



中国人民保险集团股份有限公司  
THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED



# 2023

## Sustainability Report

# Preface

The People's Insurance Company (Group) of China Limited (also known as "PICC", "Group", "Company", or "We") publishes a yearly sustainability report or social responsibility report through the exchange and the Company's official website. This is done to reveal the sustainability activities of the Group and its subsidiaries during the reporting period on a regular basis.

This annual report is put together primarily based on the disclosure requirements contained in Guidelines No. 1 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange—Standardized Operation, the Environmental, Social, and Governance Reporting Guide (HKEX ESG) released by the Stock Exchange of Hong Kong Limited, and the Global Reporting Initiative Standards (GRI Standards) of the Global Sustainability Standards Board (GSSB).

This report will present the economic, environmental, and social performance of PICC and its subsidiaries from January 1 to December 31, 2023. The financial information in this report is quoted from the People's Insurance Company (Group) of China Limited's 2023 Annual Report that was compiled based on the accounting standards for Chinese enterprises (audited by Price Waterhouse Coopers Zhong Tian LLP). Unless otherwise noted, all monetary figures in this report are presented in RMB (yuan).

The Company's Board of Directors and other directors, in their formulation and implementation of supervision procedures concerning all matters of sustainability activities, hereby confirm that this report is free from any misrepresentation, misleading statements, or major omissions, and that all the information contained is accurate. We entrust SGS with conducting an independent third-party examination to affirm the accuracy and reliability of all data.

This report is issued both in print and online, with the latter available for lookup and download through the company's website: <http://www.picc.com>.

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Materiality Issue Questionnaire

# contents

## "EIGHT STRATEGIC SERVICES" Special Topic

### ENVIRONMENT

### SOCIAL

### GOVERNANCE

- 10 **Serving the Construction of Modern Industrial System**
- 12 **Serving Rural Revitalization**
- 15 **Serving Technological Self-reliance and Self-improvement**
- 18 **Serving Improvement in Living Standard**
- 21 **Serving Green Development**
- 23 **Serving Safety Development**
- 25 **Serving Regional Development**
- 26 **Serving "the Belt and Road"**
  
- 30 **Building Green Finance System**
- 31 **Accelerating Green Insurance**
- 33 **Practicing Green Investment**
- 34 **Tackling Climate Risks**
- 40 **Promoting Green Operation in an Orderly Manner**
  
- 48 **Adhering to Putting People First, Caring for Growth of Employees**
- 55 **Deepening Cooperation and Exchanges, Promoting Multi-win Results**
- 58 **Promoting S&T Innovation, Optimizing Customer Service**
- 64 **Dedicated to Public Welfare and Charity, Actively Giving Back to the Society**
  
- 70 **Adhering to Party Building Guidance**
- 71 **Enhancing Governance Capabilities**
- 75 **Strengthening Compliance Construction**
- 76 **Comprehensive Risk Management**
- 78 **Communications with Stakeholders**

## Opening

- 02 Chairman's Address
- 04 President's Address
- 06 About Us

## Appendix

- 81 External Assurance
- 83 HKEX ESG Index
- 86 GRI Index
- 89 SDG Goals Index



## Chairman's Address

2023 was the first year for fully implementing the guiding principles from the 20th National Congress of the Communist Party of China (CPC), and a year for PICC to optimize the excellence strategy. In 2023, we adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and implemented the guiding principles from the 20th National Congress of the CPC and the spirit of the Central Financial Work Conference. We reinforced the political and people-centered nature of financial work, and unswervingly followed the path of financial development with Chinese characteristics.

**We held matters of vital significance to our country in mind and demonstrated our responsibility in serving the national strategies.** To boost the development of Five Target Areas of "technology finance, green finance, inclusive finance, ageing finance and digital finance", we developed Eight Strategic Services of the Group, and found our coordinates in promoting the Chinese path to modernization. In 2023, the Group assumed insurance liability amounting to over 3,500 trillion yuan and paid 409.2 billion yuan in claims settlement, playing the role of industry "bellwether" positively. To safeguard national food security, we provided full-cost insurance and planting income insurance for rice, wheat and corn in 16 provinces, and offered risk protection to 24.9 million farmer households. We developed sci-tech insurance products like automotive chip insurance ("Qiang Xin Bao") and sci-tech innovation insurance ("Ke Chuang Bao"), promoted integrated insurance for enterprises that use special and sophisticated technologies, to support technological self-reliance and self-improvement. We built an insurance support system for "the Belt and Road", and offered 1.8 trillion yuan of risk protection for overseas business of Chinese companies, which covered 134 countries and regions, promoting higher-level reform and opening up.

**We stood on the people's side to offer insurance services with our heart and soul.** We considered matters of the masses as our top priority, continued to expand the width and depth of our insurance services, and touched the masses with diversified and refined insurance coverage. We participated in the construction of a multi-level healthcare system, promoted the commercial public-benefit insurance project in quality and coverage, launched in-depth health management, and created closed-loop services throughout the full process from disease prevention to treatment, to help tens of millions of households from falling into or back into poverty due to illness. We developed 20 insurance products to address the employment and healthcare needs of new citizens, and launched the health improvement program, to help them stay and live a better life in the cities. In addition, we enriched financial services for the elderly, introduced 12 elderly-oriented products, and built the Warm Life healthcare service system, to help the seniors live more happily.

**We strengthened risk reduction service and were heavily involved in the construction of national emergency**

**management system.** We stuck to our primary business of insurance, focused on risk prevention of disasters, developed the intelligent risk reduction platform Wanxiang Tianyan, created an engine for meteorological disaster warning, and issued 26,150 disaster warning reports in 2023. We actively developed catastrophe insurance services, and expanded the coverage of regional catastrophe insurance to 74 prefecture-level cities in 15 provinces, protecting 270 million people. Time matters to life rescue when disasters arise. During Super Typhoon Doksuri, the earthquake in Jishishan county, Gansu Province, and the severe drought in Southwest China, we activated our contingency plan for catastrophes immediately, plunged into claims settlement and disaster relief with resources of the whole group, and played a leading role in serving the nation's disaster prevention, mitigation and relief. Moreover, we offered 13.5 trillion yuan of work safety liability insurance to 296,000 enterprises, to safeguard public security.

**We practiced the concept of green development to contribute to the Beautiful China Initiative.** Lucid waters and lush mountains are invaluable assets. We made green development the foundation of our high-quality development, comprehensively implemented the Green Finance Guide for Banking and Insurance Industries, to promote green finance at strategic level. We responded positively to challenges and opportunities arising from climate change, and formulated the Plan of PICC for Advancing the Development of Green Insurance and the Guidelines of PICC for Green Investment (Trial), to build a green finance development system. We boosted green low-carbon operations, optimized carbon footprint management, and completed two-stage headquarters carbon inventorying. Moreover, we promoted green energy-saving renovation of workplaces and data centers, carried out carbon neutrality piloting, issued green low-carbon life proposal to the staff, and implemented the requirements of green purchasing. Through such efforts, our sustainability was greatly enhanced.

We've embarked on a new journey with enterprise and fortitude and set sail to write a new chapter. 2024 marks the 75th anniversary of the founding of the PRC, and the 75th anniversary of the establishment of PICC. In 2024, we'll follow the decisions and plans of the CPC Central Committee for the financial sector, and the eight requirements for financial development with Chinese characteristics, align our strategic positioning with the construction of a financial powerhouse, serve the country and the people with more outstanding achievements in reform and opening-up, and play a leading role in the insurance sector.

Secretary of the Party Committee and Chairman,  
The People's Insurance Company (Group) of China Limited  
Wang Tingke





## President's Address

In 2023, PICC studied and implemented the guiding principles from the 20th National Congress of the CPC and the spirit of the Central Financial Work Conference earnestly, implemented the new development philosophy in a complete, accurate and comprehensive fashion, and made solid progress in higher-quality development. We sought our own development while serving the real economy, improved our environmental, social and governance performance, and effectively played the role of insurance as an economic shock absorber and stabilizer for social harmony.

**We remained true to our people-oriented aspiration and enhanced inclusive insurance services.** We developed and distributed the guidelines and work plans for serving rural revitalisation and supporting the construction of China into an agricultural powerhouse. We specified corresponding priorities, and continued to help the designated areas, and was granted the highest ranking of "Best" in the appraisal and evaluation of the effectiveness of targeted assistance by central units for the fifth consecutive years. We developed exclusive products for new citizens, and introduced the "Huimin Insurance" program to 290 cities, serving more than 77 million people. We also engaged in public welfare undertakings, providing disaster relief, making medical donations and caring for vulnerable groups, and introducing "Mother's Health Express" and "Hope Classroom on Chinese Studies" programs, and was awarded the "China Red Cross Dedication Medal" in 2023.

**We served the transition to a green development mode to build a harmonious and beautiful environment for all creatures.** We responded positively to climate change, reinforced climate risk management regarding governance, strategy, risk management, indicators and targets, and made great efforts to enhance our business resilience. We developed concrete work plans to promote the innovation of green financial products, to support energy transition, reduction in pollutant emissions, carbon sequestration, as well as low-carbon transportation and other key areas, and to ensure continued steady increase in the amount of insurance protection and investment for green development. Moreover, we strengthened the management of workplace carbon emissions, waste disposal and use of resources, encouraged simple, modest, green and low-carbon lifestyles, and promoted green operations in an orderly manner.

**We upheld consultation and cooperation for win-win results with our partners.** Through sci-tech innovations, we improved our operation and service abilities, enhanced customer experience, strengthened privacy protection and data security, and ensured consumer rights and interests. We built a supplier management system featuring unified management and dynamic rating, and was recognized as a "Leading Central SOE in E-commerce Purchase". We cared about the growth of our employees, continued to improve our HR management system, and endeavored to create a healthy

and safe workplace with generous pay and equal growth opportunities for the staff. PICC was awarded with China's Top 30 Best Employers of the Year for the third consecutive years.

**We improved our corporate governance to hold the bottom line for risk prevention and control.** We strengthened communication with our stakeholders, held 325 promotion meetings, communicated with 1,618 investors, and had a response rate of 100% on SSE Infonet, which was the highest among listed insurers. We enhanced compliance construction and risk management, developed standards of business conduct for anti-corruption, anti-money-laundering, anti-unfair competition, and whistle-blower protection, and upgraded the comprehensive risk management system. The Group's solvency ratio stayed in a reasonable range.

Looking ahead, in 2024, we'll follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, go unswervingly on the path of financial development with Chinese characteristics, adhere to the tenet of "People's Insurance for the People", advance the excellence strategy, reinforce ESG information disclosure, and continue to contribute to the society, protect the eco-environment, serve the customers and care for the staff, to write a new chapter of sustainability.

Deputy Secretary of the Party Committee, Vice Chairman and President, The People's Insurance Company (Group) of China Limited

Zhao Peng

# About Us

The People's Insurance Company (Group) of China Limited was developed from the People's Insurance Company, which grew together with the People's Republic of China. Established on October 20, 1949, we're the pioneer and founder of the insurance business of New China. Through 70 years of development, PICC has become a comprehensive insurance and financial group in China, with 12 subsidiaries and member companies including PICC P&C, PICC Life, PICC AMC, CCT, PICC Health, PICC Pension, PICC Investment Holding, PICC Capital, PICC Reinsurance, PICC Hong Kong, PICC Financial Services, and PICC Technology. Our business scope covers property insurance, life insurance, reinsurance, asset management, and other fields. On December 7, 2012, PICC completed the H-share listing on the Hong Kong Stock Exchange. On November 16, 2018, PICC landed on the A-share market on the Shanghai Stock Exchange, becoming the fifth Chinese-managed insurance company to be listed on both the A-shares and H-shares markets. In 2023, we ranked 120th in the Fortune 500.

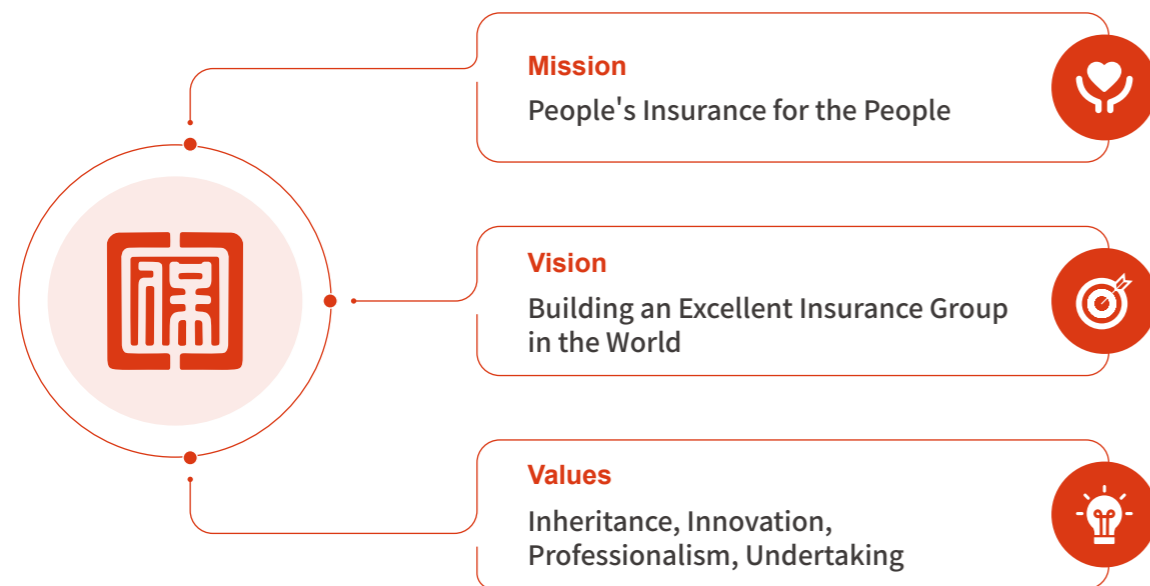
PICC always keeps the mission of "People's Insurance for the People" and "the top priorities of the country" in mind. As a central state-owned financial enterprise with a leading position in the industry, we strive for high-quality development, implement the new development philosophy, and adhere to the general principle of seeking progress while maintaining stability. We work to build a new business model that integrates insurance, service and technology, and redouble our efforts to serve the real economy, social stability and people's well-being, so as to achieve high-quality development while supporting China's modernization.



Included in the Fortune Global 500 in 2023

120<sup>th</sup>

## PICC's Corporate Culture



Fulfil the responsibilities of a central financial SOE		<ul style="list-style-type: none"> <li>Amount of insurance liability assumed: <b>3,500 trillion yuan</b></li> <li>Amount of claim settlement: <b>409.2 billion yuan</b></li> <li>Investment in the Eight Strategic Services: <b>800 billion yuan</b></li> </ul>
Environment	Green insurance	<ul style="list-style-type: none"> <li>Distributed the <b>Group's work plan for developing green insurance</b></li> <li>Risk protection for wind power, PV power, hydro power and other clean energy sources: <b>2.8 trillion yuan</b></li> <li>Risk protection for environmental pollution liabilities: <b>19.1 billion yuan</b></li> </ul>
	Green investment	<ul style="list-style-type: none"> <li>Distributed the Group's <b>green investment guidelines</b></li> <li>Investment to serve green development: <b>97.9 billion yuan</b></li> </ul>
	Green operation	<ul style="list-style-type: none"> <li>Organised <b>two-stage headquarters carbon inventoring</b></li> <li>Two-stage headquarters per capita carbon emission: <b>2.11 tCO<sub>2</sub>e</b>, with a YOY decrease</li> </ul>
Social	Employee rights protection	<ul style="list-style-type: none"> <li>Number of employees: <b>176,000</b></li> <li>Ranking in China's Top30 Best Employers of the Year: <b>10<sup>th</sup></b></li> </ul>
	Supplier management	<ul style="list-style-type: none"> <li>Number of suppliers included in centralized procurement program: <b>4,711</b></li> <li>PICC e-purchase recognised as "<b>Leading Central SOE in E-commerce Purchase</b>"</li> </ul>
	Customer service	<ul style="list-style-type: none"> <li>PICC North Information Center was the first data center with <b>Uptime T4</b> and <b>Uptime M&amp;O</b> dual certification in China's insurance industry</li> </ul>
	Poverty relief and public welfare	<ul style="list-style-type: none"> <li>The highest ranking of "<b>Best</b>" in the appraisal and evaluation of the effectiveness of targeted assistance by central units for the fifth consecutive years</li> <li>"<b>China Red Cross Dedication Medal</b>" for PICC Charity Foundation</li> </ul>
Governance	Governance ability	<ul style="list-style-type: none"> <li>"<b>Grade A Information Disclosure Work in 2022-2023</b>" issued by Shanghai Stock Exchange</li> </ul>
	Compliance construction	<ul style="list-style-type: none"> <li>Coverage of anti-corruption training: <b>100%</b></li> </ul>
	Communication with external stakeholders	<ul style="list-style-type: none"> <li>Response rate of <b>100%</b> on SSE Infonet, the highest among listed insurers</li> </ul>



# 8

## Special Topic: "EIGHT STRATEGIC SERVICES"

- Serving the Construction of Modern Industrial System
- Serving Rural Revitalization
- Serving Technological Self-reliance and Self-improvement
- Serving Improvement in Living Standard
- Serving Green Development
- Serving Safety Development
- Serving Regional Development
- Serving "the Belt and Road"

PICC made solid progress in the Eight Strategic Services, namely serving the construction of modern industrial system, serving rural revitalization, serving technological self-reliance and self-improvement, serving improvement in living standard, serving green development, serving safety development, serving regional development, and serving "the Belt and Road", with an investment of approximately 800 billion yuan in 2023. We assumed insurance liability amounting to over 3,500 trillion yuan and paid 409.2 billion yuan in claims settlement, playing the role of industry "bellwether" positively.

Amount of insurance liability assumed:

More than **3,500** trillion yuan

Amount of claims settlement:

**409.2** billion yuan

Investment in the Eight Strategic Services:

Approximately **800** billion yuan

# Serving the Construction of a Modern Industrial System

Accelerating the construction of modern industrial system is an important step to strengthen the internal driving force and reliability of domestic circulation, as well as an inevitable choice to enhance the quality and level of international circulation, so it is vital to creating the new development pattern. By prioritizing the construction of modern industrial system, PICC responded actively to the risk management and protection needs of modern industrial entities, and supported the implementation of national industrial policies, to boost the development of the real economy.

PICC spared no effort to support projects of vital importance to the nation. We served the growth of the shipping economy, and were the chief underwriter of China's first homegrown cruise ship Adora Magic City and the world's largest purpose-built vessel for fishing Antarctic krill. In 2023, we offered more than 700 billion yuan of risk protection for ship-builders and shipping enterprises. To support the development of China's aerospace industry, PICC received the "Aoxiang Award-Outstanding Contribution of Offering Financial Support to China's Commercial Aircraft in 2023" as the only financial insurance company.



Risk protection for shipbuilders and shipping enterprises:  
More than **700** billion yuan



◀ PICC P&C Shanghai Branch developed an exclusive insurance solution for China's largest LNG refueling vessel "Haigang Weilai"



◀ PICC P&C Shanghai Branch was the chief underwriter of China's first far-reaching floating wind power platform "Haiyou Guanlan"

**Serve the development of strategic emerging industries and the upgrading and transition of traditional industries.** With focus on the construction of modern industrial system that is self-reliant, controllable, secure, reliable, and highly competitive, we established industrial chain support mechanisms for electricity, telecommunication, equipment manufacturing and other key sectors, introduced integrated insurance service solutions, and embedded insurance services to upstream and downstream business scenarios. To support the digital economy, we developed new insurance categories, such as shared economy insurance and digital asset insurance. In light of new risk demands of digital economy enterprises, we accelerated the upgrading of traditional insurance products like enterprise property insurance and liability insurance, and helped to promote digital transition of traditional industries.

**Support the construction of modern circulation system.** We continued to promote comprehensive insurance solutions for chemical, sci-tech innovation and logistics enterprises in industrial parks, and issued industry-specific insurance solutions including the Integrated Insurance Solution for Enterprises in Bio-medical Parks and Integrated Insurance Solution for Enterprises in New-energy Industrial Parks. We launched the piloting of risk reduction service for business trucks, and developed a professional platform offering high-quality business instructions, to empower full-process management of heavy-duty trucks, ensure unimpeded logistics and boost economic circulation.

## Case | PICC Increased Investment in Logistics Parks

In the first quarter of 2023, GLF China Income Fund VI invested by PICC Life was launched. Its underlying assets are 13 mid- and large-scale logistics parks located in logistics hubs like Shanghai, Qingdao, Wuhan and Chongqing to serve leading firms in e-commerce, logistics and retail industries with a leasable area of more than 800,000 square meters. The fund will provide financial support to ensure warehouse supply and enhance supply chain resilience.



# Serving Rural Revitalization

PICC established guidelines and work plans for serving rural revitalization and supporting the construction of an agricultural powerhouse, ensured supporting policies and resources, and advanced to a higher level in serving rural revitalization.



On September 6, 2023, Wang Tingke, Secretary of the Party Committee and Chairman of PICC attended a targeted assistance and donation ceremony in Liuba County in Shaanxi Province



Supported  
**24.9** million farmer households



Provided risk protection of  
**254.6** billion yuan

**Actively serve the protection of national food security.** We increased the coverage, variety and protection standards of our insurance products for rice, wheat and corn. In 2023, we provided full-cost insurance and planting income insurance for the three major grain crops in 16 provinces, and offered risk protection of 254.6 billion yuan to 24.9 million farmer households. We introduced innovative price insurance and meteorological index insurance, and developed products that met the insurance demands of new agricultural business entities and agricultural industry chain. Our "model of supporting the improvement of soybean production capacity with agricultural insurance" was recognized as one of the "top 10 innovative models of financial support for agriculture in 2022."

**Support the construction of livable and business-friendly beautiful countryside.** We continued to develop rural revitalization-oriented insurance products, and rolled out 12 insurance products including property insurance for public service facilities in rural areas, rural embankment insurance and comprehensive insurance for damage to farmland facilities, which promoted the modernization of rural infrastructure and public service facilities. We also pushed ahead with rural housing insurance, and carried out regular quality check and repair to eliminate potential safety and quality hazards with rural housing. In 2023, we offered risk protection of 5.6 trillion yuan to 89.58 million farmer households through the rural housing insurance.

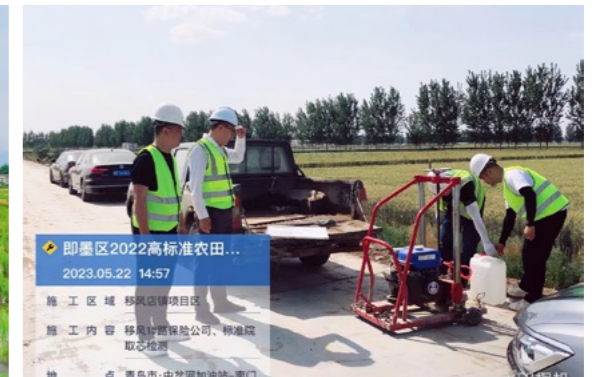
## Case | PICC Continued to Promote IDI for Well-facilitated Farmland

Well-facilitated farmland construction is a key initiative to consolidate and enhance grain production capacity and safeguard national food security. Considering that the success of well-facilitated farmland lies 30% in construction and 70% in management, PICC developed localized Inherent Defects Insurance (IDI) for well-facilitated farmland, which incorporates "construction quality and management services" and offers economic compensation and post-construction management for damages to farmland and facilities arising from potential quality defects. The IDI for well-facilitated farmland has been introduced to 21 provinces, autonomous regions and municipalities directly under the central government, with more than 6.13 million mu of well-facilitated farmland insured, and the amount of protection exceeded 9.2 billion yuan.



Well-facilitated farmland insured  
more than **6.13** million mu

Amount of risk protection of  
more than **9.2** billion yuan





**Help improve the social governance efficiency in rural areas.** We offered social security comprehensive management insurance and government bailout insurance, coordinated prior prevention and post-event compensation, properly handled various disputes in a timely manner, dissolved significant risks, and helped to save the government's administrative resources and enhance the social governance efficiency. Furthermore, we continued to improve the grassroots service system of insurance services for agriculture, rural areas and farmers, with 6,500+ service departments, 28,000+ service stations and 136,000 service points established nationwide, which increased the popularity of insurance services among the grassroots and enhanced the accessibility of financial services.



◀ On September 13-15, 2023, Zhao Peng, Deputy Secretary of the Party Committee, Vice Chairman and President of PICC, went to Jiangxi for targeted assistance investigation.

**Case** Sound Prosperity "Changdai Pattern" in Zhejiang

PICC Health actively implemented experience from the "Thousand Villages Demonstration and Ten Thousand Villages Renovation" project, and launched the "Healthy Village Joint Construction Demonstration Base" together with Changdai Village in Hangzhou, Zhejiang Province. Combining insurance with healthcare services and technology, the company developed health insurance products with no thresholds, and built "Health Room" with the Party committee of Changdai Village to provide preventive treatment of disease and bring medial resources to the rural area, which solved the distance problem for villagers and facilitated hierarchical healthcare.



## Serve Technological Self-reliance and Self-improvement



Provided IC enterprises with risk protection of **1.3 trillion yuan**

PICC developed an action plan for serving high-level self-reliance and self-improvement in science and technology, set three-year development goals for technological self-reliance and self-improvement of insurance services, worked hard to create an industry-leading technological insurance product system needed for national security and industry frontiers, and helped sci-tech enterprises to grow up faster.

**Serve independent, safe and controllable development of the IC industry.** PICC led the establishment of China Integrated Circuit Co-Insurance Corporation, which gradually expanded its coverage from the Yangtze River Delta and the Pearl River Delta to major IC industry hubs in the Beijing-Tianjin-Hebei region and the central and western parts of China, initially forming an IC insurance ecosystem with government support, industry identity, and industry unity. In 2023, China Integrated Circuit Co-Insurance Corporation provided risk protection of 1.3 trillion yuan. It developed "Qiang Xin Bao", a series of dedicated insurance products for automotive chips, and initially established a product system for automotive-grade chips to facilitate the R&D and manufacturing of automotive chips.

**Case**

**PICC Built the First Insurance Product System Covering the Full Industry Chain of Automotive Chips**

In September 2023, PICC launched four innovative "Qiang Xin Bao" products (automaker version, supplier version, design version and corporate version) at the release conference of "Qiang Xin Bao" automotive chip-oriented insurance products, filling the void of comprehensive insurance products for home-made automotive chips. The products formed a protection system covering the whole automotive chip industry chain from design to manufacturing and application, and will ensure the stability and sustainability of the industry.



**Serve high-quality development of sci-tech enterprises.** Considering the insurance demands of enterprises that use special and sophisticated technologies to produce novel and unique products and hi-tech enterprises, we promoted a model that combined sci-tech insurance and sci-tech financing, and became the first in the industry to boost insurance products covering the whole process from R&D to production and marketing. In 2023, we insured 110,000 hi-tech enterprises, and offered risk protection of 87.2 trillion yuan. We played the role of insurers in credit enhancement, securing credit loans for small and medium-sized sci-tech enterprises. In 2023, 2,671 sci-tech enterprises raised 6.45 billion yuan of proceeds through our businesses like intellectual property mortgage bond insurance and hi-tech loan bond insurance.

**Strengthen the defense line for intellectual property protection.** PICC and China National Intellectual Property Administration jointly issued the White Paper on the Development of Intellectual Property Insurance in China. We were approved to build the industry's only pilot platform for comprehensive services of intellectual property insurance. We developed five intellectual property insurance products, including intellectual property overseas infringement loss insurance, intellectual property overseas rights protection insurance, and patent overseas layout expense loss insurance, which preliminarily built an intellectual property insurance products system covering intellectual property creation, protection, use, management and service.

Case Technology Steers the Course to Future, Finance Empowers Innovation



In April 2023, the 2023 innovation and finance forum themed "Sci-tech Steers the Course to Future, Finance Empowers Innovation" was held in Hefei. The Sci-tech Innovation Insurance Center (Hefei) of PICC Property, as the first of its type in the province, was unveiled at the meeting.

Case First Intellectual Property Overseas Infringement Loss Insurance



In July 2023, PICC P&C Xiong'an Branch and Xiong'an New Area's comprehensive law enforcement bureau, reform and development bureau, and free trade commission jointly held the signing ceremony for the first intellectual property overseas infringement loss insurance contract in China.

Case Sci-tech Enterprise Risk Reduction Management Lab



In December 2023, PICC P&C Shandong Branch and the municipal government of Taishan jointly established a risk reduction management lab for sci-tech innovation enterprises.

Case First Comprehensive Life-cycle Intellectual Property Insurance in China



In August 2023, four parties including PICC P&C Wuxi Branch and Jiangsu Leadmicro Nano-Equipment Technology Ltd. jointly signed the first comprehensive life-cycle intellectual property insurance "Ke Chuang Bao A", which covers all intellectual property usage scenarios.

# Serving Improvement in Living Standard

PICC actively served the Healthy China initiative. We participated in the building of a multi-level healthcare system, explored the new model of medical insurance agency, helped to improve the three-pillar pension system, and advanced the layout of long-term care insurance service, to help improve the quality of people's lives.

**Participate in the building of a multi-level healthcare system.** We continued to improve our social insurance services, expanded the coverage of critical illness insurance, and promoted social security accident insurance, medical assistance insurance and other products and services. In 2023, we undertook 1,855 social insurance projects, covering 31 provinces (autonomous regions and municipalities directly under the central government) and more than 1 billion people. Additionally, we improved the accessibility of inclusive health insurance services, and actively promoted Huimin Insurance. In 2023, we undertook 150 Huimin Insurance projects, covering 290 cities and more than 77 million people.




Undertook social insurance projects  
**1,855**  
covering more than  
**1** billion people

On November 15, 2023, Li Zhuyong, member of the Party Committee, Executive Director, and Vice President of PICC, went to the people's hospital of Fenyi County, Xinyu, Jiangxi Province, to make a field investigation of the project of service station for people's livelihood.

**Satisfy diversified health protection demands of people.** We developed whole process-integrated closed-loop services to address the concerns of patients with chronic diseases and special critical diseases about the long period taken to apply for medicare reimbursement and the difficulty to enjoy the due benefits, by ensuring application for reimbursement both online and offline, availability of medicine both in hospitals and drugstores, supervision both during and after the service, and services targeting both disease prevention and treatment. We steadily advanced the pilot of long-term care insurance system, created typical models in light of differentiated demands, and effectively solved such difficulties as inadequate basic protection and disability rating.

## Case "Door-knocker" and "Gatekeeper" of Long-term Care Insurance



PICC Health Kaifeng Branch worked on "aging finance". Its long-term care insurance practice was selected as a "Model of the Year for Finance Empowering High-quality Development". At CCTV Finance Channel's Night of Finance event, Zhu Ya'nan, a disability rating officer from Kaifeng Branch of PICC Health, shared his work as "door-knocker" and "gatekeeper" of long-term care insurance, and hoped he'd offer long-term care insurance service to more families.

**Enrich financial services for the elderly.** We developed a planning for the construction of an elderly care ecosystem, with more emphasis on the segments including elderly care in downtown areas, combination of medicare and healthcare, and health and wellness tourism, we also implemented the "Warm Life" panoramic health and wellness program. We expanded enterprise annuities, with the size of enterprise annuities under management reaching 57.2 billion yuan. We also boosted the personal pension business, with around 50,000 personal pension insurance policies in 2023, ranking the third in the industry. Our commercial pension program had covered all pilot regions.

## Case New Service Model of Work-related Injury Protection in Qingdao



In January 2023, PICC Health Qingdao Branch began, as the first in China, to test-run the new work-related injury protection system that combined supplementary work-related injury insurance with rehabilitation services and split the expenses incurred between the fund for work-related injury insurance, the injured worker and the commercial insurance company, thereby reducing the caring and economic burden on the injured worker's family. According to Xinhua News Agency, this practice "creates a model for building multi-level work-related injury protection systems nationwide." By the end of December, the company had provided new work-related injury protection services to nearly a thousand companies and 100,000+ workers.

## Case "Warm Life" Brings the Elderly a Happier Life



"Warm Life" is an elderly service system PICC Life has developed in response to population aging. It consists of five segments, namely elderly care in institutions, elderly care at home, panoramic medical treatment, health care and wellness tourism, aiming to build an elderly service ecosystem that covers all age groups and the complete industry chain. For elderly care at home, "Warm Life" explored a Home-CCRC model, with nearly a hundred elderly care services around safety at home, life care and health care.

Case | PICC Elderly Care Services Experience Center

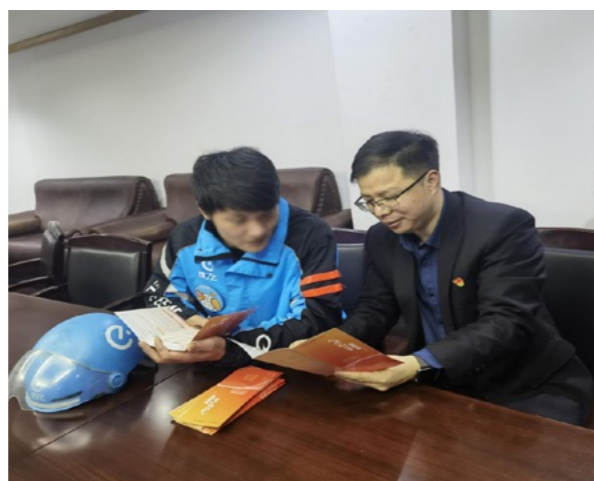


In 2023, PICC Investment Holding's first elderly care project "PICC Elderly Care Services Experience Center - Hengyi" was launched. It has 40 beds, equipped with stand-alone courtyard, consulting room, rehabilitation hall, multi-purpose room, and restaurant with nutritious meals, aiming to provide the seniors with high-quality care and medical services. The experience center was recognised as a star-rated elderly service organisation in Beijing, with medical treatment qualification and qualification as a medical insurance designated unit where medicare reimbursement is available.

**Strengthen inclusive services for new citizens.** PICC P&C developed 20 exclusive products around employment, housing, mobility, healthcare and comprehensive needs of new citizens, and launched the customized insurance service platform "New Citizen Care Insurance" which supports on-line self-service application for insurance. PICC Life organized a dedicated project team for enhancing new citizen insurance services, which worked out specific work plans and served 540,000 new citizens. PICC Life offered supplementary medical insurance, accident insurance and other health insurance services to couriers and delivery riders, housekeeping workers and online ride-hailing drivers, covering 580,000 new citizens. PICC Pension provided commercial elderly insurance products with short-term investment and long-term pension reserve functions through a "dual account plus multi-product" model, improving the accessibility of personal aging finance services.



▲ In August 2023, PICC P&C Beijing Branch gave a health lecture on heatstroke prevention for people engaged in new forms of employment.



▲ In April 2023, PICC Pension held a targeted commercial pension promotion activity for people engaged in new forms of employment in Zhejiang, working out pension plans and introducing commercial pension products for representatives of new citizens.

# Serving Green Development



Risk protection for clean energy projects

**2.8** trillion yuan

Risk protection for environmental pollution liabilities

**19.1** billion yuan

PICC embraced the "dual carbon" strategy, implemented experience the green development concept, and vigorously developed green finance. We offered professional financial services for energy transition, emission reduction, and carbon sequestration to facilitate all-round green transition of the economy and the society.

**Serve the development of green energy.** We actively cooperated with Power China, Energy China and other large-scale electric power construction groups, and expanded further into hydro power, wind power, PV power, pumped storage, other clean energy projects. In 2023, we offered risk protection of 2.8 trillion yuan for wind power, PV power, hydro power, and other clean energy projects. Furthermore, we reinforced cooperation with China Railway Group, China Railway Construction Corporation and other railway construction groups, proactively underwrote high-speed rail, light rail and other low-carbon rail transport projects, such as Sichuan-Tibet Railway, North Yanzhang High-speed Rail, and Ningbo-Zhoushan High-speed Railway.

**Contribute to energy conservation and ecological improvement.** We followed the pilot of national compulsory liability insurance for environmental pollution, continued to enrich our insurance products for environmental pollution, introduced a new model of green insurance for the eco-environment, and offered risk protection of 19.1 billion yuan for environmental pollution liabilities. We served to resolve vessel pollution risks, and provided risk protection of over 9.3 trillion yuan, contributing to the development of green shipping. We supported green energy-saving buildings, deepened cooperation with construction risk management and service agencies, engaged in the green building application process in advance, checked engineering design, specifications, bill of quantities and other related documents, and were heavily involved in the construction process, to ensure compliance with green building standards.

Case | PICC Supported Concurrent Governance of Four Water Issues in He'nan



PICC AMC's green debt investment plan for concurrent governance of four water issues and urban water supply in Xinyang was developed to support the PPP project of concurrent governance of four water issues and urban water supply in Xinyang, which was a key water diversion project in He'nan Province. The investment will be used to divert water to the city, helping to resolve water shortage, degradation of water ecosystem, water pollution and frequent water disasters in the downtown area of Xinyang. It will address the city's water consumption demands, improve the eco-environment, and enhance the disaster prevention and mitigation capacity. It is significant for ensuring water supply for economic and social sustainability.

Case First Woodland Biodiversity Insurance in China

In July 2023, PICC P&C Ningbo Branch implemented the first woodland biodiversity insurance in China, "Nature-based Solution (NbS), offering insurance protection for forest resources, rare species, wildlife, water sources, herbaceous vegetation in the geographic region.



Underwrote forestry area of more than

**1.08** billion mu

Contributed to financing of green and low-carbon enterprises

**892** million yuan

**Support the enhancement of carbon sequestration capacity.** We actively explored a new path of combining carbon sequestration with insurance and developed targeted carbon sequestration insurance for forestry. In 2023, we underwrote more than 1.08 billion mu of forestry area, a great support for increasing forest stock and carbon sequestration capacity. Furthermore, we explored new paths for the development of green finance. In Hubei, Jiangsu, Zhejiang and other "dual carbon" pilot areas, we offered credit enhancement insurance products to green enterprises and enterprises with financing needs for energy conservation and emission reduction. In 2023, we provided insurance support to 331 green and low-carbon enterprises in financing, which raised 892 million yuan.



In February 2023, PICC P&C Zhangjiakou Branch issued the first forestry carbon sink value insurance in Hebei Province.

## Serving Safety Development

PICC gave full play to the advantage of commercial insurance in social governance, promoted the transition of insurance towards "risk reduction service", helped enhance the society's risk prevention and response ability, and served the modernisation of national governance system and governance capacity.

**Deepen risk reduction service.** We based our new insurance business model on digitization and intelligence, built a new logic for insurance business with risk reduction service at the core, and launched six risk self-assessment tools using big data and machine learning technologies. We integrated data on meteorological hazards, geographical conditions and subject matters insured, optimised the early warning model for meteorological hazards, and developed categorised and graded professional meteorological risk early-warning services using meteorological data visualisation technology. In addition, we deepened the application of IoT technology, boosted IoT-based risk control service, and improved the IoT-based early-warning model.

Case Intelligent Risk Reduction Platform Wanxiang Tianyan

PICC independently developed an intelligent risk reduction platform Wanxiang Tianyan targeting 13 production and life scenarios. It comprises a number of Tianyan (sky eyes) for various risk scenarios, such as Meteorological Eye, Sea Wind Eye and Current Collection Eye, that leverage IoT technology and cutting-edge intelligent model algorithm to detect risks in time, intelligently analyse risk trend and implement risk control. The platform won a second prize of the "People's Bank of China 2022 Financial Technology Development Award".



**Participate in the construction of national emergency management system.** We actively developed catastrophe insurance and expanded the coverage of catastrophe insurance from earthquake alone to typhoon, flood, torrential rain and mudslide. In 2023, our regional catastrophe insurance was expanded to 74 cities in 15 provinces, protecting 270 million people. We continued to improve our IoT early warning and comprehensive meteorological early-warning systems, received 1.01 million early-warning messages, and enlarged the coverage of IoT monitoring. During Super Typhoon Doksuri, the earthquake in Gansu Province, and the severe drought in Southwest China, we activated our contingency plan for catastrophes immediately, optimised our catastrophe claim settlement service, and spared no effort in disaster rescue and relief to minimise the loss of the masses.

management authorities. In 2023, we offered risk protection of 13.5 trillion yuan against work safety liabilities to 296,000 enterprises, and issued nine special reports including the Study on the Fire Risk of Power Battery for New Energy Vehicles and the Study on Work Safety and Fire Risk of Integrated Circuits, which offered professional reference for risk reduction service.

**Case** Claims Settlement during Doksuri



**Case** Response to 6.2-magnitude Earthquake in Jishishan County



**Contribute to the improvement of public security governance ability.** We proactively cooperated with departments and bureaus under the Ministry of Emergency Management, participated in the formulation of the Measures for the Implementation of Work Safety Liability Insurance, and had more than 20,000 interactions with provincial, municipal and county-level emergency

**Case** PICC Practiced the New Business Model of "Insurance + Risk Reduction + Technology" in Ningbo



As a typical case of PICC exploring the new business model of "Insurance + Risk Reduction + Technology" in Ningbo, the safety liability insurance project is a new type of insurance with a large premium scale and a large number of customers. PICC has set up a professional service operation team in Ningbo, which is made up of risk control engineers, operation staff and related back-office support staff, to provide full-process services from task distribution, progress monitoring to customer return visits. Up to now, via the safety liability insurance introduced in Ningbo, PICC has provided risk reduction services for 190,000 times inspected more than 850,000 potential safety hazards, comprehensively covered 700 high-risk enterprises in Ningbo, and provided services to more than 49,000 companies in the general industrial and trade sectors.

## Serving Regional Development

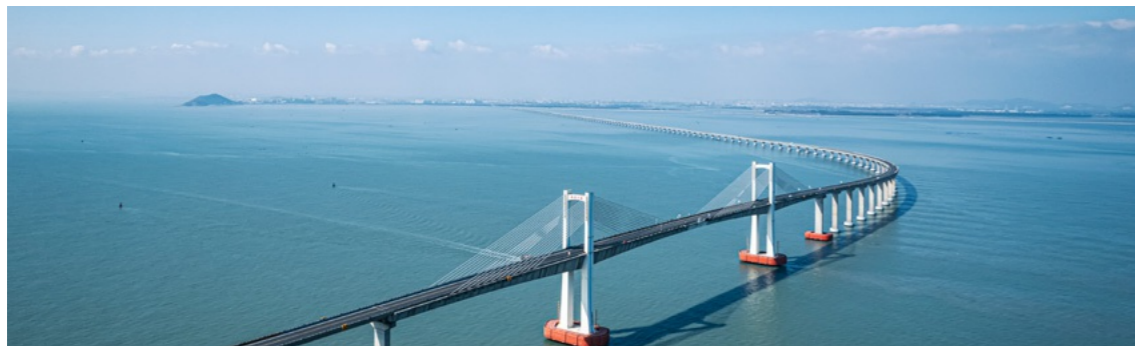
PICC was heavily involved in the regional development strategy. We accelerated the construction of regional branches, improved the regional organisation layout, and reinforced development in fields including infrastructure construction, urban renewal and optimisation of industrial structure, contributing to the improvement of internal driver of regional growth.

**Make overall arrangements to stimulate the vitality of regional development.** In line with major regional strategies of China, we formulated the Planning for Serving the Construction of Xiong'an New Area with focus on Xiong'an New Area's high-quality construction, high-level management and high-quality development of relieving Beijing of non-essential functions to its role as the national capital, strengthened organisational construction, and innovated corresponding business models, to serve the construction of key projects in Xiong'an and the mission of Xiong'an to relieve Beijing of non-essential functions to its role as the national capital. We developed the Planning for Serving the Innovative Development of Shanghai, promoted all-round innovation of models, products, technologies and mechanisms, and effectively contributed to Shanghai's construction of "five centers" (international economic center, financial center, trade center, shipping center, and scientific and technological innovation center). We encouraged our regional organisations to develop work plans for serving the Chengdu-Chongqing economic circle, the New International Land-Sea Trade Corridor in the western region, revitalisation of Northeast China, and Hainan Free Trade Port, and enhanced our ability to serve regional development. Moreover, we were positively engaged in the construction of the Greater Bay Area. PICC Hong Kong supported the Insurance Authority of Hong Kong and the Monetary Authority of Macao in implementing the scheme of northbound travel for Hong Kong and Macao vehicles, by developing Guangdong-Hong Kong-Macao cross-boundary motor insurance and medical insurance products in conjunction with other PICC member companies.

Case

Northbound Travel of Hong Kong Vehicles Motor Insurance (Unilateral Recognition)

In 2023, PICC Hong Kong introduced the Northbound Travel for Hong Kong Vehicles Motor Insurance (Unilateral Recognition) and offered one-stop motor insurance services for Hong Kong private car owners and drivers to travel between Hong Kong and Guangdong via the Hong Kong-Zhuhai-Macao Bridge without obtaining regular quotas in advance.



**Support regional urban infrastructure construction and renewal.** We increased investment in major strategic regions like the Yangtze River economic belt, the Chengdu-Chongqing economic circle, the Yangtze River Delta, and the Greater Bay Area. We initiated the "Eastern, Western and Northern Guangdong Industrial Transfer Fund Equity Investment Plan" to facilitate coordinated development in the Greater Bay Area, and we implemented the "PICC Capital - Hubei Communications Investment Group Yanji Bridge Infrastructure Debt Investment Plan" to invest in the construction of the second bridge between Ezhou and Huanggang, promote the integration of Wuhan, Ezhou, Huanggang and Huangshi, and promote the national strategy of the Yangtze River Economic Belt. Considering the demands for building regional advantageous industrial clusters and revitalising regional stock assets, we employed asset support program and other means to help revitalise stock assets in regional real estate, trade and lease industries, activate regional financing, and enhance regional economic vitality.

## Serving "the Belt and Road"

PICC actively served "the Belt and Road". In light of "going global" needs of Chinese enterprises, we innovated insurance products and perfected our service system based on our professional strengths to support the BRI in all fronts and facilitate overseas Chinese enterprises and major projects.

**Intensify interconnected infrastructure construction.** PICC vigorously promoted overseas insurance products like overseas construction insurance, overseas property insurance, and reinsurance, set up overseas offices, and underwrote overseas investments and infrastructure construction projects for Chinese companies, with business operations in more than 134 countries and regions. We were the chief underwriter of the Dasu Hydropower Project in Pakistan of China Gezhouba Group Co. Ltd. (CGGC), the Fourth Bridge over the Panama Canal of China Harbour (CHEC), the Melaka combined-cycle power station of China General Nuclear Power Group (CGN), and other Belt and Road landmark projects. In 2023, we offered risk protection of 1.8 trillion yuan to overseas business of Chinese enterprises.



Offered risk protection of **1.8** trillion yuan to overseas business of Chinese enterprises

Case

Risk Protection for Jakarta-Bandung High-Speed Railway



The Jakarta-Bandung High-Speed Railway is the first HSR in Southeast Asia, a Belt and Road flagship project, a national strategic project of Indonesia, and the first overseas HSR project that fully uses Chinese HSR systems, industrial components and production chains. Ever since the project was initiated, PICC proactively developed a risk protection plan for the project, and provided life-cycle risk protection from project initiation to construction and operation.

**Promote high-standard opening up.** Considering the needs of governments, farmers and e-commerce platforms along "the Belt and Road", we developed products and services like the insurance for full chain circulation safety in cold chain logistics and the comprehensive parcel insurance for cross-border e-commerce to support the circulation safety of key port cities and to explore diversified insurance protection services for international logistics. In line with the national policy for integrated development of internal and foreign trade, we introduced the export credit insurance for market procurement, thereby relieving the worries of cross-border e-commerce and other export enterprises. In 2023, the trade credit insurance program served 13,000 customers, and offered export credit risk protection to 9,270 micro, small and medium-sized enterprises.

Case

PICC Innovated Cross-border Service Model to Expand Development Space



Latin America is a natural extension of the 21st Century Maritime Silk Road. PICC Reinsurance continued to increase its business presence in Latin America, and created a smooth process of "business contact with Chinese enterprises- ceding by local insurer - PICC Reinsurance accepting reinsurance ceded- Retrocession to China", to offer follow-up reinsurance service for going-global projects. It has provided risk protection for 89 freight operations.

**Actively participate in "the Belt and Road" Forum for International Cooperation.** PICC attended the opening ceremony and "the Belt and Road" CEO Conference of the 2023 "the Belt and Road" Form for International Cooperation as the only commercial insurance group. We also participated in the China International Fair for Trade in Services, and was the only insurance company receiving the "Excellent Offline Booth Award" and the "Excellent Organisation Award".



# E ENVIRONMENT

- Building Green Finance System
- Accelerating Green Insurance
- Practicing Green Investment
- Tackling Climate Risks
- Promoting Green Operation in an Orderly Manner



# Building Green Finance System

PICC conscientiously implemented the Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality In Full and Faithful Implementation of the New Development Philosophy and the Action Plan for Carbon Dioxide Peaking before 2030 issued by the Central Committee of the CPC and the State Council and the Green Finance Guidelines for Banks and Insurers issued by the China Banking and Insurance Regulatory Commission. We worked to promote green finance, establish and improve a green finance working system, innovate green insurance products, and expand our service paths, to provide insurance protection and financial support for green energy, green transport, green building, green technology, ecological protection, and response to climate change, serve the transition to a green economic development model, and contribute to the "dual carbon" goals.

**Optimise organizational structure.** We established and improved the green finance working system in which the Board of Directors is the primary responsible entity. It determines the green finance strategy, makes ESG risk management decisions, and reviews the green finance objectives and green finance reports set/submitted by the Senior Management. The Strategic Management Department of the Group set up a Green Development and ESG Office to take charge of the Group's regular green finance management and coordinate the preparation of development plans, the formulation of annual plans, the drafting of policies and systems, special studies and the assessment of work progress. The subsidiary headquarters and branches of the Group established green finance work leadership groups equipped with corresponding resources to coordinate green finance related work.

**Improve working mechanisms.** We issued the Work Plan for Implementing the Green Finance Guidelines for Banks and Insurers issued by the China Banking and Insurance Regulatory Commission (Interim), reinforced top-level design and overall coordination, and encouraged the subsidiaries to work out specific implementation plans based on their actual conditions and business characteristics. For insurance and investment, we formulated the Implementation Plan of PICC for Promoting Green Insurance Development and the Guidelines of PICC for Green Investment Work (Trial), to intensify green insurance and green investment management and guide insurance and investment subsidiaries to advance green finance businesses.



# Accelerating Green Insurance

PICC specified six key business lines of green insurance, established business objectives for major insurance types, proposed 32 measures and tasks, and established a working mechanism for closed-loop management of green insurance, to promote quality and efficiency improvement in cutting carbon emissions, reducing pollution, saving energy and expanding green development.

**Perfect the green insurance product system.** We enriched our product system for environmental risks, green industries and green life, launched the "Dual Carbon" Insurance Products Innovation and R&D Program, developed more than 30 products, and advanced the introduction of innovative products like carbon offsetting insurance, carbon quota insurance and carbon asset loss insurance, which satisfied multi-level and individualised insurance demands of customers. We developed corporate sustainability insurance (ESG insurance) to provide package protection and one-stop risk reduction services for enterprises. We developed local environmental liability insurance products to help enterprises spread environmental pollution risks and enhance environmental management level. We also developed natural gas excess pressure utilisation insurance, and CCS or CCUS-related property insurance and liability insurance, to provide targeted protection for innovative GHG reduction technologies.

## Case First Natural Gas Excess Pressure Utilisation Insurance in China

The excess pressure utilisation insurance provides insurance protection for equipment loss to the excess pressure power generation cooling system due to natural disasters or accidents. It'll help the customer respond to risks associated with the use of emerging technologies and create a "zero-carbon natural gas station."



**Support and participate in the construction of carbon market.** We inked a green finance strategic cooperation agreement with China Beijing Green Exchange for comprehensive cooperation in green insurance, carbon asset financing insurance, and carbon trading to serve green, low-carbon and high-quality development of the real economy and the achievement of the "Dual Carbon" goals. We also signed a strategic cooperation agreement with Shanghai Environment and Energy Exchange, and issued the first carbon asset pledge financing insurance policy in China, to help carbon emission enterprises in loan financing through insurance for credit enhancement, and to facilitate the development of energy-saving and environmental protection, cleaner production, clean energy, eco-environment, green upgrading and green service industries.



▲ On February 4, 2023, PICC P&C and China Beijing Green Exchange signed a green finance cooperation agreement for cooperation in green insurance and carbon trading to serve green, low-carbon and high-quality development of the real economy and the achievement of the "dual carbon" goals.

**Intensify green insurance risk identification and assessment.** We established unified green insurance product determination criteria, green industry customer determination criteria, and ESG risk assessment criteria within the Group, gradually built algorithm models and developed a digital information system, realising classified management and dynamic evaluation of customers' ESG risks and consolidating the Group's green insurance expertise.

### PICC P&C Worked out Carbon Peaking and Carbon Neutrality Action Plans and Built Green Insurance Products and Services System

By 2025, PICC P&C aims to make significant progress in building a green insurance products and services system; to gradually reinforce the use of insurance funds for green purposes; to enhance the energy efficiency of its operations step by step; to form the basic ability to serve the green and low-carbon development of the economy and the society, and to lay a solid foundation for contributing to carbon peaking.

By 2030, PICC P&C aims to have a well-established green insurance products and services system; to further reinforce the use of insurance funds for green purposes; to achieve carbon peaking in its own operations, a high energy efficiency, and a high percentage of green energy use; to further enhance its ability to serve the green and low-carbon development of the economy and the society, and to lead the insurance industry in contributing to carbon peaking.

By 2060, PICC P&C aims to incorporate the concept of sustainability deeply into every aspect, link and process of its operations and management; to have a perfect green insurance products and services system; to comprehensively use insurance funds for green purposes; to achieve carbon neutrality in its own operations and comprehensively use green energy in its operations; to have a strong ability to serve the green and low-carbon development of the economy and the society, and to lead the insurance industry in contributing to carbon neutrality.

## Practicing Green Investment

PICC continued to boost its green investment capacity building. We issued guidelines for green investment work, built the Group's green investment framework, and improved the application of investment strategies and the management of investment process, with a view to increasing the Group's green investment scale and performance. In 2023, we invested 97.9 billion yuan to serve green development.

**Build green investment framework.** We defined the objectives and key support areas of the green investment work, and established a collaborative working system in which relevant departments and investment subsidiaries work together according to respective responsibilities to promote the green investment work. We established unified statistical standards for green investment, strengthened data statistics, and monitored the statistics on a monthly basis. We built a green investment appraisal system, incorporated the investment scale of serving green investment into the annual business performance appraisal indicators for investment subsidiaries, and encouraged investment subsidiaries to set up a guidance mechanism for internal performance appraisal.

**Refine green investment strategy.** In bond investment, we focused on long-term bonds issued by local governments in the fields of eco-environmental protection and new energy fields, and special bond products with a relatively long duration, such as green debt financing instruments, carbon neutrality bonds, green corporate bonds and green financial bonds issued by high-quality entities in light of the issuers' credit rating. In stock investment, we made greater efforts to study and seize investment opportunities with enterprises engaged in road reconstruction, rail transport in key cities, green warehousing and logistics, and wastewater treatment in compliance with national environmental requirements, and to explore investment opportunities in hydro power and green power sectors with higher dividend value. In equity investment, we focused on investments in green development areas like clean energy, green upgrading of infrastructure, energy conservation and environmental protection, and sought investment opportunities in high-quality assets with definite return expectations and exit guarantees.

**Reinforce whole process management of investment and financing.** In stock and fund investment, we implemented ESG evaluation before investment, and selected investment targets that met ESG requirements when screening stock pool and fund pool; during investment, investment managers were required to take ESG as an important factor in decision-making, and to select high-quality targets and follow them up closely. In fixed-assets investment, we considered the scale of investment in green bonds and its percentage in the total investment scale, and paid close attention to green bonds before investment; during investment, we focused on local government special bonds and credit bonds involving environmental protection, carbon neutrality, new energy, and other green development areas. In equity investment, we reserved projects according to the requirements of "serving green development", and made conformity with national strategies a precondition for project approval. Regarding the issuance of alternative products, investment managers conducted ESG evaluation of proposed projects during project investigation; during issuance and investment decision-making, we took green finance-related factors as an important basis for decision-making; after investment, we followed ESG-related public opinion of the investees and took risk management measures in time.



### PICC AMC's Issuance of Green Financial Products

PICC AMC developed ESG-oriented insurance asset management products around carbon finance, green bond index and green industry. By the end of 2023, it has designed and launched two "dual carbon"-themed portfolio insurance asset management products, PICC AMC Carbon Neutrality Green Bond with a size of 118 million yuan and PICC AMC Carbon Neutrality Flexible Configuration with a size of 66,265,400 yuan. In terms of alternative products, it issued three green products of 1.8 billion yuan in 2023.

### PICC Capital's Issuance of Green Financial Products

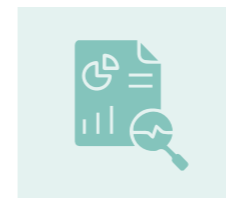
PICC Capital continued to follow investments in green development areas. It invested in CGN's Zhejiang San'ao Nuclear Power Station, which could reduce CO<sub>2</sub> emission by 43.68 million tons once completed and come into operation. It injected 2.35 billion yuan of insurance funds into HBIS Group to support its R&D on hydrogen reduction and utilization technologies and facilitate energy reduction and emission reduction in traditional industries. It invested in a leading enterprise in green computing, which received the world's first server carbon footprint certificate in 2023 and was awarded the 2023 Global Zero-carbon City Enterprise Leadership Award and the IDC China Sustainable Development Pioneer Case for its "energy-efficient computing infrastructure."

## Tackling Climate Risks

The Group actively responded to the risks and opportunities brought by climate change, well identified and assessed climate risks and opportunities, and took powerful measures to support green development and sustainable operation.



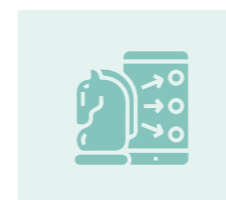
### Governance



**Role of the Board of Directors:** The Board of Directors regularly reviews risks and opportunities related to climate change to ensure that climate change considerations are integrated into the Company's overall risk management framework and strategic planning. The Board of Directors has organized and carried out special research projects, completed the Research Report on the Development and Practice of Green Finance in the Domestic Insurance Industry, and fully understood the development status of the domestic insurance industry in terms of climate risk management.

**Role of the management:** The management is responsible for cross-departmental cooperation to ensure that climate-related risks and opportunities are considered in all business activities and that specific matters are reported to the highest level.

### Strategy



**Impact of climate change on business:** We assess the potential impact of climate change on demand for insurance products, balance sheet matching and investment portfolios through internal analysis and external consulting.

**Countermeasures:** The Company is mitigating the negative impacts of climate change and seeking new business opportunities by developing insurance products for extreme weather events (e.g., agro-climate index products, catastrophe insurance, etc.), investing in green and sustainable assets (equities, bonds, alternatives, private equity funds, etc.), and enhancing energy-saving retrofits and energy use management. In terms of property insurance, agricultural insurance is the main business segment that is vulnerable to climate risks. PICC P&C has strengthened professional research, fully considered climate risks in the actuarial model of products, innovated and developed a variety of crop climate index products, covering all kinds of extreme weather risks, such as freezing rain, hail, drought, etc., and continuously improved its business underwriting capacity. In terms of reinsurance, PICC RE strengthened its research on the changes in the comprehensive cost ratio of foreign catastrophe insurance, and continued to optimize and adjust its business structure.

### Risk Management

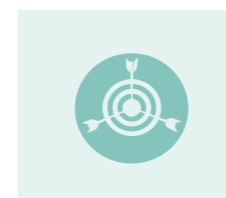


We have strengthened our ability to identify and manage climate risks by strengthening basic research and practical application.

**In terms of basic research:** we have established the PICC Risk Research Institute to strengthen basic research on the impact of catastrophe risks (rising temperatures, extreme weather disasters, etc.) on business operation. We released a total of 12 issues of Risk Research Briefs in 2023. To strengthen global risk research and enhance its international business development capabilities, PICC Hong Kong released the Research on the Development of Green Finance in the Domestic Insurance Industry. Postdoctoral researchers are recruited every year to strengthen research on strategic, forward-looking and systemic major topics in the financial and insurance industry, including Research on the Impact of Climate Risk on the Reinsurance Industry and Research on Risk Reduction Management System of Catastrophe Insurance.

**In terms of practical application:** We have established the PICC Catastrophe Model Team, provided technical support for the catastrophe model at the grassroots level, provided calculation basis, and actively assisted Hebei, Shenzhen, Ningbo, Hainan, Xiong'an and other branches to promote catastrophe insurance business and serve local urban public governance. We have collected the daily meteorological data of 472 meteorological stations across China for the past 24 years, established 22 meteorological indicators, and built a statistical model of meteorological data and loss distribution, so as to provide data support for product development and rate calculation.

### Indicators and Goals



We have promoted the formulation of an action plan for green financial development. In 2023, we strengthened carbon emission management on the operational side, conducted the carbon inventory at the two levels of headquarters for the first time, analyzed the Company's carbon emissions, assessed the Company's performance in response to climate change, and formulated improvement plans.

## Tackling Climate Risks

Physical Risk	Analysis of Key Opportunities	Time Frame	Degree of Impact	Countermeasures
Extreme weather risk	<p><b>Liabilities side:</b> As climate change intensifies and the frequency of extreme weather and natural disaster events increases significantly, insurance institutions' underwriting risks in motor, non-motor and agricultural insurance have risen accordingly.</p> <p><b>Assets side:</b> Extreme weather events may expose the underlying investments of insurance institutions in areas such as infrastructure and real estate to more significant catastrophic impacts, which may in turn affect the value of portfolio assets.</p> <p><b>Operation side:</b> Frequent extreme weather events can pose additional threats to the operational locations, the normal running of operational facilities, and the health and safety of employees.</p>	Short-medium to long-term	High	<p>(1) With many years of experience in the development of catastrophe insurance, we have established scientific catastrophe risk assessment models, risk radar systems and other technical tools to incorporate climate change factors into insurance risk assessment and pricing.</p> <p>(2) We pay attention to risk investigation and play an important role in helping customers avoid or reduce disaster losses. We will conduct more in-depth climate scenario analysis and stress testing to ensure that climate factors are fully considered in the business distribution and pricing.</p> <p>(3) We have developed relevant plans to actively respond to serious natural disasters such as floods, typhoons, and earthquakes, and to reduce the likelihood of large-scale business interruption events due to extreme weather and natural disasters.</p> <p>(4) We have continuously improved the disaster recovery capability of the data center. On the existing basis, we will expand the construction of an off-site multi-activity data center and continuously enhance the disaster-resistant capability of the data center, so as to ensure business continuity and reduce the risk of loss of the Company's data and information.</p>
Long-term risk	<p><b>Liabilities side:</b> Climate change may lead to irreversible risks such as rising sea levels, constantly rising average temperatures, and frequent high temperatures and heat waves. Customers of insurance institutions will be exposed to more complex climatic impacts. In addition to the increase in the payout risk in property damage insurance, life insurance and health insurance businesses will also face more challenges. Climate change affects human health in many ways, including disruption to food systems, an increase in zoonotic and foodborne, waterborne and vector-borne diseases, and mental health problems that leads to death and disease.</p> <p><b>Assets side:</b> Underlying investments are also exposed to many risks of loss from irreversible climate impacts, which in turn affect the value of insurance institutions' portfolios.</p>	Long-term	Medium-to high	<p>(1) We plan to strengthen research on the impact of long-term temperature rise on people's health and life expectancy, and provide reference for the development of life insurance, health insurance and other businesses.</p> <p>(2) We are concerned about the impact of climate change and extreme weather on human life and health, actively carry out data monitoring, track the revision and updating of the empirical incidence data in the insurance industry, and assess the risk of changes in incidence rates and the feasibility of risk transfer through reinsurance protection.</p> <p>(3) We have set out to promote the integration of ESG into investment research and decision-making, and have initially established a screening method for ESG and green-themed investment targets, so as to gradually deepen our understanding of climate-related investment risks.</p>

Transformation Risk	Major Risk Identification and Assessment	Time Frame	Degree of Impact	Tackling Measures
Policy and legal risks	<p><b>Liabilities and assets side:</b> Climate-related policies and legal requirements continue to get more stringent, making the low-carbon transition more challenging for traditional industries, which may affect some of customers and investment targets of insurance institutions, and in turn transmit the related risks to insurance institutions. For example, new potential dangers may arise for insurance customers in the low-carbon transition, resulting in an increase in the probability of compensation, and an insurance institution's investment positions are concentrated in high-carbon emission industries, this may lead to asset impairment as more stringent carbon emission restrictions are implemented.</p> <p><b>Operation side:</b> The country is promoting the development and construction of green buildings and green data centers, and insurance institutions may face more low-carbon operation requirements in the future, resulting in an increase in enterprise management costs.</p>	Short-medium to long-term	Medium	<p>(1) We carry out the innovation and development of climate-related products, continuously optimize and adjust actuarial models in practical exploration, and accumulate various underwriting experience in low-carbon transition. We vigorously develop green insurance and continue to strengthen capacity building to provide professional support for customer on disaster prevention and loss prevention.</p> <p>(2) We continue to improve the management methods related to green investment, continuously carry out green investment, and gradually and orderly reduce the carbon intensity of the asset portfolio.</p> <p>(3) We regard green office, green data center and green building construction as important aspects of the Company's sustainability, and continuously improve the performance of green operation.</p> <p>(4) We pay attention to the relevant policies and regulatory requirements of national green finance, implement relevant work, and reasonably plan the key directions of business development.</p>
Technology and market risks	<p><b>Liabilities side:</b> The rapid development of clean energy technologies, the improvement of energy standards in different industries, and the increasing demand for green products and services in the market will accelerate the phase-out of traditional technologies, which may pose challenges to accurate underwriting pricing of new technologies.</p> <p><b>Assets side:</b> Technological improvements and business restructuring may affect the operating costs and competitiveness of some investment targets, and even lead to transition failures, which may further lead to asset impairment risks.</p>	Medium to long term	Medium-to high	<p>(1) Our professional team with of insurance experts has a long-term experience in risk investigation, assessment and management in various industries. We have strengthened cooperation with third-party professional institutions and deeply followed up the development of low-carbon new technologies, so as to ensure the formation of accurate risk control plans and product pricing mechanisms.</p> <p>(2) We intensify digital transition and the construction of comprehensive Internet service scenarios, carry out energy-saving transformation, and increase the proportion of online tools and management systems to further save energy use.</p>
Reputational risk	<p>Tackling climate change has become one of the most concerned sustainability issues at home and abroad, with increasing attention from stakeholders on corporate's climate actions, the intensity and effectiveness of climate action have been included in the key evaluation dimensions of mainstream ESG rating systems. Companies that have not yet taken the initiative to participate in climate action are more susceptible to stakeholder inquiries and skepticism, negatively impacting their brand image and reputation.</p>	Short to medium term	Low	<p>(1) Guided by the national development strategy, we have actively fulfilled our social responsibilities and promote the realization of a win-win situation of economic, social and environmental benefits. We have constantly strengthened capacity building in ESG and climate change.</p> <p>(2) We vigorously promote ESG brand building, establish and maintain trust between brand assets and stakeholders from the perspective of climate change response, timely disclose the progress of the Company's ESG work, and establish an ESG brand image.</p>

## Seize Climate Opportunities

Type of Opportunities	Major Risk Identification and Assessment	Time Frame	Degree of Impact	Tackling Measures
Products, services, and market opportunities	<p><b>Liabilities side:</b> The low-carbon transition and development of society has given rise to a series of green insurance and service needs. At the same time, insurance institutions can give full play to their professional risk management capabilities to assist insured enterprises in carrying out climate risk assessment, monitoring and early warning, etc., and provide climate risk reduction services.</p> <p><b>Assets side:</b> Since the "dual carbon" goal was proposed, China's green finance market has entered the fast lane of accelerated development, the demand for green financing has continued to increase, and the scale of green investment of insurance institutions has huge room for growth.</p>	Short-medium to long-term	High	<p>(1) We have launched a variety of climate insurance, catastrophe insurance and other products related to climate change disaster response, actively innovated products and services in the fields of low-carbon technology, carbon market, ecological carbon sink, green transportation, etc., and continuously enriched the pool of green insurance products, and served green and strategic emerging industries such as renewable energy power generation and new energy vehicles. Through climate risk investigation, we provide customers with professional and in-depth risk management and control solutions.</p> <p>(2) Participating in the construction of green projects in the form of debt investment plans, equity investment plans, asset-backed plans and industrial funds, etc., PICC has continued to increase the proportion of green investment and launched multiple ESG and carbon-neutral thematic asset management products. We have continuously optimised and adjusted our investment strategies and strengthened cooperation with relevant departments and institutions to jointly promote the ecological construction of green investment.</p>
Resource efficiency and energy use opportunities	<p><b>Operation side:</b> Improving resource efficiency and strengthening clean energy use are important greenhouse gas emission reduction measures, which can help enterprises reduce medium- and long-term operating costs and become a benchmark for climate change actors.</p>	Medium-to long term	High	<p>(1) We have carried out the construction of carbon-neutral outlets, and worked on the formulation of low-carbon operation policies, the implementation of energy-saving and carbon-reduction measures, and the acceleration of the application of digital systems, so as to reduce energy and resource consumption. We have gradually increased the proportion of clean energy and new energy equipment procurement, and will promote carbon neutrality in a more systematic way.</p> <p>(2) We have released the proposal for green and low-carbon life for employees, stimulated the endogenous motivation of our employees to protect the ecological environment, and advocated the promotion of green and low-carbon lifestyle.</p>

## Case Preventing Disaster Risks and Escorting High-quality Development

### I. Introducing data to consolidate the foundation for meteorological disaster early warning

In cooperation with China Meteorological Administration, PICC Group has introduced 6.8 million climate indexes, real-time precipitation, wind speed, wind direction and other data from 2,170 meteorological stations, and monitored 16 types of disaster risks such as rainstorm, hail, lightning and snowfall in key areas through automatic collection, analysis and prediction technology, established a meteorological disaster risk database, consolidated the data foundation of meteorological monitoring from macro to micro, and improved the ability to control changes in meteorological situation in a timely manner.



### II. Building a model to build an early warning engine for meteorological disasters.

Relying on the meteorological disaster risk database and using artificial intelligence and text mining technology, we have developed an accurate and efficient disaster risk index model, intelligently identify the causes of disasters based on more than 300 characteristic factors, constructed a disaster risk map, and realized the quantitative analysis of the benchmark geological disaster risk index.



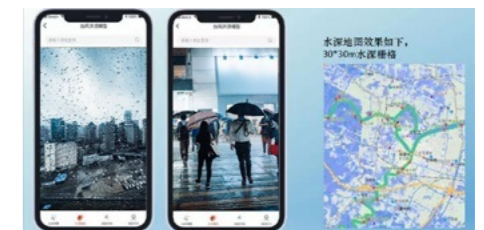
### III. Setting up a mechanism to smooth the early warning process of meteorological disasters.

Through the establishment of a hierarchical and sub-regional meteorological disaster early warning process, with the system automatically associating meteorological information, early warning models, disaster scope and customer targets, we have generated meteorological bulletins or forecasts such as rainstorms, floods, typhoons, severe convection, and marine weather, etc.. In 2023, we have and released 26,150 issues of reports.



### IV. Strengthening the application to improve the efficiency of disaster early warning services.

PICC Group has continuously consolidated the foundation of meteorological early warning services, empowered the application and practice of meteorological information and disaster monitoring and forecasting services in various industries with scientific and technological means, optimized and improved the new model of "insurance + meteorological + early warning" disaster prevention and mitigation, and escorted high-quality development with considerate risk reduction services.



# Promoting Green Operation in an Orderly Manner

PICC Group implements experience the concept of green development, strictly abides by the Energy Conservation Law of the People's Republic of China, the Environmental Protection Law of the People's Republic of China and other laws and regulations, and vigorously promotes exploration and innovation in the field of green operation.

Through promoting paperless offices, building green data centers, and green buildings, we have embedded energy conservation and emission reduction efforts into all aspects of corporate operations to effectively reduce environmental impact. In 2023, we carried out a two-level headquarters carbon inventory to measure carbon emissions at the operational level, and organized a pilot project of carbon neutral business outlets, striving to achieve the goal of carbon neutrality as soon as possible. The Company is principally engaged in insurance business and other financial services-related businesses that do not have a significant impact on the environment and natural resources.



On September 6, 2023, Cai Zhiwei, member of the Party Committee and Vice President of PICC, went to PICC Shaanxi Financial Building to make a research on low-carbon operation, property management, etc.

## Building a Green Data Center

PICC Technology has formulated and issued the Detailed Rules for the Management of the Capacity of the Computer Room of the PICC North Information Center and the Detailed Rules for the Management of Energy Consumption of the Computer Room of the PICC North Information Center and other systems, which steadily promoted energy conservation and consumption reduction in terms of computer room capacity, airflow organization, operation plan, lighting measures, and water resource management. At the same time, the North Information Center also adopts new technologies such as waste heat recovery and refrigeration mode conversion to promote green and low-carbon transformation.

1. Replacing boiler heating with waste heat recovery: The North Information Center uses the water source heat pump heating system to recover the waste low-grade heat source (18°C return water) of the refrigeration system of the computer room, and heats the heating water temperature to 45°C and delivers it to the operation and maintenance building to meet the heating demand in winter, and at the same time reduces the refrigeration load of the refrigeration system of the computer room building, so as to achieve double energy-saving effect. After the introduction of the water-source heat pump heating system, it will only consume 20% of the electricity previously used to meet the entire heating demand of the office building compared to using electric boilers for heating, and is expected to reduce carbon emissions by 730 tons throughout the year.

2. Transforming the refrigeration mode to ensure a low-carbon and stable winter: In November 2023, the Northern Information Center switched the refrigeration system to a "natural cooling model". This mode can make full use of the external low temperature environment to cool the module room, which greatly reduces the energy consumption of the data center. After the mode conversion is completed, the Northern Information Center expects to reduce the electricity consumption of the equipment by 347,500 kWh and reduce carbon dioxide emissions by about 340 tons during the operation of the "natural cooling mode".

## Number of Electronic Insurance Policies in 2023 (Unit: 10,000 pieces)

Company Name	Number of Pieces
PICC P&C	63743
PICC Life	827
PICC Health	1112

### Notes:

- For PICC P&C, the number of electronic insurance policies refer to the number of downloads of electronic insurance policies, including electronic insurance policies that need to be downloaded in batches for historical years involved in litigation, as well as the reissuance of electronic insurance policies for some previous year's business (within the insurance period).
- For PICC Life, the number of electronic insurance policies is the number of electronic contracts issued.
- For PICC Health, the number of electronic insurance insurance policies is the sum of the number of electronic insurance policies issued by PAD, Yinbaotong, Xinbaotong and e-commerce.

### Energy Saving Management

The headquarters office building implements time-sharing operation of the power system, where the air-conditioning system, public area lighting, elevators and other equipment implement time-sharing operation measures, which are divided into working time operation mode, non-working time operation mode and holiday operation mode.

### Energy Saving Transformation

PICC Investment Holding (Beijing) Operation Management Co., Ltd is responsible for the property management of the Group's headquarters building, maintains the effective operation of the ISO quality, environment, occupational health and safety management certification system every year, adopts energy-saving technological transformation, replacement of energy-saving equipment and other consumption reduction measures to further control the energy expenditure of the whole system, reduce operating costs, comprehensively strengthen the life cycle management of facilities and equipment, and promote building energy conservation and consumption reduction to reduce costs and increase efficiency for owners.

### Energy Saving Publicity

We have issued a green and low-carbon life initiative for employees to stimulate their endogenous motivation to protect the ecological environment and advocate the promotion of green and low-carbon lifestyles.

We have made energy-saving label reminder cards, carried out energy-saving picture publicity activities in the week-long national campaign to promote energy conservation, and cultivated employees' awareness of energy conservation.

## Case Green and Low-Carbon Life Initiative for PICC Employees

In order to thoroughly study and implement Xi Jinping thought on eco-civilization, conscientiously implement the spirit of the Central Financial Work Conference, and in accordance with the requirements of the Green Finance Guidelines for the Banking and Insurance Industries, to serve green development, stimulate the endogenous motivation of employees of the whole system to jointly protect the ecological environment, advocate and promote a green and low-carbon lifestyle, and contribute to green finance, PICC Group issued a green and low-carbon life initiative to the majority of employees in the whole system:

- I Keep in mind the concept of green development and be a striver in the green and low-carbon era
- II Comprehensively save energy and resources, and be a practitioner of green and low-carbon life
- III Give priority to green commuting and be a pioneer in green and low-carbon transportation
- IV Foster the concept of green consumption and be a leader in green and low-carbon consumption
- V Actively participate in social supervision and be a guardian of a green and low-carbon environment
- VI Sincerely care for the ecological environment and be a green and low-carbon ecological protector
- VII Vigorously strengthen publicity and guidance and be a disseminator of green and low-carbon concept

## Electricity and Natural Gas Consumption

	Year	Total Usage
Electricity consumption (kWh)	2021	19406140.0
	2022	21119021.0
	2023	21764883.5
Electricity consumption per capita (kWh)	2021	2992.5
	2022	2765.0
	2023	2475.8
Natural gas (m <sup>3</sup> )	2021	218278.0
	2022	198152.0
	2023	215075.0
Natural gas consumption per capita (m <sup>3</sup> )	2021	33.7
	2022	25.9
	2023	24.5

### Notes:

- The statistical data caliber is the headquarters building of the Group Company and its subsidiaries.
- During the Reporting Period, according to the carbon inventory of the two-level headquarters, the statistical boundary of electricity consumption data was adjusted, and the data for 2021 and 2022 were restated.
- The electricity consumption of the data center in 2023 was 69,769,920 kWh (only the electricity consumption of the computer room was counted).

## Gasoline Consumption of Purchased Heat and Official Vehicles

	Year	Total Usage
Purchased heat (GJ)	2021	34869.7
	2022	35460.9
	2023	39925.7
Gasoline Consumption (Liters)	2021	82290.2
	2022	63072.8
	2023	74788.8

### Notes:

- The statistical caliber of purchased heat data is the headquarters building of the Group Company and its subsidiaries.
- The statistical caliber of gasoline data: Group Company, PICC P&C Headquarters, PICC Life Headquarters, PICC AM, PICC Health Headquarters, PICC Investment Holdings, PICC Capital, PICC Re, PICC Hong Kong, and PICC Technology.

**Water Conservation.** Our daily office and production water mainly comes from municipal water supply. We strictly abide by the Law of the People's Republic of China on Prevention and Control of Water Pollution and local water conservation management regulations to carry out water conservation work, use energy-saving and water-saving equipment, and strengthen the intactness management of the equipment in the process of use to ensure water-saving effect, and strive to achieve an overall reduction of per capita water consumption of the headquarters. Reclaimed water is used in some of the office premises, and all domestic sewage generated in the course of daily operation is incorporated into the municipal pipeline network system.

## Water Consumption

	Year	Total Amount Consumed
Tap water consumption (t)	2021	91032.0
	2022	85225.0
	2023	87468.4
Drinking water consumption (t)	2021	487.2
	2022	412.5
	2023	561.8
Reclaimed water consumption (t)	2021	43385.7
	2022	38656.0
	2023	42576.9
Per capita water consumption (t)	2021	14.1
	2022	11.2
	2023	10.0

### Notes:

- The statistical data caliber is the headquarters building of the Group Company and its subsidiaries (excluding PICC Hong Kong, PICC Financial Services, and PICC Technology).
- In 2023, the water consumption of the data centre was 128,454 tons of tap water and 1,802 tons of reclaimed water (only the water consumption of the computer room was counted).

**Reducing waste emissions.** We strictly comply with the requirements of the Law of the People's Republic of China on Prevention and Control of Air Pollution, the Law of the People's Republic of China on Prevention and Control of Pollution of the Environment by Solid Wastes, National Hazardous Waste List and other related laws and regulations to minimize the emission of pollutants such as waste gas and solid waste.

We have formulated a waste classification and management system, implemented classified management of domestic waste, construction waste, kitchen waste and office waste at the front end, and entrusted qualified manufacturers to carry out professional treatment at the back end. Hazardous waste generated by the Company mainly comes from hazardous waste generated in buildings, used batteries and used lamps, and electronic equipment waste generated in offices. The Company reasonably controls the amount of hazardous goods purchased, sets up special space for storage and entrusts qualified suppliers to dispose of them according to regulations.

The exhaust gas generated by our operations mainly comes from the tailpipe emissions of official vehicles and kitchen fumes from the canteen. We advocate green travel, strictly examine and approve applications for official vehicles, avoid unnecessary use of vehicles, and strive to achieve an overall reduction in petrol consumption by official vehicles at the Group's headquarters.

### Amount of Waste Generated

	Year	Total amount generated (t)	Per capita amount generated (kg /person)
Hazardous waste	2021	43.25	28.47
	2022	47.65	18.92
	2023	49.73	23.02
Non-hazardous waste	2021	0.07	0.02
	2022	0.03	0.00
	2023	0.84	0.39

#### Notes:

- Hazardous waste is defined in accordance with the National Hazardous Waste List (2021).
- The statistical caliber of the data is the headquarters building of the Group. During the Reporting Period, the Group's building strengthened its waste management and statistics, and restated the data for 2021 and 2022 after verifying the unit of measurement with past documents and manufacturers.



### GHG Emissions

	2021	2022	2023 (excluding data center)
<b>Scope 1</b>			
Natural gas combustion emissions (tCO <sub>2</sub> e)	472.32	428.76	465.48
Gasoline consumption emissions (tCO <sub>2</sub> e)	184.94	141.78	169.67
<b>Scope 2</b>			
Electricity Emissions (tCO <sub>2</sub> e)	11592.52	13128.65	12929.94
Heat Emissions (tCO <sub>2</sub> e)	3835.55	3900.70	4391.83
<b>Scope 3</b>			
Employee travel (train and aviation) emissions (tCO <sub>2</sub> e)	152.56	223.85	571.38
<b>Total Emissions (tCO<sub>2</sub>e)</b>	<b>16237.89</b>	<b>17823.74</b>	<b>18528.30</b>
<b>Per capita emissions (tCO<sub>2</sub>e/person)</b>	<b>2.50</b>	<b>2.33</b>	<b>2.11</b>

#### Notes:

- The Company's greenhouse gas emissions include direct (Scope 1) and indirect emissions (Scope 2 and Scope 3), of which the verified greenhouse gas for the new heat emissions in Scope 2 is CO<sub>2</sub> and the other indirect emissions are excluded from the disclosure scope of greenhouse gas emissions in this report.
- The Company strengthened the statistics and accounting of greenhouse gas emissions, carried out a carbon inventory of the two-levels of headquarters in 2023, clarified the boundaries of per capita emissions, emission sources and accounting methods, and restated the data for 2021 and 2022 on this basis.
- When calculating greenhouse gases for natural gas and gasoline, the Company refers to the Carbon Dioxide Emission Accounting and Reporting Requirements for Service Industry (DB11/T 1785-2020) and Guidelines for Greenhouse Gas Emission Accounting and Reporting in Shanghai (Trial), of which 389.31 GJ/10,000 Nm<sup>3</sup> is used for natural gas in Beijing, 389.30 GJ/10,000 Nm<sup>3</sup> is used in Shanghai, and 44.8 GJ/ton is used for gasoline.
- In Scope 2, in accordance with the carbon inventory of the two-levels headquarters carried out by the Company in 2023, entities headquarter in Beijing, has chosen the emission factor as 0.604 tCO<sub>2</sub>/MWh as per the Carbon Dioxide Emission Accounting and Reporting Requirements for the Service Industry (DB11/T 1785-2020), and entities headquarter in Shanghai, has chosen the emission factor as 0.42 tCO<sub>2</sub>/MWh as per the Notice on Adjusting the Accounting Methods for Carbon Emissions of Green Power in the Purchased Electricity of Carbon Trading Enterprises in Shanghai (H.H.Q.H. [2023] No. 89) promulgated by Shanghai Municipal Bureau of Ecology and Environment. PICC Hong Kong has chosen CLP Power Hong Kong's emission factor of 0.59 tCO<sub>2</sub>/MWh stipulated in the Guide for Organizations to Quantify and Report Greenhouse Gas Emissions, which is used to restate electricity emissions in 2021 and 2022 in this Report. The calculation of purchased heat greenhouse gases refers to the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial), and the emission factor of 0.11 tCO<sub>2</sub>/GJ is selected.
- The companies involved in natural gas, gasoline, use of electricity, use of heat and employee travel are consistent with the coverage scope of the aforementioned in This Report.
- The calculation range for employee travel (train and aviation) emissions in Scope 3 is only applicable to the level of the Group Company.
- In 2023, the total emissions including those of data center, were 60669.33 tCO<sub>2</sub>e, with a per capita emission of 6.9 tCO<sub>2</sub>e/person.



# S

SOCIAL

- Adhering to Putting People First, Caring for Growth of Employees
- Deepening Cooperation and Exchanges, Promoting Multi-win Results
- Promoting S&T Innovation, Optimizing Customer Service
- Dedicated to Public Welfare and Charity, Actively Giving Back to the Society



# Adhering to Putting People First, Caring for Growth of Employees

PICC regards human capital as the core driving force for its sustainability, strictly abides by the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, the Law of the People's Republic of China on the Protection of the Rights and Interests of Women and other relevant laws and regulations, and strictly eliminates any discriminatory acts on the basis of race, region, gender, disability, nationality, etc., and prohibits the use of child labor and all forms of forced labor. The Company recruits diversified talents and empower the development of human resources, continuously optimizes and improves the relevant systems of talent development, education and training, career development, remuneration management and supervision of cadres, and actively creates a working environment of favorable treatment, equal development, health & safety, and harmony and happiness for employees, so as to work together with them for common development. Over the past three years, the Company has not had any incidents of forced labor, employee lockouts, collective strikes or employee discrimination.

## Number of employees (persons)

Type	2021	2022	2023
On-the-job employees	184364	177852	175881
Dispatched employees	13852	14663	15785
Salespersons	470937	375656	359097

### Notes:

"On-the-job employees" refer to regular employees who have signed labor contracts directly with the Group and its subsidiaries.

## Composition of On-the-job Employees by Gender (persons)

Gender	2021	2022	2023
Male	95707	92466	90749
Female	88657	85386	85132

## Composition of On-the-job Employees by Age (persons)

Age	2021	2022	2023
<31 years old	38234	29877	25832
31-50 years old	124235	125468	127934
>50 years old	21895	22507	22115

## Composition of On-the-job Employees by Degree (persons)

Degree	2021	2022	2023
Master's degree and above	9358	9715	10780
Bachelor's degree	112846	113432	115964
Associate degree	51713	45833	41703
Others	10447	8872	7434

## Regional Composition of On-the-job Employees (persons)

Region	2021	2022	2023
Domestic	184300	177785	175816
Overseas	64	67	65

## Employee Employment Rate and Turnover (percentages)

	2021	2022	2023
Employment rate of employees	4.59	8.57	4.73
Turnover of employees	6.22	4.94	5.52

## Employee Employment Rate by Region in 2023 (percentages)

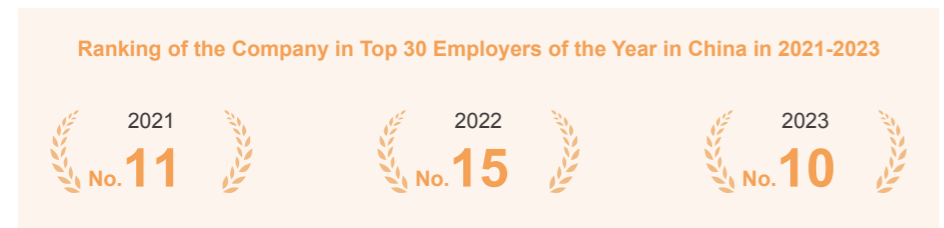
	Region	
	Domestic	Overseas
Employment rate	4.73	10.77
Turnover rate	5.52	13.85

### Notes:

1. Employment rate = number of new employees ÷ number of regular employees as of December 31 of the current year.
2. Turnover rate (churn rate) = number of employees departing ÷ number of regular employees as of December 31 of the current year, of which number of employees departing = number of voluntary departures + number of dismissals + number of retirements.

### Protecting Employees' Rights and Interests

PICC always adheres to the people-oriented principle and is committed to creating a harmonious and inclusive working environment. Internally, PICC advocates equality and diversity, ensures that equal opportunities are provided to employees in the areas of recruitment, remuneration, benefits and promotion, and actively promotes the construction of democratic management, continuously improves the management mechanism of the Workers' Congress, and does not interfere with the right of employees to participate in legal associations or form associations, so as to actively safeguard the rights and interests of each and every employee. For three consecutive years, PICC has been awarded as one of the "Top 30 Employers of the Year in China" jointly published by Zhaopin Ltd, the Institute of Social Science Survey (ISSS) of Peking University, and the National School of Development of Peking University.



**Building harmonious labor relationship.** We uphold the recruitment principles of openness, equality, competition and meritocracy, ensure that employee recruitment and career development are not affected by any factors such as race, belief, gender, religion, nationality, ethnicity, age, marital status, social status, etc., and adopt a zero-tolerance attitude towards any form of discrimination and infringement of employees' rights and interests. We provide employees with channels for complaints. We have issued the Measures of PICC Group for Letters and Visits, which stipulates that all levels of the institutions shall accept objections raised by employees regarding their personal rights and interests, such as labor contracts, post arrangements, and remuneration packages, and protect personal privacy in accordance with the law.

**Enhancement of compensation and performance management.** We continue to improve the management of comprehensive assessment and evaluation, linking performance-based pay of individuals with the performance of branches/departments, the performance of individuals and other factors. We evaluate the performance of all employees annually to strengthen incentives and restraints and to promote the common development and growth of employees and the Company. We have set up a system of deferred payment, recourse and deduction for senior executives and cadres and employees in positions with direct or significant impact on risks so as to ensure that the payment period of performance-based remuneration matches the risk duration of the corresponding business and prevent unlawful and violations of laws and regulations in production and operation.



On October 10, 2023, Xiao Jianyou, member of the Party Committee, Executive Director and Vice President of PICC, had a discussion with some outstanding employees at the grassroots level at Dalian Branch of PICC Life.

**Talent introduction and retention.** Focusing on strategic needs, we have continuously enriched and improved talent selection standards and management systems, and established a diversified mechanism for talent introduction and internal training. We have streamlined the recruitment management process, practiced delegation of authority by level and category, clarified the key management and control direction of recruitment, clarified the key management and control direction of recruitment, made increased efforts in absorbing high-end talents, scientific and technological talents and professional talents, and used information technology to achieve the open and one-stop handling of the entire recruitment process. We have also adhered to the employment orientation of paying equal attention to grass-roots practice and practical work, and improved the management of posts and ranks.

**Democratic communication management.** The rights of employees to information, expression, participation and supervision are guaranteed through the Workers' Congress, and staff representatives are encouraged to participate in corporate governance in an orderly manner, so that the democratic management rights of employees are put into practice. The Company actively promotes the construction of collective contract system and steadily promotes the establishment of a collective consultation system in eligible institutions. The collective contracts signed cover special protection for female employees and occupational health and safety protection for workers.

### Promoting Employee Development

PICC has continued to optimize its employee career development and training system, built a broad development platform for employees, and promoted the construction of a full-cycle training system for employee career development.

**Strengthening staff training.** With integrate internal and external high-quality training resources, we built a training program system, training resource system and training management system covering all employees. The training system includes leading cadre training, professional talent training and new employee training. We also established a collaborative consultation mechanism between the training department and the business department, a daily evaluation mechanism for training effects, and a training information reporting and sharing mechanism to promote the high-quality development of training work. We provide employees with a comprehensive professional qualification support program, and corresponding resources to encourage and support them to take professional qualification examinations to obtain external professional certifications, such as CFA, FRM, actuary professional qualifications, etc., to help build a highly educated, high-quality, and professional workforce. We have strengthened cooperation with universities to jointly train professional talents, set up the "Fudan University-PICC Public Health Master's Degree Program" with Fudan University, cooperated with Chinese Renmin University to jointly cultivate postdoctoral researchers, and cooperated with Tsinghua University to hold a senior management training course on "Development Strategy and Model Innovation of Commercial Health Insurance under the 14th Five-Year Plan".



### Classified Training System

#### Leading Cadres

For middle- and high-level leading cadres, young cadres, and grassroots cadres, the Company has strengthened training and upgrading in their political, leadership, professional, and operational capabilities.

#### Professional Talents

We have consolidated the advantages of existing professional personnel, made efforts to solve the problem of shortage of professional personnel in key areas, and foster a team of professional talents with a rational structure, excellent quality, and high professional standards. We have cultivated international professionals who can meet the needs of the implementation of the Group's internationalization strategy and understand both theory and practice.

#### New Employees

To help new employees strengthen their ideals and beliefs, enhance their loyalty and sense of belonging to PICC, we help them change their roles, integrate into PICC, become competent in their posts, and improve their efficiency swiftly.



From April 7 to 18, 2023, PICC Health and Tsinghua University jointly held a senior management training course on "Development Strategy and Model Innovation of Commercial Health Insurance under the 14th Five-Year Plan".

### Employee Training in 2023

	By Gender		By Type of Employee			
	Male	Female	Company Leaders	Departmental Leaders	Divisional Leaders	Basic Post Sequence Personnel
Average number of hours of training received by employees (hours)	150	155	164	119	153	152
Percentage of employees trained (%)	86	88	99	88	91	86

**Note:** The scope of data statistics is the headquarters of the Group Company and its subsidiaries.

**Promoting the spirit of model workers and craftsmen.** We have extensively been engaged in creating excellence and being pioneering, selected typical role models, vigorously promoted the spirit of PICC model workers and craftsmen, and created a stage for employees to show their talents. In 2023, a total of 43 units and individuals of the Company won the honor of the Financial May Day Awards, of which 4 units were awarded the Financial May Day Labor Certificate, 31 individuals were awarded the Financial May Day Labor Medal, 7 teams were awarded the Financial Vanguard, and 1 collective was awarded the Financial System Model Worker and Craftsman Innovation Talent Studio.



**43** units and individuals won the honor of the Financial May Day Awards

**4**

units were awarded the Financial May Day Labor Certificate

**31**

individuals were awarded the Financial May Day Labor Medal

**7**

teams were awarded the Financial Vanguard

**1**

collective was awarded the Financial System Model Worker and Craftsman Innovation Talent Studio

### Care for the Life of Employees

PICC has established a non-remuneration and welfare system covering all employees striven to create a favorable working atmosphere of physical and mental happiness, harmony and health, safety and stability.

**Welfare Protection.** We have established a standardized, market-oriented and humanized welfare protection system to provide employees with multi-level welfare protection in addition to safeguarding their basic rights and interests. We continuously improve the welfare and protection system for all employees under labor contracts and labor dispatch employees, ensure that employees under labor contracts and labor dispatch employees are entitled to take leave on public holidays and statutory holidays as stipulated by the State, and continuously optimize the rights and benefits of all employees and the welfare protection projects.

**Health and safety.** According to the Work Safety Law of the People's Republic of China, Regulations on Work-related Injury Insurance and other regulations, the Company has no occupational health hazards in the process of operation. We pay "five insurances and one housing fund" for employees on time, apply for commercial supplementary medical insurance, implement enterprise annuity plans, carry out regular health check-ups for employees, and build a health management center to provide health monitoring, health guidance and other services to protect employees' physical and mental health in an all-round way. We continue to improve the emergency response mechanism and carry out fire safety drills every year. We have been commended as "Beijing Municipal Unit with Outstanding Achievements in Traffic Safety Work" and "Xicheng District Advanced Unit in Fire Safety Work".

### Work-related Injury Data of PICC P&C

	2021	2022	2023
Number of work-related fatalities (persons)	10	5	7
Proportion of work-related fatalities (%)	0.006	0.003	0.004
Number of work-related injuries (persons)	177	153	242
Number of working days lost due to work-related injuries (days)	9217.5	8470	8392.5

**Notes:**

- The scope of data statistics is the whole system of PICC P&C, including regular employees and dispatched employees;
- Fatality due to work-related injuries = Number of fatalities / Original number of employees.

**Care and Condolences.** We organized and implemented a comprehensive and multi-dimensional employee care project, gave full play to the role of the "employee care fund" to help earthquake-affected employees, sick employees and employees in difficulty and extremely poor employees overcome difficulties, and distributed 4.942 million yuan in the care fund. We organized activities to send warmth and blessings during the two festivals and the leaders of the Group visited the grassroots outlets to solve problems and send blessings. In 2023, the leaders in the whole system visited 1,004 grassroots outlets, 10,495 people, and 1,098 sick employees and employees in difficulty.



Visiting **1,004** grassroots outlets



Visiting **10,495** people



Visiting **1,098** sick employees and those in difficulty

**Caring for female employees.** We pay close attention to the welfare of female employees, and actively solve the problems that female employees are generally concerned about, such as equal employment, remuneration distribution, rest and vacation, education and training, growth and success, "protection during menstruation, pregnancy, childbirth, and breastfeeding", maternity insurance, special medical checkup, etc., so as to protect the rights and interests of female employees. Maternal and infant facilities and childcare places have been set up in the office buildings to provide convenience for breastfeeding employees.



◀ In March 2023, multiple branches within the PICC Group system organized Women's Day activities.

**Launching cultural and sports activities.** We have actively carried out diversified cultural and sports activities and encouraged employees to cultivate and develop their personal interests and hobbies after work. In 2023, the Labor Union of the Group organized "Sending Ten Thousand Blessings and Entering Ten Thousand Homes", employee balloon volleyball competition, parent-child activities on June 1, walking and outdoor fitness, and the national "Five Small" and other serial activities of mass innovation, to showcase a healthy and uplifting image of our employees and help them achieve a better work-life balance.



◀ In October 2023, the Labor Union of PICC Group's organs organized the "Showcasing Upward Style, and Composing Excellent New Chapter" air volleyball match participated by headquarter employees, which promoted employee exchanges, enhanced employee friendship, and gathered positive energy of vigor and unity through the competition.

## Deepening Cooperation and Exchanges, Promoting Multi-win Results

PICC has actively explored multi-win cooperation models, and strengthened cooperation and exchanges with national ministries and commissions, local governments, large enterprises, scientific research institutes and other organizations and institutions, to deepen mutually beneficial cooperation and promote common development.

### Strengthening Supplier Management

Establishing a supplier management system with unified management and dynamic rating. We have built and launched the "PICC e-procurement" management system online to realize the traceability of the whole procurement process, and form a new pattern of supplier management with access review, performance evaluation, and bad behavior handling as the core.

#### Strictly exercising supervision and management responsibilities according to regulations

In the procurement work, we strictly implement the provisions on supplier selection, management and assessment set out in the Centralized Procurement Management Measures, Supplier Management Measures and Online Mall Procurement Management Measures (Trial), and comply with the requirements of supplier supervision and management

#### Standardize the supplier management process

We have improved standardized operating procedures such as the Guidelines for the Handling of Supplier Bad Behaviors and the Guidelines for the Assessment and Evaluation Process of Suppliers, and strengthened the construction of supplier management systems. During registration, suppliers are required to read and confirm the List of Bad Behaviors of Suppliers, so as to strengthen the awareness of responsibility of suppliers to participate in centralized procurement, and prevent the risk of violations in the procurement process

#### Strengthening the supplier management in the whole life cycle

Based on a sound supplier management system, from supplier registration, access approval, performance evaluation, bad behavior handling, to blacklist management, we formed dynamic supplier management, guided suppliers to compete benignly, urged them to improve the quality of performance, and prevented environmental and social risks of suppliers in all aspects of procurement

#### Improving the establishment of a panorama information database of suppliers

We precipitated the behavior data of suppliers in the process of centralized procurement, displayed the quality and ability of suppliers in multiple dimensions through visual models, and formed supplier "portrait" information.

▶ PICC Group's "PICC E-Procurement" mall was awarded the leading enterprise in the e-commerce procurement and operation mode of central SOEs



## Distribution of Cooperative Suppliers of PICC

Supplier Area	2021	2022	2023
Domestic	580	2045	4711
Overseas	2	2	13

### Notes:

1. The data caliber is the number of centralized procurement project warehousing suppliers that were organized and completed by the centralized procurement center of PICC Group in 2023
2. The data caliber is adjusted to the cumulative number of suppliers registered in each year, because the supplier database was launched in October 2022, and some suppliers before the launch did not register into the online supplier database after the launch, which is partially different from the data disclosed in the past two years.

**Strengthening supply chain transmission of ESG.** Suppliers should comply with local laws and regulations related to environmental protection, national and local policies on energy conservation and consumption reduction, low-carbon operations, and compliant emissions. We encourage our suppliers to establish and maintain an environmental management system, formulate environmental policies and guidelines, define environmental management objectives and management methods, and communicate with and, where appropriate, transmit environmental protection concepts in the supply chain. We attach great importance to green procurement, give priority to the procurement of energy-saving and environmentally friendly products, and play a role in promoting and demonstrating green consumption.

**Strengthening performance management of suppliers for outsourcing centralized procurement projects.** By means of on-site inspections, audio-visual recording and file inspections, etc., we conducted a comprehensive review of project compliance, and required all the sub-branches to comply with the provisions of the outsourcing management system and strictly control the management of cooperative suppliers. In 2023, we completed two supplier evaluations involving 1,046 centralized purchasing suppliers and 3,014 project evaluations, of which 933 suppliers were evaluated as good in the two evaluations, accounting for about 90%, and 10 suppliers were identified as included in the blacklist management.

## Forging Ahead Together with the Industry

**Continuing to deepen the strategic cooperation between government and enterprises.** In 2023, we advanced the negotiation of signing strategic agreements with more than 20 provincial local governments, and signed strategic agreements with local governments in Henan, Hebei, Shaanxi and Liaoning. We strengthened cooperation and exchanges with national ministries and commissions, set up a special team with the Ministry of Housing and Urban-Rural Development to promote pragmatic cooperation between the two sides in areas such as housing safety insurance and "value preservation and appreciation" of housing pensions, and visited the Ministry of Industry and Information Technology, China Earthquake Administration, the State General Administration of Sports and other ministries and commissions to negotiate and promote cooperation in various areas such as science and technology insurance, catastrophe insurance, sports insurance and cultural relics insurance.

**Strengthening cooperation and exchanges with domestic and foreign enterprises.** We have signed strategic cooperation agreements with large enterprise customers such as FAW Group, CNOOC, COMAC, and Lenovo Group to promote business cooperation and expand the scope of deep cultivation. We have strengthened exchanges and cooperation with domestic and foreign financial peers, exchanged visits with overseas peers such as Munich Re, Swiss Re, AXA, Sumitomo Life, Allianz, Zurich Insurance, etc., and promoted the establishment of working groups and working mechanisms in branches to promote mutually beneficial and win-win cooperation.

Association	Membership
Geneva Association (GA)	Member
Asian Financial Cooperation Association (AFCA)	Standing director, vice chairman
International Union of Marine Insurance (IUMI)	Member
The International Credit Insurance & Surety Association (ICISA)	Member
The International Union of Credit & Investment Insurers (BERNE)	Member
Federation of Afro-Asian Insurers and Reinsurers (FAIR)	Member
International Union of Aerospace Insurers (IUAI)	Member
International Health Insurance Association	Member
"Sustainable Market Initiative" China Council	Council member
Green Finance Committee of the China Finance Association	Standing council member
The Insurance Association of China	Honorary President
China Finance Association	Vice chairman
The Insurance Society of China	Vice chairman
China Association of Actuaries	Member
Insurance Asset Management Association of China	Standing council member
China Association for Disaster Prevention	Initiating unit, vice chairman unit
China Maritime Law Association	Rotating President Unit
China Institute of Internal Audit	Member
China Carbon Neutral Action Alliance	Director Member
China One Belt One Road Reinsurance Community	Chairman of the Council
B&R International Green Development Coalition	The first batch of member units
Belt and Road Insurance and Exchange Facilitation	Member
Zhongbao Insurance Assets Registration and Trading System Co., Ltd.	Member
China Chamber of International Commerce	Vice chairman
China Association for Public Companies	Member
National Internet Finance Association of China	Vice chairman
Shanghai Insurance Exchange Co., Ltd.	Member
The Hong Kong Chinese Enterprises Association	Board member unit
Hong Kong Chinese Insurance Association	Board member unit
Beijing FinTech Industry Alliance	Executive Chairman Unit

# Promoting S&T innovation and optimizing customer service

PICC adheres to its customer-centric approach and has set up a Risk Management and Consumer Protection Committee under the Board of Directors to promote the full implementation of consumer protection, effectively protect the rights and interests of consumers in terms of fair transactions, complaint and whistleblowing, and privacy protection, etc., and to continue to improve service quality and optimize customer experience.

## Strengthening S&T empowerment

We have formulated and implemented an action plan for improving digital capabilities, accelerated digital construction, deepened scientific and technological empowerment, promoted transformation and innovation of product and business model, strengthened the application of new technologies such as artificial intelligence in insurance scenarios, optimized operational processes, and improved the level of digital and intelligent operation of the system.



On May 11 2023, Zhang Jinhai, member of the Party Committee and Vice President of PICC, went to the workplace of a renewal team of PICC P&C in Hefei, Anhui Province to investigate the situation of scientific and technological empowerment.

**Improving digital governance mechanisms.** We have established the Group's Digital Development Committee to coordinate and lead the Group's digital construction and development, accelerate the optimization of the functional structure of the science and technology sector, strengthen the construction of data centers, and continuously enhance the ability of science and technology to empower the main business and serve the frontline.

**Enhancement of online and intelligent services.** We have promoted the capability of integrated contact operations, been long engaged in the content matrix in combination with social hotspots and marketing calendars, refine Internet promotion, and continuously increase the scale of platform users. We have improved the construction of a unified intelligent platform, optimized the functions of the AI development platform, which is capable of reserving more than 120 foundational AI capabilities, and promoted more than 100 intelligent scenarios. We have promoted the integration of self-developed intelligent technologies and data model products such as "Wenquxing" into major business scenarios. "Wenquxing" has been applied in more than 40 business scenarios such as outpatient prescription extraction for chronic and idiopathic diseases, with a weekly call volume of more than 14,000 times. Intelligent sparring has been promoted and applied across the country, with a cumulative annual use of more than 470,000 times. OCR, face recognition, ASR and self-developed AI services have been connected to more than 70 applications, with an average daily call volume of more than 1 million times.



Number of foundational AI capabilities reserved

More than **120**

Number of intelligent scenarios promoted and implemented

More than **100**

## Case Strengthening R&D and Application of AI Technology Cooperation

PICC Technology has signed a technical cooperation agreement with the State Key Laboratory of Cognitive Intelligence and iFLYTEK to promote the application and research of large model technology in insurance business scenarios, empower the development of the main business, and strive to build scientific and technological service capabilities in scientific and technological infrastructure operation, the research and development of software products, data governance, shared operation, and new technology application.



**Streamlining claims settlement processes and formalities.** Through the self-developed PICC Anlan - Catastrophe Rescue and Claims Settlement Service Platform, we have built scientific and technological tools for farmland, farmhouses, vehicles and other disaster-stricken targets in a tailor-made manner, to improve case handling efficiency. Functions of such tools cover intelligent voice reporting, one-stop services for rural housing claims settlement, visual management of rescue process, presumed total loss of vehicles, entrusted disposal of electronic signature services for vehicles, automation processing of RPA (robotic process automation) vehicle claim settlement cases.

**Strengthening the protection of intellectual property rights.** We attach great importance to the protection and management of intellectual property rights to ensure that the achievements of scientific and technological innovation are effectively transformed into practical application value. While protecting our own intellectual property rights, we do not infringe on the intellectual property achievements of others. We strictly prohibit employees from participating in activities that infringe intellectual property rights. When encountering problems involving intellectual property rights, we will make relevant investigations to ensure that our own intellectual property rights and those of others are protected and respected.

## Optimizing Service System

We have further integrated customer service into our corporate governance system, continued to play the roles of the Board of Directors, the Board of Supervisors and the management, and promoted our subsidiaries to improve consumer protection review, information disclosure, education and publicity and other working mechanisms, so as to effectively give play to their main responsibilities.

**Continuous improvement of customer service quality.** We have set up a customer satisfaction research system to understand the service evaluation level of customers in different business processes. Through the innovatively developed VIP Service Checklist, we have made a comprehensive risk analysis according to the operating characteristics, industry nature and business scope of corporate customers, matched corresponding products following the "one strategy for one customer" principle, and provided service solutions in the "one policy for one customer" form, which is highly praised by our customers. We have optimized the claims settlement service process by conducting claims investigations in advance and introducing door-to-door claims settlement service, which has significantly shortened the time limit required for claims payment.

**Striving to enhance customer satisfaction.** We have revised and improved the evaluation methods for the protection of consumer rights and interests of the Group, optimized assessment indicators, scientifically assessed the effectiveness of consumer protection work, and worked on evaluation and rectification of consumer protection supervision. We have regularly analyzed customer complaint data, propelled our subsidiaries to carry out comprehensive complaint rectification, organized our subsidiaries to do a good job in responding to the expansion of the 12378 hotline, and pushed forward the investigation and disposal of complaints and harassing call clues in various channels.

### Number of Insurance Consumer Complaints

Year	Number of complaints per 100 million premium yuan (Cases / 100 million yuan)			Number of complaints per 10,000 policies (Cases / 10,000 pieces of policies)		
	2021	2022	2023	2021	2022	2023
PICC P&C	4.12	1.63	1.84	0.01	0.00	0.00
PICC Life	5.66	3.38	1.52	0.34	0.12	0.55
PICC Health	11.09	6.47	3.37	0.08	0.04	0.23

**Notes:**

1. The data is sourced from the data notified by the regulators, and two valid decimals are retained by following the form of the notification of regulators.
2. In 2021-2022, regulators issued the notification of complaint situation in the current quarter, with the data for the years 2021-2022 being the data for the fourth quarter of each year. In 2023, the regulators changed to issue a quarterly cumulative complaint circular, so the data for 2023 is an annual data.

### Case Launching "Financial Consumer Rights Protection Education and Publicity Month" Campaign

PICC actively carried out the 2023 Financial Consumer Rights Protection Education and Publicity Month" jointly organized by the National Financial Regulatory Administration, the People's Bank of China, the China Securities Regulatory Commission and the Cyberspace Administration of China, focusing on the people's urgent demand for financial knowledge, popularizing basic financial knowledge to the majority of financial consumers, reminding financial risks, and advocating rational consumption and value investment concepts.

- Popularizing financial knowledge and spreading positive financial energy
- Preventing illegal financial activities and raising awareness of financial security
- Advocating the concept of rational consumption and fostering the concept of value investment
- Building a culture of integrity and promoting fair and orderly markets
- Seriously doing something practical for the people and responding to social concerns



### Case Customer Festival Activities Featured by "You Cheng (Sincerity)", "You Ai (Love)" and "You Yang (Aerobic Running)"

In June 2023, PICC Life organized a customer festival with the three major scenarios of "You Cheng (Sincerity)", "You Ai (Love)" and "You Yang (Aerobic Running)" as the main line, and held "Aerobic Running Together" offline running group activities in 36 key cities. PICC Life also continued to improve the services of the sports and health platform, paid attention to the health and sports needs of customers, provided customers with comprehensive health sports services to satisfy their pursuit of healthy sports and quality life.



### Privacy and Data Security

We attach great importance to and continue to strengthen the protection of customer privacy. In accordance with the requirements of the Cybersecurity Law of the People's Republic of China, Data Security Law of the People's Republic of China, Personal Information Protection Law of the People's Republic of China, and other laws and regulations, we have made strict provisions on the use of personal information and data.

**Privacy Protection.** We fully protect the rights of personal information subjects, further implement the requirements on the protection of personal information and the protection of minors on the Internet in the product and service process, and ensure that customers' authorization is obtained before the use of their personal information. In 2023, there were no administrative penalty cases caused by customer privacy leakage at the Group (including its subsidiaries).

**Third-Party Data Processing.** The Company's business outsourcing entrusts a third party to process data according to the "minimum necessary" rule to control the scope of entrusted data, and adopts desensitization or encryption processing, etc., and signs agreements with clear rights and responsibilities to share data in a safe and controllable environment, so as to ensure data security while meeting business objectives. The Company will not rent, sell, or provide personal data to third parties for purposes other than completing transactions or services. Nor will it share customer information with partners and affiliates without the authorization of the customer.



**Minimizing data collection and retention.** The Company strictly adheres to the rule of "minimum impact and minimum scope" in data collection, and clearly informs customers of the whole life cycle processing measures such as collection, storage, use, processing, transmission, disclosure, and deletion of personal information in various texts such as privacy policies and authorization agreements that are publicly disclosed. The Company undertakes to delete information beyond the scope of use or necessary retention period, and to obtain the consent of the customer in accordance with the law.

**Information Security.** We adopt industry-standard security measures to protect personal information provided by our customers, and prevent data from being leaked, tampered with, or lost. For examples, at the time of exchanging data between applications and services, we use SSL encryption protection. We provide a secure https browsing method for the official website. We use technologies to ensure data confidentiality. We rely on trusted protection mechanisms to protect data from being maliciously attacked. We deploy access control mechanisms to ensure that only authorized personnel can access personal information.

PICC released the Guidelines on Internal Control and Compliance Management of Personal Information Protection (2022 Edition). When group-wide employees (including regular, part-time and outsourced employees) conduct business, the Guidelines puts forwards clear guidelines on the information protection work for them in such aspects as the establishment and improvement of a sound personal information protection mechanism, regulation of the storage, transmission and inquiry of personal information, regulation of the collection and use of customers' personal information, protection of the rights of the subject of personal information, and regulation of external provision of personal information.

1. In accordance with the relevant laws, regulations and standards of China, as well as the general practices of other countries and regions, we protect the rights of our customers to access, correct and delete their personal data.
2. We have implemented industry-standard security measures to protect the personal information provided by our customers against unauthorized access, improper public disclosure, improper use, improper modification, damage or loss of the data (hereinafter referred to as "personal information security incidents"). We will take all reasonable and practicable measures to protect personal information of our customers. For example, we will take permission control, privacy protection training, and other security measures.
3. We will use and protect customers' personal information in strict accordance with the scope of authorization, and we will not provide their personal information to any third party unless required to share it by governmental, regulatory and judicial authorities, and other situations.
4. We will take all reasonable and practicable measures to ensure that no irrelevant personal information is collected. We will only retain our customers' personal information for as long as is necessary to fulfill the purposes described in this Privacy Policy, unless it is required to extend the retention period or permitted by law.
5. PICC attaches importance to the protection of personal information when intermediaries and third-party institutions are involved, and ensures that intermediaries and third-party institutions comply with relevant laws and regulations on personal information protection through supervision and other means. When intermediaries and third parties steal or transmit personal privacy information, they will be included in the Supplier Blacklist.
6. The Group and its subsidiaries fulfill their legal obligations as processors of personal information, implement classified management of personal information, adopt security technical measures, conduct regular audits of the personal data protection system, and formulate and organize the implementation of emergency response plans for personal information security incidents to ensure the security of personal information.

In October 2023, PICC Health and PICC Financial Services were certified to the ISO/IEC 27001:2013 standard for information security management systems.



In December 2023, PICC Group's Northern Information Center successfully passed the UptimeM&O certification, becoming the first data center in the domestic insurance industry to obtain the highest level of dual certification for both Uptime T4 design and Uptime M&O operation.



**Capability Improvement.** In order to comprehensively popularize cybersecurity knowledge and strengthen the security awareness and prevention ability of all employees, we launched the "2023 Cybersecurity Publicity Week" campaign to provide training and publicity on cybersecurity laws and regulations, email security, account password security, personal information protection, and office security.

**Compliance Audits.** We regularly carry out privacy and data security audits to strengthen the supervision and evaluation of privacy and data security. We have focused on assessing the effectiveness, security and adequacy of information security policies and systems, carried out relevant tests in the course of the audits, and strengthened the construction of security mechanisms, controllable privacy and security technologies, and refined classification and grading according to the audit results.

**Managing Certification.** We continued to carry out the certification of internationally recognized information security management systems, and continue to strengthen the overall information security and privacy protection capabilities and management level.

# Dedicated to Public Welfare and Charity, Actively Giving back to the Society

PICC insists on sharing the value of resources with the society, continues to work on designated assistance, devotes itself to Public Welfare and charity and voluntary services, constantly innovates work ideas and initiatives, and strengthens the investment of resources, so as to continue to contribute its strength to Public Welfare undertakings such as eliminating poverty, enhancing well-being, promoting development, and protecting the environment.

## Supporting Designated Assistance

**Solidly Implementing Assistance Work.** PICC provides designated assistance to Huachuan County in Heilongjiang Province, Liuba County in Shaanxi Province, Ji'an County and Le'an County in Jiangxi Province, and Hongyuan County in Sichuan Province which was newly added in 2023. In 2023, the Group made contributions of 45 million yuan in free assistance funds, absorbed 16 million yuan in such funds, and accumulatively provided training for 8,154 grassroots cadres, technicians and wealth-creating pioneers in rural revitalization. In 2023, PICC obtained the highest rating ("excellence") in the designated assistance assessment's central state-owned enterprises for the fifth consecutive years.



On October 11, 2023, Yu Ze, member of the Party Committee and Vice President of PICC, went to Huachuan County to research and understand the implementing situation of designated assistance and agricultural insurance.

### Case Carrying out a Characteristic Education Assistance Program on Campus Soccer

PICC has carried out a characteristic education assistance program on primary and secondary school campus soccer in Liuba County. It donated 600,000 yuan in total for hiring professional coaches and training teachers, purchasing soccer and other training supplies, and renting professional venues for training, etc. PICC integrates high-quality resources for the development of campus soccer at the compulsory education stage in the county, helps students in mountainous areas cultivate their specialties and make progress in their academic achievements, and helps campus football training level in Liuba County to improve steadily. In 2023, the Liuba County High School High School Girls Soccer Team won the championship in the Shaanxi Provincial Youth Campus Soccer High School League.



Direct purchase and provision of help for sales of agricultural products from designated poor counties and other poverty-stricken areas were completed, amounting to **64.48** million yuan.

**Making increased efforts to alleviate poverty through consumption.** We are committed to creating an "endogenous" mode of assistance for designated poor counties, and have set up a PICC consumption assistance platform to support the development of rural industries in designated counties, with 155 suppliers on the platform covering 51 counties in 15 provinces, and 1,585 agricultural products on the shelves for sale. In 2023, direct purchase and provision of help for sales of agricultural products from designated poor counties and other poverty-stricken areas were completed, amounting to 64.48 million yuan.



## Participation in Public Welfare and Charity

With PICC Charity Foundation as a platform, we have rolled out a full range of public welfare and charitable campaigns in the fields of catastrophe/disaster relief, education assistance, medical donations, environmental protection, cultural public welfare, and care for vulnerable groups, and created public welfare brand programs such as "PICC Mothers' Health Express" and "PICC Sinology Hope Classroom". Since December 2016, the Foundation has been recognized by the Ministry of Civil Affairs as an "AAAA Foundation" and a "Charitable Organization". In 2023, the Foundation's endowment expenditure was 12.8 million yuan, and the Foundation was awarded the "Chinese Red Cross Medal of Devotion". In 2023, the Foundation spent 12.8 million yuan on donations and was awarded the "China Red Cross Medal of Devotion".



The PICC Charity Foundation donated **12.8** million yuan



**Actively responding to the disaster relief.** In the face of the 2023 torrential rain in Hebei, PICC immediately implemented the relevant arrangements of the CPC Central Committee and the State Council on emergency rescue and disaster relief, and donated 5 million yuan to the flood-stricken area of Zhuozhou in Hebei Province, to fully support the local post-disaster reconstruction. During the "Doksuri" disaster, PICC P&C donated group accident insurance to nearly 100,000 emergency rescuers in Beijing, Tianjin, Hebei, Jilin and Heilongjiang to protect the death, disability and medical expenses of emergency rescuers who suffered accidental injuries in the process of flood prevention and disaster relief, such as emergency rescue, embankment inspection and disaster verification.

**Case Relying on Love, Solidarity, and Mutual Assistance to Initiate Post-Disaster Reconstruction of Zhuozhou**

When a disaster strikes in one location, help comes from all quarters. The Labor Unions at all levels of PICC system implemented the deployment of the Party Committee of the Group, called on the majority of employees to form solidarity and overcome difficulties together with the people in the disaster-stricken area. In just a few days, employees donated a cumulative total of 5 million yuan to support the post-disaster reconstruction of Zhuozhou City, Hebei Province!



**Care for Women's Physical and Mental health.** In 2023, we donated 10 vehicles of "Maternal Health Express" to Hongyuan County and other poor areas to help improve the health awareness of the local people and the medical and health conditions of women and children, and alleviate the plight of women who are poor due to illness. Through launching the "Maternal Health Express" free clinic activities, we carried out free clinics, lectures, trainings and home visits in poor areas, and provided direct and high-quality medical services for the local people.

**Case Donating "Maternal Health Express" to Hongyuan County, Sichuan Province**

The vehicles of "Maternal Health Express", like mobile hospitals, has won valuable time for grassroots hospitals to rescue pregnant women and critically ill patients. PICC has supported health public welfare undertakings for many years. Since 2013, it has donated a total of 131 vehicles of "Maternal Health Express" to Xinjiang, Tibet, Yunnan, Gansu, Guizhou, Sichuan and other places, providing health consultation, free consultation, free health check-ups, free transportation of pregnant women to hospital delivery, etc. for people in poor mountainous areas and villages with relatively backward economy and inconvenient transportation, benefiting more than 2.57 million people. Such vehicles have been affectionately called "health car, happiness car and life-saving car" by local villagers.



**Contributing to the development of education in poor areas.** PICC donated 800,000 yuan to the Education Bureau of Danchang County, Gansu Province, specifically to support the construction project of the cooking training room of Danchang County Vocational Education to help improve the professional skills of local students receiving vocational education. We also donated 1 million yuan to the China Youth Development Foundation to fund the construction of canteens in 20 rural schools in Guangxi Zhuang Autonomous Region and Hubei Province to help rural schools improve their feeding capacity.

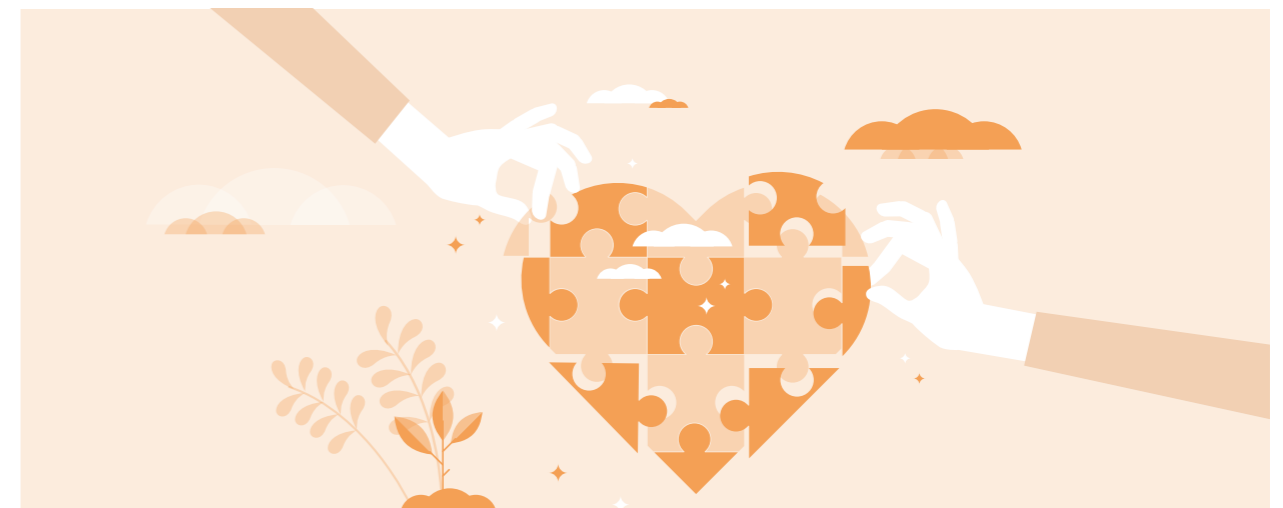


Grassroots employees of PICC participated in flood control and disaster relief and visited the elderly in difficulty.

**Statistics on Voluntary and Public Welfare Activities**

The Company	Service Duration (hours)			Number of participants (persons)			Number of beneficiaries (persons)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Year	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total	147024	566809	79566	29830	16165	19762	681060	1272671	731514

**Note:** The statistical scope includes PICC P&C, PICC Life, and PICC Health.



# G

## GOVERNANCE

- Adhering to Party Building Guidance
- Enhancing Governance Capabilities
- Strengthening Compliance Construction
- Comprehensive Risk Management
- Communications with Stakeholders

# Adhering to Party Building Guidance

In 2023, which is the first year for the full implementation of the spirit of the 20th National Congress of the Communist Party of China, PICC Group adhered to the guidance of President Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, conscientiously studied and implemented the spirit of the 20th National Congress of the Communist Party of China, the Second Plenary Session of the 20th CPC Central Committee, the Central Financial Work Conference, and the Central Economic Work Conference, solidly launched the themed education of studying and implementation President Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, conscientiously cooperated with the "looking back" inspections made by Central Leading Group for Inspection Work, effectively worked on the rectification of "looking back" inspections, fully implements the general requirements of Party building in the new era, profoundly advanced the new great project of Party building in the new era, and effectively transformed the Party's political advantages and organizational advantages into development advantages and governance effectiveness.

**Solidly launching the themed education of studying and implementation President Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.** Since April 2023, the Party Committee of the Group has firmly grasped the "Learning Ideology, Strengthening Party Spirit, Emphasizing Practice, and Making New Contributions" general requirements, focused on the thematic main lines, anchored the goals and tasks, and pragmatically and compactly pushed forward the implementation of key measures as a whole, and provided guidance, supervision and demonstration in the whole process when leading more than 8,000 party organizations and more than 90,000 party members and cadres to undergo a profound baptism of party spirit education. The Party Committee of the Group took the lead in organizing a 7-day reading class to promote theoretical learning in a profound and solid manner. Members of the Party Committee of the Group conducted in-depth research at the headquarters of its subsidiaries and 16 provincial, municipal and county organizations, with a cumulative total of more than 30 times of research. A total of 9,492 problems of various types were found in the thematic education and research, and more than 14,000 targeted measures were formulated to solve them, effectively promoting the solution of problems in high-quality development.

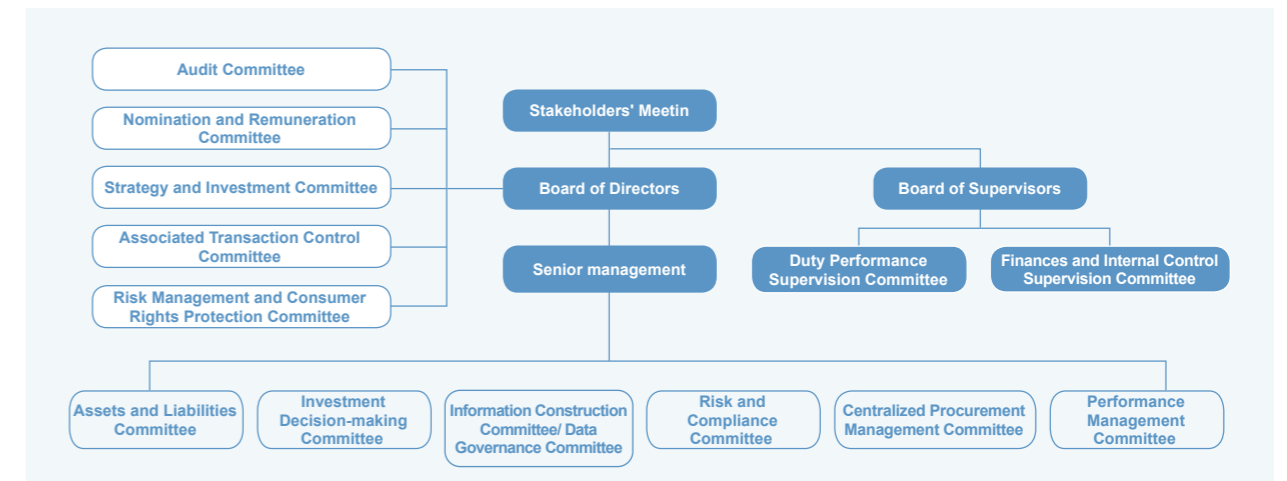


On May 12, 2023, Wang Tingke, Secretary of the Party Committee and Chairman of PICC, inspected the work manual of the Party branch during his research at the contact point for grass-roots Party building - Tengzhou Branch in Zaozhuang City, Shandong Province.

**Earnestly rectifying the problems found in "looking back" inspections made by Central Leading Group for Inspection Work.** We fully realize the importance of the "looking back" inspections from a political perspective, regard the "looking back" inspections as a "political medical check-up", and take the rectification work as an important political task. The Party Committee of the Group regularly holds special meetings on rectification, strengthens the tracking and scheduling of the whole process, effectively promotes the implementation of responsibilities, carries out special governance for major and difficult problems, formulates governance plans one by one, and continues to promote the rectification of problems.

# Enhancing Governance Capabilities

PICC Group strictly observed the relevant laws such as the Company Law of the People's Republic of China and the Insurance Law of the People's Republic of China. We consistently enhanced corporate governance in accordance with the relevant regulatory requirements of the China Banking and Insurance Regulatory Commission (CBIRC), the latest listing rules of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Ltd (HKEX), and our own Articles of Association.



## Appointment of the Board of Directors in 2023

Item	Category	Number (person)	Proportion (%)
Gender	Male	12	85.71
	Female	2	14.29
Age	≤ 30	0	0
	31-50	1	7.14
	> 50	13	92.86
Independence	Han nationality	5	35.71
Ethnic group	Minority	14	100

**Standardizing governance mechanisms.** As per the requirements of the modern enterprise system and in accordance with laws, regulations and regulatory rules, we have standardized the establishment of the governance structure of the Shareholders' general meeting, the Board of Directors, the Board of Supervisors, and the management, and formulated and improved the Articles of Association of the Company, the rules of procedure of the Shareholders' general meeting, the Board of Directors, and the Board of Supervisors, the working rules of professional committees and other systematic documents. In accordance with the AOA provisions and the positioning of responsibilities, the Shareholders' general meeting, the Board of Directors, and the Board of Supervisors organize and convene meetings in accordance with the law, conscientiously perform their duties, and realize decision-making, implementation, supervision, coordinated operation, and effective checks and balances.

In 2023, the Company held 3 Shareholders' general meetings, in which 15 proposals were deliberated and reviewed, 10 meetings of the Board of Directors, in which 80 proposals were deliberated and reviewed, 33 meetings of the professional committees under the Board of Directors, in which 118 proposals were studied and discussed, and 7 meetings of Board of Supervisors, in which 61 proposals were deliberated and looked through.

The Board of Directors of the Company anchors the goal of building an excellent board of directors. It has established a pre-communication mechanism for important proposals of the board of directors

through innovation, innovated the establishment of an annual special research mechanism of the professional committees under the Board of Directors, revolutionized the "inviting investors in" communication mechanism of the reverse roadshow, actively strengthened communications with small and medium-sized investors, continuously improved investor returns, strengthened voluntary disclosure, realized ESG and performance linkage disclosure, strengthened standardized innovation, and endeavored to improve the efficiency of corporate governance, investor satisfaction and transparency of information disclosure, which has been recognized by the capital market and authoritative institutions.

In 2023, the Company won awards such as the "Best Listed Company" at the 13th China Securities Golden Bauhinia Awards, the "2023 Best Practice of the Board of Directors of Listed Companies" by the China Association of Public Companies, the "Best Practice of the 2022 Annual Report Performance Briefing of Listed Companies" by the China Association of Public Companies, the "Tianma Award for Investor Relations of Listed Companies in China" by the Securities Times, and the "2022-2023 A-level Rating of Information Disclosure" by the Shanghai Stock Exchange.



**A-level**  
Rating for the 2022-2023 annual information disclosure by the Shanghai Stock Exchange



▲ On May 18, 2023, the Risk Management and Consumer Rights Protection Committee of the Board of Directors of the Group went to Ningbo to conduct a special research on "Risk Management and Control of Financing Credit Insurance Business".



▲ On May 19, 2023, the Strategy and Investment Committee of the Board of Directors of the Group went to Ningbo to conduct a special research on "Green Finance Development".



▲ On May 23, 2023, the equity directors of the Group went to the oilfield operation area of Xinjiang Oilfield Branch of PetroChina to carry out a research on the "Construction of Disaster Mitigation and Prevention Mechanism in the Insurance Industry".

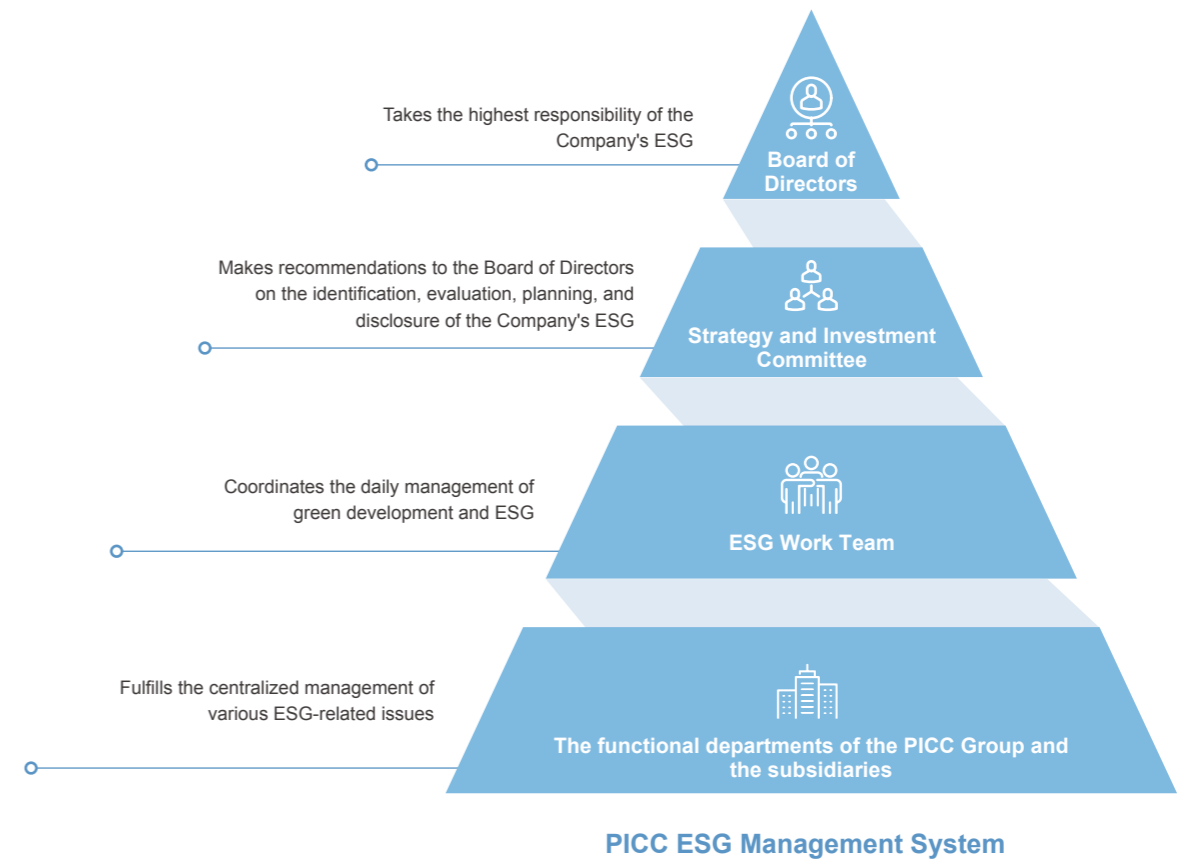


▲ On July 11, 2023, the equity directors of the Group went to Gansu to carry out a research on the topic of "using insurance to help the seed production industry".

**Improving ESG governance structure.** We have promoted the full integration of ESG into corporate development strategy, operational decision-making and daily management, taken pursuit of comprehensive value contributions to the economy, society and the environment as targets, and continuously promoted the comprehensive, coordinated and sustainability of the Group and its stakeholders.

We continued to optimize and improve the ESG management system and promote the improvement of the functional responsibilities of the Board of Directors, the management, ESG competent departments and related departments and all the subsidiaries of the Group, so as to ensure that the ESG management work is carried out in an orderly manner. In 2023, the Board of Directors fully considered the Strategy and Investment Committee's report and recommendations on the Group's sustainability in the decision-making process. In 2023, the professional committees under the Board of Directors completed the compilation of research

reports, such as the Research Report on the Development Practice of Green Finance in the Domestic Insurance Industry, Research Report on Risk Management and Control of Financing Credit Insurance Business, Research Report on Incentive and Restraint Mechanism of Subsidiaries, Research Report on the Pricing Rules of Related Party Transactions for Resource Sharing within the Group, Research Report on the Operation, Management and Control of State-owned Insurance Capital. The Board of Directors deliberates the Group's Sustainability Report (Social Responsibility Report) and discloses it to the public.



**Establishing a comprehensive performance appraisal system that covers ESG factors.** We have further improved the appraisal mechanism. We have incorporated such indicators as serving the national development strategy and the real economy, quality of development, risk compliance, and operational efficiency, into the appraisal scope of our subsidiaries. While taking into account scale efficiency, value and quality, we highlight long-term benefits and the sustainability of business development. We have optimized and improved the Group's evaluation index system for high-quality development, incorporated ESG performance indicators into the system, and formulated and issued the Measures for Evaluation of the High-Quality Development of PICC Group (Trial) to promote the effectiveness of high-quality development and link it to the appraisals and evaluations, so as to guide companies to pay more attention to the service of national strategies, quality and efficiency of development, reform and innovation, and risk prevention and control, and to effectively assume their state-owned enterprises' political and social responsibilities.

In accordance with the Measures for Performance Evaluation of Commercial Insurance Companies issued by the Ministry of Finance and the former CBIRC's Guidelines on the Corporate Governance for Banking and Insurance Institutions and the Guidelines on Green Finance for the Banking and Insurance Industries and other regulations, we have formulated and issued the Measures for the Administration of Annual Comprehensive Appraisal and Evaluation of the PICC Group, established an assessment and evaluation process that integrates the links of budgeting, contracting, appraisal and remuneration, and taken the results of the appraisal as an important basis for performance improvement, remuneration allocation, human resource allocation, incentives and constraints, etc.

## ESG Statement of the Board of Directors

PICC's Board of Directors assumes that the Company will strictly adhere to the disclosure requirements of the environmental, social, and governance (ESG) report of the exchange where the Company is listed.

The Company's Board of Directors is accountable for supervising the commitment and performance of PICC's ESG material topics. The Company amended the rules of procedure of the Board of Directors based on the latest relevant requirements of the Environmental, Social, and Governance Reporting Guide of the Stock Exchange of Hong Kong Ltd. (HKEX ESG). We also amended the Working Rules of the Strategy and Investment Committee under the Board of Directors. Article 9 of the Working Rules of the Strategy and Investment Committee under the Board of Directors of the People's Insurance Company (Group) of China Limited specify the key duties of the Strategy and Investment Committee, which include: To formulate and revise the Company's policies on corporate social responsibility, such as ESG. It was also to review the following related matters and make recommendations to the Board of Directors:

1. Construction plan of the Company's ESG system.
2. Research and evaluation of the ESG-related factors that may impact the Company's development.
3. Planning and implementation of the Company's ESG efforts.
4. Disclosure of corporate social responsibility information in ESG.

Moreover, the Company formulated a green finance work system suitable for the green and low-carbon cycle development in terms of governance, internal control management, and information disclosure. We also established and improved relevant internal management systems and processes. Furthermore, we established policies, systems, and processes for environmental, social, and governance risk management. All of these were meant to implement the Green Finance Guidelines for the Banking and Insurance Industry issued by the China Banking and Insurance Regulatory Commission. They were also meant to enhance the risk management of green and low-carbon transition. Lastly, they were to increase financial support for key areas of carbon emission reduction.

The Board of Directors participates in the identification process of ESG material topics. It also evaluates the Company's sustainability report every year. Moreover, it reviews the identification results and uses them as an important reference for the Company's risk and opportunity identification. The Board of Directors carries out a comprehensive evaluation of the Company's ESG issues from the previous year. It also suggests work recommendations for the next year's ESG issues. The Company compiled and distributed the Communication among Directors, Supervisors, and Senior Executives. We also published ESG-related policies, company information, and peer information on an irregular basis.

In the future, PICC's Board of Directors will further enhance ESG risk management, information collection, and reporting systems. It will also formulate sustainability strategies and goals and integrate them into the Company's daily work.

## Enhancing Compliance Building

PICC continuously improves its business code of conduct and rules and regulations, strengthens standardised management, organizes relevant departments to formulate and amend rules and regulations and to abolish or invalidate some of them, and continuously updates the compilation of the Group's rules and regulations.



On May 23, 2023, Shi Qingfeng, member of the Party Committee of PICC and head of the Discipline Inspection and Supervision Team in the Group, made a survey on discipline inspection and supervision work at the grassroots level.

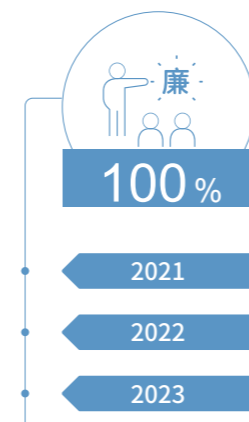
**Anti-Monopoly and Anti-Unfair Competition.** To strengthen research on the Anti-Monopoly Law and its supporting rules, we have released the Guidelines for Anti-Monopoly Compliance Management of PICC Group. We have organized the implementation of anti-monopoly-related compliance training to effectively enhance our anti-monopoly compliance management capabilities. On basis of studying the application of the Anti-Unfair Competition Law in the insurance industry, we have developed a research report entitled Discussion on the Application of Law and Law Enforcement of Unfair Competition in the Insurance Industry under the New Situation.

**Anti-Fraud.** We have further regulated the handling and management of letters and visits and strengthened integrity management. We have regulated the handling of problems and clues, analyzed the handling of letters and visits throughout the system on the basis of making regular statistics, and supervise the handling of key cases. We have issued operational guidelines on prevention and control, and proposed targeted prevention and control measures for integrity risk points and key posts.

**Anti-Corruption.** PICC has strengthened its efforts to rectify work style, enforce strict discipline, and fight against corruption by establishing a leading cadre work-style evaluation system for carrying out work style evaluation and organizing 180,000 cadres and employees to rate 25,000 leading cadres. PICC has strengthened warning education, produced a warning education film entitled Eliminating Diseases and Cure Chaos, and sent reminder messages on party style and clean government to party members and cadres of the Group's organs during the Spring Festival, Mid-autumn Festival, National Day and other important periods of time so as to strengthen supervision during festivals and holidays.

**Anti-Money Laundering.** We have promoted the Group Company and its subsidiaries to improve the anti-money laundering system and strengthened the construction of the anti-money laundering information system. As the leading unit, the Company and its subsidiaries procure AML blacklist data with its subsidiaries and continuously monitor the use of such data. We have organized our subsidiaries to conduct investigations on high-risk entities, carried out and participated in anti-money laundering related training, and submitted anti-money laundering work reports to regulators on time. In 2023, there were no closed corruption litigation cases or criminal

Percentage of people receiving anti-corruption training



cases related to money laundering at the Company level.

**Whistleblower protection.** With reference to the relevant policies and regulations such as the National Regulations on Letters and Visits, we have formulated the Measures for the Work of Letters and Visits of PICC Group, according to which we regulate the group-wide work of letters and visits, provide whistleblowing channels for internal employees, external customers, suppliers, etc., and strictly protect whistleblowers. Whistleblowers can use their real names or anonymous methods to implement "letters and visits" acts through online and offline channels such as telephone, traditional letters, and emails. We have also formulated the Measures for the Punishment of Employee Violations, the Implementing Rules for the Punishment of Employee Violations, and the Measures for the Accountability Management of Senior Executives (Trial), stipulating that if there is an incident of retaliation against a whistleblower, the Company will impose warning, serious demerit, demotion, dismissal or expulsion on the person directly responsible, depending on the severity of the incident.

## Comprehensive Risk Management

**Improving Risk Management Framework.** As the highest decision-making body for the Group's comprehensive risk management, the Board of Directors is responsible for the effectiveness of the comprehensive risk management work. It approves the medium- and long-term planning of the Group's risk management work, the overall objectives, risk management strategies, basic systems and significant risk solutions of the Group's comprehensive risk management, the Group-wide risk management policies, risk appetite and risk tolerance, the establishment of the risk management organization and its responsibilities, the Group's risk assessment report, solvency report, and capital planning, continuously monitors the risk profile, and supervises the management to effectively manage and control the risks, etc.

**The Group has established and improved a risk management framework that integrates vertical and horizontal aspects.** Vertically, the risk management framework runs through the Board of Directors, the management and all its functional departments, covering all business segments and all levels of branches of the Group. Horizontally, the "three lines of defense" of risk management are coordinated according to their respective functions. At the same time, we continued to optimize the risk management system, improved risk management capabilities, organized and carried out risk assessments, and ensured the effectiveness of risk management implementation. Under the framework of a unified risk management system of PICC, all its subsidiaries have established corresponding risk governance mechanisms and risk management systems in accordance with the Group's risk management policies and relevant management requirements.

**Improving the risk management system.** We have further improved the risk management-related system, various specified risk management measures, and the top-level design of the system. We have strengthened the management and control mechanism for the overall planning and coordination of the Group's risks and optimized the performance appraisal in relation to risk compliance. We have also improved the risk monitoring mechanism for key businesses, continuously optimized the monitoring process and reporting mechanism, emphasized on identifying new risks, and strengthened the dynamic monitoring of key businesses and key risks. We continued to improve the handling mechanism for major risk events, updated the Group's recovery and contingency plans, enhance the capabilities of responding significant risks, and smoothly resolve them.

We have established a risk assessment mechanism, continuously analyzed and evaluated various significant risks, and continuously strengthened the dynamic monitoring of risks. In addition to submitting and reporting the Annual Report to the Board of Directors, we conduct an in-depth assessment of the Group's overall risk profile every six months, analyze sensitive risk indicators and risks in key business areas on a monthly basis, and track the progress of significant risk matters on

a weekly basis. Meanwhile, we regularly conduct specific assessments and report the risks of the Group's overseas institutions and investments.

**Optimizing risk management tools.** In terms of the construction of the risk management environment, we have further improved the risk appetite system, optimized the stress test model and economic and non-economic factors, prepared the annual risk appetite statement as an effective tool to unify the risk management policy as a whole. At the same time, we have built the daily operation mechanism of the risk appetite system to promote the transmission and implementation of risk appetite to branches and business departments. In terms of risk information management, we have promoted the construction of an intelligent risk control platform to further improve the level of informatization and intelligence of risk management. In terms of risk screening, we have established an investment risk monitoring and screening mechanism, monitoring the market risk on a regular basis, and rolled out special risk screening in a timely manner, so as to effectively prevent investment risks on the basis of finding out the risk base.

**Improve the internal control system.** We established an internal control system with comprehensive coverage, prominent priorities, mutual checks and balances, as well as adaptability to the Company's actual situation. The system also featured appropriate cost effectiveness and risk orientation. The internal control system runs through the whole process of decision-making, implementation, and supervision. It covers various enterprises and matters of PICC Group and all subsidiaries. It focuses on significant business matters and high-risk areas. Moreover, it makes mutual restrictions and supervision in terms of governance structure, institutional settings, right and responsibility allocation, as well as business processes. Lastly, it takes into account operational efficiency and risk control.

**Continuing to strengthen audit supervision.** We have solidly promoted the construction of the third line of defense, established a complete set of business management mechanisms before, during and after audits, actively expanded the breadth and depth of audit supervision, and promoted issue identification, standardized management and facilitation of reform. In 2023, the Group Company carried out a total of 1,201 audit projects, including 315 economic responsibility audits, 607 institutional audits, and 279 special audits, continuously strengthening audit supervision in areas such as business compliance, anti-money laundering, anti-fraud, and consumer rights protection.





# Communications with Stakeholders

The PICC established an effective stakeholder communication mechanism. We understand the requirements, expectations, and recommendations of various stakeholders to the Company through communication activities such as results announcements and Customer Day. We also maintain a close and sincere dialogue with stakeholders and listen to their voices and demands. We also strive to respond to and meet their expectations, thereby winning their trust.

Enhancing communications with investors. PICC has enhanced its brand image in the capital market through effective dissemination through results release conferences, open days, news media and publicity matrices. We strengthened roadshows, introduced the Group's operational measures and high-quality development to investors and analysts, improved the information feedback mechanism, brought the opinions and suggestions of the capital market back to the management in a timely manner, and then transferred such opinions and suggestions to the business segments. We have established connections between our domestic and overseas investors, attracting domestic insurance AMCs, public and private equity funds, as well as international value investors. We provided convenience to small and medium-sized investors in attending shareholders' meetings, performance briefings and investor days. We closely communicated with small and medium-sized investors by IR phone calls, emails, and SSE e-Interactive platform. The response rate of questions raised on SSE e-Interactive platform was 100%, ranking the first among listed insurance companies. In 2023, the Company held 325 promotional meetings, communicated with 1,618 investors, and conducted 13 roadshows in Hong Kong and Singapore, and visited 21 institutional investors.



◀ On August 30, 2023, the Company held its 2023 interim results release conference in Beijing.

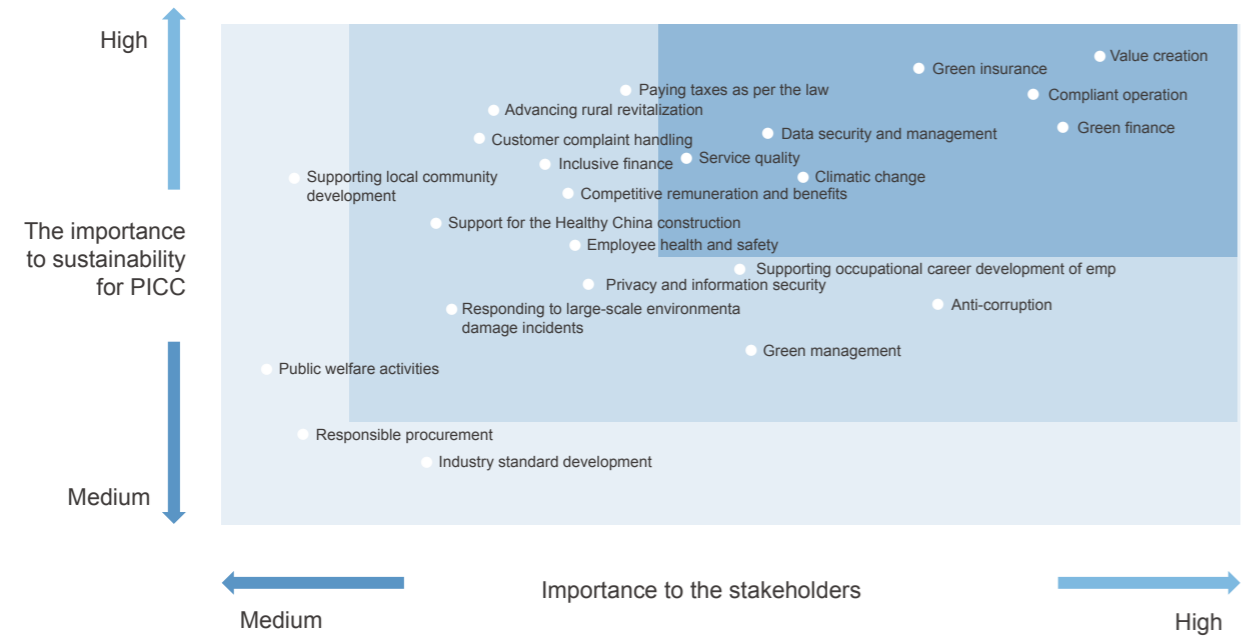
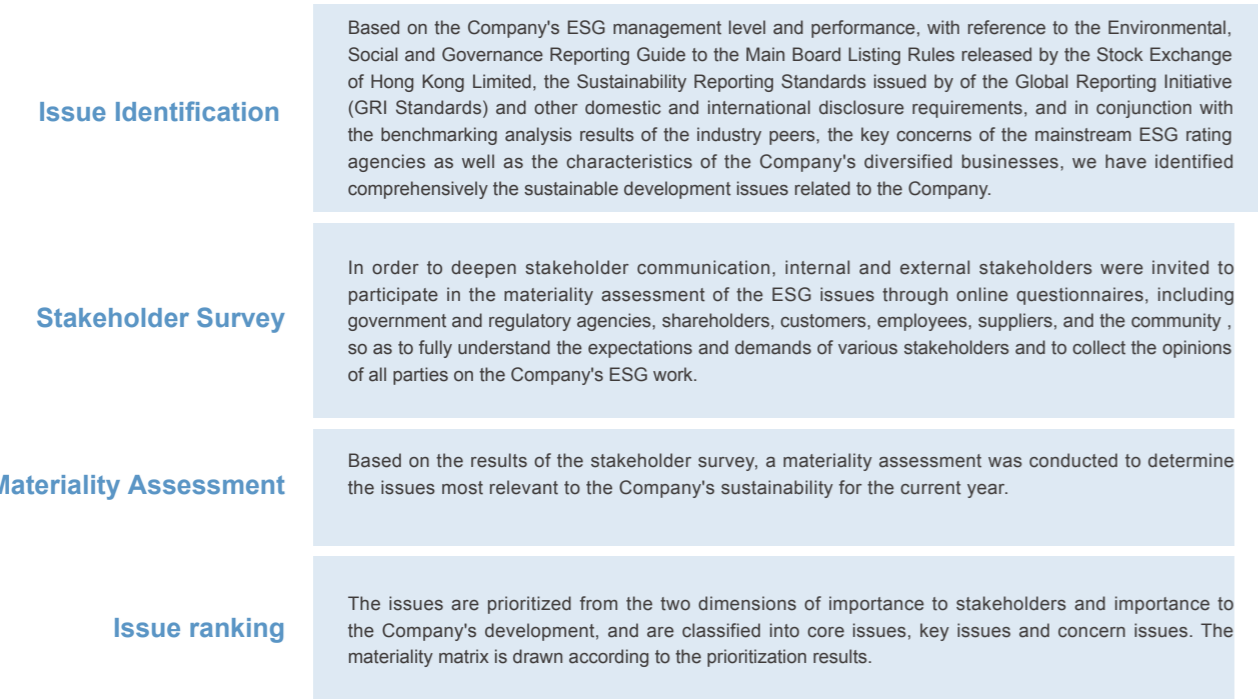


◀ On November 10, 2023, the Company held an Investor Day campaign in Ningbo City with the theme of "Using Risk Reduction Services to Facilitate High-Quality Development" to promote the Company's exploration, practice and achievements in risk reduction services to the capital market.

## List of Stakeholders

Stakeholders	Expectations of stakeholders	Participation and communication methods
Stakeholders and investors	Stable value growth Sound financial management Perfect corporate governance and operation Clean business environment Comprehensive risk management (including environment, society and governance) Responsible investment philosophy ESG rating results	Stakeholders' Meeting Annual report and announcements Results announcements Investor Open Day Response to ESG rating agencies
Customers	Diversified insurance products Quality and convenient services Protection of customer rights and interests Protection of customer privacy Services for disadvantaged groups	Customer Day Customer symposiums and return visits Special customer satisfaction investigations Media such as official Weibo and WeChat accounts Telephone hotline Company website and e-shop
Employees	Training and career development opportunities Right to democratic participation Occupational health and safety Peaceful and healthy working atmosphere Favorable benefits and salary system	Workers' Congress and the labor union Employee symposiums Career development plan Performance management Face-to-face and online training Mutual help and appreciation activities
Partners	Clean business environment Mutually beneficial partnership	Strategic cooperation agreements Standards & evaluations Industry associations
Government and Regulatory Authorities	Supporting the advancement of national strategic guidelines Legitimate business operations Serving national interests and shouldering the social responsibility befitting a central state-owned enterprise and listed company Contributing to industrial development and communication	Work meetings and exchanges with government departments Bringing insurance back to its roots to safeguard the social livelihood and making reports at regular intervals Participating in major topics and policy discussions of industry associations and societies
Society and public	Improving people's livelihoods Advancing social governance Charitable activities	Undertaking people's livelihoods-related projects initiated by the government Volunteer activities Charitable donation and targeted assistance
Natural environment	Green operations Protecting the environment Climate change	Product innovation Green insurance Green investment Energy saving and emission reduction Green public-service activities

**Identification of Material Issues.** In accordance with the requirements of sustainable development-related standards, national strategies and insurance industry norms, PICC identified issues related to sustainability through benchmarking analysis and stakeholder engagement, screened out key issues with strong materiality from the two dimensions of "importance to stakeholder evaluation and decision-making" and "importance to economic, environmental and social impacts", and fully integrated ESG issues into the Group's operation and management to strengthen sustainability management and practice. The steps for evaluating material issues are as follows:



## ASSURANCE STATEMENT

### SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE 2023 SUSTAINABILITY REPORT OF THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED

**NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**  
SGS-CSTC (hereinafter referred to as SGS) was commissioned by the People's Insurance Company (Group) of China Limited (hereinafter referred to as "PICC") to conduct an independent assurance of the Chinese version of PICC's < Sustainability Report > for 2023 (hereinafter referred to as "the Report").

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

**RESPONSIBILITIES**  
The information in the Report and its presentation are the responsibility of the governing body and the management of PICC. 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 PICC's stakeholders.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**  
The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards, which including:

- The principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) as:
  - GRI 1: Foundation 2021, for report quality
  - GRI 2: General Disclosure 2021, for organization's reporting practices and other organizational detail
  - GRI 3: Material Topics 2021, for organization's process of determining material topics, its list of material topics and how to manage 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:

- SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)

The 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	
1	The <Environmental, Social and Governance Reporting Guide> by HKEX
2	GRI Standards 2021 (Reference)

**ASSURANCE METHODOLOGY**  
The assurance comprised a combination of pre-assurance research, on-site interviewed with relevant employees including: The head-office of PICC and PICC Investment Holdings Company Limited, which is located in the PICC Building, No. 88, West Chang'an Street, Xicheng District, Beijing, P.R. China; The head-office of PICC Property and Casualty Company Limited, which is located at Tower 2, No. 2 Jianguomenwai Avenue, 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 data related to carbon emissions in the report was self-accounted by PICC, and the carbon data audit was conducted on the sampling basis during the assurance process. The on-site verification was only at the head-office of PICC and PICC Property and Casualty Company Limited, PICC Investment Holdings Company Limited. Relevant data and information traceability were only focused on the group level and the two sampled subsidiary companies.

This verification only conducted interviews with staff of PICC and the two sampled subsidiary companies, and access to relevant materials, and external stakeholders were not 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 PICC, 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 of CCAA registered ISO 9001, ISO 14001 and ISO 45001 auditor, SGS recognized ISO37001, SA8000 and CSR/ESG lead auditor.

#### VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, the specified performance information in the Report, including the scope of assurance is accurate, reliable, and has been fairly stated.

#### THE CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion, The Report of PICC for 2023 was prepared with reference to the Introduction and Mandatory Disclosure Requirements of the < Environmental, Social and Governance Reporting Guide> in the appendix C2 of the < Rules Governing the Listing of Securities on the HKEX>.

#### REPORT PRICIPLES

##### MATERIALITY

The substantive research and the analysis of stakeholders' concerns had been disclosed in The Report, and through materiality analysis, the impact of the environment, society and governance concerned by relevant parties is reported on a key basis, which matched with the principle of materiality.

##### QUANTITATIVE

PICC had provided statistics and analysis on key quantitative performance indicators and outlined their impact and purpose in the Report. The report compared data from some key performance projects over the past three years to assist stakeholders in evaluating their management performance better.

##### BALANCE

The Report basically matched with the principle of balance, the environment, social and governance subjects had been disclosed truthfully and impartially.

##### CONSISTENCY

A consistent methodology for disclosing relevant subject had been used by PICC, including statistical methodology and caliber for key quantitative performance indicators, some appropriate notes and explanations had been provided in the Report, so that the stakeholders can make clear comparisons.

##### MANAGEMENT APPROACH

The Report had disclosed the management approach of the selected subject in the <Environmental, Social and Governance Reporting Guide>.

##### General Disclosure

The PICCs disclosure of selected subject in the Report matches with the requirements of general disclosure of <Environmental, Social and Governance Reporting Guide>.

##### KEY PERFORMANCE INDICATOR DISCLOSURE

PICC had disclosed the key performance indicators about the selected subject of environmental, social and governance, which applicable to the <Environmental, Social and Governance Reporting Guide>.

##### FINDINGS AND RECOMMENDATIONS

Detailed report of the good practices, findings and recommendations for continuous improvement were presented in the SGS internal management report and submitted to PICC.

Signed:



For and on behalf of SGS-CSTC

David Xin  
Sr. Director – Business Assurance  
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar. 25<sup>th</sup>, 2024  
WWW.SGS.COM

## Index of the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Ltd (HKEX ESG)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure chapters
<b>Aspect A1: Emissions</b>		
General Disclosure	Relating to air <sup>①</sup> and greenhouse gas emissions <sup>②</sup> , discharges into water and land, and generation of hazardous and non-hazardous waste <sup>③</sup> ; the policies; and compliance with relevant laws and regulation that have a significant impact on the issuer	Reducing waste emissions
KPI A1.1	The types of emissions and respective emissions data.	Reducing waste emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Reducing waste emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Reducing waste emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Reducing waste emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Reducing waste emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Reducing waste emissions
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources <sup>④</sup> , including energy, water and other raw materials.	Promoting Green Operation in an Orderly Manner
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Promoting Green Operation in an Orderly Manner
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Conservation
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Promoting Green Operation in an Orderly Manner
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Conservation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	Promoting Green Operation in an Orderly Manner
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting Green Operation in an Orderly Manner

**Note ①:** Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.

**Note ②:** Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

**Note ③:** Hazardous wastes are those defined by national regulations.

**Note ④:** Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure chapters
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Tackling Climate Risks
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Tackling Climate Risks
<b>Employment and labour practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer	Protecting Employees' Rights and Interests
KPI B1.1	Total workforce by gender, employment type (for example, full-or parttime), age group and geographical region.	Adhering to Putting People First, Caring for Growth of Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Adhering to Putting People First, Caring for Growth of Employees
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer	Care for the Life of Employees
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Care for the Life of Employees
KPI B2.2	Lost days due to work injury.	Care for the Life of Employees
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Care for the Life of Employees
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training <sup>⑤</sup> activities.	Promoting Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Promoting Employee Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Promoting Employee Development
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Relating to preventing child and forced labour: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer	Protecting Employees' Rights and Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Protecting Employees' Rights and Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting Employees' Rights and Interests

**Note ⑤** : Air training refers to vocational training that may include internal and external courses that are paid for by the employer.

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosure chapters
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Strengthening Supplier Management
KPI B5.1	Number of suppliers by geographical region.	Strengthening Supplier Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Strengthening Supplier Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Strengthening Supplier Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Strengthening Supplier Management
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer	Promoting S&T Innovation, Optimizing Customer Service
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Optimizing Service System
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Serving Technological Self-reliance and Self-improvement
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy and Data Security
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Relating to bribery, extortion, fraud and money laundering: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer	Strengthening Compliance Construction
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Strengthening Compliance Construction
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Strengthening Compliance Construction
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Strengthening Compliance Construction
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Serving Rural Revitalization Serving Improvement in Living Standard Dedicated to Public Welfare and Charity, Actively Giving Back to the Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Serving Rural Revitalization Serving Improvement in Living Standard Dedicated to Public Welfare and Charity, Actively Giving Back to the Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Serving Rural Revitalization Serving Improvement in Living Standard Dedicated to Public Welfare and Charity, Actively Giving Back to the Society

# GRI Index

GRI standard	Disclosure	Disclosure chapters
<b>GRI 2: General Disclosures 2021</b>		
<b>Organizations and their reporting practices</b>		
2-1	Organizational details	About Us
2-2	Entities included in the organization's sustainability reporting	About Us
2-3	Reporting period, frequency and contact point	Preface
2-4	Restatements of information	Promoting Green Operation in an Orderly Manner
2-5	External assurance	External Assurance
<b>Activities and workers</b>		
2-6	Activities, value chain, and other business relationships	About Us
2-7	Employees	Deepening Cooperation and Exchanges, Promoting Multi-win Results
2-8	Workers who are not employees	Adhering to Putting People First, Caring for Growth of Employees
<b>Governance</b>		
2-9	Governance Structure and Composition	Improving Governance Capability
2-10	Nomination and selection of the highest governance body	Improving Governance Capability
2-12	Role of the highest governance body in overseeing the management of impacts	Improving Governance Capability
2-16	Communication of critical concerns	Communications with Stakeholders
2-19	Remuneration Policy	Protecting Employees' Rights and Interests
<b>Strategy, policy and practice</b>		
2-22	Statement on sustainable development strategy	Chairman's Address President's Address
2-26	Mechanisms for seeking advice and raising concerns	Comprehensive Risk Management Protecting Employees' Rights and Interests
2-27	Compliance with laws and regulations	Promoting Green Operation in an Orderly Manner Protecting Employees' Rights and Interests Privacy and Data Security Improving Governance Capability
2-28	Membership associations	Forging Ahead Together with the Industry
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	Communications with Stakeholders
<b>Communications with Stakeholders 2021</b>		
3-1	Process to determine material topics	Communications with Stakeholders
3-2	List of material topics	Communications with Stakeholders
3-3	Material topics management	Communications with Stakeholders
<b>GRI201: Economic performance in 2016</b>		
201-1	Direct economic value generated and distributed	ESG KPI
201-2	Financial implications and other risks and opportunities due to climate change	Tackling Climate Risks
201-3	Benefit Plan Obligations and Other Retirement Plans	Care for the Life of Employees

GRI standard	Disclosure	Disclosure chapters
<b>GRI203: Indirect economic impacts 2016</b>		
203-1	Infrastructure investments and services supported	Serving the Construction of Modern Industrial System
203-2	Significant indirect economic impacts	Serving the Construction of Modern Industrial System
<b>GRI205: Anti-corruption 2016</b>		
205-1	Operations that have undergone corruption risk assessment	Strengthening Compliance Construction
205-2	Communication and training about anti-corruption policies and procedures	Strengthening Compliance Construction
205-3	Confirmed incidents of corruption and actions taken	Strengthening Compliance Construction
<b>GRI 302 能源 2016</b>		
302-1	Energy consumption within the organization	Promoting Green Operation in an Orderly Manner
302-2	Energy consumption without the organization	Promoting Green Operation in an Orderly Manner
302-3	Energy intensity	Promoting Green Operation in an Orderly Manner
302-4	Reduction of Energy Consumption	Promoting Green Operation in an Orderly Manner
302-5	Decrease Energy Needs of Products and Services	Promoting Green Operation in an Orderly Manner
<b>GRI303: Water and effluents 2018</b>		
303-1	Interactions with water as a shared resource	Promoting Green Operation in an Orderly Manner
303-2	Management of water discharge-related impacts	Promoting Green Operation in an Orderly Manner
303-3	Water withdrawal	Promoting Green Operation in an Orderly Manner
303-4	Water discharge	Promoting Green Operation in an Orderly Manner
303-5	Water consumption	Promoting Green Operation in an Orderly Manner
<b>GRI304: Biodiversity 2016</b>		
304-2	Significant impacts of activities, products, and services on biodiversity	Serving green development
<b>GRI305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Promoting Green Operation in an Orderly Manner
305-2	Energy indirect (Scope 2) GHG emissions	Promoting Green Operation in an Orderly Manner
305-3	Other indirect GHG emissions (Scope 3)	Promoting Green Operation in an Orderly Manner
305-4	GHG emissions intensity	Promoting Green Operation in an Orderly Manner
<b>GRI306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	Promoting Green Operation in an Orderly Manner
306-2	Management of significant waste-related impacts	Promoting Green Operation in an Orderly Manner
306-3	Waste generated	Promoting Green Operation in an Orderly Manner

GRI standard	Disclosure	Disclosure chapters
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New employee hires and employee turnover	Strengthening Supplier Management
308-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Strengthening Supplier Management
<b>GRI 401: Employment 2016</b>		
401-1	New employee and employee turnover	Adhering to Putting People First, Caring for Growth of Employees
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Care for the Life of Employees
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-3	Occupational health services	Care for the Life of Employees
403-6	Promotion of worker health	Care for the Life of Employees
403-9	Work-related injuries	Care for the Life of Employees
<b>GRI 404: Training and education 2016</b>		
404-1	Average hours of training per year per employee	Promoting Employee Development
404-2	Programs for upgrading employee skills and transition assistance programs	Promoting Employee Development
<b>GRI 405: Diversity and equal opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	Adhering to Putting People First, Caring for Growth of Employees Enhancing Governance Capabilities
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Discrimination incidents and corrective actions taken	Adhering to Putting People First, Caring for Growth of Employees
<b>GRI408: Child labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	Adhering to Putting People First, Caring for Growth of Employees
<b>GRI 409: Forced or compulsory labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Adhering to Putting People First, Caring for Growth of Employees
<b>GRI 413: Local communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	Dedicated to Public Welfare and Charity, Actively Giving Back to the Society
413-2	Sites of operation that have an actual or potential significant negative impact on the local community	Dedicated to Public Welfare and Charity, Actively Giving Back to the Society
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	Strengthening Supplier Management
414-2	Negative social impacts in the supply chain and actions taken	Strengthening Supplier Management
<b>GRI 416: Customer health and safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	Not applicable
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable
<b>GRI 417: Marketing and Labeling 2016</b>		
417-1	Requirements for product and service information and labeling	Privacy and Data Security
<b>GRI 418 Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and Data Security

## SDGS INDEX

Goal 1 :No Poverty	Serving Rural Revitalization Supporting Designated Assistance
Goal 2 :Zero Hunger	Serving Rural Revitalization Supporting Designated Assistance
Goal 3 :Good Health and Well-being	Serving Improvement in Living Standard
Goal 4 :Quality Education	Participation in Public Welfare and Charity
Goal 5 :Gender Equality	Adhering to Putting People First, Caring for Growth of Employees
Goal 6 :Clean Water and Sanitation	Promoting Green Operation in an Orderly Manner
Goal 7 :Affordable and Clean Energy	Serving green development Accelerating Green Insurance Practicing Green Investment Promoting Green Operation in an Orderly Manner
Goal 8 :Decent Work and Economic Growth	Adhering to Putting People First, Caring for Growth of Employees
Goal 9 :Industry, Innovation and Infrastructure	Serving the Construction of Modern Industrial System Serving Technological Self-reliance and Self-improvement
Goal 10:Reduced Inequalities	Adhering to Putting People First, Caring for Growth of Employees
Goal 11 :Sustainable Cities and Communities	Promoting Green Operation in an Orderly Manner
Goal 12 :Responsible consumption and production	Promoting Green Operation in an Orderly Manner
Goal 13: Combat climate change	Tackling Climate Risks
Goal 16 :Life below Water	Serving green development
Goal 15 :Life on Land	Serving green development
Goal 16 :Peace, Justice, and Strong Institutions	Improving Governance Capability
Goal 17 :Partnership Goals	Deepening Cooperation and Exchanges, Promoting Multi-win Results



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