



Waterdrop Inc.

Environmental, Social and Governance
Report 2023



About the Report

➤ Report Overview	The Report provides comprehensive illustration of the ESG performances and management measures of Waterdrop Inc. and its affiliates (hereinafter referred to as "Waterdrop", "the Company" or "We") in 2023, focusing on issues of stakeholder concerns. It is recommended that the Report be read together with our 2023 Annual Report to obtain a thorough understanding of the Company.
➤ Reporting Period	Unless otherwise stated, the reporting period of the Report is from January 1, 2023, to December 31, 2023, and some information may be beyond such period.
➤ Basis of Preparation	The Report was prepared mainly based on the Global Sustainability Standards Board's <i>GRI Standards 2021 (Reference)</i> , combined with the Ten Principles of the United Nations Global Compact (UNGC) and the United Nations Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB)'s <i>Software & Information Technology (IT) Services Standard</i> , and the revised version of the International Sustainability Standards Board (ISSB)'s <i>SASB Standards</i> , and other standards and initiatives.
➤ Data Sources	The Report follows the principles of materiality, quantitative, balance, and consistency. The sources of data used in the Report include public data from government departments, internal documents and statistical reports of Waterdrop Inc., and third-party questionnaires, etc. Unless otherwise stated, the currencies involved in this Report are presented in Renminbi ("RMB").
➤ External Assurance	The Company has engaged SGS-CSTC Standards Technical Services Co. Ltd. to perform limited assurance on the key data selected in the Report according to the AA1000 Assurance Standard, and evaluate the compliance of the report content with <i>GRI Standards 2021 (Reference)</i> .
➤ Report Access	Visit our official website at www.waterdrop-inc.com to download the Chinese and English versions of the Report. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.
➤ Feedback	We look forward to your comments and suggestions on this Report and our work, which will serve as an important basis for our continued facilitation of sustainable development management and practices. You may contact us via: Company address: Block C, Wangjing Science and Technology Park, Lize Zhong Er Road, Chaoyang District, Beijing, China Company phone: 010-53394997 Email address: ESG@shuidi-inc.com
➤ The Editorial Board	Editor-in-chief: Shen Peng Deputy editor-in-chief (in alphabetical order by pinyin): Cai Hanyong, Fan Ru, Gong Chen, Guo Aidi, Guo Miao, Guo Nanyang, Han Xue, Hou Lei, Hu Hao, Li Jiating, Li Jieru, Ling Zhaohua, Liu Fang, Liu Huibo, Liu Nian, Ma Jing, Ran Wei, Sun Xiaolei, Tan Lidan, Xv Xiaoying, Yang Guang, Zhai Yu, Zhang Geqi, Zhang Shouzheng, Zhou Xiaobo

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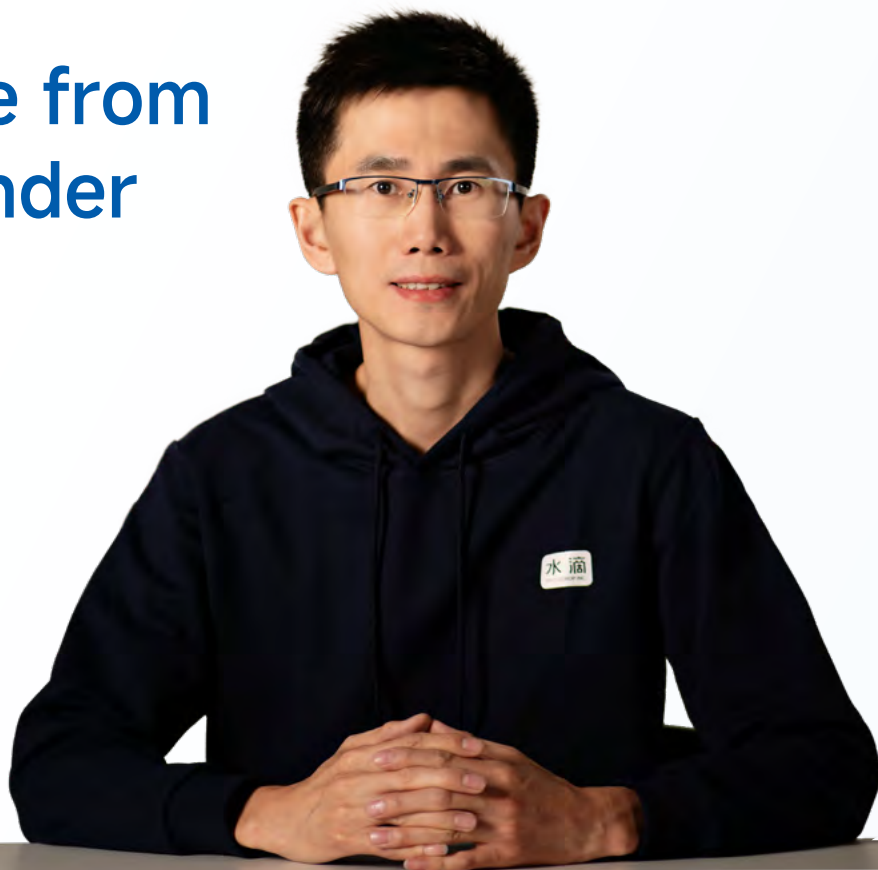
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Message from the Founder



The year 2023 is the beginning year of comprehensive implementation of the spirit of the 20th National Congress of the CPC a critical year for the implementation of the “14th Five-Year Plan”, and the beginning of a new journey to build a modern socialist country. Adhering to the entrepreneurial spirit and mission that “we at Waterdrop aspire to bring insurance and healthcare services to billions through technology.” Waterdrop Inc. is committed to providing the public with quality and inclusive insurance and health service solutions; actively practicing the concept of sustainable development, and continuously deepening the integration of corporate strategy and social responsibility; accelerating the development of new quality productivity in the industry, and shaping high-quality development as our new advantage.

Centered around protection of people's health, serving “Healthy China” development

Setting the tone of health for the people, Waterdrop shows its responsibility and commitment. Taking “protecting people's health and guarding people's good life” as the primary tenet of our development, Waterdrop has actively helped patients with serious illnesses from families in difficulty, becoming a valuable force that supports the multi-level social assistance and medical aid system and contributing to the blueprint of “Healthy China”. By the end of 2023, the number of patients assisted by Waterdrop Medical Crowdfunding exceeded 3.1 million, and the cumulative fundraising amount was about RMB 62.6 billion. Waterdrop Charity joined hands with 112 public charitable organizations across China to carry out social welfare activities in serious illness relief, emergency disaster relief for rural revitalization and special populations, with more than 15,000 public welfare projects launched and 70 million caring netizens working together. The Company launched the “Charitable Plan of a Thousand Waterdrop Rural Clinics in a Hundred Counties”, which has built a total of 139 rural clinics in Xinjiang, Fujian, and other provinces, benefiting more than 500,000 person times.

Focusing on the needs of the public, Waterdrop continues to deepen the innovation of insurance products and services. In the process of implementing the national strategy of Healthy China and coping with an aging population, people's demand ever increases for a health system that provides care for the elderly, cure for the sick, and assistance to the disadvantaged. Focusing on the multi-level and individualized demands for health protection, Waterdrop continuously improves the diversity, inclusiveness, and accessibility of insurance services, follows the national policy of inclusive insurance development, practices the tenet of people-oriented, and deepens the inclusive projects in collaboration with local governments and insurance companies. As of the end of 2023, Waterdrop Insurance Marketplace offered a total of 1,357 types of insurance products, an increase of 582 types compared to the end of 2022. Waterdrop has continuously improved and enriched its system of inclusive insurance products and services, which is a concrete practice of firmly aligning its work with policy and the people.

Strengthening scientific and technological innovation, developing new quality productive forces

“Developing new quality productive forces is the intrinsic requirement and an important focus of promoting high-quality development, and it's necessary to continue to well leverage innovation to speed up the development of new quality productive forces.” Waterdrop has always adhered to the concept that innovation is the Company's first driving force for development and promoted deep integration of digital technology with the insurance and healthcare industries. In 2023, Waterdrop's R&D investments reached RMB 299 million, and the Company will continue to explore and innovate in terms of product development, business models, and service modes, so as to contribute to Waterdrop's power in accelerating the development of the industry's new quality productive forces.

In the insurance industry, our self-developed “Waterdrop Guardian” large-language-model (LLM) has covered most of the scenes of the insurance industry, providing a range of services including insurance basics, analysis of insurance terms and conditions, Q&A of underwriting questions and other professional knowledge bases. Besides, it can also help customers in the process of purchasing, renewing and refunding premiums. We have launched a new claims assistance service called “Bangbang”, with application of AI technologies such as voice recognition, natural language processing, semantic understanding, etc. The service covers 216 insurance products, with a one-off pass rate of over 97% for claims materials, and a coverage rate of claims interpretation by “AI + manpower” function of up to 99%, which further promotes the digital and intellectualized transformation of the insurance industry. In the medical and healthcare industry, E-Find pharmaceutical business provides integrated, full-process digital clinical trial solutions for pharmaceutical companies, significantly improving the efficiency of clinical trials and new drug development, and assisting the digital transformation of the medical and healthcare industry.

Insisting green developing, significant effects of low-carbon transition and development

Waterdrop Inc. adheres to the concept that “green development is high-quality development” while improves the efficiency of operation and management. In July 2023, the All-China Federation of Industry and Commerce initiated the establishment of the “Private Enterprises Green and Low Carbon Development Alliance”. Waterdrop Inc., as one of the founding members of the alliance, has played an active leading role in standardization and self-discipline as well as exemplary demonstration, green and low-carbon concepts dissemination, and exchange, sharing and promotion of advanced experiences, to guide more private enterprises to enhance their awareness of green and low-carbon development and carry out green and low-carbon activities. At the same time, the Company takes the initiative to identify relevant climate risks and opportunities in its operations and value chain management, carries out risk management in an orderly manner, continues to promote the concepts of green environmental protection and green office, and drives our employees and partners to contribute to the building of ecological civilization with Waterdrop wisdom through institutional work, equipment renovation, green procurement and other low-carbon actions.

Sharing scientific and technological innovation, building a green home, and composing a new chapter of development together. In 2024, always adhering to the original spirit of entrepreneurship and high-quality development path, Waterdrop Inc. makes efforts to improve corporate governance, strengthen scientific and technological innovation, promote green low-carbon actions, and organize public welfare and charitable activities, among others. We will forge ahead while caring for the society, resonate our own development with national strategies and the industry's progress, and build a better and more sustainable future with our partners.

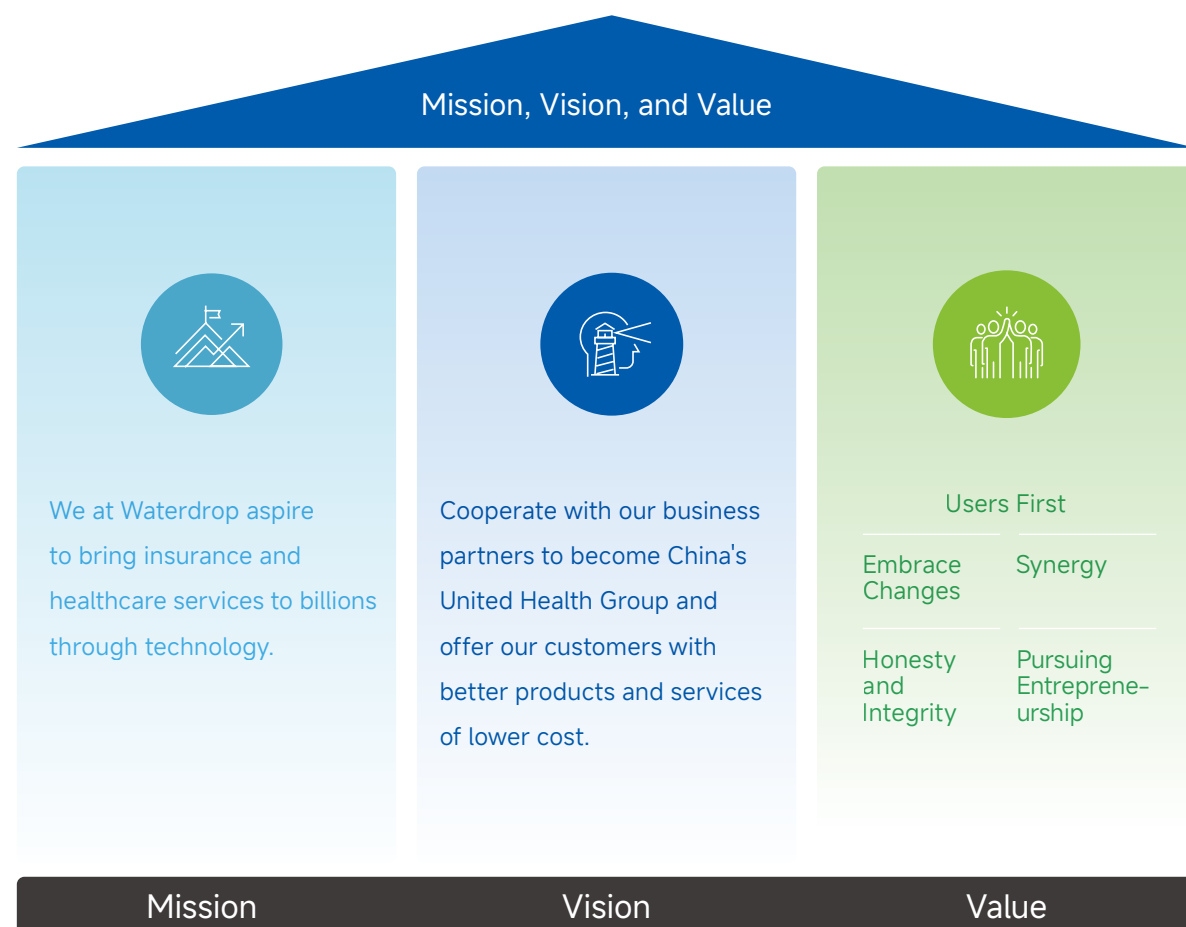
Founder and Chief Executive Officer (CEO)
of Waterdrop Inc.



About Waterdrop

Company Profile

Waterdrop Inc. was founded in April 2016 and officially listed on the New York Stock Exchange on May 7, 2021. The Company shoulders the mission of “bringing insurance and healthcare services to billions through technology”, committed to providing users with health security solutions. The Company has built the insurance business division, serious illness relief business division, healthcare service business division, social responsibility division, and other business divisions. We provide users with life-cycle healthcare services and offer them better products and services at lower costs.



Business Introduction





Insurance Business Division



Serious Illness Relief Business Division



Waterdrop Insurance Marketplace

Waterdrop Insurance Marketplace is an Internet insurance brokerage platform launched by Waterdrop Inc. in May 2017, operated by Shuidi Insurance Brokerage Co., Ltd., which is a national insurance brokerage company approved by the Chinese insurance regulators. Waterdrop Insurance Marketplace is committed to promoting universal insurance with technology and providing more cost-effective products and superior service experiences.

By the end of the reporting period, Waterdrop Insurance Marketplace had collaborated with nearly 100 Chinese insurance companies and launched 1,357 cost-effective insurance products, covering medical, serious illnesses, accident, life insurance, annuity, and other types of health insurance. In addition, by launching insurance products with no deductible for substandard risk to meet diversified user needs.

Waterdrop Star

Waterdrop Star is the "offline high-end insurance brokerage service brand" created by Waterdrop Inc., mainly for high-net-worth individuals, committed to serving the needs of users with better products throughout their life cycle and creating better value for users. providing a series of services such as legal taxation, wealth planning, health management, wealth inheritance, quality elderly care and so on.

Relying on the internal business of Waterdrop Company, integrating high-end medical resource support, home office support, intelligent insurance life-cycle service, and external high-end clients service resource integration, to create a comprehensive insurance new system.

Waterdrop Financial

Waterdrop Financial, based in Hong Kong, leverages the strong business support network of Waterdrop Inc. to offer comprehensive financial services to individual and corporate clients. These services include professional insurance brokerage, financial planning, mandatory provident fund, and risk management, catering to diverse user needs.



Waterdrop Medical Crowdfunding

Launched in July 2016, Waterdrop Medical Crowdfunding is China's leading Internet service platform for patients with serious illnesses to seek help. We are committed to providing more efficient assistance for patients with serious illnesses through mobile Internet to shift "mutual aid and assistance" from private offline occasions to online platforms. This allows patients with serious illnesses and their families in need to publish and spread crowdfunding information more easily through social sharing, mobile payment, and other functions. Donors, on the other hand, can offer help with more ease. At the same time, we continue to take measures to ensure the safe and transparent use of medical assistance funds.

Waterdrop Medical Crowdfunding created the first Internet fundraising service in China that allows patients with serious illnesses to apply for withdrawals at any time during the fundraising period according to their treatment needs, which truly helps patients with serious illnesses in time and leads the development of the industry.



Healthcare Service Business Division



Social Responsibility Division



Other Business



E-Find

As a patient recruitment and CRO platform, E-Find provides professional patient recruitment and management services for pharmaceutical R&D, relying on the large number of patients served by Waterdrop and the intelligent matching system.

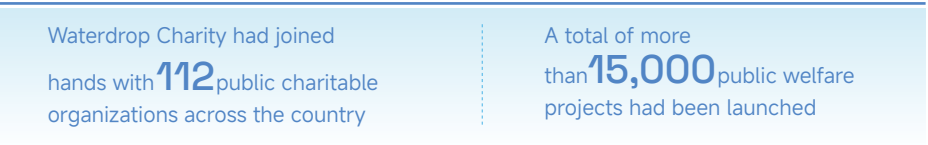
As a patient recruitment platform for clinical trials under E-Find, E-Find Patient Recruitment has grown into a leading third-party patient recruitment platform in China. It helps patients access new medicines, find the best matches for clinical trials efficiently, and obtain treatment opportunities of frontier innovative therapies, while mitigating their financial burden from medical costs. E-Find Patient Recruitment has helped multiple clinical trial projects complete patient enrolment, with the number of enrolled patients in 2023 reaching 3,300 and matched projects over 890, and the cumulative number of patients enrolled had exceeded 6,900 as of December 2023.



Waterdrop Charity

Selected in the second batch of Internet public fundraising information platforms for charitable organizations by the Ministry of Civil Affairs, Waterdrop Charity platform aims to improve charity infrastructure and enhance the utilization efficiency of charitable funds through science and technology, providing all-round support for charity organizations.

By the end of the reporting period, Waterdrop Charity had joined hands with 112 public charitable organizations across the country, integrated various social resources such as public welfare organizations, caring enterprises, media, and caring people, and carried out a series of social welfare activities in the areas of serious illness relief, rural revitalization, emergency relief, natural environment protection, and special populations. A total of more than 15,000 public welfare projects had been launched, raised by more than 70 million caring donors.



Lugo Visa

Lugo Visa is a one-stop service platform for living in Hong Kong and overseas, operated by a subsidiary of Waterdrop Inc.. It provides a full range of services including identity planning, business expansion abroad, children's education, and medical services. Since its establishment, Lugo Visa has opened 5 regional service centers in Chinese Mainland and Hong Kong SAR and has served thousands of middle-class families. We are committed to continuously improving our service quality to become a leading "Internet+ Hong Kong and overseas living services" platform in the industry.



Social Recognition

Individual awards

(Shen Peng, Founder and CEO of the Company)

The Great Bay Area
Entrepreneurs Alliance



Hurun Research Institute



INSUR VIEW



China Philanthropy Times



Institutional Investor

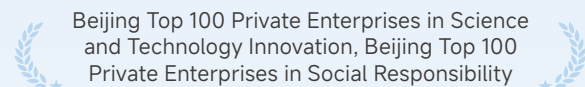


Co-sponsored by the Organization
Department of the CPC Beijing
Chaoyang District Committee, the
Publicity Department of the CPC Beijing
Chaoyang District Committee, etc.

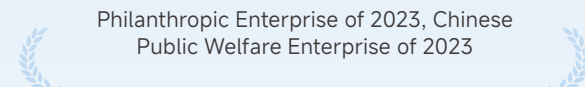


Corporate awards

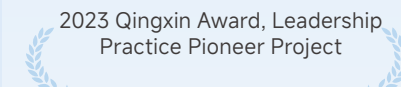
Beijing Municipal Federation
of Industry and Commerce



China Philanthropy Times



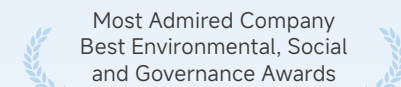
National Business Daily (NBD)



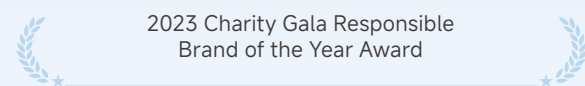
China General Chamber
of Commerce



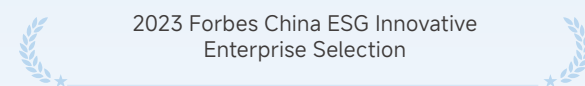
Institutional Investor



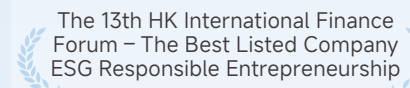
China Philanthropist, Sina Weibo



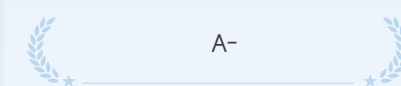
Forbes China



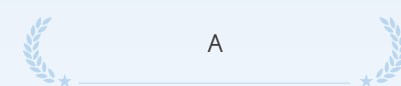
Hong Kong Ta Kung Wen Wei Media Group, in collaboration with
the Hong Kong Chinese Enterprises Association, the Hong Kong
Chinese Finance Association, the Hong Kong Chinese Securities
Association, and the Hong Kong Governance Union



China Green Index ESG Rating

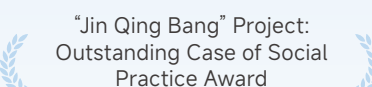


Quantdata ESG Rating

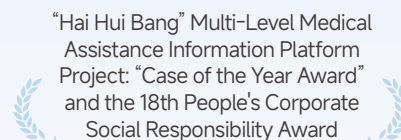


Product and project awards

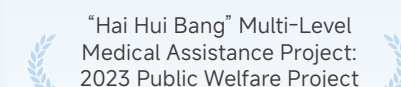
Tencent News



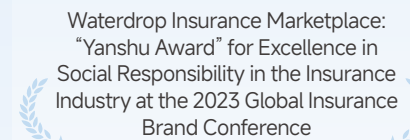
People.cn



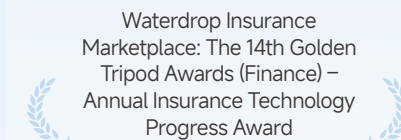
China Philanthropy Times



JRJ.com



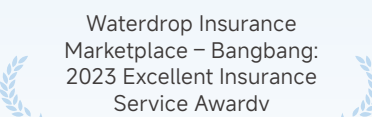
National Business Daily (NBD)



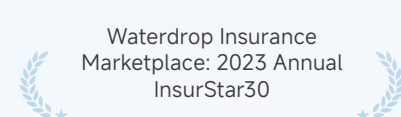
China Banking and Insurance News



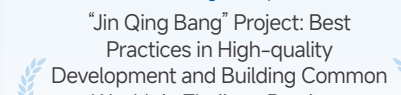
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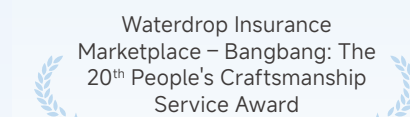
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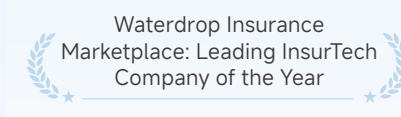
Zhejiang Province High-quality Development
and Building Common Wealth Demonstration
Area Leading Group Office



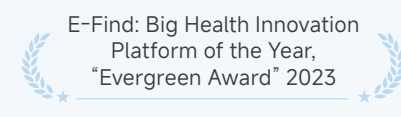
People.cn



Sina Finance



Shanghai United Media Group, Jiemian



ESG Governance

Waterdrop Inc. actively undertakes corporate citizenship, driven by our mission and values, implements the concept of sustainable development, takes the initiative to solve social problems in a responsible and sustainable manner, and contributes to the sustainable development of the enterprise and the society.

ESG Governance Mechanism

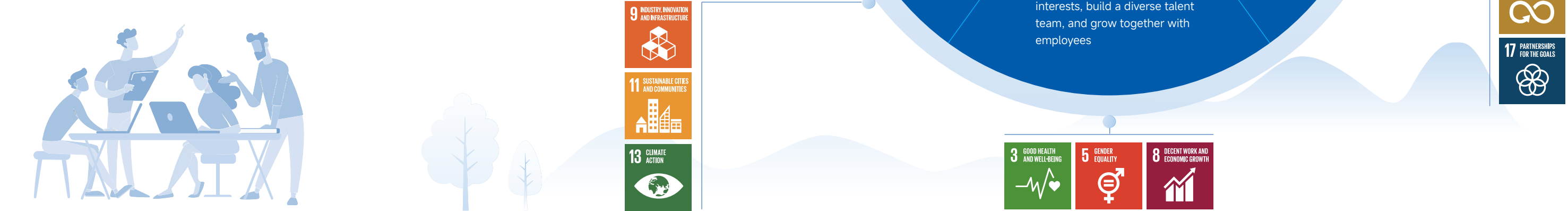
Waterdrop Inc. has integrated ESG concepts into all aspects of important decisions. We established a top-down three-tier ESG governance structure and continuously improve our governance structure and responsibilities to promote high-quality and sustainable development. The Board of Directors and management of the Company are responsible for formulating the Company's ESG strategy and related activities (including climate change related issues), ensuring they are aligned with the Company's strategic development direction.

Governance	Board of Directors The Board of Directors is responsible for controlling the strategic direction of the Company's ESG strategy, receiving regular reports, providing review opinions, and overseeing ESG matters.
Management	ESG Committee The ESG Committee is comprised of the Company's senior management and is responsible for reviewing ESG-related work, coordinating the planning and implementation of ESG work, and reporting regularly to the Board of Directors on the progress of ESG work.
Executive	ESG Working Group The ESG Working Group is composed of relevant personnel from the ESG executive departments and led by the Social Responsibility Department. It is responsible for making ESG-related policies and plans, supporting the ESG Committee in advancing ESG work internally and externally, and reporting to the ESG Committee regularly. The ESG executive departments are functional departments and business units. The ESG executive departments assist the ESG Working Group in carrying out ESG daily work.

ESG Strategy

As a member of the UNGC and practitioner of the concept of sustainable development, Waterdrop Inc. integrates ESG concepts into all aspects of its operations, environmental protection, talent development, community investment, etc., responds to the UN SDGs, and actively applies science and technology to safeguard human health, contributing to the well-being of the earth's environment and social welfare. In 2023, the Company upgraded the ESG governance strategy, developed and published the *Waterdrop Inc. Management Measures on Environmental, Social and Governance Work* to consolidate the foundation of ESG governance and improve the level of ESG management.

Since 2020, Waterdrop Inc. has been promoting disclosure for management and management for practice, actively conducting ESG disclosure, releasing Chinese-English ESG annual reports, and regularly communicating with stakeholders about the progress of practices and responding to the expectations of stakeholders through materiality surveys, newsletters, and internal consultation.



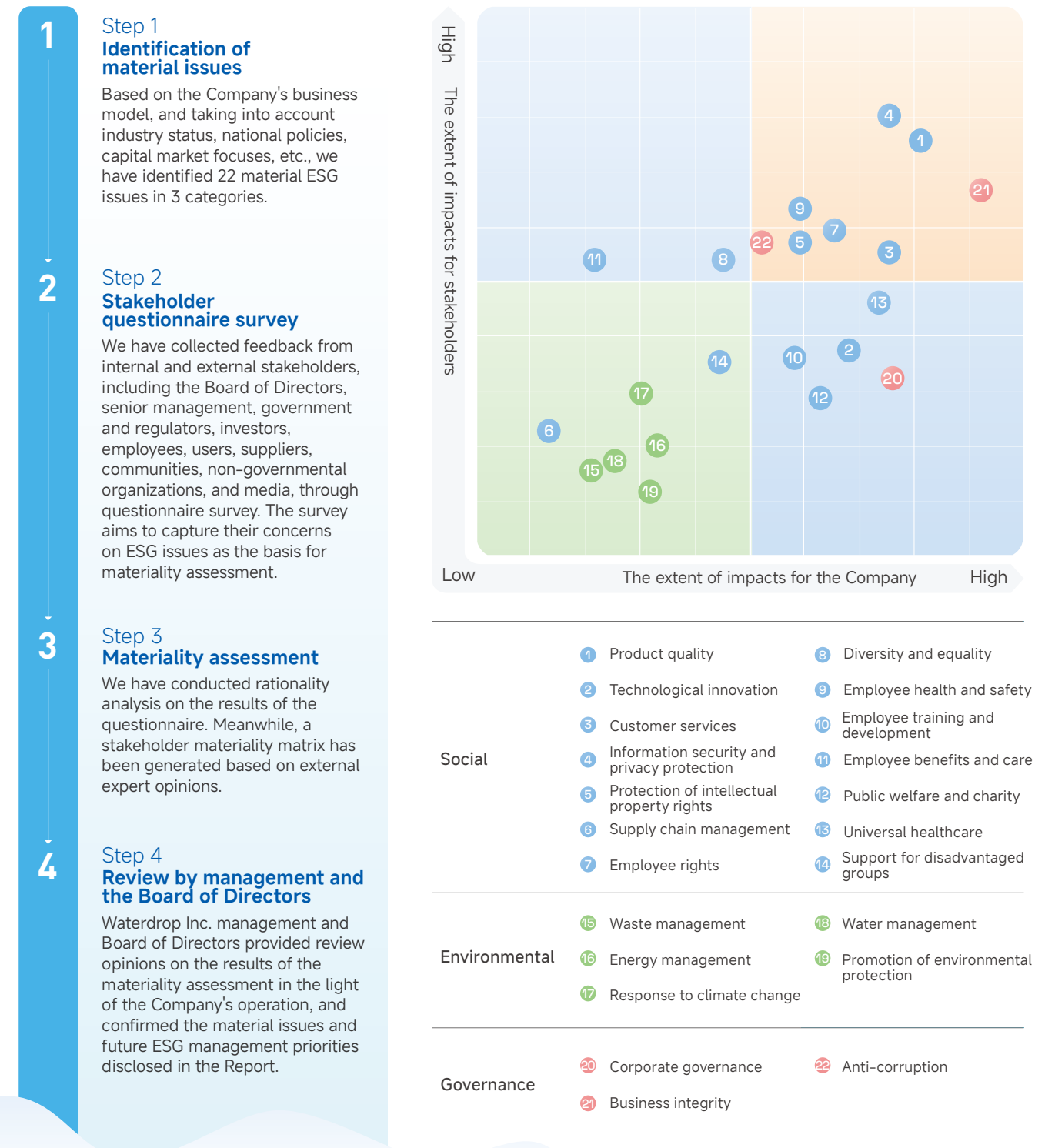
Stakeholder Engagement

Waterdrop Inc. maintains close communication with stakeholders and builds diversified communication channels, with a view to fully understanding the opinions of all parties, better responding to the demands of stakeholders, optimizing ESG strategies and improving ESG performances.

Stakeholders	Main Communication Channels		Key Issues Concerned	
 Government and regulators	- Information disclosure - Policy consultation - Formal conferences	- Official correspondence - Company research - Special reports	- Corporate governance - Business integrity	- Anti-Corruption - Response to climate change
 Shareholders and other investors	- General meeting of stockholders - Information disclosure	Investor conferences	- Corporate governance - Technological innovation	- Product quality - Response to climate change
 Users	- Product launch - Customer service hotline	- Satisfaction survey - Complaint channels	- Product quality - Technological innovation	- Customer services - Information security and privacy protection
 Employees	- Employee complaints - Labor union - Employee activities	- Health survey - Satisfaction survey	- Employee rights - Diversity and equality - Employee health and safety	- Employee training and development - Employee benefits and care
 Media, non-governmental organizations, and industrial associations	Information disclosure	Press conference	- Product quality - Customer services - Information security and privacy protection	- Response to climate change - Energy management
 Suppliers and other partners	- Industrial exchanges - Supplier inspection	Procurement	- Supply chain management - Protection of intellectual property rights	- Business integrity - Anti-Corruption
 The Public and communities	- Public platforms - Public welfare activities	Questionnaire survey	- Public welfare and charity - Universal healthcare	Support for disadvantaged groups

Materiality Assessment

During the year, to respond to stakeholders' concerns and convey the Company's ESG progress, Waterdrop Inc. continued to improve the identification and assessment of ESG issues, through the process of identifying material issues, stakeholder survey, issue analysis and review, the ESG issue materiality matrix was finally formed, which serves as a reference for our information disclosure and the focus of our ESG work.



Governance

20

Corporate governance

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Business integrity

22

Anti-corruption



Special Report I

Inclusive Technology for Building an Inclusive Society

In recent years, China has made great progress in the development of inclusive finance. Financial services covered more individuals, became more accessible and increased satisfaction among people; multi-tiered medical insurance schemes have been formed; society has been paying more attention to minority groups such as rare-disease patients. Waterdrop Inc. will continue to leverage our advantages in the field of science and technology, promote the construction of an inclusive science and technology financial system, and fulfill our social responsibilities. We have launched a number of products to provide a universal digital service experience based on the characteristics of different users, and continue to provide charitable medical assistance, patient social support and insurance services.

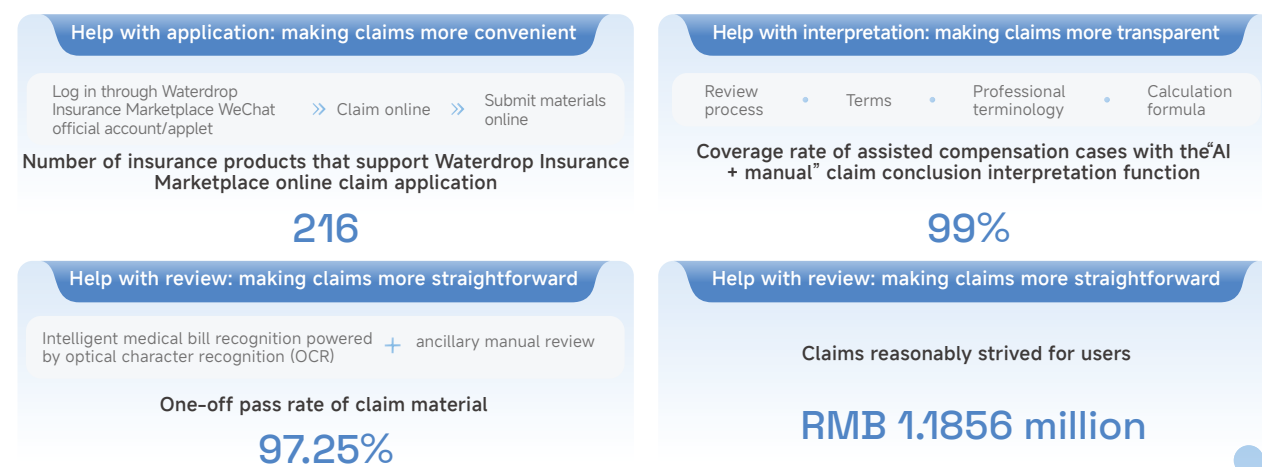
Inclusive Products that Improve Efficiency and Benefit Users

After years of effort, Waterdrop Insurance Marketplace has enriched its product matrix for diverse customer demand. Relying on the advantages of AI technology and big data, we customized insurance products for specific segments, so that more people not covered by the traditional insurance industry could access and obtain health protection services, improving the accessibility and inclusiveness of insurance products.

For instance, “Xin Yi Bao” long-term health insurance is a health insurance service designed for women, and it now covers 13 additional types of female-targeting diseases. We also developed the industry’s first maternity and infant insurance that can be bought for expectant mothers during pregnancy. For the elderly, Waterdrop Insurance Marketplace launched the first “long-term illness insurance for the elderly that covers 10 types of critical illness commonly observed among the elderly.” In addition, we also launched health-declaration-waived critical illness insurance and several cost-effective disease recurrence insurances for people with diseases, bringing world-class medical services to the users at an affordable price.

“Bangbang”

“Bangbang” is a new service brand by Waterdrop Inc. It uses AI to help “claim right” and “claim quickly” and continue to improve its service. Focusing on customer pain points such as “not knowing how to claim”, “having too many bills” and “cannot understand the terms easily”, it provides users with dedicated service staff and personalized guidance during various processes such as claim application, data review, clause interpretation, and consultation and mediation. We aim to help users get claims more smoothly with a more convenient and fast claim settlement experience. In 2023, “Bangbang” service covered 216 insurance products and assisted in 78,700 claims settlements, and the amount of compensation assisted throughout the year totalled RMB 389 million. The one-off pass rate of claim material was 97.25% in 2023, and the coverage rate of assisted compensation cases with the “AI + manual” claim conclusion interpretation function reached 99%.



◆ “Bangbang” Performance

“Intelligent Interpretation of Claim Conclusions” Function Launched in 2023



For cases that have not been compensated

This function analyzed 18 reasons for claim denial and 4 reasons for claim rejection, and answer the question of “why is it not compensated” by combining case conclusion and rationale of review and supplementing reasoning with professional terminology.



For cases that have been compensated

This function lists compensation allocation by responsibilities and explicitly displays the claim amount of each bill sorted by date in the calculation formula, while explaining deduction-related terms such as deductible and compensation ratio.



This function also adopts text-to-speech (TTS) technology

Convert explanation text into highly natural-sounding speech, providing users with the option of “listening while reading” to make it easier to understand the content.

Advantages of Platform for Multi-Level Medical Protection

In response to the pain point of critical illness assistance, we leverage industry insights and our own product and technology advantages, innovate and explore solutions in the field of critical illness assistance. Relying on multiple platforms such as Waterdrop Medical Crowdfunding and Waterdrop Charity Platform, we motivate social forces to help improve the multi-level medical protection system and the high-quality development of medical protection, and launch projects such as “Jin Qing Bang” and “Hai Hui Bang”. In 2023, Waterdrop Inc.’s participation in the multi-level medical protection system was selected as an exemplary case and included in the *Blue Book of Medical Protection (2023)*.

“Hai Hui Bang”

“Hai Hui Bang” is the first provincial multi-level medical assistance information platform, and Waterdrop Inc. participated in its development as a member company. It is for a multi-level medical assistance demonstration zone co-constructed by 16 departments and led by Hainan Province Medical Insurance Bureau under the guidance of the People’s Government of Hainan Province. This project aims to establish an effective network within Hainan Province that connects basic medical protection system, critical illness insurance, medical assistance, charity medical assistance, and social assistance to reduce the burden of medical expenses on patients and promote the construction of a multi-level medical assistance demonstration zone in Hainan.

By the end of 2023

1,003 patients have applied for assistance through “Hai Hui Bang” platform, and **970** of them passed information verification

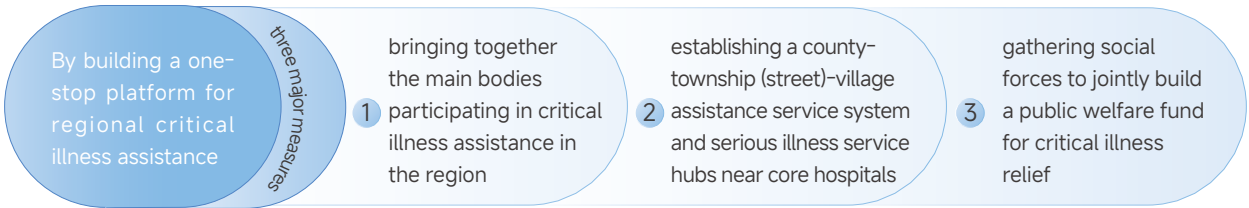
The actual medical expenses for these **970** patients totalled RMB **127** million

and RMB **81.837** million was paid by medical insurance, and the total amount of assistance provided by multi-level medical assistance reached RMB **13.663** million



“Jin Qing Bang”

“Jin Qing Bang” is a medical insurance and poverty prevention application jointly developed by Waterdrop Inc. and Jinyun County Medical Insurance Bureau under the guidance and support of Zhejiang Province and Lishui Municipality Medical Insurance Bureau.



The application connects 43 units including civil affairs, hygiene and health, and the Disabled Persons' Federation. This application effectively brings government assistance and social charity assistance together, realizing active detection, accurate identification, and efficient echelon assistance for patients in difficulty, and helping to establish and improve a multi-level medical protection system.

As of the end of 2023, “Jin Qing Bang” application has achieved medical service usage monitoring over the entire population within Jinyun County

It has conducted 5.2 million automatic screenings	identified 13,000 patients with high out-of-pocket medical expenses	and assisted 502 people
Relief fund with social participation reached RMB 11.676 million	which includes RMB 10.447 million raised through Waterdrop Medical Crowdfunding	and RMB 1.229 million from the Medical Insurance Poverty Prevention and Worry-Free Fund

Resource Accessibility for Caring Minority Groups

During the process of urbanization, certain groups of the society, such as the elderly, persons with disabilities, patients with rare and chronic diseases, and residents in remote areas, may sometimes find it hard to adapt to the drastic advancement of economy and society. Members of these “minority groups” of the society may encounter challenges under the tide of technological change and need extra attention and support from society. Waterdrop Inc. believes that “none of the minority groups should be abandoned.” We leverage our business characteristics and resources and assist a number of “minority groups,” including paying attention to the use of digital tools by the elderly and support service in patient families of people with intellectual or mental disabilities. We also work with social resources to support the treatment of patients with rare diseases, aiming to enhance social care and promote the spirit of “tech for good.”



With the further popularization of digital applications and acceleration of technological development, the digital divide between the elderly and the general public is constantly widening. Waterdrop Insurance Marketplace pays attention to the elderly users aged 60 and above who have difficulty using smartphones and online systems, and provides them with claim services for the elderly. Patients can make appointments with their phone numbers through the dedicated page of the applet, and the personal claims consultant will call back and provide 1-on-1 guidance within 1 working day to conveniently track the claim progress of and answer claim-related questions.

As of December 31, 2023

This service has helped **832** elderly users

With the maximum age of the insured being **94** years old



Claim Services for the Elderly in Waterdrop Insurance Marketplace applet

In February 2023, Waterdrop Charity and several public welfare partners jointly released the Manual (Series) of Supporting Resources for Families with Intellectually or Mentally Challenged Members, which provides detailed information and parenting advice for family caregivers of people with intellectual or mental disabilities, which is another substantial action since Waterdrop Charity launched the first phase of the “Family Support Program for People with Intellectual or Mental Disabilities” in 2019. The support program aims to facilitate the social integration and life improvement of intellectually or mentally challenged people and their families through the construction of a three-tier support network for people with intellectual or mental disabilities.

As of December 31, 2023

The Family Support Program for People with Intellectual or Mental Disabilities has covered more than **40** cities and counties

Serving **59,409** people with intellectual or mental disabilities and **68,593** parents



Manual of Supporting Resources for Families with Intellectually or Mentally Challenged Members

Since 2020, Waterdrop Charity has been cooperating with Beijing Illness Challenge Foundation to explore multi-party co-payment for medical expenses for patients with rare diseases and other innovative service solutions. We launched local pilots for Medical Assistance Project for Rare Diseases in four provinces including Zhejiang, Shanxi, Shandong, Jiangsu, providing rare diseases patients with support on medical resource referral, local medical insurance policy information, the latest progress on drug availability, and case-by-case financial assistance.

As of December 31, 2023

In conjunction with Illness Challenge Foundation, Waterdrop Charity has assisted **332** patients

With **32** types of rare diseases

And allocated relief funds of over RMB **5.39** million

Special Report II

Digital Intelligence Healthcare Supporting Rural Revitalization

Waterdrop Inc. has actively responded to the national rural revitalization strategy, relying on its own business advantages, and working with its partners to develop rural revitalization projects with Waterdrop style and advantages. This year, we focused on key projects such as Rural Revitalization Insurance and Rural Clinics, starting from the improvement of medical environment, insurance protection, infrastructure construction, and charitable agricultural procurement, to support the high-quality development of beautiful villages.

Inclusive Insurance: Rural Revitalization Insurance

The Waterdrop Rural Revitalization Insurance launched by Waterdrop Inc. is the first inclusive medical insurance in China to help revitalize villages, committed to providing health protection for villagers. At present, the project is promoted step by step at village level, and each villager in the area covered by the project can enjoy an insurance policy with a maximum coverage of RMB 200,000. In addition, we have set up “Waterdrop Medical Crowdfunding Service Station for Serious Illnesses” in villages to provide targeted services to villagers who have a shortage of medical funds due to serious illnesses to protect their lives and health.

Rural Clinics: Charitable Plan of A Thousand Rural Clinics in A Hundred Counties

In order to further improve the medical and healthcare infrastructure in rural areas, the Company launched the “Charitable Plan of a Thousand Waterdrop Rural Clinics in a Hundred Counties”, which plans to set up 1,000 rural clinics in 100 counties nationwide by 2030, and provide medical equipment and supporting first aid training to improve rural medical and healthcare conditions from the perspective of infrastructure construction and physicians' professional ability. We will also provide medical equipment and first aid training to improve rural medical and health conditions in terms of infrastructure construction and physicians' professional capacity. At the same time, we vigorously carry out medical and health knowledge publicity activities to help enhance the health awareness of rural schools.

Since its launch in May 2018

“Waterdrop Rural Clinics” have been built in **12** provinces, including Xinjiang, Sichuan, Shandong, Fujian, Guizhou, Yunnan, etc.,

Providing professional primary medical support to villages across the nation and benefiting more than **500,000** people

By the end of 2023, we have built a total of **139** rural clinics



◆ In February 2023, the Rural Clinic project was awarded the 2022 “Brilliant Star” Project of the Year



Case: Waterdrop Inc. and Chiatai Tianqing Pharmaceutical (CTTQ Pharma) Group Launched the Fourth Season of “Clear Sky Program”

Since 2020, Waterdrop Inc. and CTTQ Pharma have jointly launched the “Clear Sky Project”, which continues to act on public issues such as relief of serious illnesses, schooling and poverty alleviation, and sustainable development, etc. In December 2023, the fourth season of the “Clear Sky Project” was launched, with a trip to Xingtai, Hebei Province, to build Waterdrop Rural Clinics for four primary and middle schools, and to invite doctors from local tertiary public hospitals to conduct medical and health safety training classes for the students and teachers in the schools.



◆ “Clear Sky Project” public welfare class onsite



Case: Waterdrop Rural Revitalization Insurance - Supporting to Build Beautiful Villages Plan

Waterdrop Inc. continues to increase the availability of the Rural Revitalization Insurance. In June 2023,

we donated Waterdrop Rural Revitalization Insurance to **1,471** villagers in Zhongtanbao Village, Yingxiu County Wenchuan County, Sichuan Province,

With a total sum insured of RMB **280** million, which effectively help to prevent people in rural areas from falling into or returning to poverty due to illnesses.

2023 Highlights of Rural Clinics Work

In 2023, Waterdrop Inc. continued to steadily promote the implementation of rural clinics, while launching promotional videos in some areas to help caring netizens understand the development of rural healthcare system.

In July 2023, the Waterdrop Rural Clinic project landed in Yangbi, Dali, Yunnan Province, comprehensively upgraded the area's medical and healthcare equipment, carried out first aid training classes in the local community, and in the meantime released a promotional video called *A Meaningful First Aid Lesson* on the Waterdrop Charity's own channels to enhance the professional skills of local healthcare personnel.



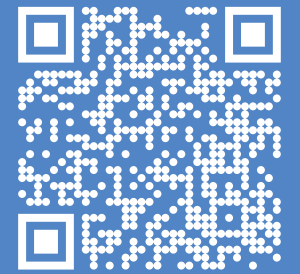
◆ Announcement on the official website of the local government and publicity picture on Weibo



◆ Event site and promotional tweets



◆ Waterdrop Rural Clinic on campus

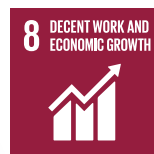


◆ Scan to watch the video

01

Compliant Steady Operation

A good governance system is the foundation of the Company's sound operation. Waterdrop Inc. continues to strengthen our corporate governance and improve risk prevention and control; implement the concept of law-abiding and honesty, and abide by business ethics to build a solid foundation for sound development; and strengthen supply chain management in order to build a sustainable business environment with its partners and realize stable operation and development of the Company.



Response to United Nations
Sustainable Development Goals



2023 Our Highlights Performance

30.77% of directors
and executives are female

33.33% of independent
directors

100% employee coverage
of anti-corruption training

100% signing rate of
suppliers' anti-commercial bribery
commitment letters



Corporate Governance

Waterdrop Inc. is committed to achieving a high level of corporate governance. Based on laws and regulations such as the *Company Law of the People's Republic of China*, we continuously improve corporate governance, the information transparency and the effective communication with investors. In 2023, the Company was honored by China Enterprise Confederation and China Entrepreneur Association as AAA in terms of enterprise credit evaluation.

Governance Framework

We strictly comply with the relevant laws and regulations of our operation and the places of listing, and continuously improve our corporate governance structure and standardize our operation. We have established a governance structure comprising the general meeting of shareholders, the Board of Directors and its professional committees, and the management. With the support of the professional committees, the Board provides guidance and advice on the internal management of the Company, including formulating strategies and overseeing their implementation, monitoring the Company's operational and financial performance, and ensuring the establishment of an effective internal control and risk management system.

We emphasize the diversity and independence of our Board members. The selection and appointment of Board members is based on several considerations, including but not limited to professional skills, industry experience and qualifications, educational and cultural background, gender, etc., to ensure that the Board maintains an appropriate balance of skills, experience and diversity of perspectives. As of the end of the reporting period, the Board of Directors of Waterdrop Inc. consists of 9 directors, with 33.33% of the directors being independent, and approximately 30.77% of the directors and executives being female.

As of the end of the reporting period,

- ①

The Board of Directors consists of 9 directors


- ②

33.33% of the directors being independent


- ③

Approximately 30.77% of the directors and executives being female



Directors are encouraged to keep attending professional training and courses. The Company also provides directors with relevant documents, including legal and regulatory updates, for their reference and study, to enhance Board members' awareness of compliance and working capacity. During the year, we held quarterly board meetings and all directors were asked to participate.

Investor Relations

The Company takes the initiative to communicate with investors, enhance the transparency of information disclosure, and strengthen investors' understanding and recognition of the Company. In this way, we hope to protect the rights and interests of the Company, shareholders, and other stakeholders, promoting the long-term stable relationship between the Company and investors.

Information disclosure is the main channel for investors to understand the governance structure, financial status, and operation management of listed companies. As a listed company, we strictly comply with and implement the relevant regulations on information disclosure and fulfil our information disclosure obligations. The Company released the *Detailed Rules for the Implementation of Information Disclosure of Waterdrop Inc.* stipulating that the Company's information disclosure work is led by the Board of Directors. We also established a disclosure committee to supervise the effectiveness of the disclosure management mechanism and relevant procedures of the Company, while managing and coordinating the Company's disclosure of financial and operating information.

Waterdrop Inc. places a high priority on shareholder interests and investor returns, and has actively engaged in share buybacks in the open market. Based on the solid financial performance, the Company completed our first special cash dividend since listing in the first half of 2024.

In 2023, Waterdrop Inc. participated in the awarding of *Institutional Investor*, an internationally renowned financial magazine for the first time, and won several awards including Best Board of Directors, Best Investor Relations Firm, and Best Investor Relations Team.

Honors and Awards

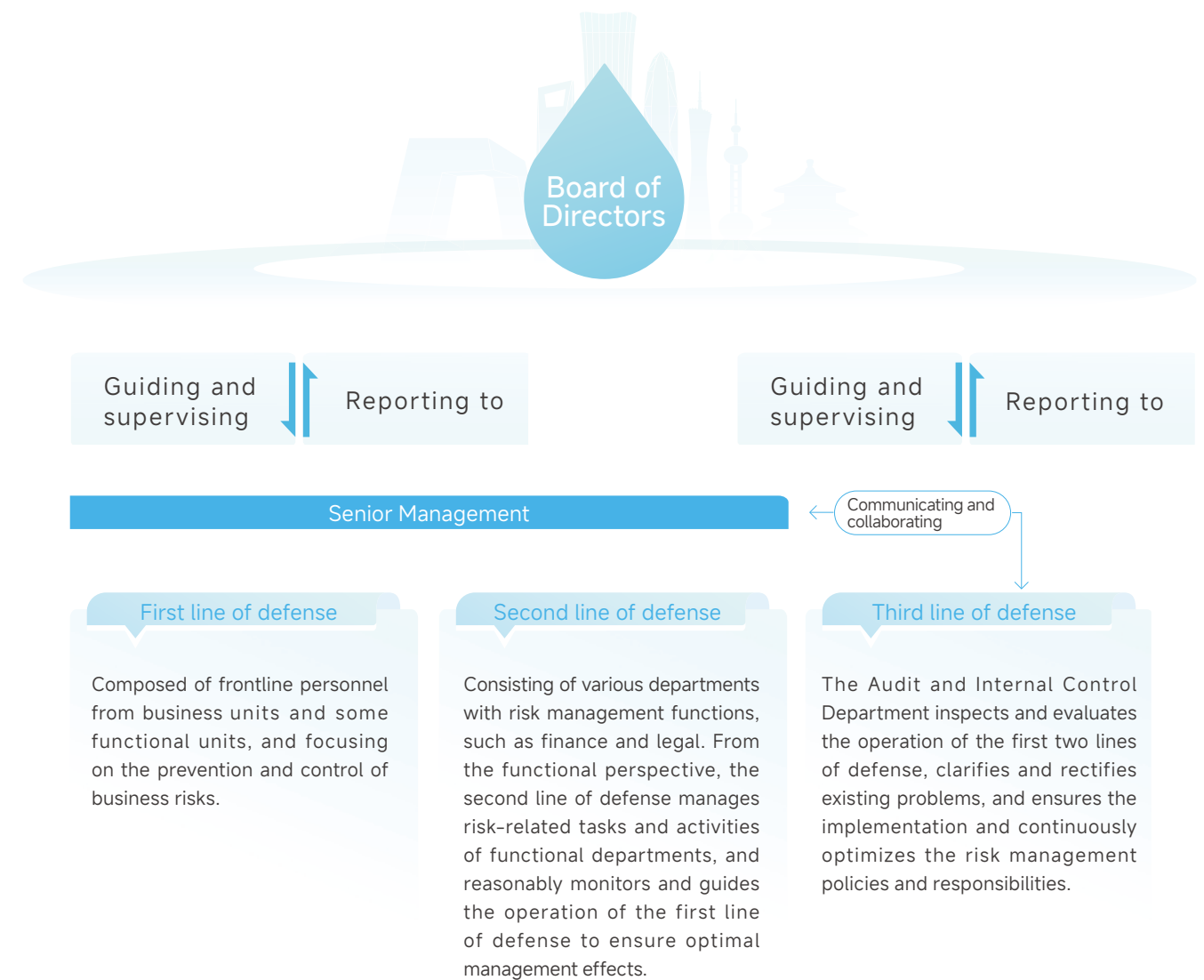


Risk Prevention and Control

Waterdrop continues to strengthen the risk identification and assessment mechanism, improve the internal control system and process, pay attention to the awareness of risk control, and take measures to ensure the stability, safety and effectiveness of the risk control system.

Risk Control

With reference to the relevant national laws and regulations and regulatory requirements of our places of listing, and in conjunction with the characteristics of business development, the Company has established a risk management and internal control system, set up three lines of defense, and effectively identified, reminded of, and prevented and controlled financial and non-financial risks. In 2023, the Company continued to improve its risk management system, issued and optimized more than 20 relevant systems, and identified and coped with compliance risks including incompliance and fraud risk through strengthened internal control. We also improved business process design and implementation, enhance compliance monitoring, to guarantee the Company's steady operations.





The Company attaches great importance to the implementation and optimization of risk control work, and continues to promote risk management in cooperation with various departments. Based on the business characteristics of Waterdrop Medical Crowdfunding, Waterdrop Insurance Marketplace, E-Find and functional departments, we regularly identify the risk points in the key processes of business and form a risk map. Based on the risk map, we used information technology to visualize and analyze business data in real time, so as to discover abnormal situations and follow up on them.

The Company Finance and Internal Control Department provides risk tips and internal control advice to each department. In 2023, we comprehensively analyzed the workflow of each department and proposed optimization and improvement projects such as optimization of the approval process, the effectiveness of information system management, business system connectivity, new media account management, personnel management, and fraud risk tips to enhance the efficiency of the Company's workflow and the level of risk control.

Internal Control Audit

The Company formulated the *Waterdrop Inc. Internal Control Manual*, the *Waterdrop Inc. Internal Audit System V2.0* and other management systems, and regularly review and evaluate the appropriateness and effectiveness of the Company's business activities, internal control, and risk management systems in a systematic and standardized manner. We engage auditors annually to audit the effectiveness of financial reporting, internal controls, and to improve according to their advice.

In 2023, Waterdrop Inc. conducted internal control audits for business, finance, human resources, procurement, and information systems to assist in optimizing the business model, identifying and controlling potential risks in key processes, making recommendations for improvement and promoting implementation. At the same time, the Company internally investigated and dealt with behaviors that violated the red line of internal control, timely followed up on internal and external report investigations, actively organized daily publicity, and visited 11 suppliers for audit inspections to consolidate the level of internal control.

Compliance Culture

Waterdrop Inc. strictly follows the relevant requirements of the regulators and continuously strengthens our business compliance management. In 2023, we organized the “Year of Insurance Compliance Management” project, formulated and revised 30 sets of compliance systems covering business management, personnel management, etc.; established an early-warning mechanism of “Proactive Compliance Whistle Blower” to achieve timely prompt prevention; implemented the “Compliance Checkup Season” inspection to carry out special inspections and random checks from time to time to promptly identify and solve problems.

The Company actively carried out compliance culture building and publicity activities to raise the compliance awareness of employees. In 2023, we organized the “Waterdrop Compliance Lecture Hall” training activities for all employees, of which the online learning system, containing 28 insurance compliance courses, had a cumulative participation of more than 2,200 people. The “Waterdrop Compliance Lecture Hall” covered insurance practitioners in different positions and business lines, effectively enhancing their compliance knowledge, practitioner awareness and risk prevention ability.



Waterdrop Compliance Lecture Hall” Online Courses



Case: Compliance Lecture on “How to do a good job in insurance service and product innovation under the trend of industry policy”

On December 19, 2023, the fourth session of “Waterdrop Compliance Lecture Hall” was successfully held, and a professor from Central University of Finance and Economics was invited to give a special lecture. Combining practical cases and theoretical analysis, the lecture explained in-depth the economic and social environment and the direction of financial policies in the new development stage, and examined the development trend of the insurance industry. The lecture helped the Company's staff to enhance their compliance awareness and strengthen their compliance ability, to better carry out safe, convenient, multi-level and personalized insurance services.



Fourth session of “Waterdrop Compliance Lecture Hall” Onsite

Business Ethics

Waterdrop Inc. strictly complies with the *Company Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, and other relevant laws and regulations, as well as the regulatory requirements of the listing places, and continuously improves and perfects the compliance management system in conjunction with the actual business, and adheres to a high level of business ethics standards.

The Company formulated and publicly released the *Waterdrop Inc. Code of Business and Ethics*, the *Waterdrop Inc. Workplace Integrity Code of Conduct*, the *Waterdrop Inc. Red Line Guideline*, and other documents, requesting all full-time and part-time employees, interns and partners to follow the Code to carry out their business activities, and to continuously strengthen the management of unfair competition, monopolization, money laundering and other inappropriate behaviors. In 2023, Waterdrop Inc. conducted four business ethics inspections covering the entire Company, with no incidents of privacy infringement, bribery, discrimination, embezzlement, or other violations of the business code.



Supervision System

Waterdrop Inc. has “zero tolerance” for corruption, improper competition, monopolization, money laundering and other behaviors, and has established a business ethics management and supervision system covering the whole process of “education, supervision, punishment and protection”. The Company continues to improve the monitoring system, formulate the *Waterdrop Inc. Supervision Policy*, the *Waterdrop Inc. Monitoring Case Investigation and Handling Procedure*, etc., and established a standardized and effective reporting and acceptance process.

We publicize reporting channels, receive internal and external reports and complaints, and investigate and handle them in a timely manner.

In 2023

We received **32** reports of clues
with a resolution rate of **100%**.



Initial Assessment and Case Filing



Upon receiving reports and complaints, the Supervision Department will first contact the whistleblower to figure out the situation, and conduct the initial assessment accordingly, and file a case for clues that meet the criteria for monitoring and filing, and transfer clues that do not meet the relevant criteria to relevant departments for processing.

Development of Investigation Plan



Within 2 days after the acceptance of the clues, an investigation plan will be developed and submitted to the Supervision Department head for approval via email. The plan includes potential fraud violations, facts to be investigated, and the schedule.

Continuous Update



Once a case is filed, it will be recorded timely on the departmental case investigation checklist, and the investigation progress is continuously updated.

Handling and Review



After punishing the violators, the Supervision Department reviews the cases and gives feedback to business stakeholders to improve relevant business processes.

Protection for Whistleblowers

Waterdrop Inc. respects and protects every whistleblower, which was made clear in the *Waterdrop Inc. Supervision Policy* and the *Waterdrop Inc. Supervision Case Investigation and Handling Process*. We keep the whistleblower's information and the content of the report strictly confidential, and strictly limit the scope of disclosure even when the identity of the whistleblower needs to be disclosed for investigative purposes or legal requirements. For investigators who violate confidentiality or otherwise improperly perform their duties, as well as those who retaliate against whistleblowers or take hostile measures against investigators, the Company will deal with them seriously in accordance with the law.

Awareness Publicity

The Company pays great attention to the development of business ethics culture and actively carries out related publicity and training. We carry out compliance and anti-corruption training in accordance with the requirements of local industry associations and the business characteristics of each department, etc., to establish employee awareness of law-abiding, honest, and upright business ethics and enhance their business ethics.

In 2023

the participation rate of
employees in anti-corruption
training reached **100%**.

Waterdrop Inc. Anti-Corruption Training in 2023	Management	General Staff	Supplier
	2 Number of Training 144 Number of Participant	13 Number of Training 3,819 Number of Participant	2 Number of Training 109 Number of Participant



Responsible Marketing

We strictly abide by the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *E-Commerce Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and other relevant national laws and regulations to carry out responsible marketing, and explicitly prohibit misleading publicity, false publicity, fraud, unfair sales tactics, business defamation and other acts of unfair competition.

We have established a full-process compliance review process for advertising materials, as well as an effective monitoring and feedback mechanism to continuously standardize marketing management. After an advertising agent uploads advertising materials, the relevant departments of the Company will conduct review before the advertisements can be put online only after the reviews are passed. At the same time, the Company collects and answers questions about advertising materials regularly, optimizes the review rules, and provides training to relevant parties on the review process and rules. In response to complaints about advertisements received by the Company, we will promptly identify the situation and, depending on the circumstances, the Legal Department or referral to the judicial authorities.

We provide our employees with training on responsible marketing to enable them to understand the importance of responsible marketing, establish good ethical standards, and acquire the appropriate skills and knowledge.



Supply Chain Management

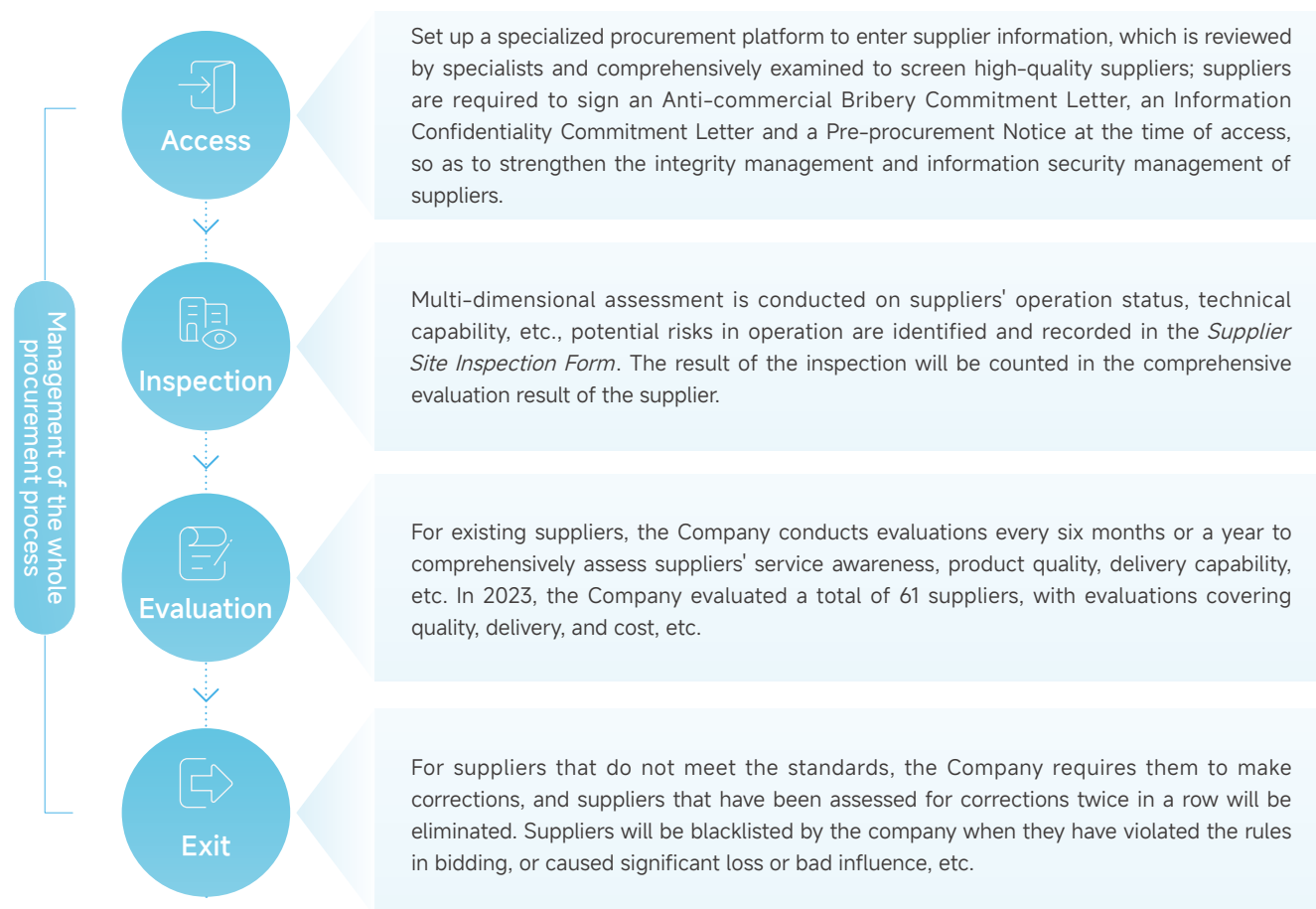
Waterdrop Inc. attaches importance to supplier compliance management, committed to establishing win-win cooperative relationships with suppliers. The Company strictly abides by the *Civil Code of the People's Republic of China*, the *Bidding Law of the People's Republic of China* and other relevant laws and regulations as well as relevant regulations in the industry, and has formulated internal policies such as the *Waterdrop Inc. Procurement Management Policy* and the *Waterdrop Inc. Supplier Management Policy* to continuously standardize the management of suppliers and to implement responsible purchasing.

By the end of the reporting period, Waterdrop Inc. has **294** cooperative suppliers in its supplier management system.



Process Management

Waterdrop Inc. continues to optimize the whole process of supplier management, identifying, preventing and controlling risks at all stages. In 2023, Waterdrop Inc. established a procurement data analysis platform, digitalized procurement, automating and standardizing the procurement process, as well as the whole life cycle management of procurement demand management, supplier access, adoption, and contract signing, and reduces the manual operation and the flow of paper documents, thus improving the efficiency of procurement, and make the procurement process more transparent.



ESG Risk Evaluation

Waterdrop Inc. conducts supply chain ESG risk assessments to review suppliers' performances in environmental and social areas, and mitigate supply chain ESG risks.

Information security risk management Sign Information Security Confidentiality Agreements, etc. with the selected suppliers, to clarify their information security responsibilities and confidentiality obligations.	Supplier employee rights and interests management Strictly prohibit the employment of child labor and forced labor by suppliers, and actively protect the legitimate rights and interests of employees of our suppliers.
Occupational health and safety management Require suppliers to follow applicable safety regulations and establish a sound occupational health and safety management system; sign the Fire Safety Responsibility Letter with leased employees, etc. to clarify fire safety responsibilities. When purchasing for decoration, the Company strictly enforces the concept of healthy and environmentally friendly purchasing to ensure the health and safety of employees.	Environmental management Encourage suppliers to pay attention to environmental impacts, dispose waste properly, continuously reduce pollutant emissions, and establish management processes or standards for monitoring and controlling emissions to minimize suppliers' negative impacts on the environment. We encourage suppliers to enhance their environmental management capabilities and prioritize suppliers with excellent performance in environmental and low-carbon management. In procurement, the Company gives priority to environmentally friendly and reusable materials and equipment.

Supplier Empowerment

Waterdrop adheres to the concept of integrity procurement, and actively carries out anti-corruption and other compliance publicity work for suppliers, and takes multiple measures to create a fair, honest and transparent procurement environment.

Case: Waterdrops Inc. Supplier Conference

On April 12, 2023, Waterdrop Inc. held a supplier conference “Water nurtures integrity - Drops build win-win”, inviting nearly 60 partners to attend. At the meeting, Waterdrop told the participants about the integrity culture of Waterdrop, shared the concepts and practices of Waterdrop in anti-corruption, showed the importance and persistence of Waterdrop on integrity, and called on suppliers to abide by the business ethics and maintain the market environment of fair competition.

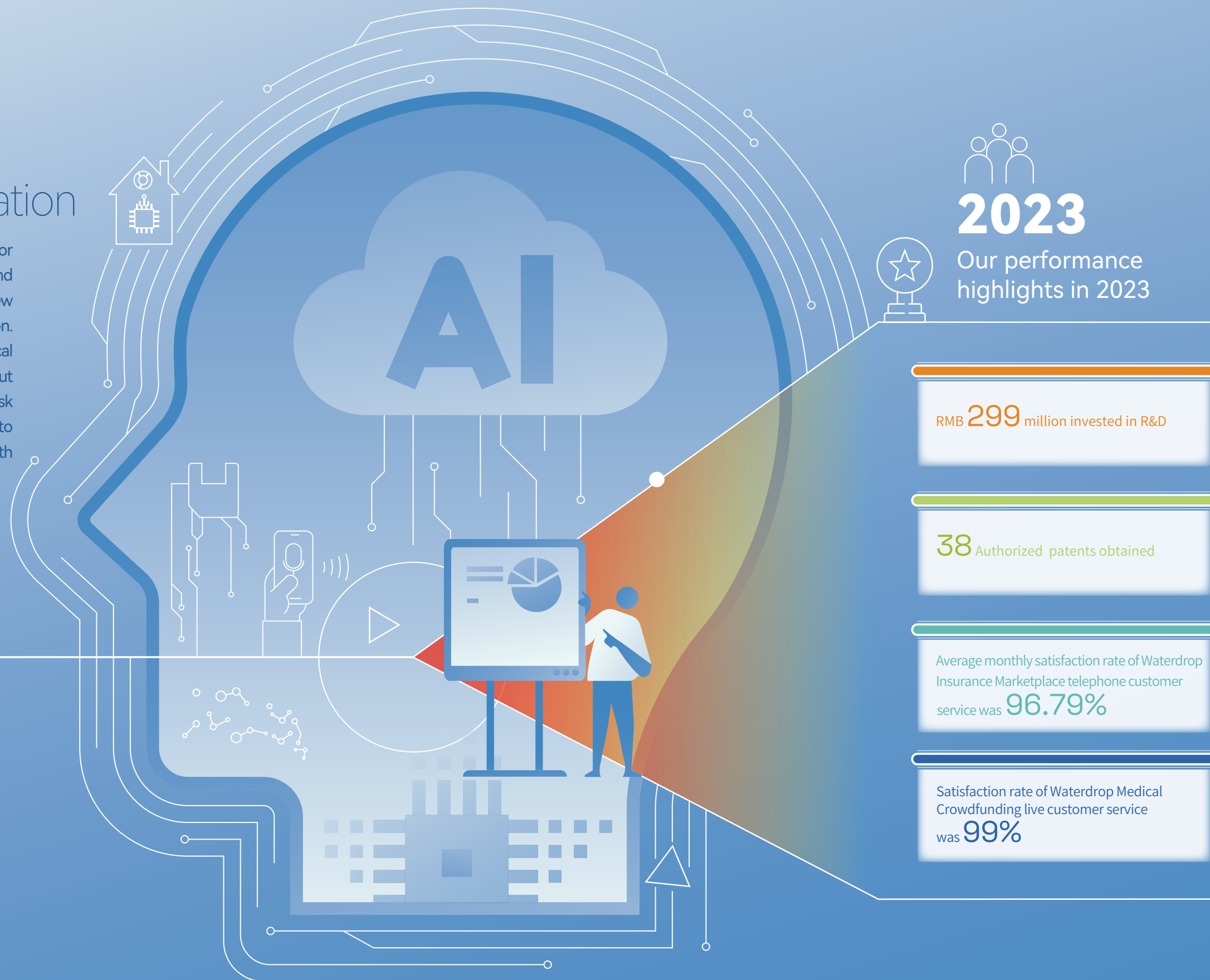
02

Driver of Digital Innovation

It is the latest trend and urgent requirement for high-quality development to venture into new fields and new tracks and build new momentum and new advantages with scientific and technological innovation. Waterdrop Inc. always regards scientific and technological innovation as the cornerstone of our development. We put unremitting effort into product development, risk management, and customer service, and are committed to improving efficiency and optimizing user experience with technology.



Response to United Nations Sustainable Development Goals





Technological Innovation

Technology is reshaping internet industry. As a leading technology platform for insurance and health services, Waterdrop Inc. is constantly exploring the application of technologies such as big data, artificial intelligence (AI) and blockchain in the industrial value chain, forming the "ABDC" technology strategy (AI+Blockchain+Data=Construction). During the reporting period, the Company invested RMB 299 million in R&D, aiming to utilize emerging digital technology in product services to continuously improve efficiency and provide users with higher-quality service.

Technologically Empowered for Efficiency Improvement

For customer services



We used natural language processing (NLP) and automatic speech recognition (ASR) technologies for real-time speech transcription and keyword extraction. We also deployed intelligent customer service robots to identify, extract, and analyze keywords from user information, quickly identify user intentions, and automatically return matching answers for users' inquiries in real time, improving response efficiency.

For risk prevention



Waterdrop Insurance Marketplace's AI-powered verification system can effectively detect fraud, analyze and label users' risk levels by inspecting user profile, risk data and illness data, and adopt differentiated user management in accordance with risk levels to optimize users' trading experience. Waterdrop Medical Crowdfunding introduced a BERT semantic understanding model which can grasp the context of conversation and understand the meaning of the communication. It has a more accurate judgment on key details such as real estate, vehicle property, and income in the fundraising case information, accurately identify risk, and prevent asset fraud.

For product usage



AI-powered intelligent claims review systems can provide a smooth consumer experience. In 2023, we deployed a large language model focused on the field of insurance, "Waterdrop Guardian" LLM, which covers a variety of scenarios in the insurance business, including consulting, underwriting, and claim settlement. We also developed an "AI insurance consultant" that can communicate with users in real time autonomously, improving user interaction efficiency. Waterdrop Insurance Marketplace claim service system "Waterdrop Insurance Marketplace·Bangbang," forming a claim service system that helps users with "online claim application, claim material review, notification and conclusion interpretation, and claim dispute mediation." In addition, in response to users' pain points, we launched online claim assistance tools and in-person services to satisfy the demand of different customer groups.

Responsible Application of Artificial Intelligence

Artificial intelligence brings both opportunities and challenges to technology companies. Waterdrop strives to ensure the fairness, transparency, and security of AI systems. We use AI to provide users with efficient and high-quality services under the premise of adhering to technological ethics and corporate social responsibility.

Waterdrop Inc. is actively avoiding discrimination on the ground of ethnicity, belief, gender, age, health, etc., during processes including algorithm design, training data selection, model generation and optimization, and services providing. We respect the rights and interests of others, and do not infringe on others' rights and interests in portraiture, reputation, honor, privacy, and personal information. In addition, when using AI technology, we respect the intellectual property rights of others, keep the trade secrets of others, abide by business ethics standards, do not exploit the advantages of algorithms, data, platforms, etc., to impose monopoly and unfair competition, and apply AI technology responsibly.

Protection of Intellectual Property

Waterdrop Inc. values the application and protection of innovation outcomes. We strictly abide by relevant laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*. We constantly improve the Group's intellectual property management system. In 2023, we revised and updated several policies including the *Waterdrop Patent Management Measures V5.0*, the *Waterdrop Copyright Management Measures V2.0*, and the *Guidelines for Preventing Intellectual Property Risks of Waterdrop Inc. V2.0*. We pay attention to the protection and use of our independent intellectual property rights without infringing on the intellectual property rights of others.

Waterdrop Inc. plan in advance, confirm copyrights promptly, and proactively protect our own intellectual property rights. We secure different types of intellectual property rights, such as patents, copyrights, and trade secrets, and provide training on intellectual property rights. At the same time, we continue to optimize the intellectual property incentive mechanism to promote the transformation of innovation achievements.

The Company also protects our own trademark and brand rights. By summarizing our previous experience in trademark monitoring and handling of trademark infringement cases, we concluded and formulated the *Guidelines for Trademark Infringement Monitoring and Handling Process of Waterdrop Inc.* to standardize the process of handling trademark infringement cases. We regularly monitor the counterfeiting of Waterdrop Inc.'s registered trademarks, business brands, and counterfeiting of the Company's applications and websites in the market. We also conduct training for each business unit to enhance their awareness of intellectual property risks.

In 2023, we successfully passed the qualification review of "National Intellectual Property Advantage Enterprise" and included in the first batch of "Demonstration Base for Trade Secret Protection" in Beijing. During the year, there was no case of infringement of intellectual property rights by the Company.

In 2023, we obtained **38** authorized patents

including **29** invention patents
and **9** design patents

In 2023, we obtained **132** registered trademarks

We now possess a total of **96** authorized patents

including **46** invention patents
and **50** design patents

In 2023, we completed **20** copyright registrations



Reliable Product

Shouldering the mission of “bring insurance and healthcare services to billions through technology,” Waterdrop Inc. follows industry norms to ensures the quality and reputation of our products and provide users with comprehensive and reliable products.



Waterdrop Inc.'s insurance business integrates data, systems, and insurance services. Relying on Waterdrop Inc.'s advanced technology portfolio, we provide a wide range of insurance products for customers with growing demand of insurance services. We ensure our compliance with insurance-related laws and regulations such as the *Insurance Law of the People's Republic of China* and the *Measures for the Regulation of the Internet Insurance Business*, and we also formulated and implemented internal policies such as the *Insurance Compliance Management Measures* and the *Internet Insurance Business Management Measures*.

💧 Optimizing Claim Service Management

During the year, Waterdrop Inc. has updated the *Customer Service Specification for Claim Settlement*, the *Management System for Claim Settlement and Review*, the *Management System for Cooperating Insurance Companies*, the *Management System for Claim Settlement Performance*, and several other policies, adding or adjusting content related to claim settlement assistance service process, first-answer responsibility system, quality control of service provided by insurance companies, and claim settlement performance indicators. We continue to optimize customer services and safeguard the rights and interests of our customers. In 2023, 1-on-1 service provided by Waterdrop Insurance Marketplace claim settlement consultants reached 3,214 hours.

Waterdrop Inc. has developed a number of claim settlement tools for improving process efficiency. “Claims Data Manager” is a tool powered by OCR technology and can automatically extract medical information uploaded by the user. “Ling Long Risk Control Platform” is a risk recognition model that can identify key features from case information submitted by the user, indicate the risk level of the case to the reviewer, and remind the reviewer to promptly process the claim.

Although internet technology has greatly boosted the efficiency of online claim settlement process, there is still high demand for offline services. As of December 31, 2023, “Bangbang” offline claim settlement assistance service has been expanded to 10 cities including Beijing, Guangzhou, Shenzhen, and Shanghai, and over 1,000 orders of claim settlement assistance service have been dispatched.

📋 Offline claim settlement service center solved the Last Mile Problem in claim settlement service

In May 2023, Waterdrop Insurance Marketplace's first offline claim settlement service center was officially opened, providing users with 1-on-1 assistance service that covers the entire claim settlement process. This offline claim settlement service is equipped with insurance assistance experts certified by “Waterdrop Insurance Marketplace·Bangbang.” They can interpret the responsibilities in insurance policies and claim settlement processes for customers, perform preliminary sorting and review of claim settlement materials, and report the case on the spot on behalf of customers. To assist users with special needs, such as the elderly and people with limited mobility, the service center also offers door-to-door service and printing and delivery of medical documents for customers.

💧 Raising Consumer Awareness of Financial Risks

Waterdrop Inc. strives to protect the rights and interests of consumers. By notifying users with posters, articles, and videos through Waterdrop Insurance Marketplace app and applet operated by our insurance institutions, we raise consumers' awareness of illegal crowdfunding and help consumers avoid association with it. We have established various communication methods, including 400 consulting hotline, 010 complaint hotline, email, WeChat official account, and WeCom official account, to defend the rights and interests of consumers.

March 15 Education and Publicity Service Month of Protection of Consumer Rights and Interests	Conducted a series of popularization and publicity activities both online and offline to raise consumer awareness of protection of consumer rights and interests.
July 8 National Insurance Publicity Day Event	With the theme of “Powerful Insurance for Hardworking You,” we participated in the insurance public welfare activity of “Healthy Life Every Day” by the Insurance Association of China and organized activities such as “Green Run” and “Bringing Insurance and Financial Knowledge to the Community.”
Education and Publicity Month of Protection of Financial Consumer Rights and Interests	By Combining both online and offline activities, we hosted education and publicity activities with different themes such as “I Do Practical Things for the People” Deepening Week, “Science Popularization for the Community,” “Know the Risks to Fight Against Fraud,” and “Keep Your Money Bag and Protect Your Happy Home,” to guide consumers to improve their financial security awareness and risk prevention capabilities.

📋 Case: “Education and Publicity Month of Protection of Financial Consumer Rights and Interests” Event

On September 15, 2023, the Company initiated events for “Education and Publicity Month of Protection of Financial Consumer Rights and Interests,” raising the awareness of consumers by combining both online and offline activities.

We went into communities, business districts, and enterprises in Beijing, Hubei, Guangdong, Shenzhen, and Jiangsu to hand out booklets about protection of consumer rights and interests to customers and the general public. We also provided consulting services to promote basic financial knowledge to financial consumers and enhance their awareness of financial security.



💧 Education and Publicity Month of Protection of Financial Consumer Rights and Interests

📋 Case: March 15 Education and Publicity Service Month of Protection of Consumer Rights and Interests

On March 15, 2023 Consumer Rights Protection Day, Tairui Insurance Agency actively responded to and earnestly implemented the requirements of consumer rights protection, and carried out a series of activities of "March 15 Education and Publicity Service Month of Protection of Consumer Rights Protection" at the user level to improve customer experience from all aspects, especially to help elderly customers cross the digital gap. Overall, we boosted insurance consumer's confidence, and strived to open up the last mile of insurance services to further improve consumer satisfaction.



💧 March 15 Consumer Rights Day

📋 Case: Publicity Month for Preventing Illegal Crowdfunding

On June 15, 2023, Zhuanxin Insurance Brokerage Company organized offline publicity activity, distributed publicity booklet about illegal crowdfunding prevention, and answered over 1,000 questions for consumers on site, helping the public “keep their money bags and protect their happy homes.”

Through WeChat official account and video account, Zhuanxin Insurance Brokerage promoted common knowledge of preventing and combating illegal crowdfunding activities with short-form videos and articles, enhancing public awareness of the law.



💧 Site of offline activity about preventing illegal crowdfunding



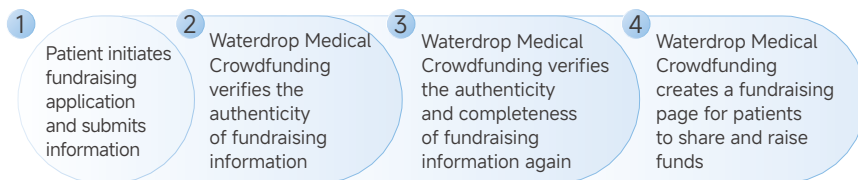
Medical Crowdfunding Business

Waterdrop Medical Crowdfunding attach great importance to the security and transparency of funds. Under the guidance of the Ministry of Civil Affairs, Waterdrop Medical Crowdfunding signed and issued the *Self-Discipline Convention on Internet Service Platforms for Patients with Critical Illness to Seek Help* with a number of platforms in the industry. The Convention established industry service specifications and self-discipline and restraint mechanisms, built a whole-process risk management system, and published a blacklist of untrustworthy fundraisers. We continue to promote the creation of an open, transparent, honest and trustworthy, healthy and well-managed environment for critical illness crowdfunding.

💧 Crowdfunding Information Verification

We require the fundraiser to fully disclose the patient's health conditions, family financial situation, medical insurance coverage and other relevant information. Relying on big data intelligent verification system based on risk assessment data, we also cross-check the authenticity of the patient's identity and other information.

Once the patient initiates application and submits relevant information, our database will verify the authenticity of the case with detection techniques for fundraising risks, such as asset concealment identification and Photoshopped image identification. The crowdfunding application will be blocked if it does not meet the requirements. For applications that meet the requirements, the database will verify the authenticity and integrity of the information provided by the patient by checking the patient's medical records and medical bills. If the application passes the review, the system will create a fundraising page for patients to share online, and the caring public can extend a helping hand to patients who really need help.



Waterdrop Medical Crowdfunding takes crowdfunding's authenticity seriously and monitors potential fraud in real time. We will immediately suspend a fundraising activity if fraud is detected.

💧 Crowdfunding Information Verification

In 2023, Waterdrop Medical Crowdfunding has once again optimized crowdfunding process for users.

Information Disclosure

Waterdrop Medical Crowdfunding platform discloses user's crowdfunding information in a clear and comprehensive manner, to help donors fully understand the situation of case seeking help, platform audit, public supervision and case funding. In the meantime, the publicity of personal help information can be queried for 1 year, so that the public can query and understand and accept public supervision.

Green Channel

To avoid delays in treatment due to the waiting time for cash withdrawal, Waterdrop Medical Crowdfunding opened a "green channel for rapid payment" for patients in critical conditions. Eligible patients can provide relevant proof and skip the 24-hour publicity period in the withdrawal process to receive payment within 1 hour.

Care and Support

To help patients from villages and towns raise funds more quickly, Waterdrop Medical Crowdfunding widens fundraising channels through short-form videos, dedicated homepage, and applet.

Crowdfunding Consulting Services Upgrade

Our crowdfunding consultant team has passed the training on standardized service process and general medical knowledge. They can assist patients to quickly complete the review and provide services such as appointment escort, mental health counseling, and relief fund application. As of December 31, 2023, the team has covered 225 cities in 30 provinces across the country. Meanwhile, to enhance the protection of people facing extreme financial difficulties, Waterdrop Medical Crowdfunding platform reduces or exempts the service fees for people covered by the "five guarantees" and offers subsidies to patients who suffered significant trauma in major accidents.

💧 Dedicated Fund Management and Public Disclosure

To ensure the safety of all funds raised on the platform, Waterdrop Medical Crowdfunding cooperates with multiple parties to jointly supervise the withdrawal and use of raised funds. We partner with third-party bank, and the funds raised on the platform are sent directly to the dedicated bank account. We also work with hospitals so that funds are remitted directly to the hospital's account to treat the patients specifically. In September 2023, Waterdrop Medical Crowdfunding engaged a third-party professional institution for an independent audit and disclosed the financial and fund management information to ensure the safety of capital flow. At the same time, we recruit "platform supervisors" from the society and regularly conduct spot check the details of expenses by Waterdrop Medical Crowdfunding to improve the transparency of the platform.

In addition, we require patients to provide receipts for medical payments and set up a 24-hour publicity period when patients withdraw, and if a complaint is received within the publicity period, we will suspend remittances and initiate investigation. If the investigation identifies fraud, we will report to law enforcement or file a lawsuit to protect donors. After the fundraising case is withdrawn, any unused funds will be returned to the donors, and the unclaimed refunds will be publicized for 90 days on Waterdrop Medical Crowdfunding platform. After the publicizing period, Waterdrop Medical Crowdfunding will donate the remaining unclaimed funds to charitable organizations for critical illness assistance.



Case: Waterdrop Medical Crowdfunding Hosted "Open Day" Event to Hear From the Public

Waterdrop highly values external supervision and suggestions. We hope to bring society together and help more patients with critical illness through transparent and open communication. In 2023, Waterdrop hosted 3 user open days. Shen Peng, founder and CEO of Waterdrop Inc., joined the events along with several other executives of the Company and had face-to-face conversations with fundraisers, donors, and users who care about Waterdrop platform.

Participants of the platform-supervisor-exclusive open day in December includes journalists, lawyers, accountants, and people from many other industries. During the open day, Waterdrop Medical Crowdfunding demonstrated crowdfunding process, and platform supervisors randomly picked several crowdfunding cases and inspected the movement of the raised funds.



💧 Platform supervisors communicating with Waterdrop Medical Crowdfunding staff



💧 Staff-in-charge from Waterdrop Inc. communicating with users



Health Service Business

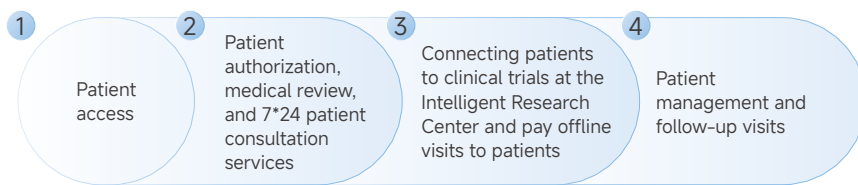
Relying on the gigantic group of patients that Waterdrop once served and intelligent matching system, E-Find arranged patient recruitment and other businesses. Through online and offline patient health services and companionship services, it gains the trust of patients and improves their degree of acceptance. E-Find matches interested patients to appropriate clinical trial projects and helps well-known pharmaceutical companies around the world improve R&D efficiency.

💧 Patient Recruitment and Protection

E-Find treats patients' rights, interests, and safety with great caution. Procedures of our patient recruitment for clinical trials are compliant with the *Medicinal Product Administration Law of the People's Republic of China*, the *Good Clinical Practice (GCP)*, the *Technical Guidelines for the Implementation of Patient-Oriented Drug Trials (Trial)*, and other laws, regulations, industry standards, and global norms on clinical trials. In 2023, E-Find established a system for regulating employee behaviors, namely the *Violation Management Measures*. It also refined its business operation quality management system (including updating operation procedure manuals) to ensure the compliance of all procedures during patient recruitments for clinical trials.

Thanks to the intelligent matching system, E-Find is capable of perform accurate screening, fine management, and intelligent matching for patients. It significantly improves the efficiency of patient enrollment in clinical trials and benefits both the patients and pharmaceutical companies.

Patient Recruitment and Management Process for Waterdrop



💧 Participant and Patient Service

In 2023, E-Find developed a doctor-patient service platform based on AI-generated content (AIGC) technology for patients' private domain operation scenarios, which can identify keywords and intention of interaction and quickly generate simple, fast, and reliable reply suggestions for medical specialists, greatly enhancing service efficiency. In addition, E-Find introduces the new technology of "intelligent matching/patient retrieval" which can accurately classify patient information, comprehensively take factors such as patient benefits and distance into consideration, and suggest suitable clinical trial projects for patients, boosting the recruitment efficiency and matching success rate.

E-Find adopt security measures that comply with industry standards to protect users' personal information. These include de-identification, separate storage, and enhanced access and use rights management. When transmitting and archiving users' personal information, we adopt security measures such as encrypted storage, permission control, and the use of secure transmission protocols.

In 2023, E-Find was awarded the 2023 "Ivy Award" Annual Health Innovation Platform by Jiemian News.

E-find entered the "List of the First Batch of Qualified Technology-based Small and Medium-Sized Enterprises in Beijing in 2023" released by Beijing Municipal Science & Technology Commission, Administrative Commission of Zhongguancun Science Park.

Quality Services

Waterdrop Inc. is committed to providing quality and high-standard services to our customers. We have formulated detailed systems and standards for customer service and complaint management, as well as introduced a variety of techniques to improve service efficiency, minimize customer service response time, and improve the timeliness of handling process, aiming for higher service quality.

Enhancing Service Management

This year, Waterdrop Insurance Marketplace customer service team adopted the brand-new the *Customer Service Center Training Management System* and the *Customer Service Center Management Manual* and revised the existing the *Customer Service Center Sensitive Complaint Information Reporting and Handling Process* and several other systems to enhance the management of customer service quality.

We introduced experienced insurance planning consultants to provide 1-on-1 consulting services for consumers looking for comprehensive insurance plans. We continue to strengthen service training to improve the service quality of our sales staff. In 2023, Waterdrop Insurance Marketplace Team conducted 81 service training sessions covering service quality, customer complaint handling skills, service awareness, and complaint case studies. The trainings reached a total of 279 staff members, and training coverage rate was 98.9%.

Waterdrop Medical Crowdfunding optimized its customer service dashboard this year and further incorporated intelligent

services into it. The upgraded dashboard now has a redesigned crowdfunding information display page with key information of a case indicated more explicitly and comprehensively, so that donors could easily learn about the case. The available period of personal crowdfunding case was extended to one year, so that more crowdfunding cases can be inquired by the public and subject to public supervision.

We issued the *Consultant Service Manual* and launched consultant service evaluation system to further standardize the crowdfunding service process and requirements, prohibited actions during, operation requirements in hospitals, etc. We trained our employees on communication skills and content review to improve their professional capabilities. We optimized fund withdrawal process for fundraisers, upgraded withdrawal workflow, withdrawal preparation notice, and entrance for fund withdrawal for the convenience of fundraisers, bringing better service experience to fundraisers in urgent need of medical treatment funds.

Enhancing Service Management

Waterdrop Insurance Marketplace improved complaint handling efficiency to promptly solve the problems encountered by users. We strive to ensure that 98% of common complaint cases and 95% of complicated complaint cases can be closed in 3 days. This year, Waterdrop Insurance Marketplace improved the communication efficiency and contact frequency between customer service team and users, reduced the complaint rate on WeChat, and achieved 100% rate of case settlement within 72 hours. With customer service assisted by AI and other advanced technologies, we added self-service option and reduced the rate of manual handling of similar cases by approximately 5%. We also added online self-service policy inquiry and insurance company inquiry, with self-service resolution rates reached 87% and 88% respectively.

In 2023, Waterdrop Insurance Marketplace's rate of telephone connection was 95.12%, and monthly average service satisfaction rate of all users was 96.79%.

Waterdrop Medical Crowdfunding quickly respond to users via various media including telephone and online communities. We assembled dedicated service teams for handling user complaints and feedback to accept complaints timely and assist our users. In 2023, Waterdrop Medical Crowdfunding online customer service response rate was 100%, and complaint settlement rate was 95%. This year, Waterdrop Medical Crowdfunding conducted quarterly satisfaction surveys of donors and fundraisers through telephone calls and questionnaires, and the satisfaction rate of manual customer service reached 99%.

96.79%

In 2023, Waterdrop Insurance Marketplace's monthly average telephone customer service satisfaction rate was 96.79%.

99%

Waterdrop Medical Crowdfunding manual customer service satisfaction rate was 99%.

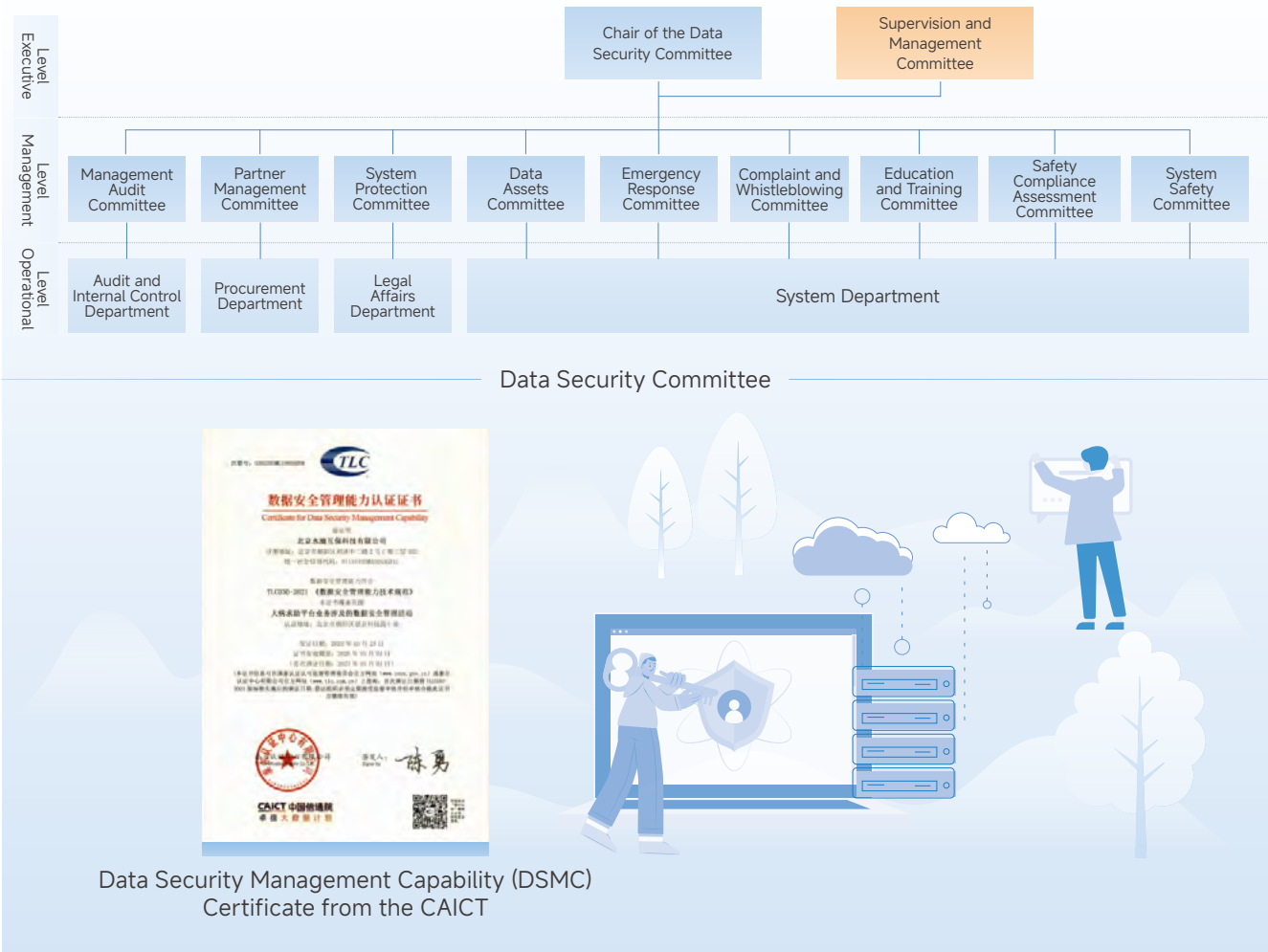
Information Security

Waterdrop Inc. abides by the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and other laws and regulations on information security. We formulate the *Measures for the Management of Data Classification* and the *Measures for the Management of Data Authority Approval*, forming a comprehensive information security management system that covers various aspects including authorization management, data classification, and sensitive information encryption.

Establishing Management System

Waterdrop Inc. established a Data Security Committee for data security and user privacy protection. Chaired by the head of R&D and Platform Product Department, Data Security Committee consists of Data Security Oversight Group, management, and executive level. They are jointly responsible for ensuring the security and compliance of data and privacy. Our information security management system has passed the Information Security Management System (ISO 27001) certification, and our core business platform has obtained the Class III information security level protection certificate.

Waterdrop Medical Crowdfunding obtained Certificate for Data Security Management Capability (DSMC) from the China Academy of Information and Communication Technology (CAICT). The DSMC certificate is an authoritative national certificate in the field of data security, and it is issued by the CAICT for all industries.



User Privacy Protection

Waterdrop Inc. formulated the *Personal Information Security Compliance Management Measures*, the *Privacy Policy*, and other related documents and implemented internal procedures and control measures to protect user privacy. We augment the identification and detection of sensitive personal information with advanced techniques, classify and segregate users' personal information, and de-identify and anonymize internal user information. Classification and hierarchical protection are implemented according to the sensitivity of data, and we perform additional encryption and masking for highly sensitive data. We conduct regular network security monitoring and implement hierarchical management of information security vulnerabilities and establish a closed-loop management mechanism for the whole life cycle of vulnerabilities. We also established a security sentinel operation mechanism which is capable of promptly initiating emergency response to security threats and abnormal behaviors.

This year, we completed the upgrade of the 4-layer security protection system, performed 1 emergency response drill for data breach, and engaged external assessment agency to conduct a risk assessment and penetration test for Waterdrop's core business system.

In addition, we perform dedicated internal control audits for IT and optimize system permission management, cloud server change management, database encryption and other processes according to defects identified and historical audit records, improving system compliance and effectiveness.

In 2023, no significant and substantiated complaints concerning breaches of customer privacy and losses of customer information were received.

Information Security Training

Waterdrop Inc. works to foster information security culture and regularly organizes relevant training and drills to continuously improves the Company's information security awareness.



03

Diverse and Inclusive Development

Adhering to the principle of "people-oriented" employee management policy, the Company legally protects employees' rights and is committed to creating a diverse and equitable work environment. We prioritize the physical and mental well-being of our employees by organizing various activities. Furthermore, we emphasize personal development by creating customized training programs to assist employees in realizing their individual potential.



Response to United Nations Sustainable Development Goals



2023

Our Performance Highlights

Employee training coverage rate is **100%**

An average of **22** Hours training per employee

The return-to-work rate for employees after maternity and paternity leave has reached **100%**

We invested **4.25** Million on employee training

Health examination covers **100%** of our employees



Compliant Employment

The Company is committed to creating a diverse and inclusive workplace environment, lawfully safeguarding employee rights, and providing competitive compensation and benefits to attract and retain talent.

Diversity and Equality

The Company embraces diverse cultures and perspectives, respects and includes differences, and actively fosters a gender-equal and friendly work environment. We firmly oppose gender discrimination in the workplace and actively implement gender equality policies to fully protect the rights of female employees. The Company has established a Women's Committee responsible for overseeing women's rights during daily operations and regularly conducts activities such as women's health live broadcasts and special events for International Women's Day to enhance the well-being of women in the workplace.

The Company adheres to the *Law of the People's Republic of China on the Protection of Disabled Persons* and the *Regulations on the Employment of Persons with Disabilities*, actively providing suitable employment opportunities for individuals with disabilities in accordance with their specific conditions. Additionally, we appropriately increase the income for positions held by employees with disabilities, actively assisting the national strategy in promoting the employment of disabled persons. During the reporting period, the Company employed a total of 26 individuals with disabilities.

By the end of reporting period, the distribution of the Company's employees was as follows:

Distribution of employees



Case: Waterdrop Inc. Completes the UN Global Compact Gender Equality Accelerator Program

On March 8, 2024, the United Nations Global Compact Target Gender Equality (TGE) Accelerator Program held its closing ceremony for the second phase. As one of the companies that completed this phase of the TGE Accelerator Program, the Company was awarded a completion certificate.

Through our participation in this program, we have further advanced our diversity and equality initiatives. In the future, we will continue to strengthen our commitment to gender equality and promote the implementation of related actions.



Completion Certificate for the TGE Accelerator Program

Employee Rights Protection

The Company strictly adheres to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Provisions on the Prohibition of Using Child Labor*. We also comply with international treaties such as the International Labour Organization's declaration on *Fundamental Principles and Rights at Work*, as well as the core labor standards of SA8000. Additionally, we continuously develop and refine our *Employee Handbook* and related internal regulations to ensure the protection of employees' legal rights.

The Company upholds the principle of meritocracy, strictly conducting recruitment in accordance with internal documents such as the *Waterdrop Recruitment Management Measures*. During the year, we have introduced new guidelines, including the *RPO Usage Management Handbook* and the *Waterdrop Interview Management Measures V1.0*, to further enhance our recruitment processes and mechanisms. These enhancements include requirement communication meetings and interview alignment meetings to align on recruitment needs and standardize interview practices. We rigorously review the age of candidates during the recruitment process and firmly reject applicants under the age of 18.

The Company strictly prohibit all forms of forced labor and oppose all forms of discrimination, harassment, and abuse. We maintain a zero-tolerance policy toward any harassment or discrimination based on race, religion, gender, age, marital status, nationality, or other characteristics in all aspects of recruitment, employment, training, promotion, working hours, leave, benefits, termination, and retirement.

Additionally, we have established a clear grievance mechanism. If a violation of employment regulations is confirmed, we will take serious action against the responsible parties based on the severity of the case, and report it to the local labor protection administrative department for legal processing. Furthermore, we implement strict confidentiality measures for the grievance process and the complainants to ensure they are protected from retaliation. During the reporting period, the Company did not experience any incidents of human rights violations, discrimination, harassment, abuse, forced labor, or child labor.





Compensation and Benefits

To attract and retain talent, we provide all employees with competitive compensation. We adhere to a position-based salary structure and follow the principle of "paying for value." Our compensation strategy is designed to align with both the company's performance and employee contributions, and we continuously optimize our compensation system.

We have developed a comprehensive employee benefits system that, while ensuring the protection of employees' legal rights, also enhances their work and personal lives by providing support and care.



Health Protection

In addition to providing the mandatory social security benefits, the Company conducts annual health check-ups for all employees and offers supplementary medical insurance, as well as high-coverage medical insurance.



Leave Benefits

We uphold employees' rights to statutory holiday leave and offer various types of leave, including sick leave, personal leave, marriage leave, bereavement leave, work injury leave, and public service leave. Furthermore, we provide tenure-based annual leave for regular employees and interns who have completed one year of service with the Company.

We also provide maternity-related leave, including maternity leave, paternity leave, parental leave, and breastfeeding leave, to ensure that the legal rights of employees with family planning needs are fully protected.



Living Subsidies

Annual rental discount



Workplace Facilities

We have established various recreational areas in workplace, including rest zones, fitness areas, and snack convenience cabinets, to enrich employees' leisure time.



Women's Well-being Support

We conduct specialized health activities for female employees, such as HPV vaccination, traditional Chinese medicine consultations, and HPV educational seminars. Additionally, we have set up mother-and-child rooms in the office area to provide convenience for female employees in need.

Data for Maternity and Paternity Leave

	Male	Female
Employees on Maternity and Paternity Leave (number of people)	95	99
Return-to-Work Rate ¹	100%	100%

¹ Return-to-Work Rate = Number of employees who return to work after maternity or paternity leave / Number of employees who took maternity or paternity leave



Case: Fostering Positive Social Impact: Waterdrop Inc. Introduces Paid Public Service Leave

In 2023, the Company introduced a one-day paid public service leave for all employees. This initiative aims to provide employees with more opportunities to engage in public welfare activities, achieve personal growth, and create social value. The public service leave encourages employees to participate in volunteer work, with the ability to apply for the leave by submitting relevant documentation after the activity. In addition to voluntary participation in volunteer projects, we will also periodically organize various volunteer activities, collaborating with employees to give back to society and jointly create a harmonious community.



◆ "Cool Relief" Summer Welfare Activity



◆ In 2023, Waterdrop Inc. upgraded the length-of-service awards

Vibrant Workplace

Waterdrop Inc. strictly ensures the safety and hygiene of our office environment by implementing various measures to safeguard employees' physical and mental health. To create a vibrant workplace atmosphere, we also regularly organize a variety of cultural and sports activities to enrich employees' leisure time.

Safety and Health

The Company always prioritizes the safety of employees' lives and property, strictly adhering to the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and other relevant laws and regulations. We continuously improve our safety management system, standardize daily safety inspections, and conduct regular fire drills. In 2023, our main offices obtained ISO 45001 certification for Occupational Health and Safety Management Systems, and we conducted 3 fire drills.



◆ Fire drill activities



Physical Health

We provide comprehensive annual health check-ups for all regular employees and regularly hold online and offline health activities and seminars, including traditional Chinese medicine consultations, massages, and free telemedicine services, to help employees identify potential health risks promptly. We also regularly clean and disinfect office areas to ensure a safe and hygienic working environment, reducing the risk of illness among employees. In 2023, our employee health check-up coverage rate reached 100%.



Mental Health

We offer employees three free telephone counseling sessions per year, covering issues such as physical and mental sub-health, emotional disorders, post-illness emotional support, and postpartum depression support, provided by professional psychologists to alleviate employees' psychological stress.



Case: "March Women's Health Benefits" Series

In March 2023, the Company launched the "March Women's Health Benefits" series, featuring an online live course by the gynecology expert titled *How to Prevent Cervical Cancer and Breast Cancer*, along with interactive sessions on women's health topics. Additionally, we provided a reservation channel for the quadrivalent HPV vaccine for female employees, and conducted one-on-one traditional Chinese medicine consultations at our Beijing headquarters to address women's health concerns and ensure their well-being.



Case: "Safeguarding Your Vision" Eye Health Campaign

In October 2023, to promote healthy eye habits and vision care among employees, the Company held the "Safeguarding Your Vision" eye health campaign. We invited a senior optometrist with 20 years of experience to conduct eye examinations and disseminate knowledge on eye care and protection.



◆ Employees undergoing eye examinations



Equal Communication

The Company has established an effective employee communication mechanism, regularly listening to employees' voices and respecting their opinions through face-to-face meetings and cross-departmental communications.



Case: "CEO Face-to-Face" Event of Waterdrop Inc.

"Face-to-face is an effective way of communication. Anyone with questions can speak freely, and we will address them directly."

——Shen Peng, Founder and CEO of Waterdrop Inc.

In 2023, We continued our tradition by hosting three "CEO Face-to-Face" events. Founder and CEO Shen Peng, along with several senior executives, attended these in-person meetings. These events facilitate direct communication between senior management and frontline employees, allowing for the exchange of ideas and feedback. They serve as a platform for conveying the company's cultural values and key strategies, enabling senior management to hear firsthand the opinions and suggestions of frontline employees. This approach fosters equal communication and bridges the gap between different levels of the organization.



Scene from the "CEO Face-to-Face" Event

Engaging Activities

We regularly organize a variety of enriching and enjoyable cultural and sports activities. These initiatives help employees relax and unwind outside of work, strengthen emotional connections between employees and the Company, enhance employee well-being, and boost team cohesion.



Case: Special Activities for Traditional Festivals

In 2023, we organized a series of special activities for employees during traditional Chinese festivals, such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival. These events fostered a joyful and relaxed atmosphere, enhancing employees' sense of fulfillment, happiness, and belonging. They also demonstrated the Company's genuine care for our employees, further strengthening their cohesion and motivation.



Scene from the Dragon Boat Festival Ribbon Distribution



Case: Waterdrop Union Sports Season

To enrich employees' cultural lives and enhance their physical well-being, the Company launched the Waterdrop Union Sports Season in July 2023. We established clubs for basketball, soccer, frisbee, and badminton, providing free facilities for employees. This initiative was met with enthusiastic participation and response from employees. It promoted a healthy lifestyle, encouraged physical exercise, and helped employees develop a positive and healthy mindset, reflecting the Company's commitment to employee well-being.

Growth and Development

Waterdrop Inc. places a high priority on employees' career development and personal growth. By enhancing our employee development platform and establishing robust performance evaluation and promotion mechanisms, we support employees in exploring suitable career paths, motivate them to create value, and assist them in achieving personal growth.

Continuous Training

The Company continually optimizes the talent development system by refining training models, highlighting course features, and launching distinctive training programs based on the frameworks for new employee training and specialized skills training. This approach enhances the standardization, effectiveness, and reach of our training programs. Meanwhile, we strengthen our faculty and lecturer management and provide a wealth of continuing education resources to support employee growth.

New Employee Training

We have established and refined the *Waterdrop New Employee Onboarding Training Management Measures* to standardize the training processes and assessment requirements for new hires. This helps new employees gain a deep understanding of our corporate culture and quickly integrate into their roles. The Company also offers both online and offline training programs, tailoring course resources to different stages of new employee development and regularly updating materials to optimize training scenarios. During the year, the completion rate for our online training programs was 100%.



Scene from the "Landing Program" for experienced hires

For new graduates



We run the "Rising Wave Program," a six-month initiative with phased goals of "integration, transition, and independence." This program includes personal file creation, regular mentoring, learning competitions, and corporate culture activities to help new graduates smoothly transition into their roles and adapt quickly.



For experienced hires

We offer the "Landing Program," a six-month training initiative tailored to employee development paths. This program includes engaging "Waterdrop Planet" training activities designed to be enjoyable, helping new hires quickly understand and integrate into Waterdrop Inc..



Specialized Skills Training

Professional Skills



- Professional training tailored to specific job positions.

General Skills



- Employing classic methodologies and knowledge models to strengthen employees' efficient thinking patterns and behavior habits.
- Providing general competency training for current employees and organizing interdisciplinary sharing sessions with experts.

Leadership Skills



- For senior management, including company partners and business unit leaders: training in areas such as strategic planning, business acumen, and organizational management.
- For middle management: training in areas such as strategy execution, policy formulation, and cultural development.
- For frontline and lower-level managers: training in leadership skills such as role awareness, goal management, team building, and performance management.



Case: Star Knowledge Initiative

In 2023, the Company launched the "Star Knowledge Initiative" as a branded project for general skills training, delivered through "Hot Topic Open Courses" and "Management Rhythm Specialization." This program addresses employees' needs for learning about corporate culture and offers distinctive training courses. Going forward, we will provide more online general courses and continually enhance their content to ensure comprehensive coverage for all employees.



Case: Excellence Program – 4D Leadership Enhancement

In 2023, the Company introduced the "Excellence Program – 4D Leadership Enhancement," focusing on the real-world challenges faced by our business teams. The program aims to develop key personnel in four dimensions: cultivation, inclusion, vision, and execution. This initiative not only enhances individual managerial skills, but also aims to deeply integrate and elevate the leadership culture within the Company, fostering efficient and smooth internal communication.



Case: DTO Training Camp for Digital Transformation Officers

To lead the Company into a new era of digital transformation, we launched the "DTO Training Camp for Digital Transformation Officers." This initiative aims to help key employees understand and master the essential concepts and technical pathways of digital transformation through diverse and comprehensive training methods. Combining professional courses with seminar activities, the program aims to cultivate a group of digital transformation leaders with a forward-looking vision and strong execution capabilities.



♦ Training Session: DTO Training Camp for Digital Transformation Officers

Faculty Assurance



The Company ensures high-quality training support by engaging external training institutions and individual instructors, and by selecting top-tier part-time instructors for our internal training team. During the year, we updated the *Waterdrop Internal Part-Time Instructor Management Measures*, incorporating detailed guidelines for the appointment and reappointment of internal trainers, and refining the selection and phased certification process. We also regularly invite external experts to enhance our internal trainers' teaching skills, ensuring continuous improvement in instructional quality.

Continuing Education



The Company is committed to supporting employees' personal development and further education. We assist employees in applying to prestigious domestic business schools for advanced studies, and organize a variety of external training and exchange programs, providing ample training opportunities and access to leading educational resources. Additionally, we encourage relevant employees to participate in specialized medical industry training to deepen their understanding of the field and enhance their practical skills.

Career Development

The Company strictly adheres to the *Waterdrop Performance System* and the *Waterdrop Performance Evaluation Plan*, comprehensively evaluating employees' performance to drive continuous improvement in their work capabilities through performance management.

Performance Evaluation

According to the characteristics of each position, the Company conducts monthly, quarterly, or semi-annual performance evaluations. These evaluations involve comprehensive assessments through personal work summaries, self-evaluations, feedback from subordinates and collaborators, and ratings from supervisors. The results of these evaluations serve as the basis for year-end bonuses and promotions. Additionally, the Company has established a performance communication process to inform employees of their evaluation results clearly and transparently. The appeals channel is also available for employees who wish to contest their results, with relevant departments providing feedback within a specified timeframe.

Promotion and Recognition

The company continues to pay attention to the employees' career development and ability improvement, providing P (professional and management) and S (marketing and user) dual development channels, involving four career development paths including administrative functions, internet, industry and marketing services, encouraging employees to cultivate themselves, improve skills, and realize the continuous accumulation of talents in multiple industries of the company.

We provide clear pathways for internal mobility. In 2023, through the implementation of the "Fluid Talent Program," 87 vacancies were filled by internal employees (excluding organizational changes and promotions).

The Company places great importance on recognizing and encouraging employees. To instill profound motivation in them, we have established awards such as "Star of Waterdrop" and "Pioneer of Waterdrop" to honor outstanding employees annually. Additionally, we implement an equity incentive plan to foster a workplace culture that emphasizes "paying for value" and rewards value creation.

2023 "Star of Water- drop" Award Ceremony



04

Green and Low-Carbon Development

Green and low-carbon development is related to the sustainable future of all mankind. Waterdrop Inc. attaches great importance to the environmental impact of our operations. We actively respond to the United Nations Sustainable Development Goals and the national “Carbon Peaking and Carbon Neutrality” strategy to reduce carbon emissions from our own operations and improve our climate resilience. We strive to minimize the impact of our operations on the environment through green office, awareness-raising and public service.



Response to United
Nations Sustainable
Development Goals



2023

Our Highlights Performance

Organized **23** environmental
training sessions for office
administrators

46 hours enviromental training

Training covered
368 person-times

The Company's electricity
consumption per unit
area was **84.43** kWh/m²

Greenhouse gas emissions per unit
area were **0.05** tonnes
of carbon dioxide equivalent/m²



Green Operation

Adhering to the principle of environment-friendly, Waterdrop Inc. strictly abides by the *Law of the People's Republic of China on Conserving Energy*, the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, keeps improving its environmental management system, and actively adopts various energy-saving and environmental protection measures, to promote the green sustainable development of the Company.

Resources Saving

Based on Waterdrop Inc. business models, the Company's resource consumption mainly comes from purchased electricity, water resources and office supplies consumed by office operations.



Energy-saving lighting

The Company emphasizes electricity management in workplaces and implemented the replacement of traditional lighting with LED energy-saving lighting lamps in an orderly manner to improve the efficiency of electricity consumption. By the end of 2023, LED energy-saving lamps will be used in all the lighting facilities of the Company's workplaces.



Paper saving

The Company continues to promote paperless office through the four major grips namely, "paperless meeting", "paperless operation", "paperless training", "paperless life", and implements the shift to electric office documents, electronic stamping and other initiatives to reduce the use of paper.



Green meeting

The Company requires that priority be given to the use of self-owned workplaces for meetings and training, to reduce the consumption of all types of resources generated by transportation, meeting venues, and the use of external office supplies, and to reduce the related carbon emissions.



Recycling of used goods

The Company attaches importance to the maximization of the use of office facilities and fixed assets, through the distribution of furniture and other equipment between workplaces, to minimize unnecessary expenses; if it is decided that equipment purchase is needed after prudent assessment, give priority to the purchase of second-hand equipment, to promote the recycling of social resources.



◆Environmental protection labelling

Green Procurement

The Company strictly enforces green procurement by prioritizing equipment and materials of reliable quality, high energy efficiency, green and environment-friendly features in the procurement of products and services, and conducts regular assessment and evaluation of suppliers. For potential suppliers for first-time purchases, the Company will conduct a strict environmental risk assessment of the suppliers, use the assessment results as part of the supplier audit, and blacklist suppliers with significant negative environmental impacts.



Waste Management

The Company classifies and disposes of hazardous and non-hazardous wastes based on the comprehensive implementation of garbage classification, in compliance with applicable national laws and regulations and Company policies on waste management.



Office garbage and other non-hazardous wastes are packaged and transported by suppliers to the garbage disposal station, and then recycled and disposed of intensively by the cleaning company.



For hazardous wastes, such as toner cartridge, ink cartridge and lead-acid battery, we employ qualified third parties for compliance disposal.



For waste electronic equipment, we have specified disposal or recycling requirements for resource recycling and harmless disposal.



◆ Waste classification and recycling facility

Environmental Awareness

Waterdrop Inc. attaches importance to the cultivation of employee environmental protection awareness, and conveys green concepts through organizing environmental protection training and advocating environmental protection concepts, emphasizing the basic consensus that “environmental protection is everyone's responsibility”; it actively organizes and carries out environmental volunteering activities, and physically cultivates employees' green lifestyles, so that sustainable development is integrated into the company's corporate genes.

In 2023, the Company continued to promote environmental protection on water and electricity conservation for office administrators

organized **23** environmental training sessions

with a total training time of **46** hours

covering **368** person-times, to enhance the environmental management level of each office.



Case: Waterdrop Inc. Participates in 2023 National Private Enterprises Green Low Carbon Development Conference

On July 11, 2023, Shen Peng, CEO of Waterdrop Inc., was invited to attend the 2023 National Private Enterprises Green Low Carbon Development Conference. The Conference formally established the “Private Enterprises Green and Low Carbon Development Alliance”, Waterdrop Inc., as one of the founding members of the alliance, will actively respond to the national “carbon peaking, carbon neutrality” major strategic decisions and deployments, and adhere to the long-term green and low-carbon sustainable development path, through equipment renovation, low-carbon initiatives, environmental protection incentives, etc., bringing the green low-carbon into the work and life of employees.



◆ 2023 National Private Enterprises Green Low-Carbon Development Conference



◆ Regularly release of environmental posters to enhance public awareness of environmental protection

Climate-Related Information Disclosure

The challenges brought by climate change to mankind are real and far-reaching. In the face of the global climate change challenges, Waterdrop Inc. refers to the framework recommended by the Task Force on Climate Change-related Financial Disclosure (TCFD), establishes, and improves the climate change management system, systematically screens the potential impacts of different risks on the key business and operational levels, and integrates climate risk management into the overall risk management system of the Company. Meanwhile, we continue to explore the relationship between our business and climate change to better grasp development opportunities.



 Governance	● The Board of Directors is responsible for overseeing climate risk, including management guidelines, policies, strategies, targets, risks and opportunities, action plans, and other major decisions. ● The ESG Committee is responsible for reviewing progress on climate work, coordinating the planning, facilitation, and implementation of climate change-related work, and regularly reporting the progress of ESG work to the Board of Directors. ● The ESG Working Group and the ESG execution departments implement and facilitate concrete work addressing climate change.
 Strategy	● Continuously identify the impact of climate change on the Company's operations and business, and fully consider response strategies in the Company's development strategy. ● Practice low-carbon operation, give full play to the advantages of our businesses, optimize the allocation of resources, support low-carbon development and promote low-carbon transition.
 Risk Management	● With reference to the TCFD recommendations, identify and assess the significant risks and opportunities of climate change to the Company's key businesses and operations, and develop relevant management response mechanisms.
 Metrics and Targets	● The Company discloses data and information on energy consumption and greenhouse gas emissions; establishes management measures to address significant climate risks and opportunities. ● Annual performance of climate-related indicators:  Electricity consumption per unit area 84.43 kWh/m²  Greenhouse gas emissions per unit area 0.05 tonnes CO₂e/m²

Risk and Opportunity related to Climate Change	Potential Impact	Measure
 Physical Risk	 Scenarios such as the daily business activities of the Company's employees and the use of energy in data centers may be affected by extreme weather disasters such as typhoons and floods, leading to potential property damage, casualties, or operational disruptions, which may result in increased costs for operation and maintenance or human resource management.	 The Company establishes standardized emergency management plans for identified extreme weather types, purchases necessary insurance for physical assets to ensure the normal operation of office buildings under extreme weather conditions.  The Company monitors weather conditions, timely pushes extreme weather risk warnings, regularly organizes employees to carry out special training on safety, emergency drills, and rescue to ensure the health and safety of employees.
	 The high incidence of extreme weather caused by climate change may place new demands on the insurance market as a whole in terms of product design, demand and, to a certain extent, lead to a reduction in the affordability of insurance products due to higher premiums.	 We actively organize capacity building for employees to increase their knowledge and understanding of climate change risks, and explored and promoted upstream insurance companies to incorporate extreme climate disasters and long-term health challenges into product design. At the same time, we pay close attention to changes in the insurance market and adjust the Company's businesses in a timely manner.
 Transition Risk	 As climate disclosure requirements continue to intensify, the Company may face increased compliance requirements, and failure to respond timely may pose compliance risks. At the same time, the costs associated with securing the Company's compliant disclosure and operations may increase.	 The Company closely follows the updates of domestic and international policies on climate disclosure among others, actively absorbs the insights of industry experts, strengthens the Company's climate risk identification and management capabilities, and reserves the corresponding information disclosure capabilities and data management capabilities in advance.
 Opportunity	 As the prevalence of chronic diseases in humans due to climate change is likely to increase, the demand for related insurance products will also increase, which in turn brings new opportunities for the Company to expand its business in insurance, serious illness relief and healthcare service .	 The Company actively follows up with market trend changes and constantly evaluates opportunities to advance its insurance, serious disease relief and pharmaceutical innovation businesses, creating opportunities for its own development while bringing protection to social health and safety.

05

Enhancing Public Well-being

Waterdrop Inc., committed to the principle of sustainable development, actively assumes social responsibility to enhance public welfare. Leveraging our extensive experience and platform strengths, we collaborate with various charitable partners to focus on areas such as critical illness assistance, rural revitalization, emergency relief, targeted support, and public welfare advocacy, initiating a series of social welfare projects.



Response to United Nations Sustainable Development Goals

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES



2023

Our Performance Highlights

The Waterdrop Public Welfare Platform raised over RMB **58.31** million this year

A total of **334,884** compassionate individuals provided support and hope to patients with serious illnesses and their families through the projects

We promoted **85** public welfare advocacy projects in collaboration with partner foundations

Waterdrop Public Welfare Platform

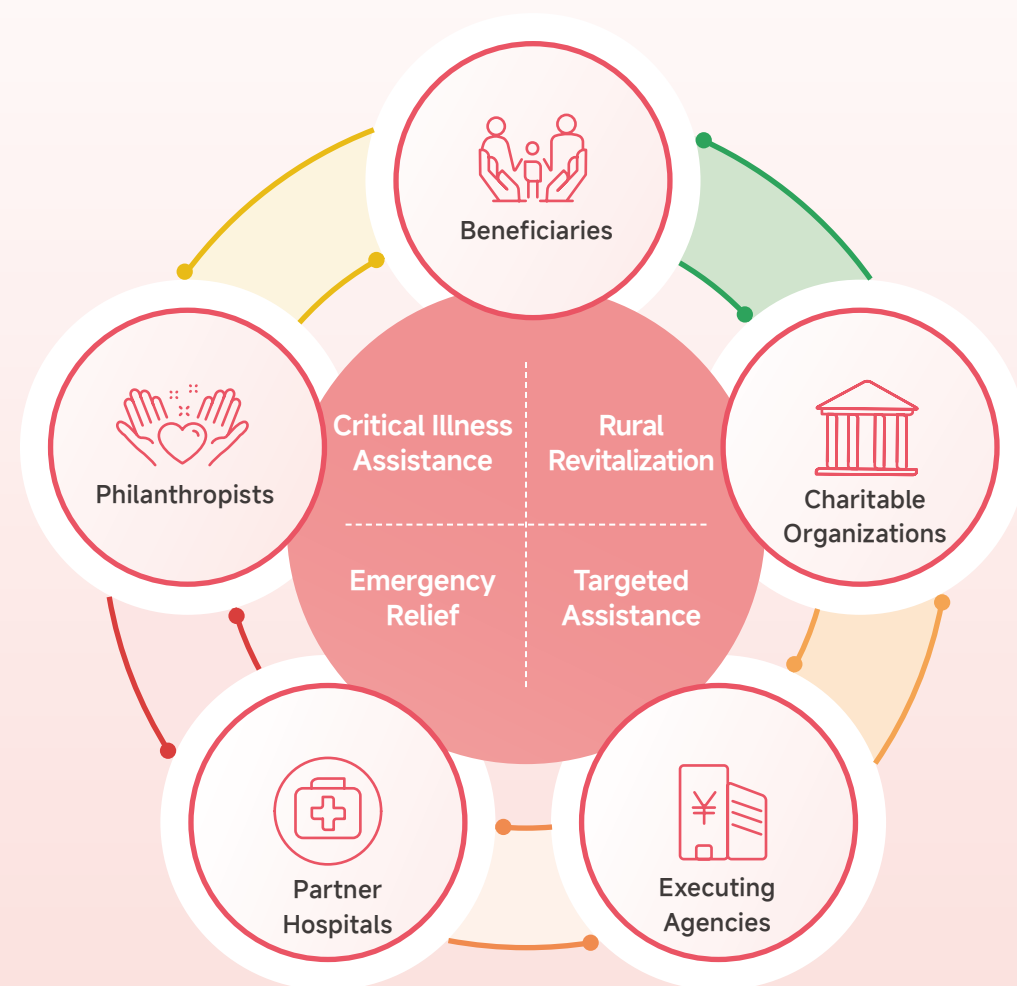
As the internet-based public fundraising information platform designated by the Ministry of Civil Affairs, the Waterdrop Public Welfare Platform initiates a variety of public welfare projects, integrates multi-channel public welfare resources, and encourages public participation in public welfare practices. Leveraging its years of industry influence, the Waterdrop Public Welfare Platform supports numerous charitable organizations through diverse activities and extensive platform reach. The platform is dedicated to exploring and continuously refining innovative internet-based public welfare models.

In 2023

the Waterdrop Public Welfare Platform collaborated with 41 charitable organizations

launched **322** public welfare projects

raised over
RMB **58.31** million



Waterdrop Public Welfare Ecosystem

Rural Revitalization

The rejuvenation of the nation necessitates the revitalization of rural areas. In alignment with the national rural revitalization strategy, Waterdrop leverages its platform and business strengths to implement various public welfare projects. These initiatives focus on rural healthcare, inclusive insurance, and infrastructure development across multiple provinces, including Jiangxi, Sichuan, Guangxi, and Hebei, thereby comprehensively supporting rural revitalization. For more details, please refer to the section "Special Report II: Digital Intelligence Healthcare Supporting Rural Revitalization" in this report.

Emergency Relief

In the face of disasters, our responsibilities are unwavering. Waterdrop Inc. actively embraces social responsibilities by leveraging the platform resources and collaborating with compassionate enterprises, public welfare organizations, and caring individuals to launch fundraising and material donation initiatives during natural disasters. We also organize rescue teams to assist on the front lines, providing critical support to affected communities.



 Case: Unified Response to the Beijing-Tianjin-Hebei Flood Disaster

In August 2023, severe flooding impacted parts of the Beijing-Tianjin-Hebei region. The Company promptly initiated an emergency response, launching a special "Flood Relief" campaign on the homepage of the Waterdrop Public Welfare Platform. In collaboration with multiple charitable organizations, we initiated 10 fundraising projects. We provided emergency food and relief supplies to flood victims, aiding in the recovery and rebuilding of their communities.



◆ Waterdrop Public Welfare Platform and charitable organizations assist flood victims in the Beijing-Tianjin-Hebei Region

 Case: Earthquake Emergency Relief in Gansu Province, Rebuilding with Compassion

In December 2023, a 6.2-magnitude earthquake struck Jishishan County in Linxia Hui Autonomous Prefecture, Gansu Province. The Company promptly established an emergency response team and launched several fundraising projects. These efforts helped the affected residents overcome the crisis and rebuild their homes.



💧 Waterdrop Public Welfare Platform and charitable organizations assist earthquake victims in Gansu province



Targeted Assistance

Waterdrop Inc. proactively identifies vulnerable groups that are impoverished due to illnesses and implements targeted assistance projects. Leveraging our technological and product strengths, we collaborate with local governments and charitable organizations to develop innovative public welfare solutions. Through initiatives like "Jinqing Assistance" and "Haihui Assistance," we explore various aid coordination mechanisms to improve the precision of assistance and enhance the patient experience.



Case: "Haihui Assistance" for Families of Children with Thalassemia

A child from a low-income family in Hainan Province was diagnosed with diffuse large B cell lymphoma (DLBCL) and could not afford the high medical costs of a transplant surgery. Upon learning of the situation, the "Haihui Assistance" multi-level joint meeting office promptly contacted the child's family and helped them submit an aid application through the Haihui Assistance platform. The application was then forwarded to all member units of Haihui Assistance for coordinated support. Ultimately, the patient's out-of-pocket expenses were reduced to RMB 50 thousand, alleviating the family's financial burden.

Public Welfare Advocacy

"Public Welfare Advocacy" endeavors to attract public attention to philanthropic concepts and encourage active engagement in charitable endeavors through a myriad of innovative online and offline activities, fostering a vibrant atmosphere of societal participation in public welfare. This year, we continued to leverage initiatives like "Small Acts Day", "Small Kindnesses", and customized projects to ensure monthly activities accessible to everyone. By collaborating with celebrities, charitable organizations, and compassionate enterprises, we promote the values of "small acts of kindness, great love, and warming more hearts" through various formats.

During the year



The "Public Welfare Advocacy" initiative coordinated with **45** artists and public welfare influencers



We promoted **85** projects with foundations



We coordinated with over **10** compassionate enterprises for material donations



Waterdrop Small Charity Day

We have established the monthly public welfare event "Waterdrop Small Charity Day," held on the 11th of each month, to concentrate platform resources on aiding patients with severe illnesses. By partnering with public foundations, compassionate enterprises, and artists, we aim to garner more attention and support for patients and their families in need. During the reporting period, "Waterdrop Small Charity Day" collaborated with 11 goodwill ambassadors and raised over RMB 10 million for various projects. A total of 334,884 compassionate individuals provided support and hope to patients with serious illnesses and their families.



◆ Promotional posters for "Waterdrop Small Charity Day" (partial)



Waterdrop Small Kindnesses

Waterdrop Inc., in collaboration with multiple charitable organizations, launched the "Waterdrop Small Kindnesses" initiative to support healthcare workers and families affected by serious illnesses and poverty. We invited celebrities to use their social influence to encourage broader public participation in charitable activities. Additionally, we collaborated with compassionate enterprises to donate essential supplies to healthcare workers and patients. During the reporting period, the "Waterdrop Small Kindnesses" initiative collaborated with 31 goodwill ambassadors, conducted 11 public advocacy projects, organized multiple in-person healthcare worker appreciation events and donation drives.



Case: Waterdrop Small Kindnesses - Biweekly Charity Festival

In March 2023, the Company launched the "Waterdrop Small Kindnesses - Biweekly Charity Festival." We invited Hong Kong star Michelle Yim to serve as goodwill ambassador, visiting hospitals to show appreciation and support for healthcare workers. In collaboration with several compassionate enterprises, we donated supplies worth nearly RMB 150,000 to 12 hospitals nationwide.



◆ Scenes from the Biweekly Charity Festival

② Youth Public Welfare

Waterdrop Inc. recognizes that young people are the pillars of national development. We focus on the challenges faced by young individuals whose lives are impacted by illness and advocate for greater societal attention to this group and their families.

Case: "Youth with Love, Act for Good" Public Welfare Initiative

On May 4, 2023, Waterdrop Public Welfare, in collaboration with the Beijing Youth Federation and the Beijing Youth Development Foundation, launched the "Youth with Love, Act for Good" initiative to commemorate Youth Day. This initiative provides targeted support and assistance to young individuals whose education and lives are disrupted by serious illnesses. Through public welfare advocacy posters, we encourage more compassionate young people to participate in the rescue and care of youths affected by severe illnesses.



◆ Promotional posters for the Initiative (partial)

② Cross-Sector Collaboration

In 2023, Waterdrop Inc. actively expanded its network of public welfare partners, collaborating with philanthropic enterprises to launch advocacy projects. Through innovative planning, meticulous execution, and extensive communication, these initiatives garnered widespread attention and significantly enhanced our impact. We also actively participated in charitable activities alongside our corporate partners to contribute to the community.

Case: Waterdrop Public Welfare & Modern "Breaking the Ice, Blooming with Flowers - Centennial Evergreen Protection Plan"

On China Doctors' Day 2023, Waterdrop Public Welfare and Modern co-launched the "Breaking the Ice, Blooming with Flowers - Centennial Evergreen Protection Plan." During the peak of summer, two ice-breaking events were held, and 15,000 specially packaged ice creams were distributed to 10 hospitals in five cities, including Beijing, Wuhan, and Changsha, providing cool refreshments and holiday greetings to medical workers.



◆ "Breaking the Ice, Blooming with Flowers - Centennial Evergreen Protection Plan" Event

Case: Waterdrop Public Welfare & POP MART "Together for Children's Dreams - Blue Sunflower Protection Plan"

In 2023, Waterdrop Public Welfare continued its collaboration with POP MART, partnering with the China Charity Federation to launch the "Together for Children's Dreams - Blue Sunflower Protection Plan." This initiative aimed to help children with severe illnesses adapt to the medical environment. During the year, we visited over 50 hospitals nationwide to offer comfort to these young patients.



◆ "Together for Children's Dreams - Blue Sunflower Protection Plan" Event

Appendix 1: KPI Table

Environment^①

KPIs	Unit	2021	2022	2023
Electricity consumption	kWh	625,405	790,639	1,057,682 ^②
Electricity consumption per unit area	kWh/ m ²	49.90	63.00	84.43
Total greenhouse gas emissions	Ton CO ₂ e	/	450.90 ^③	603.20
Greenhouse gas emissions per unit area	Ton CO ₂ e/ m ²	/	0.04	0.05
Water consumption	Tons	15,207.80	13,923.00	14,229.00
Water consumption per unit area	Ton/ m ²	1.21	1.11	1.14
Total hours of environmental training	Hour	12.50	15.00	46.00
Number of environmental training sessions	Number	20	30	23

Note: ① The scope of environmental statistics covers the Beijing Office of Waterdrop Inc..

② The Beijing office conducted equipment renovation and installed additional electrical equipment, resulting in an increase in electricity consumption in 2023.

③ Based on the business nature of the Company, our major greenhouse gases discharged is carbon dioxide (CO₂) derived from the consumption of outsourced electricity, and the emission data is accounted for based on the average emission factors of the national grid set out in the Notice on the *Reporting Management of Greenhouse Gas Emissions of Power Generation Enterprises from 2023 to 2025* issued by the Ministry of Ecology and Environment of the People's Republic of China.

Human Resources

Category	KPIs	Unit	2021	2022	2023
Emplo- yment	Total number of employees	Person	2,936	2,719	2,960
	By gender				
	Male	Person	-	1,448	1,510
	Female	Person	-	1,271	1,450
	By age				
	Aged 30 (exclusive) or below	Person	-	1,151	1,091
	Aged 30 (inclusive) to 50 (exclusive)	Person	-	1,551	1,861
	Aged over 50 (inclusive)	Person	-	17	8

Category	KPIs	Unit	2021	2022	2023
Emplo- yment	By geographical region				
	Number of Chinese employees (including employees from Hong Kong, Macau and Taiwan)	Person	-	2,718	2,956
	Number of foreign employees	Person	-	1	4
	Number of employees with disabilities employed	Person	-	29	26
	Proportion of employees with disabilities employed	%	-	1.07%	0.88%
	Number of management	Person	-	100	72
	Number of senior management	Person	-	8	7
	Proportion of female employees	%	46.80	46.75	48.99
	Proportion of female managers	%	28.99	30.00	34.72
	Proportion of female senior managers	%	-	25.00	42.86
	Proportion of minority employees ^①	%	5.42	4.75	4.80
	Number of employees with a bachelor degree	Person	1,420	1,312	1,431
	Number of employees with a master's degree and above	Person	190	240	220
	Signing rate of labor contracts	%	100.00	100.00	100.00
	Social insurance coverage	%	100.00	100.00	100.00

Note: ① The minority employee data includes only Chinese employees (including Hong Kong, Macao and Taiwan).

Category	KPIs	Unit	2021	2022	2023
Emplo- yee Training	Investment in training	RMB in millions	1.69	4.00	4.25
	Total number of training participants	Person-times	9,683	54,000	68,232
	Total hours of employee training	Hour	-	84,400	63,709
	Average training hours	Hour	-	31	22
	Employee training coverage	%	100	100	100
	Proportion of employees trained	%	-	100	100

Category	KPIs		Unit	2021	2022	2023
Maternity-related leave	Number of employees entitled to maternity-related leave		Person	-	2,719	2,960
	Number of employees on maternity-related leave ^①	Male	Person	-	80	95
		Female	Person	-	80	99
	Return rate ^②	Male	%	-	100	100
		Female	%	-	99	100

Note ① Maternity-related leave involves childcare leave, maternity leave and paternity leave.
② The return rate refers to the rate of personnel returning to work after the maternity-related leave.

Category	KPIs		Unit	2021	2022	2023
Health and Safety	Work-related fatalities		Person	-	0	0
	Rate of work-related fatalities		%	-	0	0
	Number of hours lost due to work injury		Hour	-	0	0

Anti-Corruption

KPIs		Unit	2021	2022	2023
Number of cases of corruption and bribery in the Company		Case	-	0	0
Number of cases involving anti-competitive behaviors		Case	-	0	0
Number of cases involving anti-competitive behaviors and violations of the Code of Business Conduct ^① by the Company		Case	-	0	0
Employee coverage of anti-corruption training		%	-	100	100

Note ① Cases involving anti-competitive behaviors and violations of the Code of Business Conduct refer to breaches of privacy, bribery, discrimination and other relevant incidents.

Supplier

KPIs		Unit	2021	2022	2023
Number of corporate suppliers		↑	-	293	294
Signing rate of suppliers' anti-commercial bribery commitment letters		%	100	100	100

Customer Service

KPIs		Unit	2021	2022	2023
Waterdrop Insurance Marketplace					
Annual number of customer service times		Times	-	3,248,921	1,481,407
Rate of telephone connection		%	-	95.60	95.12
Average monthly telephone customer service satisfaction		%	-	96.00	96.79
Number of internal customer service training sessions		Number	-	-	448
Hours of internal customer service training		Hour	-	-	1,172.40
Number of employees participating in customer information security training		Person	-	-	279
Waterdrop Medical Crowdfunding					
Annual number of customer service times		Times	9,139,757	7,526,100	915,407 ^①
Manual customer service satisfaction		%	98.14	99.02	99.00
Number of internal customer service training sessions		Number	121	100	225
Hours of internal customer service training		Hour	1,635	1,572	450
Number of employees participating in customer information security training		Person	300	255	134

Note ① Water Medical Crowdfunding carried out special optimization for products and intelligent modules to help users achieve more autonomous operation, effectively reducing user customer service needs, making the number of customer service services significantly decreased in 2023.

Community Investment

KPIs		Unit	2021	2022	2023
Funds raised through Waterdrop Charity Platform		RMB in millions	8,766		5,831
Number of public welfare projects launched by Waterdrop Charity Platform		Number	1,244		322

Appendix 2: GRI Index

Instructions for use: Waterdrop Inc. has prepared the report for the period from January 1, 2023 to December 31, 2023, in accordance with the GRI Standards.

GRI 1: Foundation 2021

GRI standards	Disclosure items		Page	Supplementary information and brief description (including the principles of the UN Global Compact)
GRI 2: General disclosures 2021				
1. The organization and its reporting practices	2-1	Organizational details	P3	Waterdrop Inc. (stock code: WDH), listed on the New York Stock Exchange, operates in China.
	2-2	Entities included in the organization's sustainability reporting	About the Report	Entities included in the reporting are Waterdrop Inc. and its affiliates, and the entities included in the report are consistent with those included in the financial report.
	2-3	Reporting period, frequency and contact point	About the Report	The report is an annual report, and the reporting period is from 1 January 2022 to 31 December 2023, the same reporting period as the financial reporting.
	2-4	Restatements of information	-	Not applicable.
	2-5	External assurance	P79-80	Please refer to Independent Assurance Report.
2. Activities and workers	2-6	Activities, value chain and other business relationships	-	Please refer to 2023 Form 20-F.
	2-7	Employees	P69	Please refer to KPI Table.
	2-8	Workers who are not employees	-	There are no workers who are not employees of the Company
3. Governance	2-9	Governance structure and composition	-	Please refer to 2023Form 20-F.
	2-10	Nomination and selection of the highest governance body	-	Please refer to 2023 Form 20-F.
	2-11	Chair of the highest governance body	-	Shen Peng
	2-12	Role of the highest governance body in overseeing the management of impacts	P23-24	
	2-13	Delegation of responsibility for managing impacts	P9	

GRI standards		Disclosure items	Page	Supplementary information and brief description (including the principles of the UN Global Compact)
	2-14	Role of the highest governance body in sustainability reporting	P9	The Board of Directors is responsible for setting the tone at the top for strategic objectives.
	2-15	Conflict of interest	-	Please refer to 2023 Form 20-F.
	2-16	Communication of critical concerns	P11	
	2-17	Collective knowledge of the highest governance body	P23	The Company regularly or irregularly provides directors with the latest laws and regulations as well as regulatory requirement documents, and carries out necessary training sessions.
	2-19	Remuneration policies	-	Please refer to 2023 Form 20-F.
	2-21	Annual total compensation ratio	-	Confidentiality restriction: such disclosure involves commercial and competitive sensitive information and personal privacy information of employees, and therefore will not be disclosed.
4. Strategy, policy and practice	2-22	Statement on sustainable development strategy	P9-10	
	2-23	Policy commitments	-	Please refer to the <i>Waterdrop Inc. Code of Business Conduct and Ethics</i> .
	2-24	Embedding policy commitments	-	Please refer to the <i>Waterdrop Inc. Code of Business Conduct and Ethics</i> .
	2-25	Processes to remediate negative impacts	-	Please refer to the <i>Waterdrop Inc. Code of Business Conduct and Ethics</i> .
	2-26	Mechanism for seeking advice and raising concerns	-	Please refer to policies and regulations such as the <i>Waterdrop Inc. Supervision Policy</i> and the <i>Waterdrop Inc. Monitoring Case Investigation and Handling Process</i> .
	2-27	Compliance with laws and regulations	P26	The Company had no significant violation of laws and regulations in the current year.
	2-28	Membership associations	About the Report	United Nations Global Compact (UNGC).
5. Stakeholder engagement	2-29	Approach to stakeholder engagement	P11	
GRI 3: Material topics 2021				
3-1	Process to determine material topics	P12		
3-2	List of material topics	P12		
3-3	Management of material topics	-	Please refer to the table below.	

GRI standards	Disclosure items	Page	Supplementary information and brief description (including the principles of the UN Global Compact)
GRI 201: Economic performance			
GRI 3: Management approach disclosures	Economic performance management approach	-	Please refer to 2022 Form 20-F.
Topic-specific disclosures	201-1 Direct economic value generated and distributed	-	As restricted by confidentiality requirements, our revenue, operating costs, employee compensation and benefits, payments to capital providers and payments to government will not be reported. Such disclosure involves commercial and competitively sensitive information, and therefore will not be disclosed.
	201-2 Financial implications and other risks and opportunities due to climate change	P60	
GRI 202: Market presence			
GRI 3: Management approach disclosures	Market presence management approach	-	<Principle 6>
GRI 203: Indirect economic impacts			
GRI 3: Management approach disclosures	Indirect economic impacts management approach	-	Please refer to 2022 Form 20-F.
Topic-specific disclosures	203-1 Infrastructure investments and services supported	P64-65	We have conducted diversified community investment activities to support the development of the national communities.
GRI 205: Anti-corruption			
GRI 3: Management approach disclosures	Anti-corruption management approach	P27-28	<Principle 10>
Topic-specific disclosures	205-2 Communication and training on anti-corruption policies and procedures	P25-28	Waterdrop Inc. has developed complete anti-corruption and anti-bribery measures. We require all full-time and part-time employees, interns, partners, etc. to conduct their business activities in compliance with the Code. The compliance training covers all employees.
	205-3 Confirmed incidents of corruption and actions taken	P26	During the reporting period, there were no incidents of corruption at Waterdrop Inc.

GRI standards	Disclosure items	Page	Supplementary information and brief description (including the principles of the UN Global Compact)
GRI 206: Anti-competitive behaviors			
GRI 3: Management approach disclosures	Anti-competitive behaviors management approach	P26-28	
Topic-specific disclosures	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-	No relevant actions were taken during the reporting period.
Environmental standards			
GRI 302: Energy			
GRI 3: Management approach disclosures	Energy management approach	P55	<Principles 7, 8, 9>
Topic-specific disclosures	302-1 Total energy consumption within the organization	P69	
	302-3 Energy intensity ratio for the organization	P69	
GRI 303: Water and effluents			
GRI 3: Management approach disclosures	Water resource management approach	P55	<Principles 7, 8, 9>
Topic-specific disclosures	303-1 Interactions with water as a shared resource	-	The company's main place of operation is located in mainland China, and the water used is sourced from the municipal water and is all for daily operations. There is no problem in terms of water generated.
	303-3 Water withdrawal	P69	
GRI 305: Emissions			
GRI 3: Management approach disclosures	Emission management approach	P53	<Principles 7, 8, 9>

GRI standards	Disclosure items	Page	Supplementary information and brief description (including the principles of the UN Global Compact)
Topic-specific disclosures	305-1 Direct (Scope 1) GHG emissions	P69	
	305-2 Energy indirect (Scope 2) GHG emissions	P69	
	305-4 GHG emissions intensity	P69	
	305-5 Reduction of GHG emissions	P69	
	305-6 Emissions of ozone-depleting substances (ODS)	-	The Company's operation does not involve the emission of such substances.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	The Company's operation does not involve the emission of NOx and other such substances.
GRI 306: Waste			
GRI 3: Management approach disclosures	306-1 Waste generation and significant waste-related impacts	P57	<Principles 7, 8, 9>
	306-2 Management of significant waste-related impacts	P57	
Topic-specific disclosures	306-3 Waste generated	P69	
GRI 308: Supplier environmental assessment			
GRI 3: Management approach disclosures	Supplier environmental assessment management approach	P29	<Principles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10>
Topic-specific disclosures	308-1 New suppliers that were screened using environmental criteria	P29-30 P56	
	308-2 Negative environmental impacts in the supply chain and actions	P29-30	Suppliers that do not meet the standards are required to make rectification. If they still cannot meet the standards after rectification, the elimination procedures will be implemented.
Social standards			

GRI standards	Disclosure items	Page	Supplementary information and brief description (including the principles of the UN Global Compact)
GRI 401: Employment			
GRI 3: Management approach disclosures	Employment management approach	P45-46	<Principles 3, 4, 5, 6>
Topic-specific disclosures	401-2 Benefits provided to full-time employees (not including temporary or part-time employees)	P47	
	401-3 Parental Leave	P47	
GRI 403: Occupational health and safety			
GRI 3: Management approach disclosures	403-1 Occupational health and safety management system	P48	
	403-5 Worker training on occupational health and safety	P48	
	403-6 Promotion of worker health	P48	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P48	
Topic-specific disclosures	403-8 Workers covered by an occupational health and safety management system	P48	
	403-9 Work-related injuries	P71	
GRI 404: Training and education			
GRI 3: Management approach disclosures	Training and education management approach	P50-52	<Principle 6>

GRI standards	Disclosure items	Page	Supplementary information and brief description (including the principles of the UN Global Compact)
Topic-specific disclosures	404-1 Average hours of training per year per employee	P49	
	404-2 Programs for upgrading employee skills and transition assistance programs	P70	
	404-3 Percentage of employees receiving regular performance and career development reviews	P52	
GRI 405: Diversity and equal opportunity			
GRI 3: Management approach disclosures	Diversity and equal opportunity management approach	P49	<Principles 3, 4, 5, 6>
Topic-specific disclosures	405-1 Diversity of governance bodies and employees	P23 P49	
GRI 406: Non-discrimination			
GRI 3: Management approach disclosures	Non-discrimination management approach	P46	<Principle 6>
Topic-specific disclosures	406-1 Incidents of discrimination and corrective actions taken	-	There were no incidents of discrimination in 2023.
GRI 408: Child labor			
GRI 3: Management approach disclosures	Child labor management approach	P46	<Principles 5, 6>
Topic-specific disclosures	408-1 Operations and suppliers at significant risk for incidents of child labor	-	There were no incidents of child labor employed at Waterdrop Inc. in 2023.
GRI 409: Forced or compulsory labor			
GRI 3: Management approach disclosures	Forced or compulsory labor management approach	P46	<Principle 4>

GRI standards	Disclosure items	Page	Supplementary information and brief description (including the principles of the UN Global Compact)
Topic-specific disclosures	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	There were no incidents of forced or compulsory labor in 2023.
GRI 413: Local communities			
GRI 3: Management approach disclosures	Local communities management approach	P62-63	
Topic-specific disclosures	413-1 Operations with local community engagement, impact assessments, and development programs	P17-20 P65-68	
GRI 414: Supplier social assessment			
GRI 3: Management approach disclosures	Supplier management approach	P29-30	
Topic-specific disclosures	414-1 New suppliers that were screened using social criteria	P29-30	
GRI 416: Customer health and safety			
GRI 3: Management approach disclosures	Customer health and safety management approach	P35-39	
Topic-specific disclosures	416-1 Assessment of the health and safety impacts of product and service categories	P39	
GRI 418: Customer privacy			
GRI 3: Management approach disclosures	Customer privacy management approach	P41-42	
Topic-specific disclosures	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P42	In 2022, no significant and substantiated complaints concerning breaches of customer privacy and losses of customer information were received.



Appendix 3: Independent Assurance Report



ASSURANCE STATEMENT

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE WATERDROP 2023 ENVIRONMENTAL,SOCIAL AND GOVERNANCE REPORT OF WATERDROP INC.

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by WATERDROP INC. (hereinafter referred to as Waterdrop) to conduct an independent assurance of the Chinese version of Waterdrop 2023 Environmental,Social and Governance Report (hereinafter referred to as the Report) .

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Waterdrop's Stakeholders.

SGS is not liable for any direct or indirect losses arising from the use of the information in this report.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the ESG Committee and ESG working group of Waterdrop. SGS has not been involved in the preparation of any of the material included in the Report.

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

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1 Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and ISAE3000.

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

Assurance Standard Options	Level of Assurance
SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	Moderate

Assurance has been conducted at a moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options
GRI Standards 2021 (Reference)

Based on the SGS Sustainability Report Assurance methodology, we assured the selected 2023 sustainability key performance data list below(for details refer to the Appendix I of the Report:KPI Table)

Social Indicators	Human resources(Employment,Employee training,Maternity-related leave,Health and safety), Anti-Corruption,Supplier,Customer service (Waterdrop insurance marketplace,Waterdrop medical crowdfunding),Community investment
Environmental Indicators	Electricity consumption,Electricity consumption per unit area,Total greenhouse gas emissions,Greenhouse gas emissions per unit area,Water consumption,Water consumption per unit area,Total hours of environmental training,Number of environmental training sessions

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, on-site interviewed with relevant employees including the Waterdrop Inc. which is located at Block C, Wangjing Science and Technology Park, Lize Zhong Er Road, Chaoyang District,Beijing, P.R. China.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The on-site verification was only at the Beijing head-office of Waterdrop. relevant data and information traceability were only focused on the group level,the statistical scope of environmental indicators data is the Beijing office building of Waterdrop.

The verification only involved interviews with the relevant departments and certain employees of the Company as well as consultation with relevant documents. No external stakeholders involved.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in multiple countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Waterdrop, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with CCAA registered ISO 9001, ISO 14001 and ISO 45001 auditor, SGS recognized ISO37001 and CSR/ESG lead auditor.

VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, the specified performance information in Waterdrop 2023 Environmental,Social and Governance Report and data within the scope of verification are accurate and reliable,which have provided a fairly and pertinent statement on the sustainability activities of Waterdrop in 2023.

The assurance team believes that the Report of Waterdrop is with reference to the GRI Standards 2021.

FINDINGS AND RECOMMENDATIONS

Good practices and recommendations for sustainability report and management process were described in the internal management report which has been submitted to the management of Waterdrop for continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
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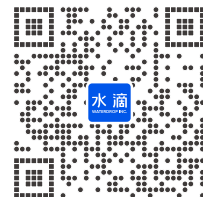
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Wechat Official Account of
Waterdrop Inc.