in sci-tech activities by progressively broadening risk coverage for technological endeavors, including research and development, the commercialization of research outcomes, and industrialization promotion, as well as for a diverse array of technology enterprises; continuously enriches insurance portfolios of intellectual property, intensifying efforts in the development of related insurance products and business expansion; deepens policy research endeavors in the realm of the low-altitude economy and closely monitors policy dynamics, enhancing the feasibility analysis of underwriting risks, and developing exclusive insurance products to secure a pioneering advantage. In 2024, Sunshine Insurance provided risk coverage exceeding RMB 41.3 billion to sci-tech innovation enterprises.

In 2024



Sunshine Insurance provided risk coverage for sci-tech innovation enterprises

about RMB **41.3** billion

### Enhance the professional capability development for technology investments and increase allocation of investments in science and technology

In 2024, Sunshine Insurance further bolstered the investment research team specializing in technological innovation by recruiting talent with scientific and technological backgrounds, and deepened research focus on frontier areas like AI, biotechnology, new energy, and new materials, producing several in-depth reports. Currently, Sunshine has established two equity investment funds targeting technological innovation, with investments totaling approximately RMB 1.2 billion.

In 2024



Sunshine has established

**2** equity investment funds targeting technological innovation, with investments totaling approximately

RMB **1.2** billion

## Pursuing Carbon Reduction and Green Growth to Fulfill Green Finance

Sunshine Insurance has consistently and actively embraced the concept of green development, vigorously advancing the exploration and innovation in green finance, leveraging insurance capital to direct funds towards green industries, and comprehensively supporting the "dual carbon" (carbon peaking and carbon neutrality) goals.

### Innovative green insurance products, continue to enrich the product and service system

Sunshine Insurance has continually made strides in areas like environmental pollution liability insurance, green ecological agriculture insurance, weather index insurance, and catastrophe insurance, consistently innovating to aid carbon reduction and green growth, and fortifying disaster prevention networks. In Fujian Province, Sunshine Insurance has issued a commercial forest typhoon weather index insurance, safeguarding 460 mu of commercial forests in Zhangzhou Tianbao State-owned Forest Farm. Collaborating with local forestry and meteorological departments, Sunshine Insurance has established a "forestry + insurance + meteorology" mechanism, leveraging the strengths of all parties in forestry production management technology, meteorological disaster warning, and post-disaster relief to jointly establish a comprehensive

forest insurance system encompassing pre-disaster prevention, disaster remediation, and post-disaster compensation, which offers safe and reliable support for local forestry reform and ecological construction. In sectors such as green energy, green transportation, green buildings, and green technology, Sunshine Insurance has innovatively deployed strategies, and continually enriched the green insurance product service system by developing insurance for new energy vehicles, providing coverage for carbon losses from corporate emission reduction equipment, and creating exclusive insurance products for green buildings. In 2024, Sunshine Insurance provided nearly RMB 16 trillion in green insurance coverage to nearly 2.5 million enterprises and individuals, with claim payments totaling approximately RMB 5.2 billion.

### Harness insurance funds to boost green industry investment

Sunshine Insurance actively embraces the "dual carbon" strategy, investing significantly in energy conservation and environmental protection, clean energy, ecological preservation, and green infrastructure upgrades. Through equity investments, we support national objectives, industrial advancements, and the green transformation of the economy, fostering the growth of related enterprises; actively subscribe to green, transition, and sustainable bonds issued by local governments and public utility

enterprises, enhancing construction of eco-friendly infrastructure and accelerating local green transitions. Leveraging the advantages of highly market-oriented and liquid green financial products in the overseas market, Sunshine Insurance, as a Qualified Domestic Institutional Investor (QDII), actively participates in green bonds issued by Chinese enterprises overseas. By the end of 2024, green investments surpassed RMB 20 billion.

In 2024



Sunshine Insurance provided

nearly **RMB 16** trillion  
in green insurance coverage



to nearly **2.5** million  
enterprises and individuals



with claim payments approximately

**RMB 5.2** billion

By the end of 2024



green investments surpassed

**RMB 20** billion



## Broadening Insurance Services and Upgrading Inclusive Finance

In line with national policies and regulatory mandates, Sunshine Insurance has ventured into grassroots levels, kept abreast of market trends, and continuously expanded insurance services in terms of regions, sectors, and beneficiary groups. By advocating standardization, accessibility, and simplicity in insurance products, we have persistently offered inclusive financial services that are considerate, potent, and widespread, thereby enhancing service convenience.

### Develop inclusive insurance and improve coverage and service quality

Sunshine Insurance has consistently enriched its portfolio of inclusive insurance products, catering to the diverse needs of all social levels and groups, intensified support for key demographics, including micro and small enterprises, individual business owners, new urban residents, the elderly, farmers, low-income individuals, and the disabled. By actively participating in the establishment of a multi-tiered social security system in both urban and rural areas, Sunshine Insurance has progressively built diversified inclusive insurance offerings, engaging in projects such as critical illness insurance for urban and rural residents, supplementary medical insurance for urban employees, Huimin insurance, and anti-poverty insurance. With a focus on the livelihood and well-being of new urban residents, including construction workers, couriers, and other flexible workers, we have introduced relevant insurance products such as liability insurance and accidental injury insurance tailored to new forms of employment, thereby continuously enhancing the security and happiness of these individuals. In 2024, Sunshine Insurance provided RMB 33.6 trillion in various inclusive insurance risk protection and paid RMB 6.06 billion in compensation.

In 2024



Sunshine Insurance provided various inclusive insurance risk protection

RMB **33.6** trillion



paid compensation

RMB **6.06** billion

### Give full play to the advantages of the main industry and serve rural revitalization

Through the "Insurance + N" precise assistance initiatives, including industrial assistance, consumption assistance, village doctor assistance, education and public welfare assistance, etc., Sunshine Insurance continuously extends the reach of assistance, consolidates and expands the results of poverty alleviation, and contributes to the revitalization of the countryside in an all-round way. The Group actively develops agricultural insurance, steadily broadens the insurance coverage of large agricultural products, develops local advantageous and characteristic agricultural products according to local conditions, innovatively develops income insurance and weather index insurance, and continuously extends the objects and fields of insurance services to accurately meet the insurance needs of the "agriculture, rural areas, and farmers".



## Responding to Social Development and Advancing Pension Finance

Sunshine Insurance has gained a profound understanding of customers' needs for "adequate support, happiness, security in old age, and access to healthcare", and therefore steadfastly advanced pension finance, elderly care finance, and finance for the elderly care industry. By diversifying pension financial products and consistently bolstering financial support for the silver economy, health, and elderly care sectors, Sunshine Insurance effectively addresses the diverse pension needs of clients.

### Delve deeply into pension finance to ensure "adequate care for the elderly"

In recent years, Sunshine Insurance has actively adhered to government policies and contributed to the development of the third pillar of the pension system. By launching diversified commercial annuity insurance products, Sunshine Insurance has enriched its portfolio of elderly care financial services. Furthermore, Sunshine Insurance has actively participated in pilot programs for long-term care social insurance, consistently broadening its service scope, including new projects in Tangshan, Nanjing, and Qingdao. In 2024, Sunshine's social long-term care insurance programs delivered health coverage totaling approxi-

mately RMB 7 trillion. Simultaneously, we have emphasized enhancing agents' expertise in wealth management to accommodate the escalating demands of customers for wealth management and retirement planning. Additionally, we have continually upgraded elderly-friendly services, establishing a green channel with "one-click access to human customer service" for seniors, incorporating an audio broadcast function for images and texts on the official WeChat platform, and refining navigation prompts to facilitate elderly access to required information and services.

In 2024



provided social insurance-based long-term care insurance coverage

nearly RMB **7** trillion

### Develop the elderly care industry to meet the needs of the aging population

In addressing the diverse and multi-tiered elderly care needs today, Sunshine Insurance leverages the core insurance business to broaden the industrial chain, and offers a spectrum of elderly care services, including home-based, migratory, and long-term residential models. Notably, Sunshine Insurance has innovated a new long-term residential cooperation model, integrating "Sunshine Life Insurance Policies with Sunshine Communities", which spans pre-admission health assessments, short-term experiences, lifestyle services, and post-ad-

mission comprehensive medical care, social entertainment, and high-quality living services, catering to the personalized needs of seniors across different age groups. Furthermore, Sunshine Insurance has established elderly care centers to provide diverse community and in-home services for seniors in various neighborhoods, encompassing daily care, meal preparation and delivery, professional nursing, home assistance for the elderly, and health management, comprehensive safeguarding the healthy elderly care lives.



## Accelerating the Digital and Intelligent Transformation to Navigate Digital Finance

Sunshine Insurance has proposed and implemented a new strategy of "Harnessing Data Intelligence to Build a Tech-Powered Sunshine", and is deeply committed to advancing "AI+" initiatives and comprehensively driving the digital and intelligent transformation through "Technology + Data", using data intelligence to drive high-quality development of the Group.

### Comprehensively promote digital and intelligent transformation to optimize product services and management efficiency

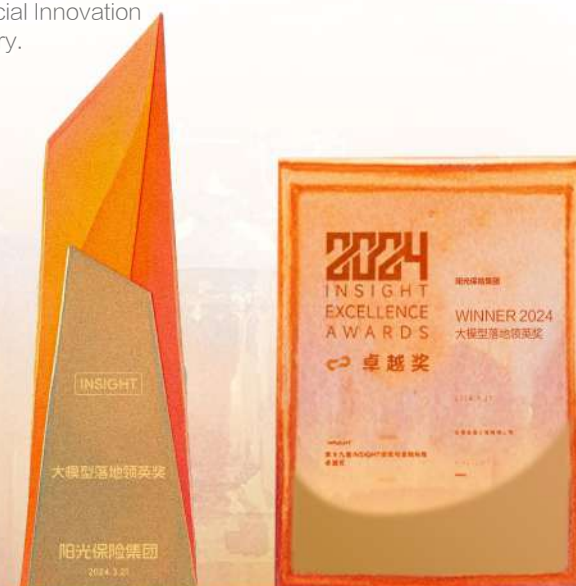
In terms of customer service, by launching innovative functions such as intelligent consulting, we continuously improve the intelligent service experience of key business scenarios of property and life insurance; in terms of management empowerment, we have a developed intelligent personal injury damage assessment robot, the first in the industry that enables picture-based damage assessment by virtue of AI, to achieve automatic damage assessment for small personal injury cases, effectively improving claims efficiency. In addition, Sunshine has fully launched DeepSeek and other AI technologies in the internal system, and has collected practical application scenarios and strategies from the entire group, while launching a series of AI application training courses to help employees master cutting-edge technologies.

### Deepen the research and development of digital intelligence technology to promote industry co-construction and innovation progress

Sunshine Insurance has continually intensified technological innovation efforts, thereby enhancing its industry influence and appeal. In 2024, Sunshine Insurance, in collaboration with Tsinghua University and the University of International Business and Economics, initiated a key scientific research project, which was selected as the first special project of the Large Language Model in the insurance industry by the Beijing Municipal Science & Technology Commission. We established the "Insurance Technology Digital Intelligence Innovation Consortium", pooling resources and strengths from various parties such as the government, academic institutions, insurance companies, and technology enterprises. This move aims to further promote the deep integration between the insurance industry and technology enterprises and accelerate the innovative application of digital intelligence technology. We have released the second white paper on insurance large models, and several of our data intelligence applications have won FinTech innovation honors, including the "Excellence in Insurance and FinTech Award", "The Asiar *Asian Banker's* 2024 International Award for Best Compliance Risk Implementation", and the "Outstanding Achievement Award in Beijing's Financial Innovation Incentive Program", thereby making significant contributions to advancing technological innovation and development in the industry.

### The incorporation of a technology subsidiary facilitates the digital and intelligent transformation and thus empowers the acceleration and upgrading of business innovation

In 2024, Sunshine Insurance established a technology subsidiary, Sunshine Digital Intelligence Technology Co., Ltd, marking that the "Tech-Powered Sunshine" strategy entered a brand-new stage. Upholding the mission of "Letting people feel the warmth of Sunshine through technology", Sunshine DIG & AI TECH, relying on cutting-edge digital and intelligent technologies, make efforts in insurance vertical fields such as sales, services, and management to provide high-quality digital and intelligent products and solutions. Driven by the corporate and market-oriented mechanisms, the "Tech-Powered Sunshine" strategy better and faster empowers the main business and lead innovation.







# Sustainable Development Management

01

Sustainable Development Strategies	16
Sustainable Development Management System	19
Stakeholder Communication	20
Materiality Assessment	21

## Sustainable Development Strategies

Guided by sustainable development principles, Sunshine Insurance has deeply integrated sustainability into corporate-wide development strategy, and formulated the *2024 – 2026 ESG Development Roadmap*, clearly defining overarching objectives and strategic pathways in the ESG domain to ensure effective implementation. The Company actively constructs and refines ESG management system, strengthens top-level design, clarifies accountability mechanisms, standardizes operational procedures, and steadily enhances the quality and efficiency of ESG information disclosure. By intensifying communication with capital markets and investors, Sunshine Insurance seeks to collaborate with all stakeholders in charting a blueprint for a more sustainable and prosperous future.

### // Sunshine Insurance's core objectives for sustainability 2024 – 2026

Topic	Core objective	Annual achievements
Sustainable Insurance	<ul style="list-style-type: none"> <li>◦ Achieve a minimum 20% growth in sustainable insurance premium income by 2026 compared to the 2023 baseline</li> <li>◦ Innovate sustainable insurance products and services</li> </ul>	<ul style="list-style-type: none"> <li>◦ Sustainable insurance premium income reached RMB 97.3 billion, reflecting a 30% year-on-year growth</li> <li>◦ Launched three innovative green insurance products and introduced a cybersecurity risk management solution</li> </ul>
Sustainable Investment	<ul style="list-style-type: none"> <li>◦ Achieve a minimum 20% growth in balance of sustainable investment by 2026 compared to the 2023 baseline</li> <li>◦ Review and update sustainable investment framework yearly</li> </ul>	<ul style="list-style-type: none"> <li>◦ By the end of 2024, the balance of sustainable investment exceeded RMB 58 billion</li> <li>◦ Reviewed and updated sustainable investment framework and the positive and negative lists twice a year</li> </ul>
Consumer Rights and Interests Protection	<ul style="list-style-type: none"> <li>◦ Full coverage of training on consumer rights and interests protection</li> <li>◦ Carry out special project of "consumer rights and interests protection training by senior executives" every year</li> <li>◦ Launch special internal reviews annually at the headquarters level, with 100% secondary institutions covered by a five-year cycle</li> </ul>	<ul style="list-style-type: none"> <li>◦ Established a training system on consumer rights and interests protection covering all categories and levels of employees (including management personnel and specialized roles), with over 500 training sessions conducted annually to ensure full staff coverage</li> <li>◦ 100% secondary institutions of Sunshine Life Insurance and Sunshine P&amp;C implemented the "consumer rights and interests protection training by senior executives" initiative, delivering a total of 140+ specialized training sessions</li> <li>◦ Conducted specialized audits on consumer rights and interests protection targeting the headquarters of Sunshine P&amp;C, Sunshine Life Insurance, Sunshine Security Insurance, and their 17 subordinate institutions in 2024</li> </ul>

Topic	Core objective	Annual achievements
Employee Development	<ul style="list-style-type: none"> <li>Carry out satisfaction surveys for all employees each year, with results consistently demonstrating incremental improvements relative to the 2023 baseline</li> <li>Conduct group-wide talent inventory assessments annually, complemented by specialized career progression programs for identified high-potential personnel</li> </ul>	<ul style="list-style-type: none"> <li>Carried out satisfaction surveys for all employees; the overall employee satisfaction score in 2024 was 8.87, with an improvement from 2023</li> <li>Conducted group-wide talent inventory assessments in 2024, complemented by specialized career progression programs for identified high-potential personnel</li> </ul>
Privacy and Data Security	<ul style="list-style-type: none"> <li>Conduct information security training for all employees</li> <li>Conduct emergency drills on information security annually</li> <li>No major data security incidents</li> </ul>	<ul style="list-style-type: none"> <li>Conducted 48 specialized training sessions and awareness campaigns on network and data security throughout the year, achieving a 100% certification rate across all assessments, significantly enhancing employee security literacy and risk mitigation capabilities</li> <li>Executed cybersecurity emergency drills across the Group and key subsidiaries in 2024, to identify latent vulnerabilities and optimize incident response protocols</li> <li>Implemented enhanced monitoring mechanisms for data leakage risks, experienced zero major data security incidents in the year</li> </ul>
Climate Change	<ul style="list-style-type: none"> <li>Establish the ability to measure carbon emissions at the investment end</li> <li>Expand the depth of climate change management and form the ability to quantitatively assess the financial impact of climate change to enhance climate resilience</li> <li>Reduce GHG emissions, energy consumption or resource use intensity in an orderly manner</li> <li>Carry out energy saving and emission reduction publicity or training activities at least once a year</li> </ul>	<ul style="list-style-type: none"> <li>Conducted preparatory research and training for carbon data measurement on the investment side and formulated the "Scope 3 Investment Portfolio GHG Measurement Work Plan of Sunshine Insurance Group" to clarify operational roadmap and timeline</li> <li>Developed the "2024 – 2026 Climate Change Response Action Plan of Sunshine Insurance Group"; conducted climate risk and impact surveys across all 6 business lines of Sunshine P&amp;C to comprehensively identify climate-vulnerable operations and major disaster impact levels</li> <li>In 2024, GHG emissions totaled 57,133 tons of carbon dioxide equivalent, marking a year-on-year decrease of 4%</li> <li>Issued the "Low-Carbon Green Office Guidelines (2024)" to all employees, organized the "Green Office Theme Month" in August 2024 with over 200 promotional events across all organizations to deepen understanding of low-carbon environmental concepts and green office practices</li> </ul>



Topic	Core objective	Annual achievements
<b>Sustainable Supply Chains</b>	<ul style="list-style-type: none"> <li>Integrate sustainable development principles 100% into supplier admission criteria</li> <li>Achieve 100% ESG training coverage for all suppliers by 2026</li> <li>Standardize supplier management, conduct audits and ratings on all cooperative suppliers</li> </ul>	<ul style="list-style-type: none"> <li>100% of suppliers signed the <i>Commitment Letter on Sustainable Supply Chain (ESG) Suppliers</i> in 2024</li> <li>Initiated development of ESG training module on supplier procurement platform in 2024</li> <li>Achieved 100% coverage of annual supplier audits in 2024; establish a supplier rating system to update supplier ratings annually</li> </ul>
<b>Public welfare and community building</b>	<ul style="list-style-type: none"> <li>Annual volunteer mobilization reached 5,000 person-times</li> <li>Annual volunteer service hours totaled 17,000 hours</li> </ul>	<ul style="list-style-type: none"> <li>Full-year volunteer mobilization engaged 9,244 person-times</li> <li>Full-year volunteer service hours reached 30,808 hours</li> </ul>
<b>Business Ethics</b>	<ul style="list-style-type: none"> <li>Maintain a 100% whistleblowing case resolution and feedback rate</li> <li>All positions at all levels attend anti-money laundering training</li> <li>Provide regular anti-corruption training to all employees</li> </ul>	<ul style="list-style-type: none"> <li>Verified and processed 100% reported incidents, with 100% feedback provided to real-name whistleblowers for closed cases</li> <li>Delivered anti-money laundering training sessions to all employees at all levels in 2024, with 118,343 person-times, maintaining multi-year full coverage of anti-money laundering education for all roles</li> <li>Conducted anti-corruption training for all employees (including board members, supervisors and senior executives) through mandatory courses, integrity awareness campaigns, and disciplinary case alerts, with 58,187 person-times in 2024</li> </ul>

# Sustainable Development Management System

## // Sustainable Development Governance Structure

Sunshine Insurance ensures the effective implementation of sustainable development concepts at the decision-making, management and execution levels through a well-organized hierarchical governance structure for sustainable development, which covers all ESG-related departments and personnel. This governance structure helps us strengthen the governance of sustainable development and better refine and implement sustainable development strategies.



## // Digital ESG Management Platform

In 2024, Sunshine Insurance incorporated and managed ESG-related indicators of the Group and subsidiaries through the Management Cockpit, covering sustainable insurance, sustainable investment, social responsibility, green operation and human resource management and other key ESG issues. The platform sorts out the needs of various departments for related issues, such as data collection and indicator calculation, and integrates data from different business departments and business systems. It provides comprehensive and accurate ESG data management by adopting data analysis and visualization techniques, to enhance the quality of Sunshine Insurance's ESG information disclosure and capabilities for sustainable development.

## // ESG Management System

Sunshine Insurance gradually improves systems and policies related to sustainable development. In accordance with the *Guidelines for Green Finance in the Banking and Insurance Industry* by the National Financial Regulatory Administration (the formerly CBIRC), the *Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code*, the *Corporate Sustainability Disclosure Standards – Basic Standards (Trial)* jointly issued by nine ministries including the Ministry of Finance and the *Guidelines for Environmental, Social, and Governance Information Disclosure by Insurance Institutions* by the Insurance Association of China and other relevant standards, we continuously refine the policies and statements related to sustainable development, providing well-defined action guidelines for Sunshine Insurance's ESG efforts while presenting our social responsibility for sustainable development.

<i>Sustainable Insurance Policy Statement</i>	<i>Anti-Bribery and Anti-Corruption Policy Statement</i>
<i>Sustainable Investment Policy Statement</i>	<i>Whistleblowing Management Policy Statement</i>
<i>Commitment to Biodiversity Conservation</i>	<i>Information Security Policy Statement</i>
<i>Personal Information Protection Policy Statement</i>	<i>Employee Rights Statement</i>
<i>Sustainable Supply Chain Policy Statement</i>	<i>Climate Change Management Policy</i>

# Stakeholder Communication

Sunshine Insurance proactively identifies various stakeholders and clarifies their expectations and demands. To this end, we have established effective communication mechanisms to listen to and respond to the expectations of the stakeholders. Moreover, we keep strengthening our internal capabilities and promoting the sharing of corporate development fruits, to meet the needs of more groups and contribute to the overall progress of society.

Stakeholder	Expectations and demands	Communication ways
<b>Government and regulatory agencies</b>	<ul style="list-style-type: none"> <li>◦ Compliance with laws and regulations</li> <li>◦ Response to national strategies</li> <li>◦ Promoting anti-corruption and integrity</li> </ul>	<ul style="list-style-type: none"> <li>◦ Implementing regulatory policy guidelines</li> <li>◦ Participating in research visits</li> <li>◦ Daily regulatory reporting</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>◦ Solid operating performance</li> <li>◦ Sound corporate governance</li> <li>◦ Comprehensive risk management</li> </ul>	<ul style="list-style-type: none"> <li>◦ General meeting of shareholders</li> <li>◦ Periodic reports and information announcements</li> <li>◦ Investor research and communication meetings</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>◦ Consumer protection</li> <li>◦ Enhancing the service experience</li> <li>◦ Innovative product development</li> </ul>	<ul style="list-style-type: none"> <li>◦ Consumer rights protection education and advocacy</li> <li>◦ Official website, official microblog, APP and customer service intelligent robots</li> <li>◦ NPS (Net Promoter Score) customer experience survey</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>◦ Protecting employee's rights and interests</li> <li>◦ Occupational health and safety</li> <li>◦ Compensation and benefits</li> </ul>	<ul style="list-style-type: none"> <li>◦ Employee congress</li> <li>◦ Labor union culture, sports and care activities</li> </ul>
<b>Agents</b>	<ul style="list-style-type: none"> <li>◦ Humanistic care for agents</li> <li>◦ Agent training system</li> </ul>	<ul style="list-style-type: none"> <li>◦ Daily work communication</li> </ul>
<b>Vendors and partners</b>	<ul style="list-style-type: none"> <li>◦ Equal consultation</li> <li>◦ Honesty and trustworthiness</li> </ul>	<ul style="list-style-type: none"> <li>◦ Exchange and visits</li> <li>◦ Signing agreement</li> </ul>
<b>Community/non-governmental organizations</b>	<ul style="list-style-type: none"> <li>◦ Public welfare programs</li> <li>◦ Responding to social issues</li> <li>◦ Popularizing the concept of environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>◦ Sunshine Museum</li> <li>◦ Beijing Sunshine Insurance Love Foundation</li> <li>◦ Community building and public welfare activities</li> </ul>



## Materiality Assessment

In the light of the *Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code*, Sunshine Insurance deeply understands the views and concerns of stakeholders on Sunshine Insurance's ESG issues. By identifying and assessing the materiality of relevant issues, we clearly define the extent and boundaries of disclosure to address the concerns of the stakeholders with more targeted and comprehensive ESG disclosure.

### Issue collection:

Sunshine Insurance identifies material issues related to business and operations. Data are collected from a wide range of sources, including the Environmental, Social and Governance Reporting Code of the Stock Exchange of Hong Kong, GRI indicators, stakeholders' feedback, company policies and management strategies, industry benchmarking, and ESG rating system analysis.

### Questionnaire survey:

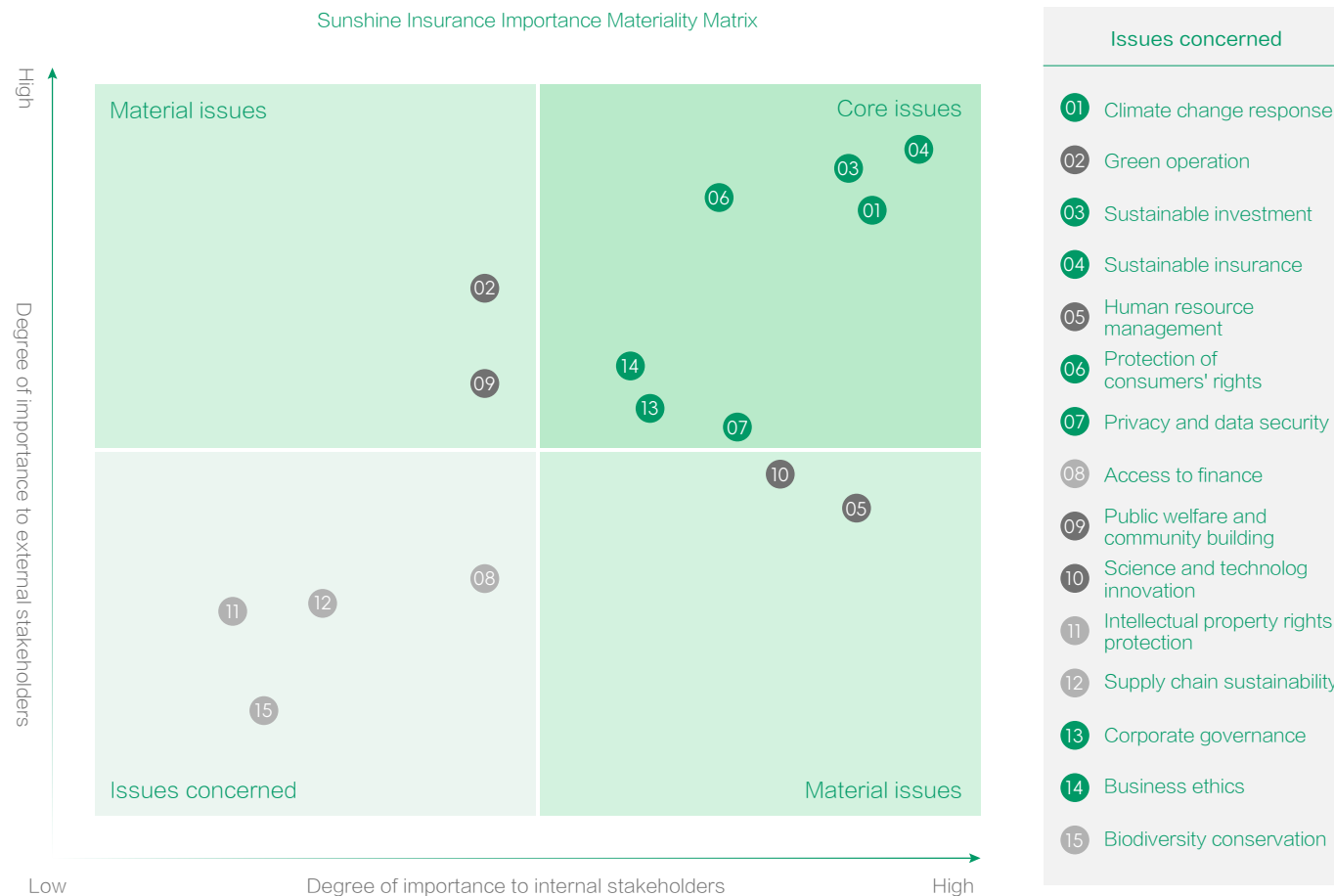
Sunshine Insurance conducts questionnaire surveys on a variety of stakeholders, including government and regulatory agencies, shareholders and investors, clients, employees, agents, suppliers and partners, and community/non-governmental organizations. These stakeholders are invited to evaluate the importance of each issue from their own perspectives. Based on survey results, Sunshine Insurance further analyzes, identifies and evaluates the importance of the issues.

### Issue ranking:

On the basis of comprehensive analysis, Sunshine Insurance conducts statistical analysis on the importance of issues based on their impacts on stakeholders and contribution to Sunshine Insurance's sustainable development, which results in the materiality matrix that provides an important reference for strategy planning, goal setting and information disclosure.

### Impact analysis:

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





# Sustainable Business

## 02

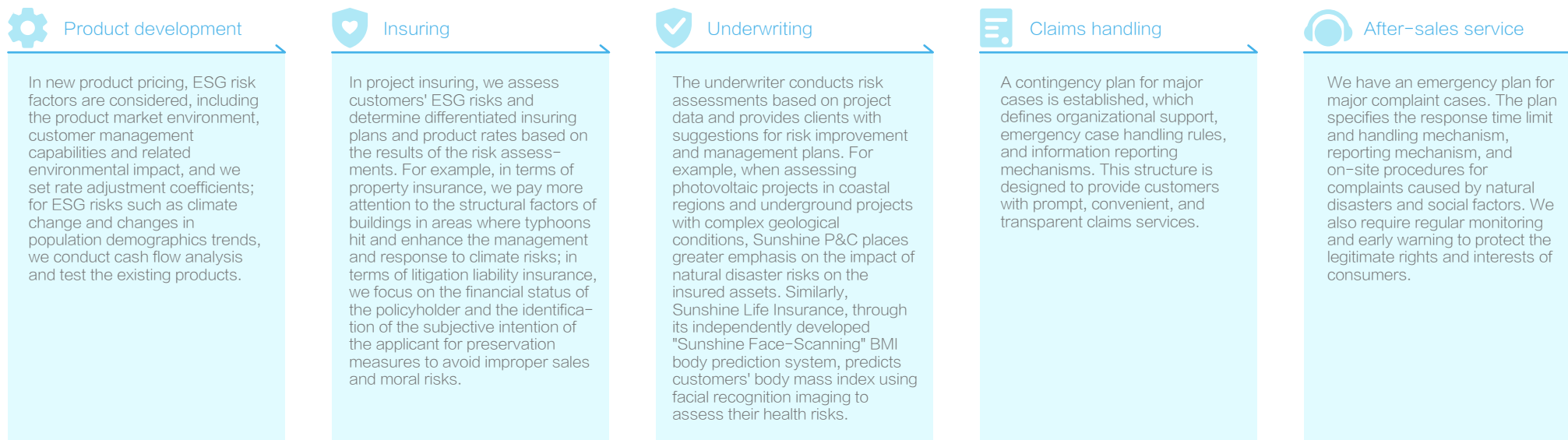
Sustainable Insurance	23
Sustainable Investment	29
Sustainable Health Management	33
Access to Finance	35



Sunshine Insurance is dedicated to playing an active role in the sustainable development economic system and catalyzing the green transition of the economy and society. We continuously refine our sustainable insurance management system, innovate in sustainable insurance products, enhance our service capabilities, and broaden the reach of our sustainable insurance business, thereby supporting and fostering the long-term healthy development of the environment and society.

## // Sustainable Insurance Management System

Guided by market orientation and customer centricity, we have issued the *Sustainable Insurance Policy Statement*<sup>1</sup>, which integrates ESG factors into all levels of insurance business. This commitment is underpinned by the establishment of a robust management framework, the refinement of our management processes, and the ongoing monitoring and tracking of ESG-related risks to bolster ESG risk management in our business activities.



In the process of serving customers, we examine various ESG issues, focusing on risk pricing, fairness in review, and paperless applications, in order to enhance our ESG management capabilities.

### Risk pricing



ESG-related factors, including climate change, are integrated into the pricing process of insurance products to ensure reasonable ESG risk pricing of insurance products; meanwhile, led by data-driven, we deepen the application of intelligent technology in risk pricing, build a risk pricing system centered on data intelligence algorithms, to better manage and control ESG risks by the industry-leading risk pricing capability, and continue to improve our risk identification and management capabilities.

### Fairness in review



To better protect consumer rights, we adhere to principles of fairness and reasonableness, avoiding unjustified rejections and improper sales. Moreover, we enhance professional review in claims handling and maintain a balanced control of risks.

### Paperless application



We continuously promote the use of electronic policies and documents, advance the transformation of online processes, enrich and perfect customer self-service functions, and create an extremely simplified service process to strengthen our green service system.

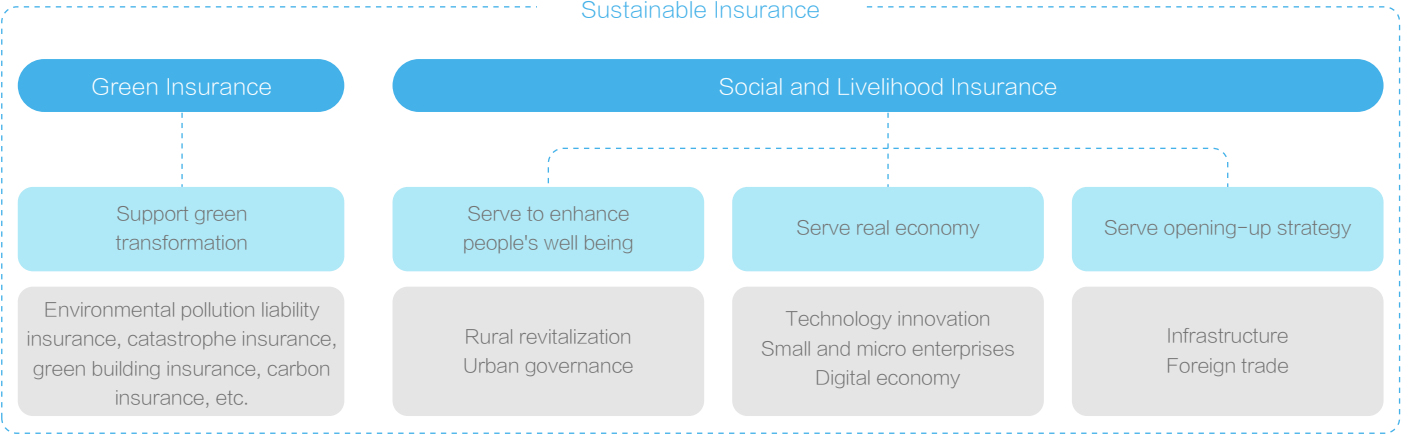
1 *Sustainable Insurance Policy Statement*: <https://static.sinosig.com/c/upload/cate/70/146/1713511900772056504.pdf>



// Sustainable Insurance Product System

Committing to the development of sustainable insurance products and services, Sunshine Insurance keeps building a comprehensive sustainable insurance system. In 2024, we established a comprehensive, clearly defined, and standardized sustainable insurance statistical system that covers the entire group. This system further clarified the standards for data statistics and business classification, and introduced an innovative online business tracking mechanism. By leveraging digital technology, this system enables real-time monitoring of business processes and data collection, ensuring the accuracy and timeliness of business data. It provides robust data support for performance assessment and business execution tracking, thereby significantly enhancing the Group's operational management level in the field of sustainable insurance.

Sustainable insurance product categories



Sustainable insurance<sup>2</sup> performance

Business type	Premiums (RMB 100 million)		Insured amount (RMB 100 million)	
	2023	2024	2023	2024
Sustainable Insurance	748.94	973.21	1,076,121	1,249,406
Include: Green insurance <sup>3</sup>	80.16	99.66	121,750	157,791
Social and Livelihood Insurance <sup>4</sup>	668.79	873.56	954,370	1,091,616

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

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

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

## Green Insurance

Sunshine Insurance actively pursues green insurance initiatives, concentrating efforts on pivotal areas such as the provision of green insurance products, the expansion and depth of green coverage, and the accumulation of green risk data. Through relentless innovation in green insurance products and services, Sunshine Insurance offers enterprises broader green protection, establishing a benchmark in the insurance industry for advancing low-carbon endeavors, to support socio-economic transformation, upgrading, and sustainable development.

We are dedicated to expanding the range of green insurance products and services to facilitate rapid business expansion and innovative product development. In the three key domains of green ecology, green industries, and green lifestyles, we consistently broaden the scope of our offerings, focusing on traditional sectors including catastrophe insurance, environmental liability insurance, new energy vehicles, and ecological forestry, while accelerating the introduction of innovative products such as carbon sink insurance and weather index insurance, to build a distinctive portfolio of green insurance products. Additionally, Sunshine Insurance gathers and analyzes green insurance-related data, partners with green enterprises and research institutions to refine pricing strategies, through strengthening our risk management and claims teams, innovates claims processing models, enhancing service efficiency and quality, in order to better support the green industrial ecosystem.

### CASE

#### Sunshine P&C Hubei Branch innovatively develops fisheries weather index insurance to help aquaculture farmers resist climate risks

Sunshine P&C Hubei Branch actively responds to the development strategy of green finance by fully leveraging the crucial role of meteorological data in the practice of agricultural insurance, providing comprehensive and efficient insurance services to multiple aquaculture cooperatives in Wuhan, Hubei Province. Through professional claims services and timely financial compensation, it effectively helps aquaculture farmers mitigate climate risks, providing a solid guarantee for the economic stability of the cooperatives.

In April 2024, Sunshine P&C underwrote fish farming insurance for the Xinwang Aquaculture Cooperative in Xinzhou District, Wuhan, covering an area of 1,600 mu with a risk coverage amount of up to RMB 4.8 million. Faced with severe fingerling losses caused by the complex and changing natural environment, Sunshine P&C's agricultural insurance specialists responded swiftly, making multiple site visits for inspection, and transferred a compensation payment of RMB 310,500 to the Cooperative's account within five days, significantly alleviating the Cooperative's economic losses. In July 2024, the Wuhan Xiafan Agricultural Cooperative in Caidian District purchased the crayfish weather index insurance with Sunshine P&C, securing a risk coverage of RMB 1.7 million for its 850 mu of crayfish ponds. Confronted with the severe challenge of alternating heavy rainfall and high temperatures, Sunshine P&C, based on meteorological data, completed the compensation calculation within one day and promptly paid out RMB 91,800 in compensation, effectively reducing the burden on the crayfish farmers.



## Social and Livelihood Insurance

Sunshine Insurance keeps firmly in mind our mission to safeguard social welfare and people's livelihoods, actively responds to national policies and regulatory guidance, serves the overall strategy of the country and contributes to local economic prosperity.

### Contributions to People's Well-Being



#### ☞ Serving rural revitalization

Sunshine Insurance has been continually refining the service system in rural regions and exploring comprehensive financial insurance services tailored for rural areas, bolstered insurance support for rural industrial development, cultural enrichment, ecological conservation, urban-rural integration, and other sectors, gradually offering comprehensive financial insurance services that cater to the life cycles of rural household members and their individual needs in production and daily life.

#### ☞ Serving urban governance

Sunshine Insurance actively supports urban governance by expanding insurance offerings in areas such as elderly care, childcare, and domestic services, playing a more significant role in responding to major natural disasters, sudden public safety accidents, and public health emergencies. In terms of medical insurance, we have expanded our portfolio across multiple provinces and cities to cover a wide array of services, including critical illness insurance for urban and rural residents, high-cost medical insurance for urban employees, the New Rural Cooperative Medical Scheme (NCMS), accidental injury insurance for residents, work-related injury insurance for the construction industry, Huimin insurance, and long-term care insurance, significantly alleviating the economic burden on insured individuals due to hospitalization for illness. In the field of elderly care, we actively participate in the third pillar of pension insurance and continuously enrich the supply of tax-advantaged health insurance products to meet the diverse needs of customers for pension products. Additionally, Sunshine Insurance pays special attention to the needs of new urban residents and customizes insurance products for them. For example, we provide group accidental insurance for construction workers, and occupational injury liability insurance for flexible employment personnel, ensuring that they receive appropriate risk protection.

#### CASE

##### Sunshine P&C's full-chain agricultural insurance system contributes to the steady development of "agriculture, rural areas and farmers"

Sunshine P&C has established a multi-level product system that ranges from bulk grain and oil to all varieties, and from cost insurance to "cost + income" and "basic + innovative" insurance types, aiming to safeguard food security and promote an increase in crop productivity. In 2024, across 31 provinces, autonomous regions, and municipalities directly under the central government, Sunshine P&C offered risk protection valued at RMB 53.5 billion to 980,000 farming households, disbursed claims totaling RMB 668 million, and benefited 255,800 farming households.

#### CASE

##### Sunshine P&C protects the wage rights of migrant workers

Migrant workers are a vital component of the new urban population. Safeguarding the labor remuneration rights of this large group is crucial for the well-being of millions of families and is also integral to social fairness, justice, and harmony. Since 2014, Sunshine P&C has been a pioneer in launching Construction Project Guarantee Insurance. In 2018, we further introduced Migrant Worker Wage Payment Performance Guarantee Insurance. In 2024, we provided wage payment guarantees exceeding RMB 7.7 billion for over 21,000 enterprises, cumulatively advanced more than RMB 1.0 million in migrant workers' wages, and covered 35 provinces, cities, and regions nationwide. These measures have effectively addressed the issue of wage arrears for migrant workers and protected their rights.

#### CASE

##### Participate in the third pillar of pension insurance to enrich the supply of tax-advantaged health insurance products

Sunshine Life Insurance developed a total of 9 pension annuity and endowment insurance products, as well as 29 long-term life and annuity insurance products throughout the year. These offerings better meet the public's needs for pension security and wealth management. In addition, we actively embraced the tax-advantaged health insurance policy by launching four products that comply with the tax-advantaged policy. These products cover categories such as tax-advantaged term critical illness insurance, tax-advantaged medical insurance, and tax-advantaged care insurance. These endeavors have consistently enriched the portfolio of tax-advantaged health insurance products.





## Serving real economy



## Serving technological innovation

Sunshine Insurance continues to drive innovation in technology insurance products, providing insurance coverage for the risks faced by technology entities such as high-tech enterprises and sci-tech innovation-oriented small and medium-sized enterprises in their production activities, meeting the diverse insurance needs of different types of technology companies.

## CASE

#### Deepen the protection of low-altitude economic risks to help the steady development of the industrial chain.

Sunshine Insurance focuses on the risk protection needs of low-altitude economic development, continuously enhances research on policies and industry chains, conducts risk needs surveys in collaboration with leading enterprises, and launches comprehensive aircraft hull insurance and liability insurance clauses. To date, we have provided a total of RMB 462 million in risk protection for unmanned aerial vehicle (UAV) projects, effectively supporting the development of the low-altitude economy industry chain.

## CASE

#### Develop cybersecurity insurance to protect the construction of a strong cybersecurity country

Sunshine Insurance focuses on the transfer and prevention needs of corporate clients in the face of cybersecurity risks, especially the potential security incidents in the telecommunications and internet industry as well as the medical industry, which may lead to business interruption, data asset resetting, and third-party claim losses. We have launched a comprehensive cybersecurity risk management solution centered on "security protection + insurance coverage + risk control partner". Among them, two of our industry-specific cybersecurity property insurance service schemes have been included in the "Catalog of Typical Cybersecurity Insurance Service Schemes" by the Ministry of Industry and Information Technology.

## Serving small and micro enterprises(SMEs)

Sunshine Insurance has developed tailored products and services for SMEs, catering to their specific needs of different industries. By creating a range of products, we help these businesses build a robust risk barrier. Sunshine P&C conducts extensive market research to gain insights into the differentiated needs of SMEs, launching exclusive product series for them and continuously iterating and upgrading them to provide comprehensive insurance coverage that "protects assets, personnel, and customers". Additionally, Sunshine P&C has created the "Partnership Action" business model to assist SMEs in sharing operational risks, providing infrared thermography technology services in the field of work safety. In 2024, Sunshine Insurance provided risk coverage exceeding RMB 412.8 billion to approximately 39,000 SMEs.

In 2024



Sunshine Insurance provided risk coverage exceeding

RMB **412.8** billion  
for about **39,000** SMEs

## CASE

#### Innovate and iterate the product system for SMEs

Sunshine Insurance continuously meets the diverse needs of SME customers by continually enhancing and diversifying its product portfolio, and by innovating and refining various insurance offerings, such as the "Fire Insurance" series, the "Property & Accident Insurance" tailored for renovations, and study tour accident insurance. We persistently optimize and upgrade our policy issuance system, establishing a dedicated service system that covers the entire process from underwriting to claims settlement. By streamlining claims documentation, clarifying complaint and inquiry channels, and enabling real-time progress tracking, Sunshine Insurance offers swift, precise, and caring insurance services to SMEs and individual business owners.

## Serving digital economy

Sunshine Insurance deeply understands the risk profiles and insurance needs of diverse industries, enterprises, and individuals within the digital economy, developing tailored property insurance products. By partnering with digital economy platforms, we seamlessly integrate insurance services into various digital scenarios. For example, we offer exclusive insurance for e-commerce enterprises, covering return shipping costs, product quality, product liability, and after-sales replacements, as well as providing safeguards for local lifestyle platforms, including food safety liability, recreational accident insurance, and order cancellation protection. Furthermore, we innovate our service model by utilizing internet technology to achieve online and intelligent insurance services, thereby enhancing service efficiency and convenience. In 2024, Sunshine P&C's total insured value for the digital economy reached RMB 7.15 trillion.

In 2024



Sunshine P&amp;C's total insured value for the digital economy reached

RMB **7.15** trillion

## CASE

#### Cooperate with e-commerce platforms to build a scenario-oriented sales model

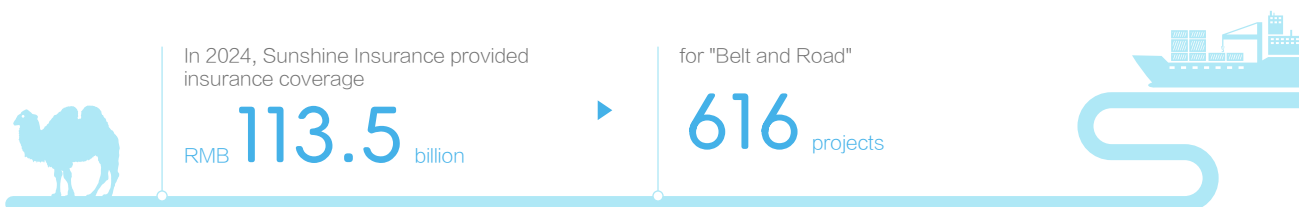
Relying on a major lifestyle service platform, Sunshine P&C provides a comprehensive insurance package tailored for scenarios such as food delivery and in-store services, with a focus on "eat safely" food safety liability insurance and user cancellation insurance. In 2024, the cumulative risk coverage provided to this platform exceeded RMB 600 billion. By deeply integrating scenario-based products with the platform, we contribute to fostering a healthy ecosystem, to enhance user experience and satisfaction, playing a pivotal role in advancing the online catering economy.

## Serve opening-up strategy



## Serving infrastructure

Sunshine Insurance offers one-stop integrated insurance solutions for infrastructure projects through innovative engineering and liability insurance products, providing comprehensive coverage for natural disasters and accidental incidents that may arise during the construction phase, from the construction of transportation hubs to the laying of energy transmission networks. This coverage spans the entire life cycle of the project, creating a robust safety barrier for its steady progress. Meanwhile, we actively respond to and deeply engage in the national Belt and Road Initiative, offering customized risk protection for numerous infrastructure projects along the Belt and Road. In 2024, Sunshine Insurance provided insurance coverage of RMB 113.5 billion for 616 Belt and Road projects.



## Serving foreign trade

Sunshine Insurance is deeply integrated into the foreign trade supply chain. The Group vigorously expands marine insurance business and strongly supports the development of cross-border e-commerce, offering comprehensive risk protection solutions for cross-border e-commerce clients. By continually enhancing technological capabilities, Sunshine Insurance has independently developed a suite of advanced data technology projects, including "image recognition algorithms" and "semantic understanding algorithms". These technologies allow for precise identification and evaluation of complex risks in international trade, markedly boosting our overall capabilities in intelligent sales, services, and management. Addressing the specific needs of micro, small and medium-sized foreign trade enterprises, we have customized a range of exclusive insurance products and services, effectively aiding these enterprises in reducing operational costs, fortifying their risk resilience, and fostering their stable growth in the international market.

## CASE

## Assist in building the first high-speed rail in Southeast Asia

Building on the core business advantages, Sunshine Insurance has designed "one-stop" insurance protection plans tailored to the unique needs of countries involved in the "Belt and Road" Initiative. In Indonesia, Sunshine Insurance has offered property insurance coverage worth approximately RMB 300 million for the Jakarta-Bandung High-Speed Railway, the first high-speed railway in Southeast Asia, safeguarding its smooth operations.

## CASE

## Sunshine P&amp;C safeguards the operation of Hong Kong-Zhuhai-Macao Bridge

In 2024, Sunshine P&C joined as a co-insurer for the 2024-2027 operational insurance program of the Hong Kong-Zhuhai-Macao Bridge. As a massive transportation project collaboratively developed by Hong Kong, Guangdong, and Macao, the Bridge has significantly facilitated economic and trade exchanges within the Greater Bay Area and stands as a pivotal infrastructure project under the "Belt and Road" Initiative, driving its progress. By offering robust insurance protection for the Bridge, Sunshine P&C not only guarantees the operation safety of this national infrastructure but also actively promotes the high-quality development of the "Belt and Road" Initiative through practical actions.

## CASE

## Propel cross-border trade to new heights

Sunshine P&C has conducted in-depth research and analysis on the differences between cross-border e-commerce and traditional trade in terms of trade models, logistics routes, and transportation links, identified the unique risks associated with cross-border e-commerce trade and aligned with national policies supporting the development of this sector. By the end of 2024, Sunshine P&C had underwritten 1.38 million cargo insurance policies for cross-border e-commerce clients, providing risk coverage of over RMB 59.9 billion, and efficiently processed 3,889 claims, with total payouts exceeding RMB 14.05 million, thereby facilitating the global expansion of cross-border e-commerce clients.



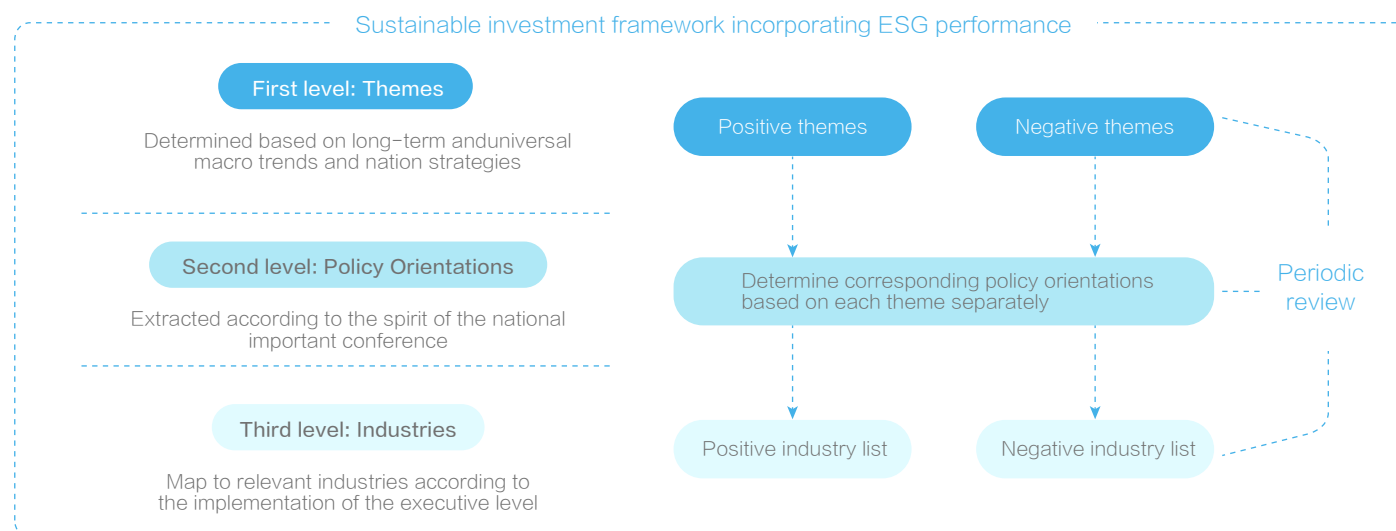
## // Sustainable Investment System

Sunshine Insurance has revised and updated the *Statistical Norms for Green and Sustainable Investment (2024 Edition) of Sunshine Insurance Group Company Limited* in accordance with various guidance documents, including the *Guidelines of the General Office of the State Council on Intensifying Efforts in Five Major Areas of Finance*, the *Guiding Opinions on Further Strengthening the Financial Support for the Green, Low-Carbon, and High-Quality Development*, the *Opinions on Leveraging Green Finance to Support the Beautiful China Initiative*, and the *Guidelines for Green Finance in Banking and Insurance Industry*, aligning with *The Guiding Catalogue for Green and Low-Carbon Transition of Industries (2024 Edition)* jointly issued by the National Development and Reform Commission, Ministry of Natural Resources, Ministry of Ecology and Environment, and other departments, along with the 17 Sustainable Development Goals outlined in the United Nations *2030 Agenda for Sustainable Development*. In line with Sunshine Insurance's green finance development plan, we have formulated and published the *Sustainable Insurance Policy Statement*<sup>5</sup>, and revised and updated the *Statistical Specification for Green and Sustainable Investments of Sunshine Insurance Group Company Limited (2024)*. The updated standards further clarify the definition of "green and sustainable investments", delineate the statistical scope and boundaries for sustainable investments, and continuously refine the management system for sustainable investments to ensure the standardization and sustainability of investment activities.

Sunshine Insurance actively embraces the United Nations *2030 Agenda for Sustainable Development* and China's strategy for advancing ecological civilization, integrating sustainable development principles deeply into the investment decision-making framework, and consistently strengthens commitment to sustainable investments in ecological engineering, environmental protection facilities, and green industries. By constantly refining the allocation of sustainable funds, Sunshine Insurance drives the promotion and implementation of sustainable investment principles.

Sunshine Insurance continues to deepen the concept of sustainable investment and incorporates ESG factors into our three-level sustainable investment framework of "theme – policy orientation – industry". In 2024, we have thoroughly studied and implemented the directives of the 20th National Congress of the Party, the 2nd and 3rd Plenary Sessions of the 20th Central Committee, the Central Financial Work Conference, and the Central Economic Work Conference. Adhering to the key deployment of the Central Financial Work Conference to excel in the Five Major Areas of Finance, we conducted two comprehensive reviews and updates to the three-level sustainable investment framework. Based on the five positive themes – "modernizing the industrial system", "green development", "improving the people's wellbeing and building a healthy China", "the strategy for invigorating China through science and education and the new system for mobilizing resources nationwide" and "the national security system", as well as three negative themes – "economy restructuring and regulatory issues", "the issue of polarization" and "security challenges", we have updated our policy orientation and further clarified 58 positive industries and 15 negative industries.

### Three-level sustainable investment framework of "themes – policy orientations – industries"



<sup>5</sup> *Sustainable Insurance Policy Statement*: <https://static.sinosig.com/c/upload/cate/70/146/1713511923339040057.pdf>



## // Sustainable Investment Management

Sunshine Insurance integrates ESG factors into processes for all types of investments, including listed equity, listed equity in emerging markets, private equity, fixed income, and real estate. We have designated dedicated institutions and personnel to handle sustainable investment work, continuously improved the sustainable investment system, and promoted the integration of ESG factors into investment decision-making.

### ESG Due Diligence

We rigorously conduct comprehensive ESG due diligence on standardized investment products and non-standard investment projects in accordance with the requirements outlined in the *Operational Guidelines for Sustainable Evaluation of Fixed Income Assets* and other regulations. For standardized investment products, Sunshine collects information from the public market, conducts ESG due diligence, evaluations and rating on companies. For non-standard investment projects, we perform ESG evaluations using a detailed due diligence checklist, with the results serving as a crucial benchmark for the enterprises' ESG ratings. For unlisted equity, real estate, and private equity fund investment projects, Sunshine Insurance implements ESG compliance documents and risk review checklists, and integrates ESG due diligence contents into legal and internal compliance reports to aid in investment decision-making. In 2024, Sunshine Insurance updated the due diligence checklist for non-standard projects to align with the latest regulatory requirements, while refining the inquiry questions to enhance the due diligence process for these projects.

Sunshine Insurance's current due diligence checklist comprises three core indicators: Environmental Assessment (E), Social Assessment (S), and Governance Standards (G). Beneath each of these core indicators lie primary and specific secondary indicators. The Environmental Assessment encompasses the environmental impact, gas emissions, water consumption, natural disaster risks, land utilization, eco-friendliness, and third-party assessment reports (if applicable) of the fund-raising and investment projects. The Social Assessment takes into account workforce diversity, social contributions, labor rights protection, and customer care. For the Governance Standards, we evaluate corporate structure, regulatory compliance, breaches of laws and discipline, corporate codes and values, and controversial investments. We are progressively refining our ESG due diligence process to enhance clients' awareness of the significance of ESG initiatives, guiding them through the preparation of due diligence materials. Concurrently, we are bolstering Sunshine's capacity to acquire project information, effectively identifying and managing potential ESG risks through objective evaluation and scoring.

### Post-Investment ESG Management

Sunshine Insurance places great emphasis on post-investment ESG management. Through formulating and continuously improving a number of equity and real estate post-investment management policies, such as the *Norms for Post-investment Management of Equity Investment*, the *Norms for Post-investment Management of Real Estate Investment*, the *Norms for Risk Management of Equity Investment* and the *Norms for Risk Management of Real Estate Investment*, we have clarified the continuous monitoring requirements and handling measures for ESG risk matters. Based on the positive and negative industry list determined by the three-level sustainable investment framework, we assess the sustainability capabilities of credit entities in fixed-income assets and compile the *List of Positive and Negative Entities* according to the final assessment outcomes. For counterparties classified as negative entities in the List, we generate a stress test report every half year and mandate that financing entities make declarations and commitments regarding relevant ESG matters prior to fund draw-downs, as stipulated in the corresponding investment contract templates.

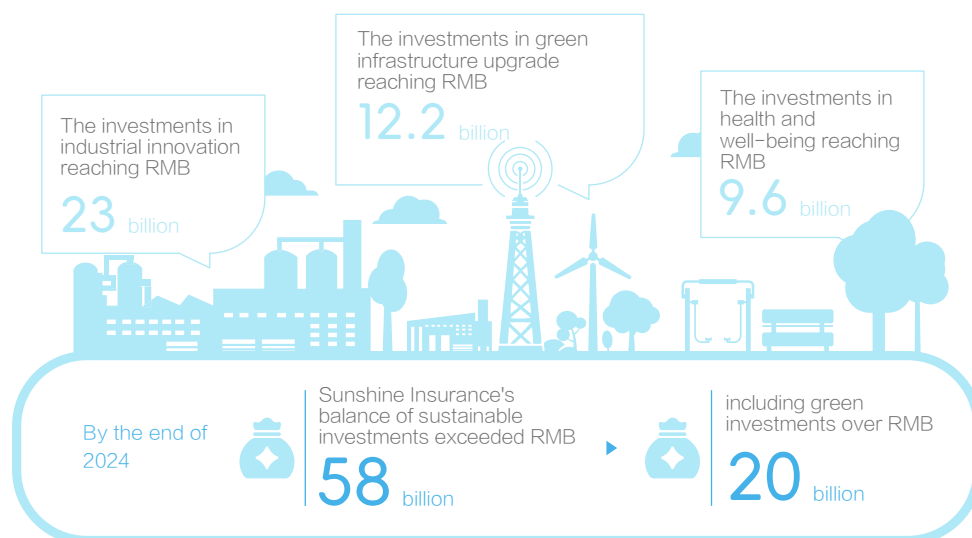
In 2024, we further established a robust complaint response mechanism for significant ESG risk impacts, ensuring that all ESG risk feedback is handled promptly and effectively. We also added screening processes for ESG-related risks to identify and assess potential risks by using professional tools and methods. In addition, we continuously improved the internal reporting system for significant ESG risks, ensuring that management can quickly obtain risk information and take relevant measures. When a counterparty experiences a significant ESG risk event that affects investment security, Sunshine Insurance will hold accountable any internal personnel who were aware of these risks but failed to report them in accordance with relevant accountability regulations.

### Proxy Voting

In order to better standardize the governance performance of the portfolio companies and enhance their attention to ESG practices, Sunshine Insurance manages proxy voting for the configured authorized shares and portfolio-authorized shares as specified in the *Administrative Measures for Equity Portfolio Authorized Accounts* in line with the *Administrative Measures for Proxy Voting of Shares*. Voting typically takes place either on-site or online, and we may also appoint directors or supervisors to some companies with concentrated investments to better oversee their corporate governance and safeguard Sunshine's rights and interests. We scrutinize each resolution passed by our invested companies, with a particular focus on Corporate Social Responsibility (CSR) reporting. Our goal is to make our voices and express our positions through voting, thereby encouraging the invested companies to improve their corporate governance, especially in terms of fulfilling their social responsibilities.

## // Sustainable Investment Practices

In 2024, Sunshine Insurance continued to advance the sustainable development investing strategy, with the balance of sustainable investments rising for several consecutive years. In terms of target identification and classification, Sunshine Insurance carefully assessed the performance of investment targets in meeting ESG requirements based on the 7 sectors outlined in the *The Guiding Catalogue for Green and Low-Carbon Transition of Industries (2024 Edition)* and the 17 Sustainable Development Goals (SDGs) of the United Nations. By the end of 2024, Sunshine Insurance's balance of sustainable investments exceeded RMB 58 billion, including over RMB 20 billion in green investments. The investments focused on areas such as industrial innovation, green upgrades in infrastructure, and health and well-being, with investment scales in these areas reaching RMB 23 billion, RMB 12.2 billion and RMB 9.6 billion, respectively.



In addition, Sunshine AMC established a global ESG strategy research portfolio in 2022, employing a Fund of Funds (FoF) management approach to construct a thematic investment strategy that integrates quantitative and qualitative methodologies focusing on passive Exchange Traded Funds (ETFs) as investment targets, which invests in ESG-oriented ETF funds that adhere to market standards. The selection of these ETFs is benchmarked against the 17 Sustainable Development Goals (SDGs) of the United Nations, covering themes such as "Good Health and Well-being" and "Industry, Innovation, and Infrastructure". By the end of 2024, the portfolio's assets under management had exceeded USD 20 million, continually fueling the sustainable development of global industries including healthcare and elderly care, high technology, digitization, and green economy.

### CASE

#### Debt investment projects in green real estate

Sunshine AMC initiated the "Sunshine – Equity Investment Plan in Sichuan Ecocity Green Real Estate", with project funds allocated for the construction of the Club Med Resort Hotel at CREC Heilongtan International Tourism Resort. The hotel has obtained the BREEAM Three-Star Green Project Certification. With a registered scale of RMB 700 million, the project has already been put into operation. Both the financing entity and the guarantee entity take into account ecological and environmental protection as well as energy conservation, pursuing coordinated and sustainable development between real estate development and the natural ecosystem. By doing so, they are fulfilling their social responsibilities conscientiously, and contributing to the local economy.

## // Sustainable Investment Research

### External Communication

Sunshine Insurance and the Insurance Society of China have jointly established a research team on "Constructing an ESG Investment System with Chinese Characteristics for Insurance Companies" to thoroughly analyze the challenges faced by international ESG investments, highlight the significance of ESG investment system with Chinese characteristics, explore implementation pathways, and propose targeted policy suggestions. In 2024, the team's research outcome "ESG Investment System with Chinese Characteristics for Insurance Companies" was published in the journal *Insurance Studies*, which delves into the risks and opportunities that climate change poses to the economy and the insurance sector, and proposes a more flexible and dynamic framework for a Chinese-Characteristics ESG investment system tailored to China's unique ownership structure, economic system, and contemporary characteristics.

Sunshine AMC, as a member of the "Financial Support for Biodiversity Research Group" under the Green Finance Committee of China Society for Finance&Banking, has jointly led the research project of "Study on Biodiversity Dependence and Pressure Transfer in G20 Countries" with the Beijing Institute of Finance and Sustainability (IFS) and successfully concluded the project in 2024. The research quantifies the dependence of G20 countries on biodiversity/nature from the perspectives of industrial structure and ecological endowment. It also analyzes the transfer of biodiversity pressure from international trade, based on trade data at the industry level of G20 countries, providing crucial theoretical and data support for international green finance cooperation and policy refinement.

### Internal Capacity Building

In a further effort to embrace sustainable investment principles, Sunshine Insurance initiated a project on Scope 3 greenhouse gas research and estimation on the investment side in 2024. Based on close communication and joint exploration together with third-party professional organizations and peers, the investment segment of Sunshine Insurance have held multiple rounds of discussions, completed the procurement of carbon database and preliminary research preparations, and formulated the *Work Plan for Calculating Scope 3 Greenhouse Gas Emissions in the Sunshine Insurance Group's Investment Portfolio* to clarify the implementation path, working mechanism, and timeline for the estimation. Referring to the methodologies generally recognized by the industry, we conducted studies on calculating emissions for both standard and non-standard assets. Starting from this, we have developed an overall plan for disclosing the carbon emissions of the investment portfolio and related climate actions.



## Sustainable Health Management

Sunshine Insurance continues to lead the new trend of sustainable health management. We actively explore the "Sunshine insurance + elderly care" model, continuously expands our medical service network, and provide health management services throughout the entire life cycle. By leveraging the professional strength and research innovation of Sunshine Union Hospital, we closely integrate it with our core insurance business to enhance service quality.

### // Medical Services

Sunshine Insurance is actively building an integrated ecosystem in the healthcare services sector. By harnessing both online and offline medical resources, the Group offers customers a comprehensive health management experience. Sunshine Insurance also continues to strengthen the collaboration between the core insurance business and the medical industry, delivering more convenient and holistic healthcare solutions for customers.

#### Improving "Online + Offline" Medical Service Network

Sunshine Insurance, by integrating the strengths of Sunshine Union Hospital and internet hospital, has built a robust "online + offline" medical service network in collaboration with partners. This network offers insurance clients comprehensive medical and health management services throughout their life cycle. The network covers health records, health assessment, video interrogation, online consultation, medical assistance, hospital attendant, post-hospital rehabilitation care and other diversified services, addressing clients' health needs at every stage.

#### Health Management Service of Sunshine Insurance

##### Health assessment

Sunshine Union Hospital's precise ultra-early general health screening service helps customers gain early insights into their physical condition and identify and intervene in potential health risks.

##### Interrogation and treatment

As a vital medical resource for Sunshine Insurance, Sunshine Union Hospital continues to accumulate technological advantages and refine its academic disciplines. It now encompasses a national Stroke Center, provincial key clinical specialized units, and several municipal key specialized systems, comprehensively enhancing its medical technical capabilities and service quality.

##### Rehabilitation care

We have set up 3 medical nursing stations and plan to open a medical nursing center. By developing an urban model of "nursing center + nursing stations", we aim to enhance our post-hospital rehabilitation and nursing capabilities. We are also integrating high-quality rehabilitation and nursing resources from the market and expanding our nationwide Sunshine Nursing and Rehabilitation Service Network. This network offers clients full-cycle rehabilitation and nursing services that are available online and offline in both hospital and home before and after hospitalization.

In 2024, Sunshine Union Hospital focused on cultural leadership and established a refined operational system to fully enhance medical capabilities and quality management. Meanwhile, it continued to promote the construction of medical systems and academic research projects. Several departments were recognized as municipal distinctive specialties, municipal key clinical specialties, and key discipline cultivation projects in medical and health sciences. In terms of scientific research, Sunshine Union Hospital's key labs passed performance assessments, and multiple projects were approved for provincial-level initiatives. Additionally, Sunshine Union Hospital co-hosted the 3rd Tracheostomy Decannulation and Comprehensive Respiratory Rehabilitation Training with Beijing Rehabilitation Hospital. These efforts bolstered its academic standing and brand influence, providing strong support for Sunshine Insurance's health management services.



Sunshine Union Hospital

## Promoting "Sunshine Insurance + Medical Care" Mode

Sunshine Insurance continues to deepen the integration of core insurance business with the healthcare industry, optimizing service processes and enhancing customer experience. In 2024, Sunshine Union Hospital upgraded its review and service capabilities of "Sunshine Aggregation Personal Injury Medical Audit Service Center", streamlined the disability claim process, and implemented pre-emptive control over disability cases. It also established an Office of Major Case Expert Guidance to provide remote mediation support for branches and enhance risk management. Meanwhile, Sunshine Insurance improved the establishment of the one-stop insurance service platform, which now serves 26 insurance companies, including Sunshine Insurance. The platform offers customers comprehensive services from medical treatment and hospitalization to health management and claims consultation. Additionally, Sunshine Union Hospital launched a direct payment platform for insurance clients, covering multiple insurance types, which further integrates Sunshine insurance with healthcare, providing more convenient and efficient health protection for customers.

## // Elderly Care Services

Sunshine Insurance is actively building a distinctive elderly care service system that covers both institutional and home-based elderly care, aiming to create the high-quality elderly care brand named "Sunshine Home", to enhance the social security system. Through comprehensive elderly care services and all-round attentive care, Sunshine Insurance supports the implementation of the Healthy China strategy.



### Institutional elderly care

Sunshine Insurance has established institutional elderly care projects in Beijing, Shanghai, Guangzhou, and Shandong, where the service quality and capabilities have been widely recognized. In 2024, Sunshine Care Center in Dezhou was honored with titles such as "Member Unit of the Veterans Affairs Bureau" and "Demonstration Site for Elderly Happiness Canteen". In addition, Sunshine Care Center in Beijing Dashilan passed the re-evaluation for a "Two-Star" elderly care institution with a high score. Sunshine is dedicated to advancing the development of continuous care retirement communities. The flagship project, Sunshine Home Sheshan Health and Wellness Community, embodies cutting-edge concepts in elderly care, with designs that are highly age-friendly and meticulously refined. The Community features a comprehensive range of public service facilities, including a medical center, dining center, fitness center, and cultural center. These amenities collectively contribute to easing the demographic pressures of an aging population in Shanghai.



The "Sunshine Home" senior living community in Shanghai's Sheshan area opened in Dec 2024

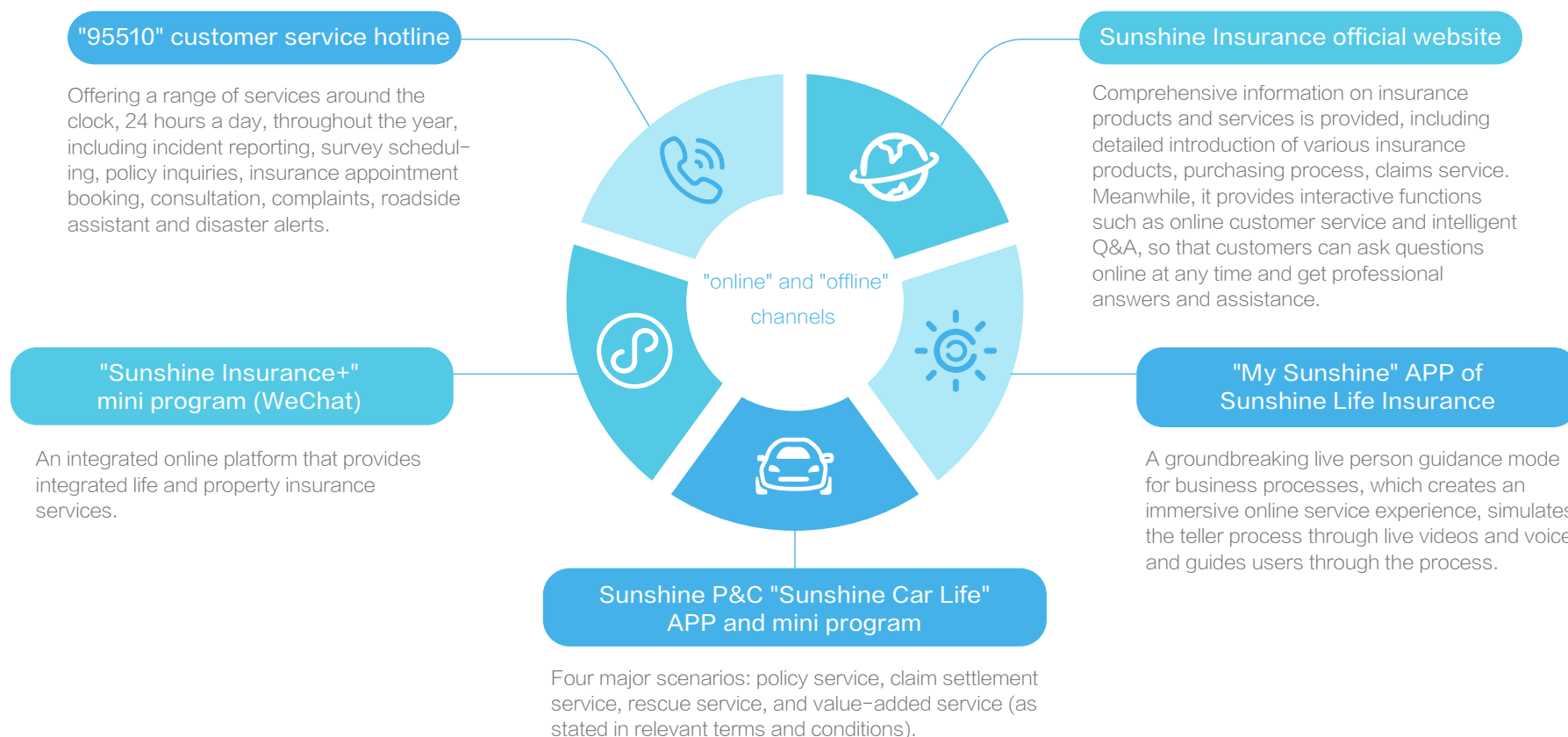


### Home-based elderly care

In line with the national strategy to address population aging, Sunshine Insurance offers comprehensive solutions tailored to three key groups of seniors: active seniors, semi-dependent seniors, and fully dependent seniors. These solutions focus on three core areas: home health, home safety, and home life. Additionally, we have developed a customized, companion-style multimedia smart terminal. This device allows seniors to enjoy a peaceful and comfortable retirement at home, embodying the goals of making services more accessible, enhancing the quality of elderly life, and fostering a more fulfilling family experience.

## Access to Finance

Sunshine Insurance continues to drive innovation and optimization in service models, constantly breaking down geographical, economic, and social barriers to expand service network. By the end of 2024, Sunshine Insurance had 2,853 branches, covering all provinces and cities across the country. We continue to optimize "online" and "offline" channels and expand the coverage of services through channels, such as the customer service hotline "95510", the "Sunshine Insurance+" mini program, the "Sunshine Auto Life" APP and mini program, "My Sunshine" APPs, and Sunshine Insurance's official website, increasing the accessibility of financial services.





## Expanding financial service channels

## Exclusive agency stores (EA Stores)

Sunshine P&C actively develops small and micro, community-based, store-based exclusive agency store (EA store) channels, and provides Sunshine insurance products in the communities where financial services are underserved. Meanwhile, we continuously optimize the selection of employees, location, and layout of our stores by using big data technology, aiming to provide high-quality insurance services to more customers. By the end of 2024, Sunshine P&C had 2,108 exclusive agency stores across multiple provinces and cities nationwide. This expansion has significantly broadened Sunshine's service reach, making financial services more accessible to a larger number of customers.

By the end of 2024, Sunshine P&C



## Remote inspection tools

Sunshine Insurance has continuously enhanced the "One-Click Claim" remote inspection tool, embedding AI-powered document validity recognition and introducing a guided workflow. This approach prioritizes self-service for claims reporting and simplifies the handling of minor cases. By breaking down geographical barriers, it significantly boosts service efficiency and effectively addresses the challenges of long-distance service delivery. In 2024, the average claims payment cycle for auto insurance was reduced by 1.63 days compared to the previous year.

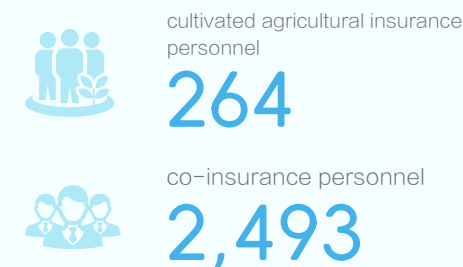
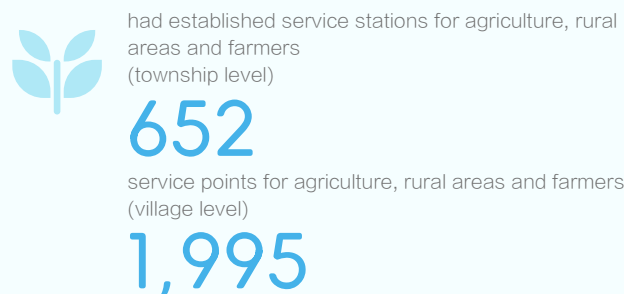
In 2024



## Service stations (points) for agriculture, rural areas and farmers, and the agricultural insurance team

Sunshine Insurance actively promotes rural revitalization, supports agricultural and rural reforms and leverages the strengths of insurance as the main business. By effectively combined insurance team building with community assistance work to cultivate rural insurance teams with interdisciplinary talents who "have a good knowledge of agriculture, love our rural areas, and care about rural people". By the end of 2024, Sunshine P&C established 652 service stations for agriculture, rural areas and farmers (township level) and 1,995 service points for agriculture, rural areas and farmers (village level) in the areas where agricultural insurance is carried out and cultivated 264 agricultural insurance personnel and 2,493 co-insurance personnel.

By the end of 2024, Sunshine P&C



## Multimedia smart terminal – "Sunshine Smart Screen"

To enhance service accessibility for seniors, Sunshine Insurance has launched China's first enterprise-level, customized companion multimedia smart terminal, the "Sunshine Smart Screen", to create an integrated elderly care service ecosystem. The terminal features voice interaction, schedule management, and daily life assistance, among other basic functions. It also integrates a suite of distinctive healthcare services, allowing seniors to access Sunshine Insurance's offerings seamlessly during their home-based retirement.



Multimedia smart terminal – "Sunshine Smart Screen"



# Sustainable Operation

03

Customers' Rights and Interests	38
Employee Development	43
Agent Development	52
Supply Chain Sustainability	53
Social Responsibility	54

## Customers' Rights and Interests

Always adhering to the development idea of "putting people first" and the corporate culture of "earning customer approval – all for customers", Sunshine Insurance keeps optimizing the customer service process based on consumers' needs for better customer services. Moreover, we have established a robust customer protection mechanism to safeguard their legitimate rights and interests and boost the high-quality development of the business.

### // Protection of Consumers' Rights and Interests

We strictly follow the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Measures for the Administration of the Protection of Consumer Rights and Interests*, the *Self-discipline Convention of the Insurance Industry on the Protection of Consumers' Rights and Interests* and other laws and policies to ensure that consumers' legitimate rights and interests are fully respected and protected in every step of our business operations. Under the guidance of the Board of Directors and senior management, we consolidate the foundation for customer protection through fundamental management practices. By taking scientific and effective management measures, we fully embed the protection of customers' rights and interests into our corporate governance, corporate culture development and business development strategy to make sure that consumers' rights and interests are fully protected in every aspect of relevant operations, covering products and services, marketing and publicity, information disclosure, dispute settlement and information security. By doing so, we strive to build a new line of defense for consumer protection based on a well-established institutional system, and establish a comprehensive "large consumer protection" mode that covers all aspects.

We adhere to the four principles of consumer protection, ensuring that every action we take is consistent with these principles:

#### Compliance with the law

Consumer protection must comply with existing laws and regulations as well as the rules of the supervisory authorities, and we must conduct related work in accordance with the law.

#### Honesty and trustworthiness

In the course of daily operation and service to consumers, we should adhere to the concept of honesty and contractual spirit, effectively fulfill the responsibilities and obligations of an insurance company, and resolutely oppose any behavior that harms consumers.

#### the four principles of consumer protection

#### Equality and voluntariness

The provision of products and services to consumers should follow the principles of voluntariness, equality and fairness, fully respect and protect the basic rights of financial consumers.

#### Consumer centric

Adhering to the principle of focusing on the actual needs of consumers, providing consumers with valuable and meaningful products and services that meet their needs.

In strict accordance with the *Advertising Law of the People's Republic of China*, the *Measures for the Administration of Insurance Sales Activities* and other laws and regulations, we have formulated the *Measures for the Management of Marketing and Publicity by Sales Personnel*, the *Measures for the Management of Sales* and other management policies for marketing and publicity. With such policies, we clearly define the requirements for responsible marketing and strictly regulate marketing activities, to avoid false marketing and misleading sales practices and ensure that the rights and interests of consumers are fully protected. We actively fulfil our disclosure obligations by disclosing product information, both online and offline, to policyholders, insured persons, beneficiaries and the public in a truthful, accurate, complete and timely manner. We conduct strict compliance reviews of the contents of all external marketing and publicity materials to guarantee the truthfulness and responsibility of publicity. All sales personnel are required to obtain legal qualifications and receive regular professional training to enhance their service quality and professionalism.



## Enhancing Education and Publicity on Protection of Consumers' Rights and Interests

In line with the theme of the year on "financial safeguard at consumers' fingertips, protecting rights and interests from risks", Sunshine Insurance has meticulously planned and carried out a series of education and publicity events on consumer protection. Such events covered a wide range and were precisely targeted, with various highlight and unique features.



### Using the Party building initiative to propel financial services for the people

To further integrate Party building with consumer protection, we actively plan and carry out events such as "Party Leaders Talking about Consumer Protection" and "Learning Consumer Protection Knowledge at Party Meetings" in business units at all levels to enhance the close integration of the two at the ideological level. Meanwhile, party members take the lead to spread financial knowledge among neighborhood and villages, to benefit more people, offer them more convenience, and effectively bring warmth of the insurance industry to the public.



### Innovative events covering diverse scenarios

We actively innovate publicity methods to plan and carry out a series of novel and attractive financial education and publicity events for consumers. We launched the digital insurance museum to enable consumers to experience and delve into the rich history of insurance online at any time. We also initiated the "Caravan Tour" project to disseminate financial knowledge to every corner of cities and towns. In addition, we collaborated with elderly dance groups to create square dances themed on anti-money laundering and jointly held "Tea Talks on Anti-Fraud and Prevention of Illegal Activity" with the police to promote anti-fraud knowledge. Focusing on the actual needs of consumers, we guided them to learn financial knowledge and understand financial principles. We also helped them build trust in finance and effectively use financial tools. Our efforts have presented a new look of financial education and publicity.



### Focusing on key areas and caring for special groups

We conducted region-specific publicity activities in counties in revolutionary base areas, ethnic minority areas and border areas based on local conditions. Such activities, including the "rural loudspeaker broadcasts", the "stage shows to the public", the "financial knowledge fairs" and the wall painting themed on financial knowledge for villagers, directly conveyed financial knowledge to the public. Meanwhile, we targeted the "senior groups" by conducting financial knowledge lectures in parks, farmers' markets, elderly communities, and other places where the elderly gather. Fraudulent means like "illegal fund raising" and "telecom fraud" were exposed in front of them to protect the public's "pensions". Through diversified methods, we enhanced the financial literacy and risk prevention awareness of key areas and special groups.



Publicity activities in revolutionary base areas



Publicity activities in the fields



Publicity activities in ethnic minority areas

## Enhancing Service Awareness of Consumer Rights and Interests Protection

We have provided special training for all employees to enhance their ability to protect consumer rights. According to job characteristics and needs, we have designed differentiated training courses for employees to enhance the Group's overall level of consumer rights and interests protection, thus providing customers with higher quality and more trustworthy services.

We establish a tiered and categorized consumer protection training system that integrates consumer rights and interests protection training into the mandatory courses for new employees and their training system. For senior management, we specifically set up courses related to consumer protection policies to facilitate their macro control of consumer protection strategies. Additionally, we provide over 500 training courses for employees in professional positions related to consumer protection, sales, claims, and customer service. With approximately 260,000 person-times throughout the year, these training courses not only deepened employees' ideological understanding of consumer protection but also enhanced their practical abilities to protect consumer rights and interests.

## Consumer Rights and Interests Protection Audit

We have integrated the internal audits of consumer rights and interests protection into annual work, established a standardized and regular audit mechanism, conducted special consumer rights and interests protection audits at the legal entity level and submitted reports to the board, while comprehensively covering all secondary branches on a five-year cycle. In 2024, the Group's internal audit department conducted special consumer protection audits on property insurance, life insurance, and credit insurance subsidiaries and their 17 secondary branches, urging these entities to effectively rectify identified issues.

## // Enhancing Customer Service Quality

Putting customers first, Sunshine Insurance stays committed to meeting their expectations. We continuously improve the customer service system and enhance its quality, ensuring that each customer enjoys considerate and professional financial services.

### Optimizing customer service quality continuously

We improve customer contact engagement and feedback channels to enhance diversified customer service experience.



#### Optimizing customer engagement

We initiate the "customer contact engagement improvement project", focusing on touchpoints that most affect customer experience. From the customer's perspective, we comprehensively review, analyze, and improve the communication methods and content for underwriting, claims, and renewals, including SMS, WeChat, and APP notifications, making every piece of information transmission clearer and more heartfelt.



#### Enhancing customer feedback channels

We expand the customer experience officer team and collect customer needs and voices regularly. We also continue to evaluate product and service experience and integrate customer experience audit mechanism into main scenarios across products, services, and technology.



#### Managing customer complaints

In 2024, our comprehensive measures led to significant improvements in complaint management. We focus on key issues in customer complaints, carefully review core causes, and implement targeted measures to resolve issues at the source, thereby enhancing business quality and complaint management effectiveness. All in all, we make every effort to protect consumer rights and interests.

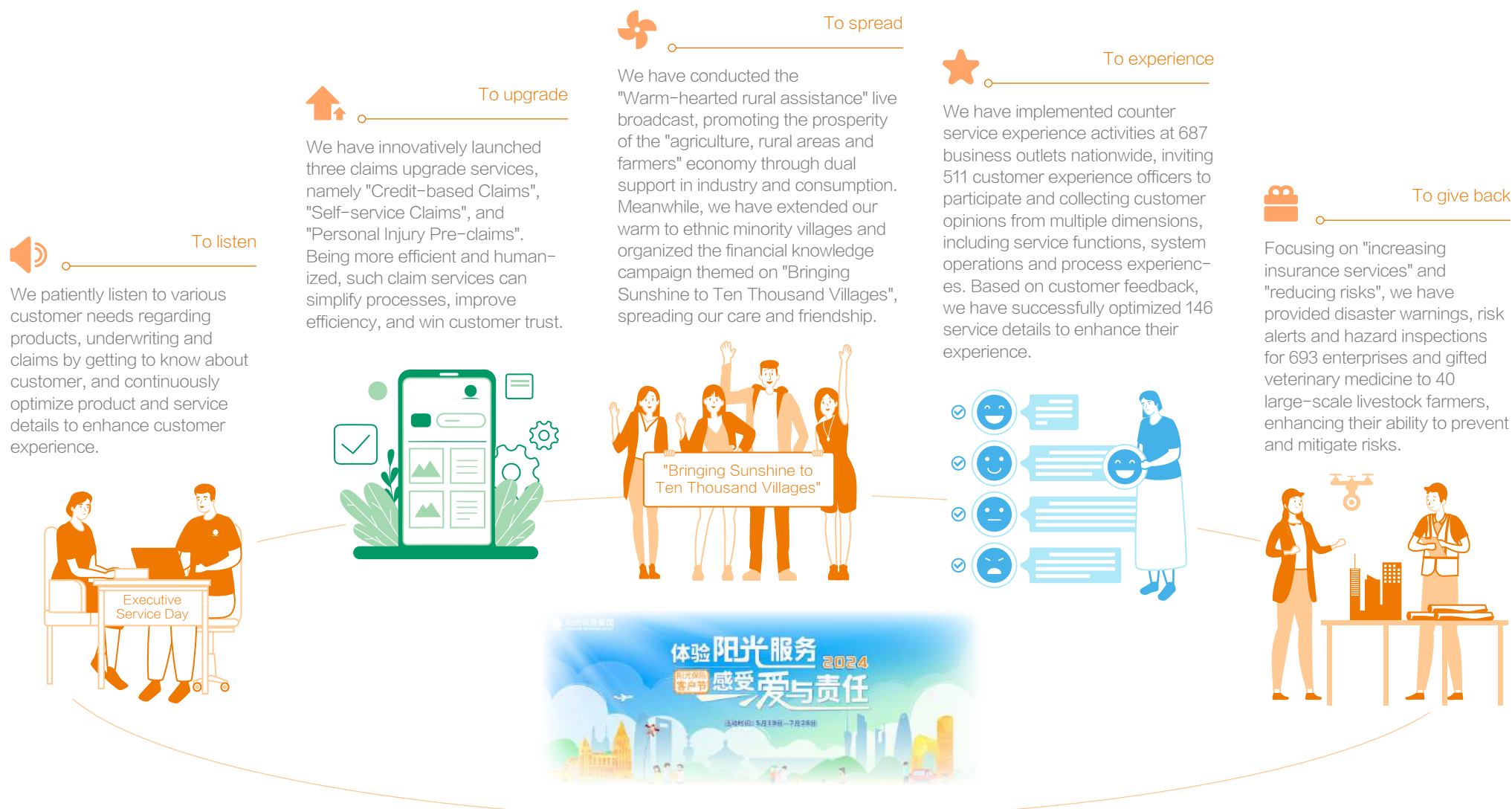


#### Understanding customer sentiments

For ten consecutive years, we have used NPS (Net Promoter Score) as the core means of customer satisfaction surveys. We fully upgrade the NPS Customer Experience Intelligent Management System to cover all aspects of the entire customer service process, including underwriting, claims, and value-added services. We also introduce online surveys to gain in-depth insights into customer feelings and feedback, ensuring continuous improvement in customer satisfaction.

## Organizing the Customer Day

In 2024, we held the Customer Day themed on "Experiencing Sunshine Services, Feeling Love and Responsibility" and carried out a series of customer activities centered on "Love" to bring warmth to every customer with "Sunshine Services".





## Caring for the elderly and perfecting age-friendly financial services

We have been advancing the age-friendly financial services transformation by continuously improving our insurance product system. This effort aims to provide the elderly with more reassuring, considerate, and trustworthy financial insurance services. By simplifying service process, optimizing service experience, and actively conducting care initiatives, we strive to enhance the elderly's sense of gain and happiness in financial services. By doing so, the elderly not only enjoy convenient financial services, but also experience more respect and care.



### Facilitating age-friendly services with intelligent support

For policyholders over 60, we offer both traditional and electronic policy issuance options to meet their individual needs. Meanwhile, when we provide service for them, the voice broadcast is specifically slowed down to ensure the elderly can clearly understand the information. The official WeChat account of "Sunshine Life" also supports voice broadcast of WeChat graphic and text messages, making it more convenient for the elderly to access the information and services they need.



### Three "enhanced care" measures for elderly hotline services

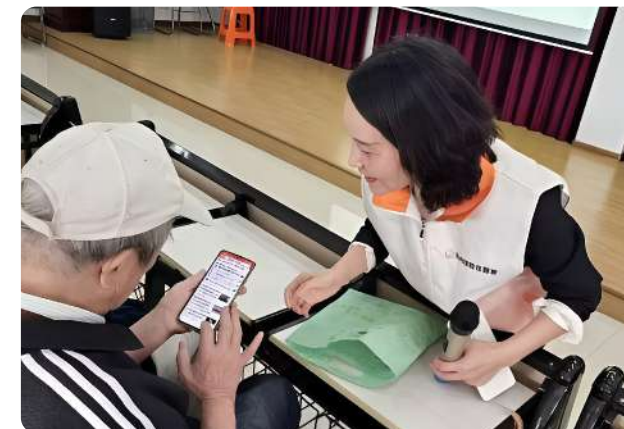
Elderly customers can directly connect to a live representative by dialing the 95510 customer service hotline. On this basis, we have implemented three "enhanced care" measures.

- ✎ **"Reminder care":** The intelligent system reminds customer service personnel to slow down their speed and raise their voice to avoid communication barriers caused by the elderly's hearing decline or fast customer service speed.
- ✎ **"Quality inspection care":** Special quality inspection is conducted for elderly customer service groups to promptly identify and resolve issues and deficiencies in the service process.
- ✎ **"Benchmark care":** We have established elderly customer service benchmarks, selected model cases, and promoted excellent service experience to motivate customer service personnel to continuously improve their level.



### Age-friendly services at business outlets

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



## Employee Development

Sunshine Insurance adheres to the core concept that talent is the primary productive force, formulates fair and effective employee employment and welfare policies, provides a safe and comfortable working environment, and builds a competitive training platform and development channel to help employees continuously improve their professional skills and comprehensive qualities, plan clear career development paths, and achieve a win-win situation for personal value and corporate development.

### // Safeguarding Employees' Rights and Interests

#### Recruitment and Employment

We strictly abide by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations, establish labor relations with new recruits based on the principle of mutual agreement, and ensure that all employees sign formal labor contracts. We continue to improve the labor-related rules and regulations, such as *Management Measures for the Labor Contracts and Agreements of the Company*, *Management Measures for Employees' Entry and Exit*, *Management Measures for Employees' Attendance and Vacation*, *Management Measures for Employees' Performance*, etc. Besides, we have published the *Employee Rights Statement*<sup>6</sup>. By doing so, we comprehensively safeguard the lawful rights and interests of our employees and build a harmonious employment relationship.

We issued the *Recruitment Management Measures* to standardize the Group's recruitment management, clarify the selection and employment criteria and selection process, emphasize the principles of fair and impartial recruitment, and make appointments based on merit on the premise of ensuring that the recruitment process and personnel selection criteria have been known. We actively advocate fair employment and help create a diverse workplace culture. During the recruitment process, we firmly resist any discrimination based on gender, age, marital and fertility status, race, religious beliefs, nationality and other factors, and provide inclusive and equal employment opportunities and treatment and compensation that match their abilities to employees from different backgrounds. We attach particular importance to protecting the rights and interests of female employees and strictly implement the *Special Collective Contract for the Protection of the Rights and Interests of Female Employees*.

We strictly comply with laws and regulations preventing the employment of child labor or forced labor, and carry out strict risk prevention and control in the recruitment and onboarding processes. In the recruitment process, in addition to strictly reviewing the personal identity and age information of the applicants, we also conduct strict background checks and resolutely prevent the employment of child labor. In order to eliminate forced labor practices, we issued the *Management Measures for Employee Attendance and Vacation* to regulate the working hours, vacation and attendance systems of employees, ensure normal working order, and safeguard the legitimate rights and interests of employees.

<sup>6</sup> *Employee Rights Statement*:  
<https://static.sinosig.com/c/upload/cate/70/146/1744940937304054962.pdf>

## Employee Performance Appraisal and Feedback

We formulate management systems such as the *Measures for Employee Performance Management* and the *Measures for Remuneration Management* and organize performance appraisal and feedback activities covering all employees every half a year to ensure that from performance plan formulation, performance counseling support, accurate performance evaluation, to performance result feedback and application, each step follows a clear, feasible and efficient management process. On this basis, we establish a scientific, reasonable and effective compensation incentive mechanism to fully mobilize the enthusiasm of employees and promote the sustainable and stable development of the Group.



### Performance coaching implementation

Direct supervisors pay close attention to the work progress of employees, communicate with employees regularly to continuously improve employees' understanding of performance goals, and promptly identify and solve problems encountered in work to strengthen guidance and supervision of employees in daily work.



### Performance goal and plan setting

Supervisors and employees participate together to conduct in-depth communication and acknowledgement based on the employees' work performance, work ability and expected work results within the specific assessment period and formulate the Performance Target Responsibility Agreement.



### Employee performance appraisal

Following the principle of hierarchical responsibility and cross-level review, the direct supervisor rates the employees based on their work performance and submit the evaluation results to the upper management for review and confirmation.



### Results feedback and communication

Supervisors promptly feedback the appraisal results to employees according to their management authority, and communicate with employees through face-to-face communication, email, etc. During face-to-face communication, both parties shall sign and confirm on the "Performance Feedback Record Form"; for feedback through other means, corresponding communication shall also be conducted to ensure that employees fully understand and recognize the evaluation results.



### Result appeal and handling

If employees have questions or objections to the appraisal results, they may fully negotiate and communicate with their direct supervisors. If the negotiation fails, employees can fill out the "Performance Appeal Form" within 10 working days after the performance result feedback and file a written appeal to the Human Resources Department.





Employee Grievance and Communication

We continue to optimize the employee demand feedback system, actively listen to and absorb employee suggestions, and carefully build diversified communication platforms that integrates online and offline channels, including the staff congress, employee service hotline, OA innovation exchange forum, and CEO mailbox, etc., comprehensively covering employees from all departments and levels of the Group. To protect the privacy of employees, we restrict the usage rights of personal information and feedback content. Additionally, we have established an information confidentiality mechanism, whereby data security protection measures are implemented in all stages of feedback handling.



Staff congress

We establish a sound staff congress system to standardize the convening of staff congress and widely absorb employees' opinions and suggestions through a regular proposal collection campaign. All rules and regulations or major matters involving the vital interests of workers are reviewed and approved by the staff congress to ensure effective feedback of employee opinions and transparency of company management.



Employees' voice collection activities

We encourage grassroots employees and young employees to actively express their views and feelings, organizing and collecting employees' thoughts and voices through public account platforms, interactive questionnaires, etc. In 2024, we focused on young managers, young high potential, young professional talents and other young groups to conduct employees' voice surveys around home-based elderly care, digital technology, business development and other contents.



OA innovation forum

We have set up an innovative forum in Sunshine Insurance's internal OA system to provide employees with a platform to speak freely and to widely collect the thoughts and opinions of employees across the system.



Employee service hotline

We have set up 95510 and 400 employee service hotlines to open up employee communication channels, providing consulting services to internal and external employees throughout the system.



CEO Mailbox

We carefully analyze the typical problems and suggestions in the letters related to policy formulation, strategy implementation, innovative and transformation, etc. and the top management leaders give specific instructions on relevant problems and suggestions to ensure that employees' opinions and suggestions can be effectively responded to.

Employee Satisfaction Survey

Sunshine Insurance conducts a systematic satisfaction survey for all employees every year. Based on the survey results, we accurately identify problems in cultural atmosphere, organizational vitality and employee experience to formulate and implement targeted improvement measures. By optimizing the working environment, improving remuneration and benefits, strengthening teamwork and improving career development paths, we comprehensively improve employee satisfaction and happiness, laying a solid foundation for the Group's sustainable development and competitiveness. In 2024, the employee satisfaction survey score was 8.87 points (out of 10 points), a steady increase from the previous year.

In 2024



employee satisfaction survey score  
(out of 10 points)

8.87 points

## // Caring for Employee Development

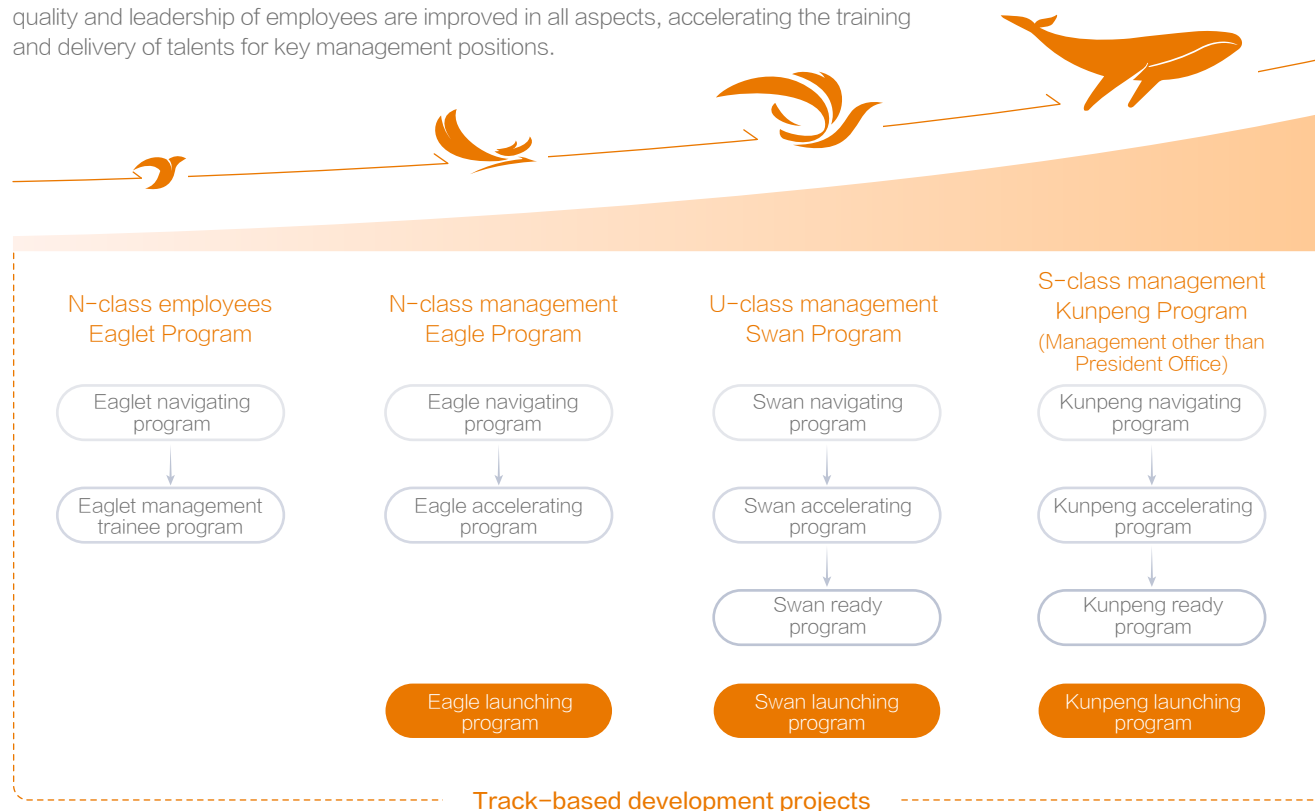
### Talent Development Strategy

Sunshine Insurance attaches great importance to talent strategy and has established a comprehensive talent development system that covers evaluation, assessment, and development mechanisms. With the full competency model as the core, we run through all aspects of talent management to achieve a closed loop, and through multiple means, we build a comprehensive talent portrait for each employee and lay the foundation for personalized training. We continue to promote a talent inventory and recommendation mechanism covering all employees, carry out system-wide talent inventory, and use internal human resource evaluation models. Combining with job vacancies, talent demand and personal development potential, we determine development suggestions for reserve talents, providing them with special track-based training projects and exchange and training opportunities to enhance compound experience accumulation.

### Career Development System

In 2024, we issued the *Management Sequence Employee Management Measures (Interim)*, which clearly stated that participation in systematic talent development training is one of the necessary qualifications for the internal selection of management cadres, effectively building a seamless connection channel from training to selection and appointment to provide long-term guarantees for consolidating and optimizing the existing career development system. In addition, based on the established path for the internal selection and appointment of management cadres, Sunshine has deeply supplemented and upgraded the track-based development projects, updated the age threshold for track selection, and added special training tracks to further enrich and improve the talent training and development system.

Sunshine Insurance's employee career development system includes four major track-based development projects, namely Kunpeng Track, Swan Track, Eagle Track and Eaglet Track. Meanwhile, based on the different maturity and development stages of management reserve talents, the development projects are further subdivided into launching, accelerating and navigating programs. Through the combination of diversified training methods, the comprehensive quality and leadership of employees are improved in all aspects, accelerating the training and delivery of talents for key management positions.



## Employee Training System

We formulate the *Employee Training Management Measures* and establish a panoramic talent development system. By building an intelligent learning platform, managing and operating a team of lecturers, establishing a Sunshine course system, and implementing key projects, we enrich various employee talent training programs and support the development of employees throughout their careers.

### Implementing diversified training programs

Sunshine Insurance adopts a comprehensive and multi-level strategy to ensure that every employee has access to learning and growth opportunities that match their role and career development stage by promoting and implementing diversified employee training programs.

#### ✎ Graduate/Trainee training

We design an Eagle Nest Training Program for trainees. The program focuses on job-specific training and cross-departmental rotation experience, while emphasizing the development of core capabilities such as leadership and project management. The program runs once a year, and each trainee is required to continue to participate in the training for three years.

#### ✎ New employee training

We launch a cultural training camp project for new employees, Bathing in the Sun and Walking Together, which includes both online courses and offline teaching, covering four modules of ideas of management practices, refreshing environment, and implementation practices. After the induction training, we organize exams to test the learning outcomes of new employees and arrange a practice period to evaluate their application effects in actual work. All new employees must complete this training within six months after joining the Group and can only be fully employed after passing the corresponding exams.

#### ✎ Manager and reserve talent training

We set up track-based development programs for new managers and management reserve talents at all levels and provide customized training, covering four tracks of Kunpeng, Swan, Eagle, and Eaglet. Focusing on management talents, we formulate special training plans based on different development dimensions and training goals to accelerate the delivery of talents for key management positions.

#### ✎ Training for non-management employees

We provide a variety of daily training and development opportunities for key employees. Daily training includes online learning tasks, offline training camps and workshops, etc. The content covers Sunshine culture, system and norms learning, strategic focus interpretation, work skills and techniques improvement and special work.

#### ✎ Individual Development Plans (IDP) training

Every year, supervisors and employees at all levels jointly develop individual development plans, establish compulsory training programs and individual capability development goals for all employees, determine key areas for improvement and clarify priorities based on work needs, inventory results and personal capability shortcomings, and develop specific and feasible training plans for the coming year, including estimated completion time, required resources such as training courses, personal practice, communication exercises and training programs, etc.

#### ✎ University collaborative training / Other external institutions collaborative training

We have established special production and research bases with 16 universities, including Tsinghua University, Peking University, Fudan University, Renmin University of China, Central University of Finance and Economics, University of International Business and Economics, and carried out cooperation such as "teacher sharing", "qualification certification", and "production and research projects" based on business needs. In 2024, based on the need to improve the service capabilities of "customer life cycle", we cooperated with Peking University School of Medicine to hold the "Health Manager" certification, and a total of 89 people in the life insurance subsidiary obtained this certification; we cooperated with Shanghai University of Finance and Economics to hold the "Financial Planner" certification, and certified 83 MDRT (Million Dollar Round Table) members of the life insurance subsidiary.

#### ✎ ESG training

We conduct offline ESG training and seminars for all directors, supervisors and employees of ESG core departments, covering the latest ESG development trends, regulatory requirements, and industry issues. Meanwhile, we launched an ESG general course on Sunshine Academy to popularize the basic concepts and principles of ESG to all employees.

#### ✎ Special training for sales staff

We set up five learning areas for life insurance marketing, life insurance operations, property insurance claims, non-auto property insurance, and property insurance stores on the Sunshine Academy online learning platform for all front-line sales staff according to their business channels. A number of courses are configured around themes such as sales capabilities, compliance operations, customer service, and professional skills, providing sales staff with rich learning resources and skills support.

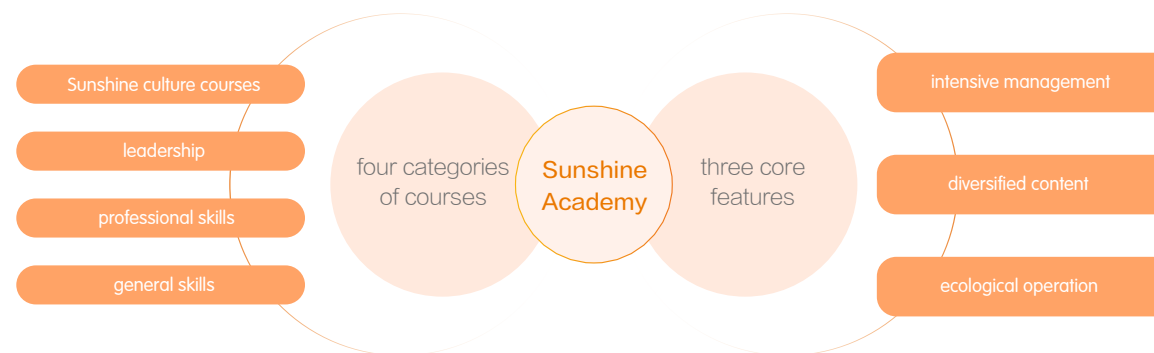


## Create the Sunshine Academy online learning platform



Sunshine Insurance has created a top-tier online learning platform in China, Sunshine Academy. The platform builds an ecological learning environment with three core features of intensive management, diversified content and ecological operation.

Sunshine Academy supports multiple login portals such as PC webpage, APP and WeCom application. Its courses are divided into four categories: Sunshine culture courses, leadership, professional skills and general skills. Employees can not only learn online, but also upload and share their knowledge and experience at work. Sunshine Academy would comprehensively track the learning process of employees, provide report management, and support setting phased learning tasks. Through learning activities such as clocking in and case assignments, we create online and offline hybrid learning projects. Meanwhile, the online examination function of the learning platform fully supports the annual promotion assessment of each business line of Sunshine, the system/cultural examinations of all employees and the certification examinations for new employees, helping employees to better master business knowledge.



## Employee Professional Qualification Training and Support

Sunshine attaches great importance to the development of employees' professional capacity, provides all employees with support for professional skill-based and certification-based examinations that meet business needs, and support employees to take qualification exams and external training. For employees who have passed the CAA, SOA, CAS, IFoA, and CPA, we give them reimbursement support for examination fees and membership fees, and they are entitled to examination leave, so as to comprehensively upgrade employees' professional capacity.

## Employee Incentive Plan

Since 2015, Sunshine Insurance has implemented the Employee Stock Ownership Plan, covering core cadres and key position personnels including executives. As of the end of 2024, there were a total of 3,688 holders of the Employee Stock Ownership Plan. The implementation of the Plan not only effectively promotes employees' participation in corporate governance, but also advances benefit sharing and risk sharing among shareholders, the Group and employees, effectively stimulates employees' enthusiasm, improves work efficiency and employee satisfaction, and provides a solid guarantee for improving the Group's governance structure, developing long-term incentive and constraint mechanism, and promoting the Group's healthy development.

In order to further optimize the salary incentive system, Sunshine Insurance has established the long-term service contribution plan for its employees since 2023 to provide employees with long-term service contribution allowances to enhance the sense of responsibility and mission of employees for the sustainable and healthy development of the Group, and highlight the concept of "common growth" between the Group and its employees.

## Employee Non-pay

### Benefits

We actively promote the implementation of the employee care strategy, provide multi-channel and comprehensive benefits for all employees, promote building "Employee Homes", and organize a wide diversity of cultural, sports and social activities to significantly enhance their sense of happiness and belonging.



### Exclusive welfare protection

We provide all employees with the Sunshine exclusive welfare protection, including accidental injury insurance, accidental injury medical insurance, major disease insurance, transportation accident insurance, term life insurance, supplementary medical insurance for employees and their children, family property insurance and other comprehensive life and property insurance protection. In addition, we also purchase "Medicine Worry-Free" health services for employees, providing online graphic consultation, online discount medicine purchase, expert registration assistance and other services. In 2024, "Medicine Worry-Free" provided more than 200 person-times of green pass registration services at tertiary hospitals, more than 7,000 person-times of online consultation services, and more than 4,500 person-times of discounted medicine purchases, saving employees a total of more than RMB 410,000 in medicine purchase costs.



### Employee parental support

We have been implementing the "Employee Parental Support Allowance" program for multiple years, providing monthly subsidies to eligible employees with at least three years of service and whose parents meets age criteria. As of December 2024, the program has cumulatively disbursed RMB 593 million in allowances to 47,564 employees and agents. In addition, we have established "Birthday Leave" and "Birthday Celebration Bonus" to encourage employees to return home for their parents' birthdays and offer a celebratory gift for their parents' significant milestones.

By December 2024



Sunshine Insurance provided

RMB **593** million



in parent care allowances

to **47,564** employees and agents



### Characteristic holidays and subsidies

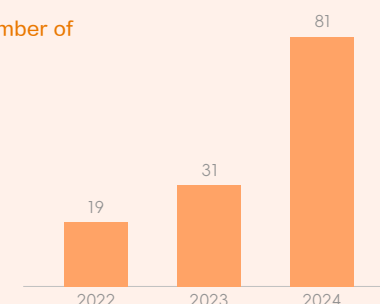
In addition to the basic benefits for all employees, we also provide additional non-pay benefits, including holiday allowances, meal allowances, transportation allowances, communication allowances, and summer cooling and winter heating allowances. On this basis, we customize special Sunshine holidays for employees: On birthdays of the employee's parents or spouse's parents, the employee can enjoy the "Parents' Birthday Leave"; to support employees' participation in their children's education and growth, parent-teacher meeting day has a special "Parent-Teacher Meeting Leave"; to encourage employees to develop across fields, employees participate in cross-job competition can apply for "Dream Chasing Leave". In addition, employees with more than three years of seniority can be granted "Seniority Leave", and employees with outstanding performance appraisal can be granted "Contribution Leave", and so on.



### Strengthen the construction of "Employee Homes"

In 2024, we launched the "Branch-Level Union Capacity Building Year" initiative, and jointly built "Employee Homes", "Small Employee Homes" and "Care Rooms for Female Workers" with 50 grassroots organizations of subsidiaries, promoting the inclination of service resources to the grassroots frontline and strengthening the care services for grassroots frontline employees. We effectively operated the Beijing headquarters' "Employee Home", attracting 33,000 person-times to participate in fitness, yoga, dance, table tennis and other activities throughout the year. In the past three years, Sunshine has jointly built 81 "Employee Homes", "Small Employee Homes" and "Care Rooms for Female Workers" in grassroots branches.

The cumulative construction number of  
"Employee Homes"





### Innovatively carry out various cultural and sports activities

In 2024, we held cultural and sports activities such as the Spring Festival Gala and the 20th Anniversary Concert to showcase employees and enhance communication. We held activities such as the "Sunshine Destiny" single youth gathering, Table Tennis Match, and "Let Sunshine Family Walk into the Group" to let employees and their families deeply feel the Group's earnest care. We organized various workplace cultural activities on traditional festivals and the Group's founding anniversary and annual anniversary, with a total of 11,000 person-times.



### Actively carry out warmth sending activities

We have established a regularized mechanism to help employees in difficulty. During the New Year's Day and Spring Festival in 2024, Sunshine arranged a special consolation fund of 2 million and carried out a variety of visits for more than 480 employees in difficulty.



### Providing festival and tangible benefits

We promote the implementation of festival benefits for employees' marriage, childbirth, illness and hospitalization, and distribute tangible festival benefits to employees on national statutory traditional holidays. Meanwhile, we have established the "Sunshine and Dew" flexible benefits platform, offering employees a wide range of tangible festival benefits with various products that can be freely combined and chosen. Employees can make flexible purchases of various items through the benefits platform, enjoying the convenience of one-click ordering and home delivery services.



## Employees' Health and Safety

We strictly abide by the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Regulations on Work-Related Injury Insurance* and other laws and regulations related to the health and safety of our employees, and formulate and regularly revise the *Safety and Security Management Measures* and other documents. In 2024, the Group issued the *Three-Year Action Plan for Comprehensively Promoting the Root Cause of Safety and Security Work* to further improve the Group's safety management mechanism, strengthen safety management and responsibility implementation, and create a safe and healthy workplace environment.

In order to ensure that safety responsibilities are implemented at all levels, the Group and its subsidiaries, as well as subsidiaries and branches, signed safety production target responsibility letters to clarify the safety responsibilities and goals of entities at all levels and promote the attention and investment of leaders at all levels in safety work. In addition, we have established a Three-Member team, i.e. each department is equipped with a safety officer, a firefighter, and a sanitation officer, and a detailed job description and work process have been formulated. Meanwhile, the *Sunshine Financial Center Fire Safety Hazard Investigation Operation Map* has been issued to clarify the collaboration methods of the Three Members of each department in assisting in safety management work. We have established a post AB role system to ensure that safety issues can be responded to and handled in a timely manner, providing strong support for the healthy and safe development of the Group and its employees. From 2022 to 2024, the number of work-related fatalities among Sunshine Insurance employees were 4, 4, and 5, respectively, with the rates of work-related fatalities being 0.007%, 0.008%, and 0.010%, respectively. In 2024, office staff at the Group experienced a loss of 1,277.5 working days due to work-related injuries, which predominantly occurred during commutes and business trips. When an employee is injured in an accident, we actively provide the local human resources and social security department with an application for work injury recognition, provide work injury compensation in strict compliance with the *Work Injury Insurance Regulations* and the relevant provisions of local governments, and immediately send care and condolences to the injured employees and their families.



### Strengthen employee safety training

In 2024, we released more than 300 safety accident warning cases, self-rescue and rescue knowledge, health and disease prevention information through the system to carry out safety education and promotion for employees, and organized 4 training sessions on topics such as cardiopulmonary resuscitation and AED use, traffic and public safety, fire protection and electrical safety, with a total of more than 800 person-times. Among them, the Three-Member first aid personnel training and certification benefited more than 100 people. In addition, we held 4 fire escape drills, with a total of more than 6,000 person-times. Tongzhou and Chengdu parks insist on conducting monthly "One Officer, Six Staff" training sessions for on-site employees, and security personnel are drilled at micro fire stations to ensure comprehensive coverage of safety education and training.



### Ensure the physical and mental health of employees

We design reasonable medical check-up plans for our employees every year, upgrade the physical examination packages for management cadres working remotely, and hire well-known medical expert consultants to provide daily online health guidance to employees and one-on-one interpretation of physical examination reports. We have launched the "Sunshine Insurance Employee Assistance Programs (EAP)" to establish a psychological support hotline, offering both online and offline counseling services for employees and their families. Meanwhile, we also regularly launch group counselling, psychology lectures, mental health quizzes and other activities to effectively pay attention to the mental health status of employees.



### Conduct workplace safety inspections

We fully implement workplace safety requirements, conducting workplace safety inspections, daily fire equipment and facility maintenance, and security personnel management. In 2024, we organized comprehensive safety inspections, especially for holidays, to ensure the safety and stability of office premises during holidays. In addition, we insist on taking charge of night inspections and implement a 24/7 duty cycle to ensure that there are personnel on duty at any time to respond to and handle safety issues in a timely manner.



### Protect the health and safety of female employees

We strictly implement the laws and regulations on labor protection for female employees. Based on the physiological characteristics of female employees and the characteristics of the jobs they are engaged in, we actively improve working conditions and provide labor health and safety education for female employees to reduce occupational hazards. In addition, we promote the implementation of the Four Stages of protection for female employees during menstruation, pregnancy, childbirth, and breastfeeding, establish Care Rooms for Female Employees, and properly solve the health difficulties and safety issues of female employees during the Four Stages.



# Agent Development

Sunshine Insurance values the sustainable development for all agents, introducing talents on the entry side, empowering the team on the training side, and creating a performance-based culture on the honor side. We also strengthen the protection of agents' legal rights and interests and boost agents' sense of belonging and responsibility through a comprehensive welfare and care system, thereby actively promoting their diversified career development and capability enhancement.

## // Protection of Agents' Rights and Interests

We provide all agents with comprehensive and detailed welfare guarantee, covering their basic living needs, family responsibilities and future development. We also provide richer exclusive benefits for senior agents in charge of agents, senior agents and agents with excellent performance. For example, we provide parental support allowance for agents with excellent performance who have been with Sunshine Insurance for 3 years or more, to convey more love and responsibility to their families. We provide parental birthday celebration bonus and Salesperson Care Fund protection plan for some senior agents, to express gratitude and recognition for their hard work. We also provide Sunshine care scholarship and annual health check-up program for some senior agents, to ensure their health and support their continuous progress.

## // Agent Development and Training

Sunshine Insurance continuously marches towards the path of agent team building and development. By enhancing internal brand influence, improving the training system, and creating broad career paths, we have attracted many high-quality and highly educated talents, contributing to the constant vitality of the agent team. In terms of team building, Sunshine Insurance deepens the differentiated management strategy of the agent team. We continue to implement differentiated excellent growth policies based on regional characteristics, to ensure the agent team closely matches local customer needs. In terms of training system, Sunshine Insurance focuses on the capability enhancement and career development of the agent team. We have conducted diversified training courses and activities, including rotational training for branch managers, quarterly training for supervisors, FRA (Fortune Risk Advisor) metric training, special training for insurance fund trusts, and digital skills enhancement. Such training helps agents continuously improve their capacity in customer management, product and service introduction, and team management, allowing them to better address market challenges and customer needs.



Agent training



Agent training

## Supply Chain Sustainability

Sunshine Insurance continues to optimize supply chain sustainability, formulates and strictly implements management policies for suppliers' ESG performance, has published the *Sustainable Supply Chain Policy Statement*<sup>7</sup>, and implements green procurement management methods to ensure the long-term stability and sustainability of the supply chain.

### // Supplier ESG Management

We have detailed the supplier's code of conduct and guidelines in the *Measures for Supplier Management*. In the bidding process, all suppliers are required to sign the *Sunshine Insurance Group Supply Chain Sustainability (ESG) Supplier Commitment Letter*. In procurement projects that meet specific conditions, the winning supplier must attach the *Integrity Responsibility Commitment Letter* to the signed contract terms. In order to manage supplier risks more effectively, we cooperate with third-party data platforms, such as Tianyancha website, to query and prompt relevant risk information of suppliers in the database. During supplier access, we introduce third-party data and evaluate the overall situation of the supplier based on the scoring model, and set clear access thresholds. The basic score, proof of performance and financial data of the supplier will be used as the foundation for determining its rating when entering the database. In 2024, Sunshine Insurance fully implemented the new bidding platform and conduct strict audits on suppliers registered on the new platform. In 2024, the annual audit coverage of suppliers reached 100%. We have formulated a supplier rating system, based on supplier inspection and evaluation, annually updating the rating of all suppliers.

For "High Environmental Impact Procurement Projects" (referring to projects where the purchased products, services or works may have a significant impact on the environment), we specifically consider the supplier's environmental certification in the bid evaluation process and give corresponding scores based on the certification level. Project review details and suppliers' environmental certification rating are fully and clearly displayed in the record to ensure transparency and fairness of the evaluation process. In 2024, 100% project suppliers of this type signed the *Supplier Energy Conservation Production Commitment Letter*.

### // Green Procurement

We uphold the concept of green, low-carbon and circular development, deepen green supply chain management, and follow the working concept and procurement principles of openness, fairness and impartiality to conduct supplier inspections. We use suppliers' environmental certifications as an important foundation for rating, and inspect the environmental performance of their production, such as whether the production process adopts energy-saving and emission reduction technologies and methods, whether the waste treatment generated during production meets environmental standards, etc. so as to ensure that our procurement behavior is more green and environmentally friendly, prioritize environmentally friendly products, and contribute to promoting the green development of the Group.

<sup>7</sup> *Sustainable Supply Chain Policy Statement*:  
<https://static.sinosig.com/c/upload/cate/70/146/1744941410399097587.pdf>



## Social Responsibility

Sunshine Insurance gives full play to the advantages of our strengths, integrates various resources, and actively assumes social responsibility. In active response to the national call for rural revitalization, we provide substantial economic support to rural areas through multi-dimensional measures such as industrial assistance, consumption support, insurance support, and village doctor program. Meanwhile, we actively participate in public welfare and charity activities. Through various forms of activities and programs, we support vulnerable groups and contribute to social public welfare, demonstrating Sunshine's commitment to social responsibility.

### // Rural Revitalization

Sunshine Insurance thoroughly implements the comprehensive directives for rural revitalization proposed by the Central Committee of the Communist Party of China. The Group contributes to the rural economy through multiple strategies. By doing so, we promote the transformation, upgrading and high-quality development of rural economy. In 2024, Sunshine Life Insurance won the award "Outstanding Enterprise for Rural Revitalization" for thorough efforts and remarkable achievements in rural revitalization.



#### Promoting innovative insurance assistance

With a forward-looking vision and pragmatic approach, Sunshine Insurance has fostered innovative and practical solutions in insurance assistance, providing robust guarantee for rural revitalization. In 2024, we supported the black fungus cultivation bases in Antu County, Jilin Province, by providing a special insurance for black fungus to safeguard farmers against losses caused by natural disasters and improve their capacity to manage risks. Sunshine Insurance continues to offer supplementary medical insurance to residents in Benhong Town, Chahar Right Back Banner, Ulanqab City, Inner Mongolia, as well as several ethnic minority communities in Yunnan Province. The insurance covers more than 14,500 individuals, with a cumulative compensation of RMB 1.35 million. By doing so, the risk of rural residents falling into or returning to poverty due to illness is well managed.



#### Focusing on industrial and consumption assistance

Sunshine Insurance continues to promote various industrial and consumption support programs. In April 2024, we launched the campaign "Helping Farmers · Spreading Love · Enjoying a Healthy Season" in Longquan Village, Antu County, Jilin Province. We harnessed "the power of cloud" to expand sales channels through live streaming, thus building a "golden bridge" for assisting farmers. In addition, we promoted the rice of Longquan to obtain the national "organic food" certification. The "Sunshine Sky Eye" disaster prevention system has been introduced, with the extended insurance services to safeguard the fertile farmlands of the planting bases. The average income of poverty-alleviation households has increased from RMB 7,500 in 2019 to RMB 19,602.78, showing a 2.6-fold growth. By offering technical training and guidance in beekeeping, Sunshine Life enhanced the quality and productivity of the local honey industry. Additionally, Sunshine Life sourced special agricultural products from regions such as Yunnan, Inner Mongolia, Chongqing, and Jilin, with an annual consumption support amount surpassing RMB 1.06 million. These efforts significantly boosted farmers' incomes and spurred rural economic development.



#### Strengthening efforts in educational assistance

Sunshine Insurance actively carries out the "Sunshine Star Love Program" to help improve teaching facilities and educational quality in underdeveloped areas nationwide. In 2024, Sunshine Life Insurance made donations to three primary schools: Long Street Wanquan Primary School in Niujie Township, Midu County, Dali Prefecture, Yunnan Province, as well as Wuzhen Central Primary School and Dianzhen Central Primary School in Jia County, Yulin City, Shaanxi Province. The donations, totaling RMB 400,000, were allocated to upgrade the school facilities and teaching equipment. Additionally, Sunshine Insurance donated cultural and sports goods worth RMB 56,000 to enrich the students' extracurricular activities.



#### Promoting the village doctor program

Sunshine Insurance continues to expand the training of village doctors to promote the improvement of grassroots doctors' service capabilities. We have meticulously developed a standardized training system that focuses on the accurate identification and effective diagnosis and treatment of geriatrics and traditional Chinese medicine-related diseases. In 2024, the number of village doctors trained reached 3,140 person-times, covering 17 cities across 10 provinces. Overall, a total number of village doctors trained reached 22,434 person-times. Moreover, we launched a targeted medical assistance demonstration project by establishing the "Sunshine Demonstration Site" in village health clinics in key regions. Through the project, we donate advanced medical equipment, such as body composition analyzers and cardiovascular health monitors, to improve medical check-ups and health consulting services provided by village doctors.



## // Public Welfare and Charity

In 2024, Sunshine Insurance encouraged all agencies throughout the Group to engage in public welfare and charity activities. We meticulously planned and executed a series of volunteer service projects that aimed at helping the elderly, assisting education, and aiding the poor and needy. Leveraging our professional strengths and abundant resources, we further conducted high-quality volunteer activities to promote the prosperous development of public welfare, earning widespread acclaim from all sectors of society. Annual volunteer mobilization was 9,244 person-times, contributing a total of 30,808 service hours.

### CASE

#### Bo'ai School in Yunnan and Shaanxi Provinces

In 2024, Sunshine Insurance assisted the construction of three Bo'ai schools. Notably, the aid in construction of the Yunnan Bo'ai School incorporated public interaction in an innovative manner. By organizing a bookmark-making activity in Beijing for the students of the Yunnan Bo'ai School, we gained substantial public attention and forged a stronger connection with the public. Meanwhile, the assistance in establishment of two Bo'ai Schools in Shaanxi Province marked our first step in the region. Funds raised were allocated to renovate the school boiler and upgrade devices of computer rooms. By doing so, we effectively supported rural education and further expanded the impact of the Bo'ai School initiative. By the end of December 2024, Sunshine Insurance had assisted the construction of 76 Bo'ai schools in 25 provinces and cities across China.



### CASE

#### Sunshine financial class

In 2024, Sunshine Insurance gave full play to the professional advantages of Sunshine's volunteer financial practitioners. We delivered a dozen of financial courses in cities including Yunnan, Guangxi, Hubei, Jiangsu, Anhui, Chongqing and Beijing. Taking Sunshine Bo'ai schools as the base for volunteer services, we provided systematic and scientific financial education for village children, assisting them in gradually forming financial knowledge system and comprehensively applying these financial knowledge and skills to their daily life and study.



### CASE

#### Sunshine aesthetic education classroom

Sunshine Insurance have launched the first "Sunshine Aesthetic Education Classroom" campaign at Dongjie Primary School in Chahar Right Middle Banner, Inner Mongolia. Through the campaign, we not only comprehensively renovated the art and music classroom to provide high quality hardware and consumables for the students, but also introduced external high-quality educational resources, including professional training courses for music and aesthetic education, remote teacher training sessions and forums. We also promote the co-teaching between Beijing's leading quality education experts and local teachers, fostering mutual growth in teaching and learning, and injecting new momentum into the development of quality education in rural areas.



### CASE

#### Sunshine Care Station

Sunshine Insurance has built the Sunshine Care Station which is "focusing on the city, grounded in the community, and centered on serving the elderly and the young". This initiative is dedicated to conducting regular and diversified volunteer service activities, contributing to the construction of an age-friendly society. On this basis, Sunshine Insurance has launched a number of special voluntary service projects. Specifically, working with professional technicians of Sunshine P&C, we use advanced technologies such as the Internet of Things and infrared imaging to conduct comprehensive potential hazard identification of house-warming equipment and kitchen electrical devices for the elderly across communities, so as to ensure their home safety. The Sunshine health lectures focus on educating the elderly about the prevention and treatment of age-related diseases and conducting health consultations to provide personalized recipes for the elderly.





## // Popularization and Education of Insurance Knowledge

We are committed to making the Sunshine Insurance Museum the most historical, precise, vivid and condensed history textbook of China's insurance industry. With this goal in mind, we are striving to develop the museum as a base for insurance education and brand promotion. Sunshine Insurance Museum thoroughly explore and meticulously study the core values of "mutual aid and assistance", "risk-sharing and compensation", and "love and responsibility" within the insurance industry. The museum also highlights the cultural concept of "sharing both the storm and the sunshine", making every visitor feel the power and warmth of Sunshine Insurance.



### Interpretation and reception

Since the opening in April 2021, the museum has received more than 46,000 visitors. Specifically, in 2024, more than 10,000 persons visited the museum, which contributes to the study of insurance history and the improvement of insurance awareness in the whole society.



### Publicity and promotion

The museum strives to develop the value of historical resources and materials. Accordingly, the museum produces cultural and creative products, shoots the "6+1" short video for promotion, promotes the digital museum online, and cooperates with first-tier communication platforms. These efforts aims to form a profound and influential communication platform.



### Insurance courses

The museum capitalizes on its educational resources to bring the insurance history into the classroom by developing the course "Learning History and Culture from the Museum" and conducting training sessions for both internal and external staff.





# Sustainable Governance

04

Party Building Leads	58
Corporate Governance	59
Business Ethics	60
Privacy and Data Security	63



## Party Building Leads

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Sunshine Insurance thoroughly studies and implements the spirits of the 20th CPC National Congress and the 3rd Plenary Session of the 20th CPC Central Committee. By reinforcing the political guidance of Party building, we actively practice the political and people-oriented nature of financial work, and carry out the study and education on party discipline. With high-quality Party building, we vigorously promote the integration of Party building and business development, providing a strong political, organizational and disciplinary guarantee for the implementation of the New Sunshine Strategy.

### // Enhancing the Effectiveness of Political Guidance

Sunshine Insurance always puts the political construction of the Party in the first place. For this purpose, we have organized thematic study of the spirit of the 3rd Plenary Session of the 20th CPC Central Committee. We have also invited experts to hold counselling reporting, and launched thematic courses on the Sunshine Academy. By doing so, we comprehensively practice the spirits of the 20th CPC National Congress and the 3rd Plenary Session of the 20th CPC Central Committee. Sunshine Insurance continuously reinforces the learning of the Party theories. Leveraging the study session of the "first agenda topic" of the Party Committee and the Theoretical Study Center Group as an important way to strengthen theoretical study, we convey and learn the spirit of important speeches and instructions of General Secretary Xi Jinping in a timely manner. We carry out thematic seminars focusing on the central tasks of corporate operations, and guide Party member cadres to learn and apply the innovative theories of the Party in daily practice and advance the work. In doing so, Sunshine Insurance can firmly stay on the right track in terms of politics, reform and development.

### // Promoting Integration of Party Building with Corporate Business

Sunshine Insurance actively innovates in carriers for Party building and explores new models and methods suitable for business development. We widely conduct Party-building themed practical activities centered on "Promoting the Entrepreneurial Spirit and Implementing the New Sunshine Strategy". These efforts guide Party members to be role models in theoretical learning, value creation, consumer rights protection, and cultural practice, thereby inspiring their enthusiasm for making contributions to the corporate development. Focusing on business challenges, we have listed major reform tasks and complex operational management issues as "Party Secretary Project". These projects are led by the Party secretary, to ensure effective implementation and resolution of these critical issues. In 2024, we recognized and honored 10 "Outstanding Frontline Development Leaders".

### // Strengthening Party Organizational Construction

Sunshine Insurance continues to promote the standardized construction of Party branches. To this end, we focus on consolidating the foundation of primary Party building work, and continuously improve the political function and organizational capacity of rank-and-file Party branches. Focusing on the "two" coverages, we strive to build Party organizations and extend their coverage to the greatest extent. We seek to strengthen political awareness, by focusing on the management team and outstanding young employees on the front line, to ensure high standards and quality in the development of new Party members. Sunshine Insurance carries out learning and education on Party discipline, and organizes knowledge contests on Party discipline and regulations and Sunshine culture to effectively push forward the construction of the culture of integrity. In 2024, Sunshine Insurance held a Party education training in Zunyi for outstanding Party members and workers to continuously enhance the vitality of primary-level organizations.



Expert Advisory Report on Learning and Implementing the Spirit of the 3rd Plenary Session of the 20th CPC Central Committee



Knowledge contest on Party discipline and regulations and Sunshine culture

# Corporate Governance

## // Maintaining Diversity of Directors

Sunshine Insurance attaches great importance to the professionalism and diversification of the Board of Directors, which is regarded as the key driver in promoting sustainable and healthy development and enhancing corporate governance. In terms of professionalism, our independent directors are experts in the fields of economics, finance, accounting and enterprise management. Their expertise provides solid support for Sunshine's strategic planning and operational decision-making. Meanwhile, we actively practice the policy of director diversity. Specifically, we pay attention to the diversity of board members in terms of gender, age, culture, education background, industry experience, etc., in order to promote efficient operation and scientific decision-making. As of the end of 2024, there were two female directors, accounting for 13%.

## // Linking Sustainable Development with Remuneration

We highlight the sustainable development strategy of accelerating the development of sustainable insurance business, increasing sustainable investment, protecting consumers' rights and interests, and enhancing corporate governance. On this basis, we continuously optimize the indicator settings and evaluation mechanism of sustainable development in Sunshine's remuneration evaluation system. Through integrating qualitative and quantitative indicators related to sustainable development into the performance evaluation system for senior executives, we link the evaluation results to their remuneration to effectively promote the implementation of relevant management initiatives.



### Indicator settings

We set assessment indicators of sustainable development, targeting at protecting consumers' rights and interests, promoting the "Five Major Areas of Finance", mitigating climate change, and strengthening the internal control of risk compliance. These indicators, with a total weight of no less than 20%, include green finance, inclusive insurance, rural revitalization, protection of consumers' rights and interests, construction of risk control system, and corporate governance ratings.



The total weight of sustainability-related indicators no less than

# 20%

### Implementation



Since sustainable development indicators were incorporated into the assessment system, Sunshine Insurance has continuously strengthened the connection between sustainable development performance and executive compensation, using assessment results as the key factor to determine performance-based annual salary fluctuation coefficients, directly affecting the remuneration of executive directors and senior executives. Through this approach, we effectively promote the achievement of our sustainable development goals and objectives.

## // Implementing Remuneration Clawback Mechanisms

Sunshine Insurance has formulated the *Performance Compensation Recovery and Clawback Management Measures*. For senior management and key position personnel, performance compensation is subject to deferred payment and clawback mechanisms strictly in accordance with regulatory requirements. This aims to exert the positive influence of performance compensation on operation and management. As stipulated, when significant deviations from reasonable ranges in key business indicators occur, major risk events arise, or substantial damage is inflicted on the Group's assets or reputation, we will claw back all performance compensation for the corresponding period from senior management and key personnel primarily responsible, and a portion of the performance compensation from other responsible personnel.

## // Protecting Shareholders' Interests

Sunshine attaches great importance to shareholder relationship management. By disclosing information in strict compliance with the law, we ensure that shareholders can access to our operational and financial information in a timely and accurate manner. Besides, we maintain close, full, and frank communication with investors on an ongoing basis through multiple channels such as results briefing, non-deal roadshows, hosting investor/analyst research, investor relations calls and emails to ensure that all investors have equal opportunities to communicate with the Company, and protect the legitimate rights and interests of investors.

In terms of returns to shareholders, we have established a reasonable dividend policy, taking into full consideration the Company's profitability, cash flow position, future development needs and shareholders' expectations. We strive to provide shareholders with a stable and sustainable return to motivate shareholders to spread their gains. Our independent directors play a crucial role in key decisions such as profit distribution, executive compensation and significant related-party transactions, through providing independent opinions to ensure transparent and fair decision-making, to effectively prevent conflicts of interest, enhances governance performance, and adequately safeguards the lawful rights and interests of shareholders.



# Business Ethics

Sunshine Insurance continually reinforces the business ethics framework and refines anti-corruption policies. By specifying audit and training requirements, optimizing the reporting system, and strengthening whistleblower protection, we uphold business ethics standards, thereby enhancing the standardization and effectiveness of our internal ethics management.

## // Business Ethics System Building

Sunshine Insurance abides by the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Prevention of Bribery Ordinance* and other national laws and regulations related to anti-corruption and business ethics. In addition, we have formulated and published the *Anti-Bribery and Anti-Corruption Policy Statement*<sup>8</sup>. We have refined the internal institutional construction related to business ethics, such as *Measures for the Administration of Supervision Work*, *Measures for the Administration of Anti-Fraud*, and *Regulations on Correcting Work Style, Rectifying the Roots, Transparency Governance, and Cleaning the Environment* (hereinafter referred to as the "Ten Provisions"), which apply to all employees of Sunshine Insurance and its subsidiaries.

The responsible auditor of Sunshine Insurance submits a quarterly performance report to the Board of Directors, encompassing key aspects of business ethics oversight such as anti-bribery and anti-corruption. The Audit Committee of the Board reviews and gives constructive guidance on the performance report, ensuring Sunshine's ongoing progress and effective governance in upholding business ethics.

## // Anti-Corruption and Anti-Bribery

Sunshine Insurance continues to strengthen the anti-corruption and anti-bribery systems, and requires all employees of the Group and all subsidiaries to strictly observe the *Anti-Bribery and Anti-Corruption Policy*. Every employee is required to uphold the principle of integrity and self-discipline, and take the initiative to avoid and declare actual or potential conflicts of interest. The use of official position and authority for private gains is strictly prohibited. We will conduct strict reviews and take appropriate disciplinary actions against any violation of Sunshine Insurance's anti-bribery and anti-corruption regulations. The Board of Directors, the Board of Supervisors and senior management work together to supervise anti-bribery and anti-corruption, and cooperate with relevant departments to establish a "Risk Control Center", strengthening governance through cross-department collaboration.

We perform annual self-assessment of employee behavior management and self-assessment of case risks, closely monitoring the risks and work progress related to anti-bribery and anti-corruption. A sound reporting mechanism for bribery and corruption incidents has been established, and whistleblower protection measures are strictly taken. In addition, we strengthen the identification and investigation of abnormal behaviors of employees in key areas to prevent employees from engaging in illegal and criminal acts such as bribery and corruption.

We develop and implement annual audit plans. Sunshine Insurance Group and branches at all levels carry out routine audits once a year, conduct routine audits of central support branches at least once every two years, and conduct audits of executives at least once every three years during their tenure. Routine audits focus on operational violations, fraud, corruption and other risks in financial, business, human resources and administrative sectors. These audits involve checks on the implementation of the "Ten Provisions", integrity and self-discipline, to better supervise management cadres at various levels. For problems identified in the audits, relevant departments would issue rectification and management suggestions to the audited entities, so as to continually refine and enhance Sunshine Insurance's internal control management to ensure robust operations and compliance development.

<sup>8</sup> *Anti-Bribery and Anti-Corruption Policy Statement*:  
<https://static.sinosig.com/c/upload/cate/70/146/1713511819154042845.pdf>

## // Anti-Money Laundering

In strict accordance with laws, regulations and regulatory provisions related to anti-money laundering and anti-terrorist financing, Sunshine Insurance earnestly fulfills the obligations accordingly. We keep improving the comprehensive internal control system for anti-money laundering, including regular internal inspection and audit mechanism, performance evaluation and incentive-disciplinary system. Sunshine Insurance has formulated the *Measures for Managing Anti-Money Laundering and Terrorist Financing Risks*, the *Measures for Reporting and Managing Large-amount Transactions and Suspicious Transactions*, the *Measures for Managing the Self-evaluation of Money Laundering and Terrorist Financing Risks*, and the *Specifi-*

*cations for Internal Reporting of Money Laundering Risks* and other anti-money laundering related policies, to strengthen internal compliance governance.

Sunshine Insurance and its subsidiaries have all established Anti-Money Laundering Leading Groups, and set up specialized full-time posts in the leading departments to coordinate related work, promote the smooth progress of anti-money laundering activities and report to management at fixed period. In addition, Sunshine Insurance has implemented an institutional evaluation and assessment system for anti-money laundering efforts, ensuring comprehensive supervision at all levels and within all departments.

We have developed an anti-money laundering compliance risk monitoring and alert management system, to conduct regular control over anti-money laundering data of all subsidiaries. Moreover, we have established a platform for anti-money laundering compliance risk monitoring and rectification tracking. The system, leveraging on its risk monitoring rule model, automatically and periodically checks the compliance of key tasks of institutions at all levels, such as customer due diligence and classification of customers' money laundering risk levels. Through the platform, we realize the closed loop of digital internal control over anti-money laundering to prevent money laundering and terrorist financing risks.

## // Business Ethics Training

To raise employees' awareness and understanding of business ethics, Sunshine Insurance regularly offers business ethics training to all employees, including anti-bribery and anti-corruption laws and regulations, and cautionary lessons from bribery and corruption cases. Meanwhile, we organize training for all directors and supervisors on institutional frameworks for integrity building and anti-corruption measures, with an average of 10 hours of training per person. In 2024, Sunshine Insurance's anti-corruption training reached 58,187 person-times.

We are constantly refining our anti-money laundering curriculum to cultivate a strong anti-money laundering culture within the Company, raising awareness and enhancing our capabilities in this area. The training covers anti-money laundering laws and regulations, interpretations of the latest anti-money laundering legislation, the Company's policies, fundamental concepts, insurance companies' obligations, practical applications across the institution and business lines, case studies, and confidentiality requirements in anti-money laundering area. In 2024, our anti-money laundering training series engaged a total of 118,343 person-times, achieving several consecutive years of comprehensive coverage across all job levels.

Sunshine Insurance strictly complies with laws, regulations, and regulatory requirements on combating insurance fraud, continually refining the management policies and fulfilling our anti-fraud obligations. To enhance awareness and prevention skills among employees and the public, our Company fully utilize both online and offline channels, including the official website, social media, and business locations, to widely disseminate anti-fraud information. In 2024, we conducted two specialized training sessions on combating insurance fraud, aiming at boosting employees' anti-fraud capabilities and ensuring the healthy and stable growth of our insurance business. On the "Wisdom Sunshine" knowledge platform, we shared typical insurance fraud cases exposed by Economic Crime Investigation Bureau under the Ministry of Public Security, along with related anti-fraud knowledge, to provide warning education and science popularization to all staff. Furthermore, during the "7.8 National Insurance Public Awareness Day", we

In 2024



Sunshine Insurance's anti-corruption training reached

**58,187** person-times

hosted an offline event themed "Combating Insurance Fraud, Safeguarding Financial Security". Through promotional articles, roll-up banners and other means, we extensively spreaded anti-insurance fraud knowledge in workplaces and public spaces.

Moreover, we organized a mandatory online professional ethics training course for all employees through the Sunshine Academy platform, focusing on the theme of "Preventing Corruption and Upholding Integrity in the Workplace: Illegal Activities and Punishments for Abusing Position for Personal Gain". Concurrently, we conducted a company-wide special campaign titled "Promoting Integrity and Rectifying Work Styles". Through the official WeChat account "Sunshine Sword", we published 18 articles on integrity education and case study, which received over 35.4 thousand views, to build a strong moral defense line and create a clean corporate atmosphere.

## // Whistleblowing and Communication

### Whistleblowing and Communication Channels

Sunshine Insurance has formulated policies such as the *Measures for the Administration of Supervision Work*, the *Measures for the Administration of Anti-Fraud*, and the *Guidelines for Reporting and Investigation*, and publicly released the *Whistleblowing Management Policy Statement*<sup>9</sup> to standardize the internal reporting management mechanism. Additionally, we have set up a Supervision Office to implement centralized management of complaints and reports to ensure prompt communication with the report handler or handling unit, and to supervise the progress of report resolution. We provide various reporting channels, including email, telephone, and letter reporting. Furthermore, we innovatively introduce the online reporting platform by adding online supervision and reporting functions in the Sunshine Insurance OA system and all subsidiaries' business terminal APPs, which allows relevant reporting information to be sent to the audit intelligence platform in real time. In 2024, we received a total of 28 whistleblowing cases, achieving a 100% case resolution and feedback rate.

In 2024



the case resolution and feedback rate for whistleblowing reports reached

# 100%

### Whistleblower Protection

Sunshine Insurance keeps refining the whistleblower protection system and has formulated internal policies such as the *Whistleblowing Management Policy Statement* and the *Guidelines for Reporting and Investigation*. We encourage employees at all levels to report illegal and non-compliant events, and promise to protect the legal rights and interests of whistleblowers. The relevant policies apply to whistleblowers to report illegal and non-compliant behaviors of Sunshine Insurance Group, its subsidiaries, branches, and their staff. The reporting scope includes financial issues, internal control deficiencies, illegal acts, regulatory violations, insurance fraud, and other improper actions. The Policy clearly stipulates the measures of whistleblower protection, including requiring to keep strictly confidential the reporting information, accepting anonymous and named reporting, collecting and retaining reporting information on a minimum principle, keeping the reporting to a limited number of staff, and strictly punishing violations such as leaking reporting information and retaliating against whistleblowers, to protect the confidentiality of identity and legitimate rights and interests of whistleblowers. Sunshine Insurance enforces a recusal system, stipulating that if the person handling a report is a close relative of the individual being reported or if there are other circumstances that might affect the fairness of the proceedings, they must not participate in the handling of the report. Furthermore, the whistleblower and other related individuals have the right to request recusal to ensure impartiality in the process.

## // Intellectual Property Rights Protection

Sunshine Insurance consistently enhances the intellectual property protection efforts by refining internal management policies and strategies in accordance with the latest laws, regulations, policy trends, and business requirements in relevant areas, thereby ensuring robust support for Sunshine's innovation and development.



### In patent protection

We have revised the *Patent Management Measures* to standardize Sunshine Insurance and all subsidiaries and branches for patent application and management in the process of business operations and management activities. Furthermore, we have engaged professional trainers from external intellectual property organizations to conduct training on patent knowledge to bolster our employees' patent drafting skills. We have also established a patent reward system to motivate employees' enthusiasm for invention and creation and to promote the application and transformation of innovative achievements. In 2024, Sunshine Insurance and all subsidiaries collectively submitted 115 new invention patent applications.



### In trademark management

We prioritize both internal development and external protection, implementing regulations such as the *Measures for the Management of Trade-mark Registration* and the *Measures for the Management of Trademark Use by Member Companies* to handle tasks such as trademark registration, trademark opposition applications and invalidation announcements. Through routine trademark monitoring, we can promptly identify and address potential infringement risks.



### In copyright management

We register the copyright of software, art, design and other works formed in the course of the Company's operation, so as to protect Sunshine's intangible assets and enhance the market value of the enterprise.

<sup>9</sup> *Whistleblowing Management Policy Statement*: <https://static.sinosig.com/c/upload/cate/70/146/1713511852930028659.pdf>

# Privacy and Data Security

Sunshine Insurance attaches great importance to customer privacy and data security. We continuously refine privacy protection policies and data security management systems, impose strict control on data access authority, and properly manage third-party privacy and data security to ensure data confidentiality, thus providing customers with the most secure and reliable services.

## // Privacy and Data Security Governance Structure

### Board Level

The Board of Directors determines and approves the Group's information security strategy, and oversees and assesses the effectiveness and implementation of the strategy. When evaluating the Group's overall risks, we take IT-related risks into consideration, so as to better secure operation and maintenance and resist cyber-security risks. Moreover, we make great efforts to build capabilities in disaster recovery of information systems and carry out drills on this front, forging an all-round defense line for information security and privacy protection.

In 2024, the Consumer Rights and Interests Protection Committee of the Board of Directors deliberated the *2023 Consumer Rights and Interests Protection Report and Plan* to emphasize the promotion of personal information protection, the improvement of the long-term management mechanism of information security, and the focus on the evaluation mechanism in this regard. The Board's Risk Management Committee deliberated the *2023 Risk Assessment Report of Sunshine Insurance Group Company Limited* and the *2023 Compliance Report of Sunshine Insurance Group Company Limited* to clarify requirements for information security management, implement a routine and comprehensive inspection mechanism, and review and optimize the information security management system.

### Management Level

The management has set up a Science and Technology Development and Promotion Committee with senior executives as the director and deputy director. Committee members cover the Group's Planning Department, HR Department, Consumer Rights and Interests Protection Department, Finance Department, and all subsidiaries. The Science and Technology Development and Promotion Committee is in charge of the Group's information security planning, the development of management policy system, information security review and evaluation, and security incident response.

### Execution Level

Sunshine Insurance's functional departments work closely with each other to build a defense line for privacy and data security. Specifically, the Science and Technology Management and Innovation Department coordinates data security management, plans and carries out data security management, and conducts data security risk assessment. The Customer Value Management Department coordinates the protection of individual customer's information. The Risk Management Department evaluates and implements risk management regarding data security, guarding against risks of this kind. All departments abide by data security-related policies and norms to form a coordinated protection network, thus safeguarding information and data security in a comprehensive manner.

## // Policies and Measures for Privacy and Data Security

### Data Security

Sunshine Insurance strictly complies with laws and regulations and regulatory requirements, such as the *Data Security Law of the People's Republic of China* and the *Rules on Data Security of Banking and Insurance Institutions*, and has established and refined management policies such as the *Information Security Management Measures*, the *Management Measures for Information Security Violations* and the *Data Security Management Measures*. By doing so, we strive to implement various security management requirements and perform management responsibilities for data security. Meanwhile, we evaluate the information security management of the Group and important subsidiaries, to help enhance the information security protection awareness and performance of all entities and to improve their management for cybersecurity and data security.

To fuel the construction of the information security management system, we have released the *Information Security Policy Statement*<sup>10</sup>, which elaborates on our progress in building the information security management system. The policy applies to all employees of the Group and all subsidiaries, and third parties who have access to our information assets, outlining the principle and measures for information protection, which aims to create a more secure and reliable information environment to protect customers' legitimate rights and interests.

10 *Information Security Policy Statement*: <https://static.sinosig.com/c/upload/cate/70/146/1744878220564087186.pdf>



## Privacy Protection

Sunshine Insurance highlights the protection for customers' privacy and data security. We have developed internal policies, such as the *Customer Data Security Management Measures*, and published the *Personal Information Protection Policy Statement*<sup>11</sup>, to streamline and standardize privacy protection. We require all employees to sign a confidentiality agreement, so as to clarify their information security responsibilities. Additionally, we optimize existing performance assessment indicators by considering the compliance with privacy and data security policies when assessing employees' performance. As such, we raise employees' awareness of information security and eliminate leakage of customer information and data. Furthermore, we clearly delineate departmental responsibilities for managing information security incidents or violations, continuously improving the capability and efficiency of addressing such incidents.

We work to refine our privacy management practices by regulating the whole lifecycle of customer data management. To protect the legal rights of customers and Sunshine Insurance, we have specified key measures as follows:



### Grant of data control rights

Based on business characteristics, we develop clear and understandable privacy policies and authorization terms at the customer information entry interface, to inform customers about the purpose, use, scope, type, and retention rules and practices related to the collection of personal information truthfully, accurately, and completely. After obtaining customer consent, we provide customers with the right to access, rectify, and delete their personal information. When indirectly collecting customer's personal information, we require the information provider to prove the legitimacy of the information source and confirm the granted scope of consent for the processing of the customer's personal information. If the processing of customer's personal information exceeds the scope of consent, we will obtain explicit consent from the customer within a reasonable timeframe or before processing it.



### Response to the request of deletion

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



### Access control and protection for personal/sensitive data

We implement strict access control policies for sensitive data by following a minimum principle for account access. We use strong passwords, two-factor authentication and other measures to regulate system access controls. Personal/sensitive data must not be stored, transmitted, or displayed in plain text. Instead, encryption and desensitization technologies are adopted for the transmission, and secure storage measures are taken for storage, to safeguard against cyber attacks and protect data security. We perform disaster recovery for personal/sensitive data, and regularly verify recovery capability. The operation logs of personal/sensitive data are retained for 12 months, and a real time monitoring and early warning system is in place for any abnormal behaviours.



### Minimum data collection and retention

We adopt a minimum principle for data collection and retention, under which we collect and process only the minimum amount of data necessary for business operations. Customer information is retained for the shortest period of time necessary to achieve the purpose as authorized by the information subject. We regularly delete unnecessary data, unless otherwise stipulated by laws and regulations or otherwise agreed by the subject of customer information. Furthermore, we strengthen data storage and management to ensure the integrity and traceability of the data.

## // Third Party Privacy and Data Security Management

To further strengthen the privacy and data security management in cooperation with third parties, we have formulated management policies for third-party data cooperation, information technology supply chain security, etc. With such policies, we clarify security requirements for sensitive data access, processing and other operations. Committed to the principle of "grant minimal permissions based on business-necessary authorization", we ensure full authorization of personal data before obtaining and processing it. In pursuit of the principle of legality, legitimacy and minimum necessity, we do not rent, sell or provide individual privacy and data to third parties for purposes other than completing our transactions or services. Before signing a contract with a supplier, we strictly adhere to the admission requirements of the *Measures for Supplier Management* and the *Measures for Information Technology Outsourcing Risk Management*. We select qualified suppliers through due diligence and risk assessment to ensure the quality of products and services. When signing the contract, we require suppliers to sign the *Information Security Liability Commitment Letter*, which stipulates the responsibilities and obligations of both parties regarding cybersecurity and data security. We daily monitor and continuously optimize the online closed-loop processing mechanism for information security risk audits of technology outsourcing, to improve the efficiency of information security management for technology outsourcing and reduce outsourcing management risks.

11 *Personal Information Protection Policy Statement*: <https://static.sinosig.com/c/upload/cate/70/146/1745309279801002162.pdf>

## // Data Security Emergency Response

To respond to unexpected data security incidents and maintain stable operations, we have formulated the *Guidelines for Cybersecurity Emergency Response (Plan)*, which specifies rules for data security emergency management.



### Proactive measures before incidents

We utilize monitoring technologies to monitor, analyze, warn, and respond to cyber attacks, and optimize contingency plans and emergency drills for information protection. In 2024, Sunshine Insurance and all subsidiaries carried out data security-related emergency drills and correspondingly prepared summary reports. These efforts effectively tested and improved our emergency response competence, coordination performance and problem-solving efficiency in face of different types of data security incidents.



### Reactive measures after incidents

We follow the emergency process for subsequent processing. If a customer's personal information is leaked, tampered or lost, we will initiate emergency response in accordance with relevant system processes to control the situation, analyze the impact, and rate the incident. By means of operational and technical controls, we delve into the root causes of the incident and adopt remedies at the fastest speed. These efforts help us safeguard stable business operations and minimize the further spread of negative impacts.

## // Privacy and Data Security Training

Sunshine Insurance has intensified employee training on privacy and data security to enhance organizational data protection capabilities. In order to effectively enhance employees' data security awareness and privacy protection awareness, in 2024, through the Sunshine Academy online platform, we implemented privacy and data security training for all employees, including permanent staff and contractors. In 2024, Sunshine conducted a total of 48 specialized sessions on network and data security topics, including data protection, workplace security, software compliance, ransomware prevention, and phishing defense. All participants achieved 100% pass rates in training assessments.

## // Audit and Certification of Privacy and Data Security

In 2024, we implemented Classified Security Protection Level 3 Certification for core corporate systems, researched industry peer practices in certification implementation, developed the Information Security Management System and conducted certification analysis, thereby enhancing the Company's data security protection architecture. Sunshine Asset Management has obtained ISMS certification in compliance with ISO/IEC 27001:2022 standards.

Regarding information systems auditing, we annually retain accredited third-party auditors to perform comprehensive audits including information systems audit, covering Sunshine Insurance and all subsidiaries. Additionally, we conduct special audits on general controls of information systems on an annual basis, following a biennial cycle to ensure full audit coverage of the information system audit of the Group and subsidiaries, covering Sunshine Insurance Group, subsidiaries and branches. In 2024, the audit prioritized multiple dimensions including IT governance, information security management, information system development, and operational management of IT system.



# Climate and Environment

05

Climate Change Response	67
Green Energy Conservation and Emission Reduction	71





# Climate Change Response

## // Governance

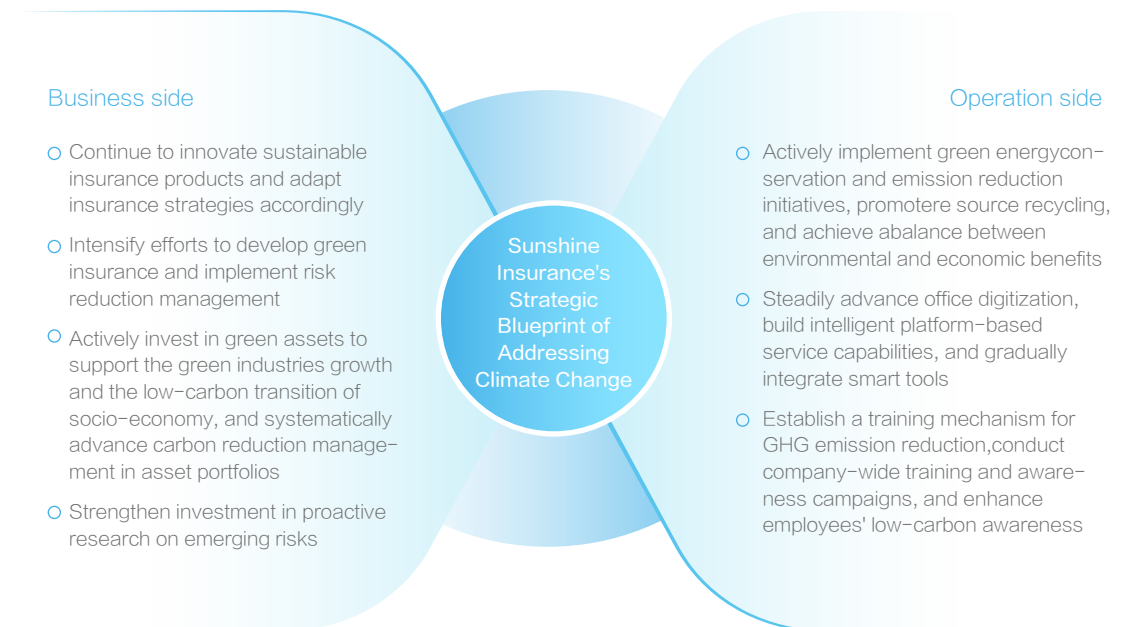
Sunshine Insurance is continually bolstering responses to climate change by formulating and publishing the *Climate Change Management Policy*<sup>12</sup>, and embedding climate change management within the governance structure. It has clarified the oversight responsibilities concerning climate-related issues of the Risk Management Committee and ESG Committee at the board level. The Board of Directors not only pays attention to the financial performances but also integrates climate-related risks and opportunities into its core agenda. By incorporating climate considerations into risk management processes, the Board ensures that the Company can thoroughly address the climate-related issues during strategic planning and decision-making, thereby comprehensively enhancing the Company's climate resilience<sup>13</sup>. The Company regularly arranges climate-related training conducted by industry experts for board members to continually elevate their expertise in addressing climate change. At the management level, the Sustainable Development Management Committee and Risk Management Committee jointly oversee and drive initiatives related to climate-related opportunities and risks, climate work planning, and climate resilience enhancement. At the execution level, the Group's ESG Promotion Office and Risk Management Department, along with key member companies, are tasked with implementing climate change-related initiatives.

Sunshine Insurance Climate Change Governance Structure



## // Strategies

Sunshine Insurance fully recognizes the profound impacts of climate change on the global economy and human livelihoods, and has established a comprehensive climate strategy spanning both business and operation, demonstrating Sunshine's responsible stance and proactive efforts in addressing climate challenges.



<sup>12</sup> *Climate Change Management Policy*:  
<https://static.sinosig.com/c/upload/cate/70/146/1744940743349023128.pdf>

<sup>13</sup> Climate resilience denotes a company's capacity to effectively adapt to, recover from, and sustain its core functions amidst impacts resulting from climate change, including extreme weather and policy transitions. It underscores the importance of mitigating organizational vulnerability and fostering sustainability in the context of climate change's long-term impacts and sudden disasters.



## Climate-related Risks Identification

Sunshine Insurance systematically identifies climate-related risks and pinpoints physical risks and transition risks, by taking into account its unique business characteristics and industry-specific attributes.

Risk Type		Risk Description	Impact	Impact Duration	Impact Degree	Responses
Physical risk	Acute	The frequency, intensity and scope of extreme weather events are on the rise, resulting in a continuous increase in the uncertainty of the occurrence probability and the claims amount of the insured risks	Business	Medium term	High	Enhance professional expertise in risk assessment, develop pricing models incorporating climate catastrophe factors, diversify risks via reinsurance, monitor climate risk exposures, and offer comprehensive risk mitigation services
		Climatic disasters cause damage to the Company's real estate assets, leading to financial losses	Operation	Medium term	Medium	Carry out asset risk classification, and formulate a sound emergency response plan
	Chronic	Climate change matters, including rising temperatures and sea levels, result in financial damages to insured companies and increased insurance claim amounts	Business	Long term	Low	Adopt proactive underwriting policies and pricing model adaptations to hedge the long-term impact of chronic physical risks.
Transition risk	Policy	New policies for low-carbon transition may impose additional carbon reduction expenses on companies, leading to increased operational costs	Operation	Short term	Medium	Continuously monitor the release and updates of regulatory policies, inventory the Company's carbon emissions, and implement carbon emission management
		Investment targets, impacted by low-carbon transition policies, face additional carbon reduction costs, resulting in decreased profits or heightened credit risks, and ultimately lower investment yields	Business	Medium term	High	Continuously track release and updates of regulatory policies, periodically evaluate the policy risks of investment targets via climate change risk monitoring, and incorporate climate considerations into investment decision-making
	Reputation	Investment in high-carbon industries may tarnish the Company's reputation	Business	Medium term	Low	Enhance scrutiny over investments in high-pollution enterprises, integrating climate risk considerations into the investment evaluation process
	Technology	Inadequate capacity to identify and assess green insurance risks has resulted in substantial claim payouts	Business	Medium term	High	Carefully select risk exposures, optimize business portfolios, enhance risk mitigation measures, and reduce the impact of emerging risks on claim payouts
	Market	The green products and services failed to meet customer expectations, leading to a decline in operating revenue	Business	Medium/Long term	Low	Continuously monitor market demand for low-carbon transition and actively develop green insurance products

Note: Considering external information and our operational status, we categorize the impact of climate-related risks into short term (within one year after the end of reporting period), medium term (1 – 5 years after the end of reporting period), and long term (5+ years after the end of reporting period) periods.

## Climate-related Opportunities Identification

Sunshine Insurance prioritizes the identification of climate-related opportunities as a crucial lever for advancing sustainable development, and explores pathways for recognizing and acting on these opportunities.

Opportunity Type	Opportunity Description	Impact	Impact Duration	Impact Degree	Responses
Green products and services	Growing demand for green products and services from investors and customers	Business	Medium/Long term	High	Actively develop and promote green products and services in response to the demands of investors and customers, thereby enhancing operating revenue
Resource efficiency	Renewable energy, green buildings and other initiatives to improve the efficiency of resource usage	Operation	Short term	Low	Take measures such as procurement of green electricity and green office to reduce resource consumption and improve resource efficiency
Resilience	Effective handling and prevention of climate disasters to enhance the resilience of the Company's operations	Business and operation	Medium term	Medium	Develop effective adaptation measures and emergency response plans to ensure the stability of various business operations and departmental services, thereby enhancing the Company's reputation

Note: Considering external information and our operational status, we categorize the impact of climate-related opportunities into short term (within one year after the end of reporting period), medium term (1 – 5 years after the end of reporting period), and long term (5+ years after the end of reporting period) periods.

## Climate action of Sunshine Insurance

### Utilizing catastrophe models for extreme climate disaster risk analysis

In 2024, Sunshine Insurance employed two typhoon catastrophe models (Risklink from RMS and Touchstone from AIR) to assess the impact of typhoons and secondary disasters like torrential rain, floods, and storm surges on its insurance portfolio. These models simulated scenarios with return periods of 10 and 75 years, encompassing property and engineering insurance lines susceptible to typhoon hazards. The analysis furnished robust data and insights for the Group's climate resilience evaluation.

### Developing risk assessment model of "Sunshine Sky Eye Risk Map Platform"

The "Sunshine Sky Eye Risk Map Platform" (hereinafter "Sunshine Sky Eye") launched by Sunshine P&C is a platform for the main risk reduction of Sunshine Insurance. On one hand, Sunshine Sky Eye has established risk assessment models encompassing nine major disasters, including typhoons, rainstorms and floods, at the location level by interfacing with industry disaster data. These models automatically push risk assessment results to underwriters, optimizing the underwriting process. On the other hand, Sunshine Sky Eye has created a nationwide meteorological warning map and a WeChat mini-program for real-time disaster alerts, providing Auto and Non-Auto insurance customers with real-time typhoon tracking and disaster warnings. In 2024, Sunshine Sky Eye served 15,200 corporate clients with technology-based disaster mitigation and professional risk consulting services, delivering 1.258 million warning messages to clients and the public, effectively reducing risks during natural disasters such as floods, typhoons, and rainstorms.

### Providing early warning service to help disaster prevention and damage reduction during flood season

Sunshine P&C conducts regular flood and typhoon prevention initiatives annually. Through on-site risk assessments, Sunshine P&C identifies potential hazards for insured clients, formulates customized disaster prevention and loss mitigation proposals tailored for the flood season, and provides detailed explanations on implementing flood prevention emergency plans, accompanied by a comprehensive suite of risk prevention and control services. In July 2024, Dandong City, Liaoning Province, experienced widespread flooding due to continuous heavy rainfall and upstream flood discharge. Over 80% of the location of a food processing factory insured by Sunshine has been affected by the disaster. However, thanks to Sunshine's timely disaster warnings and multiple guidance sessions on risk prevention and control, the client successfully transferred over RMB 3 million worth of materials in advance, thereby averting potential losses from the flood.

## // Risk Management

Sunshine Insurance has incorporated climate-related risks into the Environmental, Social, and Governance (ESG) risk management system. By referencing the Group's risk management policies, we have established a sophisticated climate-related risk management process and regularly reported to the Risk Management Committee of the Board.



### Risk identification

Taking into account of acute and chronic physical risks, and transition risks, we conduct surveys on climate-related risks among subsidiaries and business units via questionnaires and interviews. The Group Risk Management Department consolidates and categorizes these risks, through in-depth identifications and detailed descriptions of the climate risk factors affecting Sunshine Insurance's various business segments.



### Risk management and control

Sunshine Insurance leverages the outcomes of climate-related risk identification and assessment as pivotal decision-making inputs, and then integrates them into the comprehensive risk assessment framework. Climate risk indicators are formulated based on climate risk factors to monitor risk trends, while climate scenario analysis tools are employed to devise tailored risk mitigation strategies, ensuring effective control and management of climate-related risks.



### Risk assessment

We perform a comprehensive evaluation by adopting both qualitative and quantitative methods, to assess the impact extent, duration, geographical reach, and intensity of climate-related risk factors across Sunshine Insurance's business segments. By refining risk factors, developing risk scenarios, and building risk assessment models, we strengthen the capability of quantitative managements of climate-related risks.



### Risk reporting

A combined mechanism of regular and significant risk reporting is established to keep the Board of Directors and management informed of risk management status. Routine updates are provided periodically, while immediate special reports are dispatched for significant risk events, ensuring timely risk control. This reporting mechanism ensures the Board and management have timely access to the objectives, plans, implementations, and updates of climate risk management, thereby bolstering overall climate risk management effectiveness.

## // Metrics and Targets

We actively bolster our climate-related management capabilities by vigorously promoting green insurance and sustainable investments to drive the green transition of the economy and society. Simultaneously, on the basis of progressively refining our Scope 1 and Scope 2 greenhouse gas (GHG) emissions accounting, we have initiated a Scope 3 GHG emissions inventory work, to enhance our Scope 3 statistical capacities, thereby reinforcing our GHG management foundations and gradually perfecting our climate-related objectives. Detailed GHG emissions data are provided in the Appendix "ESG Performance".

	Climate Targets	Achievements in 2024
Business	<ul style="list-style-type: none"> <li>Liability side: Continuously enriching the green insurance product and service system, and maintaining high growth of green insurance premiums</li> <li>Asset side: Leveraging the advantages of insurance funds to vigorously support green industries and green transition, with steady growth of green investments</li> </ul>	<ul style="list-style-type: none"> <li>Premium income of green insurance amounting to RMB 9.966 billion; introducing innovative green insurance products such as typhoon weather index insurance and fisheries weather index insurance</li> <li>Balance of green investments exceeding RMB 20 billion</li> </ul>
Operation	<ul style="list-style-type: none"> <li>Establishing a routine supervision and monitoring system for daily green office practices, encouraging all levels to actively promote energy conservation and consumption reduction, thereby ensuring a steady decline in GHG emission intensity per unit area</li> <li>Continuously improving capabilities for quantitative carbon data management and scientific carbon reduction strategies</li> </ul>	<ul style="list-style-type: none"> <li>GHG emissions per unit area of 0.04223t of CO<sub>2</sub> equivalent per square meter, down 2% year-on-year</li> <li>Carrying out seven training sessions on carbon management to enhance internal knowledge and management skills related to carbon data; introducing Scope 1 and Scope 2 carbon data statistical analysis reports and dashboards on our cockpit system to strengthen integrated carbon data management; initiating a project for Scope 3 carbon inventory and assessment</li> </ul>

## Green Energy Conservation and Emission Reduction

At Sunshine Insurance, we strictly abide by the relevant laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and the *Environmental Protection Law of the People's Republic of China*, and fully practice the concept of the green energy conservation and emission reduction. We advance the principles of sustainability and drive our commitment to green development by adopting green office practices, constructing green buildings, delivering green services, and building green data centres.

### // Green Office

We formulated the *Low-Carbon Green Office Guidelines (2024)* to standardize the requirements related to green office, and practice the concept of green development covering energy conservation, low carbon and environmental protection. We have also refined our evaluation systems, boosted employee training, and heightened awareness of low-carbon practices. Additionally, we have set up a routine monitoring system for green office practices to cut carbon emissions across all levels and support green, low-carbon development.



#### Reducing energy consumption

Prioritize energy-efficient office equipment to boost energy efficiency and actively drive energy-saving efforts, aiming for a steady reduction in energy intensity per unit area; optimize lighting layout, service time and lamp types by staggering downlight activation in corridors, turning off lights for an hour during lunch breaks on weekdays, and installing motion-sensor lights in locker rooms and print rooms to reduce electricity waste; additionally, streamline equipment management by scheduling elevator use by region, turning off water heaters in break rooms after hours, and setting computers to auto-dim after 10 minutes of inactivity, all to cut energy use.



#### Reducing waste emissions

Lease printers to ensure that wastes from ink cartridges, toner cartridges and other consumables are properly handled by the supplier, cutting down on office waste at the source; promote waste sorting and recycling by placing labelled bins for different types of wastes in the workplace, setting up battery and paper recycling boxes, and encouraging employees to recycle waste batteries, paper, plastics, and metals by categories, which helps boost resource recycling and reduce waste emissions.



#### Advocating water conservation

Promote water-saving campaigns with at least one campaign per year to emphasize the water-saving importance, and also conduct specialized training on water resource management and water-saving equipment upgrades to boost employees' water-saving awareness and skills; moreover, improve the supervision of water resource management and establish a routine system for tracking water data, requiring all units to report water resources data quarterly to ensure effective water-saving practices.



#### Conducting training and promotion

Actively promote green office practices through systematic training and extensive campaigns to drive our green transformation; distribute a "Green Office Initiative", advocating green behaviors like the "clean plate" campaign, water and electricity conservation, online meetings promotion, and green travel, and set up a green office information board to disseminate related knowledge; organize specialized training to guide business lines in implementing green strategies and achieving ongoing progress in energy saving and emission reduction.



#### Enhancing statistical supervision and inspection

Refine data management by adhering to green office guidelines, standardizing electronic ledger formats, and ensuring accurate entry of water and electricity usage, as well as conservation data, into the ESG system; establish a sound monitoring and inspection framework to oversee the implementation of green office practices, conduct dynamic analyses, and identify key areas for improvement and focus; implement a regular "red-yellow-blue" evaluation system against each subsidiary's low-carbon and green office performance, covering five critical areas: environmental data reporting, achievement of carbon emission targets, management system development, training and publicity, and specialized initiatives; these evaluation results are used to identify gaps, investigate underlying causes, and further enhance green operations to ensure effective energy and emission reductions.



#### Enhancing digital office operations

Continuously transform traditional offline office processes into digital formats, developing over 10 online management tools to streamline operations; enhance data sharing and integration by enabling seamless data flow between different office systems, maximizing data value; embed intelligent tools in key office scenarios such as documents, news, tasks, and knowledge management. By leveraging advanced AI capabilities, these tools can quickly query office information, create meetings, generate meeting minutes automatically, and provide intelligent Q&A, significantly boosting office efficiency and intelligence.



## // Green Building

Sunshine Insurance is committed to building the headquarters building – Sunshine Financial Center to a 5A-level building that integrates business, intelligence, green practices, and environmental protection, which highlights Sunshine's firm commitment to sustainable development and environmental protection. We incorporate green and eco-friendly concepts in the Center's design and construction, utilizing a large proportion of green building materials and advanced energy-saving technologies to ensure optimal facilities and environmental quality. It focuses not only on aesthetic design but also on innovative internal functions and intelligent management. The Center has successfully obtained dual international gold-level certifications in LEED (Leadership in Energy and Environmental Design) and WELL (Wellness Building standards), reaching an international advanced level in the fields of green and healthy buildings. Additionally, the building extensively employs BIM (Building Information Modeling) technology for comprehensive architectural application, and the integration of multiple systems through IBMs (Intelligent Building, Management Systems) has elevated the building's level of intelligence, which has provided efficient and convenient support for a range of services, including office work, meetings, commerce, and dining.



Sunshine Financial Center

## // Green Services

We are committed to delivering green and intelligent services to meet customer needs for simple and convenient services and support Sunshine's sustainable development. We have deepened the application of intelligent technologies. The customer service robot now offer enhanced capabilities, expanded voice interaction service scenarios and broader service channels, achieving 100% coverage of major online platforms, which not only boosts service efficiency but also reduces paper usage and energy consumption, supporting our goal of green services and adding new momentum to Sunshine's sustainable development.



The customer service robot achieves

# 100%

coverage across all major online service platforms

## // Green Data Center

We have established the *Energy Conservation and Emission Reduction Measures for Sunshine Insurance Data Center*, which standardizes the energy management practices in the daily operation of the data center, and ensure that energy management practices comply with efficient and environmentally friendly standards. We adapt to local conditions, identify issues, and develop targeted solutions, and maximize energy efficiency in data center facilities through monitoring and detailed management.

Data Centre green operation measures:



Cabinet optimization

By adding reusable blind plates to cabinets and using blocking air ducts to reduce wind short-circuiting, the efficiency of air conditioning refrigeration is increased, contributing to power savings. By the end of 2024, the cumulative electricity saving exceeded 200,000 KWh.



By the end of 2024,  
the cumulative electricity  
saving exceeded

# 200,000

KWh



Adjustment of air  
supply system

Adjusting the design of air supply floor to increase the air delivery distance from the underfloor plenum, enhancing the efficiency of air supply. Under the satisfaction of cooling capacity and air flow requirements, reducing the number of air conditioning units in operation, achieving energy-saving effects. We monitored the temperature in the cold air passage on-site. The results showed a significant drop in temperature, with local hot spots being effectively relieved.



Refrigeration system  
upgrade

Renovating the refrigeration system by replacing the screw chillers and expanding the plate heat exchanger capacity to increase the area of heat exchange for chilled and hot water, thereby cooling the server room more efficiently and saving on electricity consumption. Measurements show that replacing a single screw chiller can save over 380,000 kWh of electricity per year, and expanding the plate heat exchanger capacity can save over 180,000 kWh per year.



# APPENDIX

Statement of the Board of Directors	74
ESG Performance	75
Third-party ESG Assurance Report	81
Indicator Index	85



## Statement of the Board of Directors

The Board of Directors of Sunshine Insurance remains committed to both the steady expansion of core business operations and the holistic advancement of ESG (Environmental, Social, and Governance) practices. Through continuous refinement of governance frameworks, operational protocols and transparency mechanisms, Sunshine Insurance aspires to cultivate symbiotic relationships with ecological systems and societal stakeholders while driving sustainable development imperatives.

### // Regulation of ESG matters

The Board of Directors serves as the ultimate governing and decision-making body for ESG matters, exercising full oversight and accountability. It systematically reviews ESG objectives and progress, receives reports from specialized subcommittees and executive management regarding ESG operations, and guides the preparation of ESG disclosures.

The ESG Committee under the Board coordinates ESG system development, evaluates governance visions, objectives, and strategies related to ESG, monitors ESG policy and implementation, and provides strategic guidance to ensure structured progress in ESG commitments.

The Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Consumer Rights Protection Committee fulfill their mandates by reviewing policies related to consumer rights protection, information security, employee development, and business ethics. These committees oversee the implementation of related ESG policies through standardized reporting mechanisms and collaborate to holistically advance Sunshine's ESG initiatives.

### // ESG management policy and strategy

Sunshine Insurance embeds ESG governance requirements and green finance practices into daily operations through systematic annual reviews of ESG efforts progress. By aligning with macro policies, regulatory mandates, and stakeholder communication results, the Company prioritizes and manages key ESG issues and strategically advances critical improvement initiatives. Management regularly reports ESG progress to the Board and related committees, setting clear governance frameworks and action plans. This structured approach drives continuous performance enhancement and ensures effective ESG governance throughout organizational operations.

### // Review of ESG targets

The Board of Directors and its specialized committees conduct annual reviews of Sunshine Insurance's ESG initiatives and progress, while scrutinizing relevant disclosure materials. During the reporting year, the Board deliberated and approved key ESG reports including the *2023 Sustainability Report*, the *2023 Green Finance Implementation Report*, the *2024 – 2026 ESG Development Roadmap*, the *2023 Risk Assessment Report* and the *2023 Consumer Rights Protection Report*. These materials facilitated comprehensive analysis of operational achievements, challenges, and strategic prioritization of core ESG objectives.

ESG Committee of the Board specifically ratified the *2023 Sustainability Report*, the *2023 Green Finance Implementation Report* and the *2024 – 2026 ESG Development Roadmap*. In addition, the Committee through exercising centralized oversight, monitored climate-related risk management, guided ESG metric quantification processes, and provided ESG disclosure recommendations. The Audit Committee, Risk Management Committee, and Consumer Rights Protection Committee respectively reviewed reports related to risk management, business ethics, and consumer rights protection, propelling integrated advancement of Sunshine's ESG initiative.

**This report was reviewed and approved by the Board on March 26, 2025.**

# ESG Performance

## // Environmental Performance<sup>14</sup>

14 The statistical scope of data per capita for 2024 performance data in the environmental category includes Sunshine Insurance Headquarters, Sunshine P&C, Sunshine Life Insurance, Sunshine AMC, Sunshine Credit Insurance, Sunshine DIG & AI TECH and Sunshine Union Hospital; due to historical data quality issues, the intensity indicator per capita has not been backdated to 2022. Due to the nature of our business, greenhouse gas emissions are primarily from purchased electricity and fossil fuel burning. the list of greenhouse gases includes carbon dioxide, methane, and nitrous oxide. Greenhouse gas emissions data are presented in terms of carbon dioxide equivalents, and calculated in accordance with the Notice on the Management of Greenhouse Gas Emission Reporting by Enterprises in the Power Generation Sector for 2023–2025 issued by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC).

GHG Emissions	Unit	2024	2023	2022
Total emissions	ton of carbon dioxide equivalent	57,133.16	59,524.91	64,677.20
Greenhouse gas emissions in scope 1	ton of carbon dioxide equivalent	13,092.96	13,864.81	18,594.11
Greenhouse gas emissions in scope 2	ton of carbon dioxide equivalent	44,040.20	45,660.10	46,083.09
Greenhouse gas emissions per unit area	ton of carbon dioxide equivalent/square meter	0.04223	0.04298	–

Energy Consumption	Unit	2024	2023	2022
Direct energy consumption	MWh	55,866.53	56,127.53	79,001.30
Natural gas	MWh	22,633.27	9,438.78	23,760.48
Liquefied petroleum gas	MWh	32.32	7.96	211.23
Coal	MWh	–	–	20.40
Gasoline	MWh	32,963.69	46,439.83	54,333.22
Diesel	MWh	237.25	240.96	675.97
Direct energy consumption per unit area	MWh/m <sup>2</sup>	0.04129	0.04053	–
Indirect energy consumption	MWh	77,222.87	80,063.30	80,804.99
Purchased electricity	MWh	77,222.87	80,063.30	80,804.99
Indirect energy consumption per unit area	MWh/m <sup>2</sup>	0.05708	0.05782	–



Water Consumption	Unit	2024	2023	2022
Water consumption	ton	972,409.03	1,017,790.52	1,208,116.94
Municipal water supply	ton	954,405.44	896,269.30	1,089,678.49
Potable water	ton	18,003.59	121,521.22	118,438.45
Water consumption per unit area	ton/m <sup>2</sup>	0.71877	0.73498	–

Wastes	Unit	2024	2023	2022
Non-hazardous wastes	ton	609.22	2,768.38	3,753.08
Paper consumption	ton	609.22	2,768.38	3,753.08
Non-hazardous wastes consumption per unit area	ton/m <sup>2</sup>	0.00045	0.00200	–
Hazardous wastes <sup>15</sup>	ton	21.58	112.12	101.47
Wasted toner cartridges	ton	16.31	89.78	74.52
Wasted ink cartridges	ton	5.27	22.34	26.95
Hazardous wastes consumption per unit area	ton/m <sup>2</sup>	0.00002	0.00008	–

<sup>15</sup> Hazardous waste, including discarded toner cartridges and discarded ink cartridges, is recycled and disposed of by qualified recyclers.

## // Social Performance

16 The statistical scope includes Sunshine Insurance, Sunshine P&C, Sunshine Life Insurance, Sunshine AMC, Sunshine Surety and Sunshine DIG & AI TECH.

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

Employment	Unit	2024	2023	2022
Total number of employees	person	48,477	50,629	57,152
Group and major subsidiaries <sup>16</sup>	person	46,736	48,888	55,425
Sunshine Union Hospital	person	1,741	1,741	1,727
Number of interns	person	112	62	49
Number of dispatched employees	person	0	0	0
Number of part-time employees	person	0	0	0
By gender				
Number of male employees	person	20,468	21,334	24,885
Number of female employees	person	28,009	29,295	32,267
By age				
30 and under	person	10,775	12,748	17,151
31 to 40	person	26,144	26,862	29,508
41 to 50	person	9,428	8,925	8,488
51 and above	person	2,130	2,094	2,005
By region <sup>17</sup>				
Northern China	person	10,953	11,820	13,439
Northeastern China	person	4,235	4,566	4,933
Eastern China	person	14,132	14,872	16,867
Central China	person	6,355	6,470	7,505
Southern China	person	3,582	3,467	3,587
Southwestern China	person	6,337	2,897	3,260
Northwestern China	person	2,883	6,537	7,561

Employment	Unit	2024	2023	2022
By education				
Below bachelor	person	22,873	25,300	30,356
Bachelor	person	23,442	23,286	24,657
Master and above	person	2,162	2,043	2,139
By employment type				
Managers	person	5,709	6,084	6,312
Professional technicians	person	17,019	16,710	18,120
Sales staff	person	25,749	27,835	32,720

Employee turnover <sup>18</sup>	Unit	2024	2023	2022
Employee turnover rate	%	5.3	6.5	8.4
By gender				
Male	%	6.4	7.6	9.0
Female	%	4.2	5.6	7.9
By age				
30 and under	%	11.1	12.7	13.5
31 to 40	%	4.2	5.1	7.1
41 to 50	%	1.8	2.4	3.6
51 and above	%	1.1	0.8	2.4
By region <sup>19</sup>				
Northern China	%	4.3	6.9	9.0
Northeastern China	%	5.0	3.6	5.4
Eastern China	%	5.5	6.4	8.6
Central China	%	4.8	5.6	7.9
Southern China	%	7.7	8.0	8.7

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

19 The regional division criteria are 10 provinces (municipalities) in the eastern region: Beijing, Tianjin, Hebei, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan; 6 provinces in the central region: Shanxi, Anhui, Jiangxi, Henan, Hubei and Hunan; 12 provinces (districts and municipalities) in the western region: Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang; and 3 provinces in the northeast region: Liaoning, Jilin and Heilongjiang.

Employee turnover	Unit	2024	2023	2022
Northwestern China	%	7.6	9.9	10.9
Southwestern China	%	5.4	6.4	7.6

Employee Development and Training <sup>20</sup>	Unit	2024	2023	2022
Coverage rate of employees trained	%	98.71	93.2	79.0
By gender				
Male	%	98.63	94.9	85.1
Female	%	98.76	91.9	74.7
By employment				
Management	%	99.84	100	99.9
Non-management	%	98.56	92.3	78.4
Average training hours for employees	class hour	86.6	71.6	60.4
By gender				
Male	class hour	89.4	78.4	69.6
Female	class hour	84.5	66.6	53.9
By employment				
Management	class hour	132.6	136.1	126.0
Non-management	class hour	80.6	63.0	54.6

Supply Chain Management	Unit	2024	2023	2022
Number of suppliers	/	11,799	10,620	10,931
Mainland China	/	11,755	10,620	10,931
Hong Kong, Macao and Taiwan areas	/	44	0	0
Other countries and regions	/	0	0	0

<sup>20</sup> Class hours are the internal statistical rules formulated by Sunshine Insurance according to different types of training courses, and the statistical scope only includes online training conducted through the Sunshine Academy platform system.



Product Responsibility				
Customer Complaints	Unit	Sunshine P&C	Sunshine Life Insurance	Sunshine Surety
2024				
Number of self-received complaints	ten thousand pcs	3.08	3.86	0.0004
Number of complaints transferred from the supervision department	pcs	349	632	28
Client complaint handling rate	%	100	100	100
Three areas where regulatory complaint cases are concentrated	/	Zhejiang, Jiangsu, Guangdong	Jiangsu, Zhejiang, Shandong	Beijing, Hebei, Shaanxi
2023				
Number of self-received complaints	ten thousand pcs	2.96	3.26	0.0005
Number of complaints transferred from the supervision department	pcs	1,323	1,581	66
Client complaint handling rate	%	100	100	100
Three areas where regulatory complaint cases are concentrated	/	Jiangsu, Beijing, Guangdong	Zhejiang, Yunnan, Guangdong	Beijing, Shanghai, Zhejiang
2022				
Number of self-received complaints	ten thousand pcs	4.20	3.64	0.0038
Number of complaints transferred from the supervision department	pcs	1,359	1,780	32
Client complaint handling rate	%	100	100	100
Three areas where regulatory complaint cases are concentrated	/	Jilin, Beijing, Jiangsu	Zhejiang, Hebei, Yunnan	Beijing, Shanghai, Zhejiang
Anti-Corruption	Unit	2024	2023	2022
Anti-corruption training for employees	person-times	58,187	20,749	9,699
Community Investment	Unit	2024	2023	2022
Cumulative number of village doctors trained under the "Capacity Building Program for 10,000 Rural Doctors"	person-times	22,434	19,478	16,372
Hours of volunteer service performed	hour	30,808	16,672	–

# Third-party ESG Assurance Report



羅兵咸永道

English Translation for Reference Only

## Independent practitioner's limited assurance report on Sunshine Insurance Group Company Limited's sustainability data

To the board of directors of Sunshine Insurance Group Company Limited

### Limited assurance conclusion

We have conducted a limited assurance engagement on the selected key data (the "Sustainability Data") of Sunshine Insurance Group Company Limited (the "Company") included in the 2024 Sustainability Report as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Data is not prepared, in all material respects, in accordance with the criteria applied as explained in the section "basis of reporting of the key data" of the 2024 Sustainability Report (the "basis of reporting").

### Sustainability Data

The Sustainability Data as at 31 December 2024 and for the year then ended is summarised below:

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



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### Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board (the "IAASB").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

### Our independence and quality management

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

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

### Responsibilities for the Sustainability Data

Management of the Company is responsible for:

- The preparation of the Sustainability Data in accordance with the basis of reporting;
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Sustainability Data, in accordance with the basis of reporting, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

### Inherent limitations in preparing the Sustainability Data

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

### Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Data is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements



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can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Data.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Company's use of the basis of reporting as the basis for the preparation of the Sustainability Data.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Sustainability Data. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Data. The procedures 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.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Sustainability Data, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of the Sustainability Data inquiry with the persons from relevant departments at the Headquarter of the Company responsible for the Sustainability Data;
- Evaluated whether all information identified by the process to identify the information reported in the Sustainability Data is included in the Sustainability Data;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Data;
- Performed limited substantive procedures on a sample basis on selected information in the Sustainability Data;
- Evaluated the appropriateness of quantification methods and reporting criteria adopted for the ESG data.

### Other matter

The comparative sustainability information of the Company as at 31 December 2022 and for the year then ended was assured by another practitioner whose limited assurance report, dated 31 March 2023, expressed an unmodified conclusion. Our conclusion is not modified in respect of this matter.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 15 April 2025

## // Basis of Reporting

### Purchased electricity (MWh)

The amount of purchased electricity disclosed in the Sustainability Report refers to the total amount of externally purchased electricity of Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital during the reporting period.

### Natural gas consumption (MWh)

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

### Liquefied petroleum gas consumption (MWh)

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

### Gasoline consumption (MWh)

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

### Diesel consumption (MWh)

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

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

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

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

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

### Total emissions (ton of carbon dioxide equivalent)

The total emissions disclosed in the Sustainability Report refers to the sum of Scope 1 and Scope 2 greenhouse gas emissions of Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital in the reporting period.



<b>Total number of employees (person)</b>	The number of employees disclosed in the sustainability report refers to the number of employees who signed labor contracts as of the end of the reporting period. The statistical scope includes: Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Number of female employees (person)</b>	The number of female employees disclosed in the Sustainability Report refers to the number of female employees signed labor contracts as of the end of the reporting period. The statistical scope includes: Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Coverage rate of employees trained (%)</b>	The coverage rate of employees trained disclosed in the Sustainability Report refers to the number of employees who participated in the trainings during the reporting period as recorded in the Sunshine Academy divided by the total number of employees. The statistical scope includes: employees of Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Average training hours for employees (class hour)</b>	The average training hours for employees disclosed in the Sustainability Report refers to the total number of class hours of training recorded in the Sunshine Academy during the reporting period divided by the total number of employees. The scope of statistics includes: employees of Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Coverage rate of male employees trained (%)</b>	The coverage rate of male employees trained disclosed in the Sustainability Report refers to the number of male employees who participated in the trainings during the reporting period as recorded in the Sunshine Academy divided by the total number of male employees. The scope of statistics includes: employees of Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Coverage rate of female employees trained (%)</b>	The Coverage rate of female employees trained disclosed in the Sustainability Report refers to the number of female employees who participated in the trainings during the reporting period as recorded in the Sunshine Academy divided by the total number of female employees. The scope of statistics includes: employees of Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Average training hours of male employees (class hour)</b>	The average training hours of male employees disclosed in the Sustainability Report refers to the total number of class hours of training attended by male employees recorded by the Sunshine Academy during the reporting period divided by the total number of male employees. The statistical scope includes: employees of Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Average training hours of female employees (class hour)</b>	The average training hours of female employees disclosed in the Sustainability Report refers to the total number of class hours of training attended by female employees as recorded in the Sunshine Academy during the reporting period divided by the total number of female employees. The scope of statistics includes: employees of Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Number of suppliers (number)</b>	The number of suppliers disclosed in the Sustainability Report refers to the number of official suppliers in the Sunshine Bidding and Procurement System as of the end of the reporting period. The statistical scope includes: Sunshine Insurance, Sunshine P&C Insurance, Sunshine Life Insurance, Sunshine Asset, Sunshine Surety, Sunshine DIG & AI TECH and Sunshine Union Hospital.
<b>Number of female directors (person)</b>	The number of female directors disclosed in the Sustainability Report refers to the total number of female directors among the members of the Board of Directors of Sunshine Insurance as of the end of the reporting period.

# Indicator Index

## // HKEX Environmental, Social and Governance Reporting Code

Description	Aspect, General Disclosure and KPI	Section
Governance Structure	<p>A statement issued by the board of directors containing the following elements:</p> <p>(i) disclosure of the board's oversight of environmental, social, and governance (ESG) matters;</p> <p>(ii) the board's ESG management policies and strategies, including the process for assessing, prioritizing, and managing material ESG-related issues (including risks to the issuer's business); and</p> <p>(iii) how the board reviews progress against ESG-related targets and explains how they are relevant to the issuer's business.</p>	P74
Reporting Principles	<p>Describe or explain how the following reporting principles are applied when preparing an environmental, social, and governance (ESG) report:</p> <p>Importance: The ESG report should disclose:</p> <p>(i) the process for identifying material ESG factors and the criteria used to select these factors;</p> <p>(ii) a description of the identified key stakeholders and the process and outcomes of the issuer's stakeholder engagement, if such engagement has been conducted.</p> <p>Quantification: Information on the standards, methodologies, assumptions, and/or calculation tools used to report emissions/energy consumption (if applicable), as well as the sources of the conversion factors used, should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes in statistical methods or key performance indicators (if any) or any other relevant factors that affect meaningful comparisons.</p>	P3
Scope of the Report	<p>Explain the reporting scope of the environmental, social, and governance (ESG) report, and describe the process of selecting which entities or businesses to include in the ESG report. If there are changes to the reporting scope, the issuer should explain the differences and the reasons for the changes.</p>	P3

Description	Aspect, General Disclosure and KPI	Section
Environmental		
A1: Emissions		
General Disclosure	<p>Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste on:</p> <p>(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p> <p>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub> and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	P71-P72
KPI A1.1	The types of emissions and respective emissions data.	P75-P76
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	P75
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P76
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P76
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	P70
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P71-P72
Use of Resources		
General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources can be used production, in storage, transportation, in buildings, electronic equipment, etc.</p>	P71-P72
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).	P75
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P76
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P71-P72

Description	Aspect, General Disclosure and KPI	Section
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P71
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	–
A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P71–P72
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P71–P72
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.	P67
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.	P67–P70
Social: Employment and Labour Practices		
B1: Employment		
General Disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare on:  (a) the policies; and      (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	P43–P44, P46–P47, P51
KPI B1.1	Total workforce by gender, employment type for example, full or part-time age group and geographical region.	P77–P78
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P78–P79
B2: Health and Safety		
General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards on:  (a) the policies; and      (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	P51
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P51
KPI B2.2	Lost days due to work injury.	P51
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P51



Description	Aspect, General Disclosure and KPI	Section
<b>B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <small>Note: Training refers to vocational training, it may include internal and external courses paid by the employer</small>	P47-48
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P79
KPI B3.2	The average training hours completed per employee by gender and employee category.	P79
<b>B4: Labour Standards</b>		
General Disclosure	Information relating to preventing child and forced labour on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	P43
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	P43
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	P43
<b>Social: Operating Practices</b>		
<b>B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	P53
KPI A5.1	Number of suppliers by geographical region.	P79
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P53
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P53
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P53

Description	Aspect, General Disclosure and KPI	Section
<b>B6: Product Responsibility</b>		
General Disclosure	Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	P63–65
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.	P80
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P62
KPI B6.4	Description of quality assurance process and recall procedures.	–
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P63–P65
<b>B7: Anti-corruption</b>		
General Disclosure	Information relating to bribery, extortion, fraud and money laundering on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	P60–P61
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Refer to Judicial Disclosure
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P62
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P61, P80
<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.	P54–P56
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P54–P56
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	P80

## // GRI Standards for Sustainability Reporting

GRI Indicators	Interpretations	Section
GRI 1 Foundation		
1 Foundation 2021	Reporting foundations, including publishing a GRI content index, providing a statement of use, etc.	P3, P90
GRI 2 General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	P6
2-2	Entities included in the organization's sustainability reporting	P3
2-3	Reporting period, frequency and contact point	P3
2-4	Restatements of information	–
2-5	External assurance	P81–P82
Activities and workers		
2-6	Activities, value chain and other business relationships	P6
2-7	Employees	P43–P51
2-8	Workers who are not employees	P52
Governance		
2-9	Governance structure and composition	P19, P59
2-10	Nomination and selection of the highest governance body	–
2-11	Chair of the highest governance body	P19
2-12	Role of the highest governance body in overseeing the management of impacts	P19
2-13	Delegation of responsibility for managing impacts	P19
2-14	Role of the highest governance body in sustainability reporting	P19
2-15	Conflicts of interest	–
2-16	Communication of critical concerns	P20–P21

GRI Indicators	Interpretations	Section
2-17	Collective knowledge of the highest governance body	P59
2-18	Evaluation of the performance of the highest governance body	P59
2-19	Remuneration policies	P59
2-20	Process to determine remuneration	–
2-21	Annual total compensation ratio	–
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	P16–P18
2-23	Policy commitments	P16–P18
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	P38, P43–P44, P51, P60–P61, P63, P71
2-28	Membership associations	–
Stakeholder engagement		
2-29	Approach to stakeholder engagement	P20–P21
2-30	Collective bargaining agreements	–
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	P21
3-2	List of material topics	P21
3-3	Management of material topics	P21
GRI 201 Economic Performance 2016		
201-1	Infrastructure investments and services supported	–
201-2	Significant indirect economic impacts	P68–P69



GRI Indicators	Interpretations	Section
201-3	Defined benefit plan obligations and other retirement plans	P48-P50
GRI 203 Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	P29-P34
203-2	Significant indirect economic impacts	P29-P34
GRI 205 Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	P60
205-2	Communication and training about anti-corruption policies and procedure	P61
205-3	Confirmed incidents of corruption and actions taken	-
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-
GRI 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	P75
302-2	Energy consumption outside of the organization	-
302-3	Energy intensity	P75
GRI303 Water and Effluents 2018		
303-5	Water consumption	P76

GRI Indicators	Interpretations	Section
GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	P75
305-2	Energy indirect (Scope 2) GHG emissions	P75
305-4	GHG emissions intensity Emissions	P75
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	P76
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	P53
308-2	Negative environmental impacts in the supply chain and actions taken	P53
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	P78-P79
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P49-P50
401-3	Parental leave	P49
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	P51
403-2	Hazard identification, risk assessment, and incident investigation	-
403-3	Occupational health services	P51
403-4	Worker participation, consultation, and communication on occupational health and safety	-
403-5	Worker training on occupational health and safety	P51
403-6	Promotion of worker health	P51
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P51

GRI Indicators	Interpretations	Section
403-8	Workers covered by an occupational health and safety management system	-
403-9	Work-related injuries	P51
403-10	Work-related ill health	P51
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	P79
404-2	Programs for upgrading employee skills and transition assistance programs	P47-P48
404-3	Percentage of employees receiving regular performance and career development reviews	P46
GRI 405 Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	P43, P59
GRI 408 Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	-
GRI 409 Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
GRI 413 Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	P54-P56
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	P53
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	P38

