



中國再保險(集團)股份有限公司

CHINA REINSURANCE (GROUP) CORPORATION

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

Stock Code : 1508

2016

# Environmental, Social and Governance Report



專業 讓保險更保險

EMPOWER YOUR INSURANCE **BY EXPERTISE**

# About the Report

## China Re ESG Report Procedure

### Report Preparation

- Analysis of current situation
- Horizontal benchmarking
- Professional training
- Material collection

### Report Compiling

- Framework establishment
- Content compiling
- Content review
- Revision and improvement

### Report Release

- Report designing
- Report confirmation
- Report release
- Report summary

## Reporting Period:

From January 1, 2016 to December 31, 2016.

## Reporting Cycle:

The Environmental, Social and Governance Report (“ESG Report”) is published by China Reinsurance (Group) Corporation (“China Re” or “Group Company”) as an annual report, and this is the first ESG Report issued by China Re.

## Reporting Scope:

Unless otherwise specified, this reporting scope includes the environmental, social and governance (“ESG”) performance of Group Company and its subsidiaries including China Property & Casualty Reinsurance Company Ltd. (“China Re P&C”), China Life Reinsurance Company Ltd. (“China Re Life”), China Continent Property & Casualty Insurance Company Ltd. (“China Continent Insurance”), China Re Asset Management Company Ltd. (hereinafter “China Re Asset”), and Huatai Insurance Agency & Consulting Service Ltd. (“Huatai Agency”), in their main offices in the mainland China.

## Compilation Basis:

This report is compiled mainly with reference to the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) issued by The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

## Information Source:

This report is prepared mainly based on the management and archive documents of China Re, including regulations, statistics, documents and information.

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# 01

## About China Re

China Re is the only state-owned reinsurance group in China. In terms of reinsurance premium income, it ranks top in Asia and eighth in the world. It boasts deep Chinese culture, leading industry position and extensive brand influence.

### **Strong shareholder base and sound capital strength**

China Re was co-founded by the Ministry of Finance of the People's Republic of China and Central Huijin Investment Company Limited. In 2016, China Re's consolidated gross written premiums amounted to RMB86.677 billion, while total assets and net assets reached to RMB211.207 billion and RMB72.140 billion respectively as of December 31, 2016.

### **Leader in China reinsurance market**

China Re conscientiously fulfils its function of a reinsurer for the nation. It has rich heritage and experience, strong advantage in local resources, huge client base and diversified domestic and foreign business channels and has been playing the role of a main reinsurance channel in the insurance market of China.

### **Strong professional and risk management capabilities**

China Re has accumulated abundant industry data, preeminent professional and technical strength and powerful product innovation capacity. It also has management and technical teams with rich experience, efficient group-based control management, prudent risk management and solid fundamental management.

### **Ability of achieving a steady and sustainable development**

China Re has a well-established core business and a sound organization structure with complete industrial chain of insurance, which provides it with the ability of achieving a sustainable development and a steady profit growth. China Re has been rated "A (excellent)" by A. M. Best for six consecutive years and "A+" by Standard & Poor's for two consecutive years.

### **The first reinsurance group listed in Hong Kong**

On October 26, 2015, China Re was listed on the main board of the Hong Kong Stock Exchange, being the first reinsurance group listed in Hong Kong (Stock code: 01508.HK).

- Message from the Chairman

# About China Re

## Message from the Chairman



By having both reinsurance and insurance, domestic and international, underwriting and investment, China Re has created a complementary business pattern centering on reinsurance that is conducive to a synergistic environment. Benefiting from the huge development opportunities of the insurance and reinsurance market of China, the current business structure of China Re allows it to seize the growth and profit opportunities from various segments of the industry value chain.

In 2016, China Re adhered to the core values of “Integrity, Expertise, Responsibility, Aspiration”, proactively promoted the integration and coexistence of enterprise development, social progress and ecological improvement, and was dedicated to establishing a higher-level environmental, social and governance system. To serve for national strategy, China Re collaborated with the direct insurance industry to promote the development of China Agriculture Insurance and Reinsurance Community, China Nuclear Insurance Pool, and the Urban and Rural Residential Earthquake Catastrophe Insurance Community, to initiate the launch of the “Belt and Road Initiative” International Insurance and Reinsurance Community, to participate in the industrial infrastructure construction and innovation, and to take various measures to continuously deepen partnership. Besides, China Re actively developed customer service culture, focused on reinsurance beforehand services, implemented the Internet service platform, upgraded service commitments and adopted

customer-oriented strategy such as the big customer strategy, so as to constantly increase customer value and protect consumers' rights and interests. In 2016, the complaints per RMB100 million insurance of China Continent Insurance were the lowest, ranking the first among the top 10 property insurance companies. Moreover, China Re attached a great importance to employees' development, by recruiting 100 talents and training 100 talents in companies in Beijing, and promoting the "A Thousand Talents Plan" by China Continent Insurance, which facilitated talents cultivation and career development. China Re also actively supported the development of green insurance business, advocated green office by reducing the number of company cars, and encouraging low-carbon travel among employees, so as to make efforts for social sustainable development. China Re has been committed to poverty alleviation for poor area, and accumulatively made an investment of RMB14 million for poverty alleviation to Xunhua County of Qinghai Province. On December 14, 2016, China Re prepared and completed the establishment of Xunhua Branch of China Continent Reinsurance, which is also the liaison office for China Re's targeted poverty alleviation. Meanwhile, China Re actively practice corporate responsibility and the donation for the public good amounted to RMB7.07 million in 2016.

China Re will continue to keep the big picture in mind and stick to its original goal. Through practicing social responsibility, laying emphasis on reinsurance as its core business, speeding up the pace of innovation, coordination and development, China Re will enhance the value of the company, create better returns for the shareholders of China Re, bring employees with brighter career prospects, and contribute more to economic development and social construction.

Chairman of China Re

袁伟江



02

# ESG Management System

- ESG Idea
- ESG Management Structure
- Stakeholder Engagement
- Significance Assessment for Topics

# ESG Management System

## ESG Idea

As the mainstay in China's reinsurance market, China Re has always taken "becoming a world-class reinsurance group with outstanding expertise and eminent brand" as the vision. It is committed to serving China's insurance market, which has the greatest development potential in the world, and proactively practicing "going abroad strategy" to integrate itself into the global reinsurance market. China Re has profoundly realized that, as the leader in China's reinsurance market, it has to constantly grasp the opportunities in economic, environmental and social development, and manages relevant risks. China Re is ready to join hands with the other counterparts in the same industry to increase social security capacity, create a harmonious and bright future, and promote the sustainable development of enterprises and the society.

As a responsible corporate citizen, China Re has made long-term planning from four aspects of ESG Idea: operation, employment, environment and community, each with its core responsibility and goal, providing guidance for China Re to implement its ESG idea in its daily work.



## Operation

China Re always insists on serving national strategy, creating more returns for shareholders, and promoting industry development. According to the market demand, China Re makes constant innovation and optimizes services. Adhering to compliance, transparent and honest operation, China Re conveys the idea of sustainable development to stakeholders, shoulders market responsibility, and is committed to promoting the sustainable development of insurance and reinsurance market.

## Employment

China Re takes a fair and impartial attitude, and establishes smooth staff communication channels to protect employees' legitimate rights and interest. Besides, China Re also provides diverse channels for staff training and career development, and creates a quality and safe work environment, so as to practice its responsibility as an employer with which employees are satisfied.

## Environment

China Re always advocates an operation idea of low carbon, energy conservation and environmental protection, and is aware of and proactively assumes its responsibility to the environment. By green operation and green procurement, China Re continuously reduces the consumption of natural resources and energy, and the production of waste, so as to reduce environment pollution caused by its operation. In addition, China Re continuously facilitates environmental improvement of the society through business development.

## Community

China Re always cares about the public, and integrates community development demands into its business design and development. Through organizing and participating in diverse public welfare activities, China Re encourages employees to practice corporate social responsibility together. Through building a partnership with the community and practicing its community responsibility, China Re makes a contribution for building a sustainable and harmonious society.



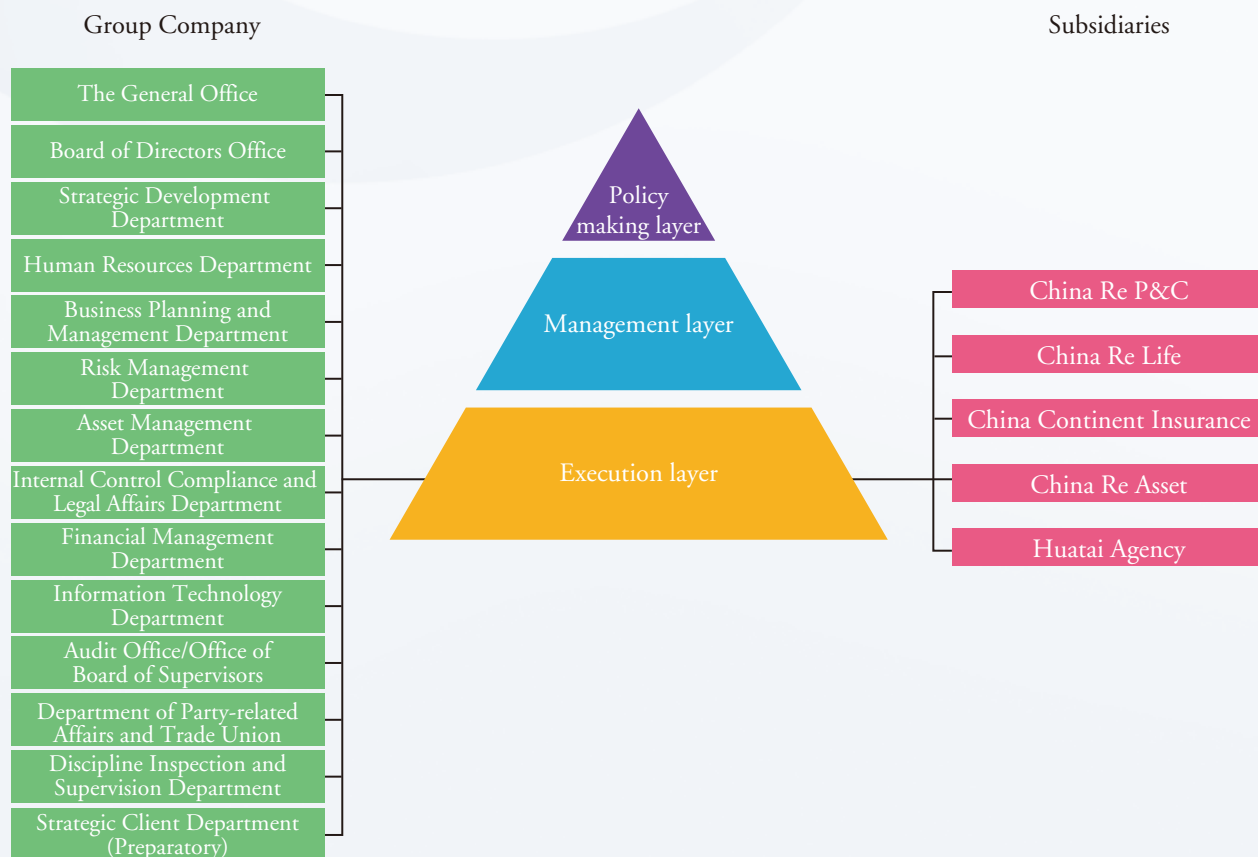
## ESG Management Structure

China Re has established a complete ESG management structure:

- **Policy-making layer:** The senior management of China Re is the policy-making layer, which is responsible for developing the overall ESG strategy.
- **Management layer:** The ESG team is mainly responsible for carrying out the ESG strategy made by the decision-making layer, directly managing the ESG performance of all departments and subsidiaries, and eventually reporting and making suggestions to the policy-making layer.
- **Execution layer:** Various departments and subsidiaries of China Re are the implementers of the ESG strategy, and cooperate with the management layer to complete related tasks.

A clear ESG management structure effectively helps China Re to promote its strategic deployment. With the environmental and social risk management ideas, China Re continues to improve its corporate governance and operation system, and gradually achieves the operation goal of diverse management systems, professional functions, network channels, information security, and explicit responsibility, so as to continuously improve China Re's overall management, better serve the national strategy, create more returns for shareholders and promote the development of the industry.

China Re's ESG Management Structure



## Stakeholder Engagement

Continuous and effective stakeholder engagement through various channels is an indispensable part of China Re's operation management system. China Re believes that, only through timely and correct understanding of major stakeholders' expectations and requests, taking proper responses and actions, can it better manage its own environmental and social risks, and create more value for stakeholders. At the same time, the process of building a relationship of mutual trust and benefit with stakeholders contributes to business and activities that better satisfy their expectations as well as increase stakeholders' overall satisfaction towards China Re.

### Major Stakeholder Identification and Major Stakeholder Engagement Events in 2016

Given the characteristics of the overall business and operation, China Re identified its major stakeholders, including government and regulators, shareholders and investors, employees, suppliers, clients, partners, and community and the public. In its ESG management practice, through continuously improving the communication mechanism, China Re set up a variety of communication channels for effective communication with main stakeholders, so as to ensure its excellent service to satisfy stakeholders' real demands, and to continuously improve its management based on stakeholders' advice.

Stakeholders	Communication channels	Topics of concern
Government and regulators	Major conferences, policy consultancy, reports, visits, correspondences, information disclosure	<ul style="list-style-type: none"> <li>• Compliance operation</li> <li>• Corporate governance</li> <li>• Energy conservation and emission reduction</li> </ul>
Shareholders and investors	General meetings of shareholders, annual reports of the Company	<ul style="list-style-type: none"> <li>• Profitability</li> <li>• Business strategy</li> <li>• Transparency of information disclosure</li> </ul>
Employees	Employees' satisfaction survey, activities, employees' congress, training, staff handbook, internal publication of the Company	<ul style="list-style-type: none"> <li>• Salary and welfare</li> <li>• Development and training</li> <li>• Occupational health and safety</li> </ul>
Suppliers	Site visits by suppliers, meetings	<ul style="list-style-type: none"> <li>• Fair cooperation</li> <li>• Integrity and fulfilment of promises</li> </ul>
Clients	Client's visits, client satisfaction survey, complaint hotline	<ul style="list-style-type: none"> <li>• Service quality</li> <li>• Privacy protection</li> </ul>
Partners	Strategic cooperation negotiation, exchanges and visits	<ul style="list-style-type: none"> <li>• Fair cooperation</li> <li>• Integrity and fulfilment of promises</li> <li>• Mutual development</li> </ul>
Community and the public	Public welfare activities, community activities, corporate recruitment talks and internship opportunities	<ul style="list-style-type: none"> <li>• Social welfare activities</li> <li>• Community relationship</li> <li>• Employment promotion</li> </ul>



## Government and Regulators

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As a core national reinsurance company, China Re has always regarded serving the national strategy as a priority, and formed a deep understanding of its mission of “diversifying economic operational risks and assisting the robust development of the insurance industry”.

Through policy studies, work reports and other ways, China Re has maintained a smooth communication with government and regulators.

On the basis of compliance operation, China Re lives up to the expectations from the government and regulators on its function of national reinsurance. China Re has substantially and effectively dispersed the risks and responsibilities of insurance, and facilitated the role of the insurance industry in economic compensation, financing and supporting social management, thus making great contribution to maintaining social and economic stability and building a harmonious society in an all-round way.

- Since the comprehensive pilot promotion of “replacement of business tax with value-added tax” by the State Council on May 1, 2016, China Re, as the director of the Property Reinsurance Committee to the Insurance Association, together with companies of reinsurance, insurance, and insurance agencies, set up a working group, to carry out in-depth study on relevant policy documents and project plans, and to reach consensus among the industry. Through full communication with regulators and governmental departments, the working group actively strived for policy support, and effectively promoted policy implementation.
- China Re constantly carried out the Insurance Project on Potential Quality Defects in Construction, maintained communication and exchange with China Insurance Regulatory Commission and its various provincial bureaus, the Ministry of Housing and Urban-Rural Development and its subordinate departments, and the Ministry of Commerce, and proactively participated in researches. As the deputy chief company of Shanghai working group, China Re assumed core work such as design of clause, premium rate and reinsurance model, and the building of management platform, contributing to accumulating rich experience for promoting the project nationwide.



## Shareholders and Investors

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Shareholders and investors are important stakeholders of China Re.

Through regular and extraordinary shareholder meetings and timely release of various periodic reports and interim announcements, China Re ensures that shareholders and investors are timely informed of its management achievement and major events, and improves the benign interaction and information exchange with investors, so as to establish and maintain a good relationship with investors and to actively respond to the expectations of shareholders and investors on investment returns and sound corporate operation.

- In 2016, China Re formulated the *Interim Measures on Investors Management of China Reinsurance (Group) Corporation* to further improve the content and workflow in maintaining investor relationship and to increase the communication with investors and the capital market.
- In 2016, China Re released the *Performance Announcement 2015*, the *Annual Report 2015*, the *Interim Results Announcement 2016*, the *Interim Report 2016*, the *Corporate Responsibility Report 2015*, over 80 temporary announcements regarding to listed issues, and over 20 announcements related to China Insurance Regulatory Commission.
- In 2016, China Re actively reacted to the market changes, and the overall business had a steady increase. The net profit attributable to equity shareholders of the parent company was RMB5.146 billion, the earning per share was RMB0.12, and the weighted average return on equity was 7.28%.



## Employees

Sticking to the “people-oriented” principle, China Re attaches great importance to employees’ suggestions and feedbacks, and establishes smooth channels to encourage employees to express their ideas and bring forward suggestions and opinions. China Re holds the Employees’ Congress, Democratic Life Meetings, and sets up compliant hotline, so as to proactively listen to employees.

- In 2016, China Re held an activity themed “Make a Suggestion to China Re”, in which employees provided suggestions relating to business management, strategic positioning, market development, brand publicity, Party and League development, and human resources development.
- On December 22, 2016, the 19th Employees’ Congress was held by the Labor Union of China Re, at which the *Interim Measures for Performance Evaluation of China Reinsurance (Group) Corporation* was considered and passed.





## Suppliers

To ensure a fair procurement, China Re publishes its purchasing requirements to suppliers, and ensures that all suppliers obtain the same information through the same channel. The channels of communication with suppliers mainly include meetings, telephone calls and face-to-face communication, so as to ensure a smooth delivery of information between itself and suppliers, clarify the content of supply and demand and cooperation details, resulting in a win-win result.



## Clients

In order to understand clients' needs and follow up their feedbacks, China Re set up diversified channels of communication. Through revisiting and organizing training for clients, China Re conducts in-depth discussion with clients on their requirements and business innovation. At the same time, China Re actively carries out service satisfaction survey, ensuring it to discover the areas for improvement during providing services in a timely manner.

- On September 8, 2016, Chairman Yuan Linjiang and President Zhang Hong led a delegation to visit important government and private enterprises in Shanghai. They introduced the latest reform and development of China Re to clients, and emphasized that China Re sticks to the core of businesses of reinsurance. Through laying emphasis on reinsurance as its core business and innovative products and services, China Re would further deepen cooperation with important government and private enterprises.
- On September 28, 2016, China Re P&C held "2016 China Property Reinsurance Market Seminar", to discuss on the status quo and prospect of domestic property market, the implementation progress of "replacement of business tax with value-added tax" for reinsurance, the general aviation insurance pricing system and its application in insurance management, the solar radiation power index insurance, review and reflection on the "August 12" massive fire and explosion accident in Tianjin Port, the urban waterlogging risk assessment and management, and insurance innovation and risk management. Representatives from the Insurance Association of China, Shanghai Insurance Exchange and more than 70 insurance institutions attended the seminar.
- In May 2016, China Continent Insurance carried out the "May 20 Customer Service Day", which lasted for a month. Through more than 1,900 service outlets all over China and various Internet platforms such as "China Continent Insurance" APP, WeChat, weibo, and websites, the company collected brilliant ideas and inspirations from its customers, upgraded customer service commitments, and released innovative claims, achieving a direct communication with customers.



## Partners

Enhancing the cooperation with industry partners is a prerequisite for business development. Through various forms such as seminars and business visits, China Re deepens mutual understanding with industry partners to identify opportunities and expand cooperation scope, so as to achieve a win-win result.

- On April 7, 2016, China Nuclear Insurance Pool (CNIP) successfully held a Seminar for Hot Spots on Nuclear Power and Nuclear Insurance. As the management company chairman entity of CNIP, China Re enhanced understanding of the hot topics related to nuclear power and nuclear insurance through this seminar, and is looking forward to providing protection together with other members for the development of nuclear power and energy.
- In April and November, 2016, the fourth and fifth general meetings of China Agriculture Insurance and Reinsurance Community (CAIRC) were held respectively. China Re, as the management institution of CAIRC, and its partners actively discussed how to provide sustainable and stable reinsurance support for agricultural development.
- On December 23, 2016, China Re entered into strategic cooperation agreement with China Merchants Group. The signing of the agreement represents a new stage and new chapter for the cooperation of the parties.
- On December 26, 2016, based on substantial communication on businesses and cooperation potentials, China Re entered into a strategic cooperation agreement with China Development Bank, to work together for the national strategy of “going abroad”.







## Community and the Public

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In order to better integrate enterprise value with social impact, China Re emphasizes community development and care for the public. Through site investigation and seminars, China Re forms accurate understanding of community demand, and makes tailored policy to ensure concrete results of its donations and community investment.

- Between June 13 and 17, 2016, to enhance poverty alleviation through finance and to innovate targeted poverty alleviation as well as to give play to the leading role of the enterprise, China Re organized its five subsidiaries to conduct investigation on poverty alleviation in Xunhua County, Qinghai Province. The investigation visited 5 local companies, 4 schools, 2 poor villages, and 10 poor families, to understand their poverty. Based on the analysis of the causes of poverty, the team had a face-to-face communication with the head of the Party organization and the people to explore the path of getting rid of poverty and becoming better off.
- Between December 6 and 9, 2016, to actively explore the way for non-fixed-point poverty alleviation, and to earnestly crack the crucial tasks in poverty alleviation, China Re went to Tongren City of Guizhou Province, Taijiang County, Qiandongnan Miao and Dong Autonomous Prefecture, to conduct research on poverty alleviation work. On the basis of full understanding of the demand for the site on poverty alleviation, China Re formulated and implemented appropriate policy.



## Significance Assessment for Topics

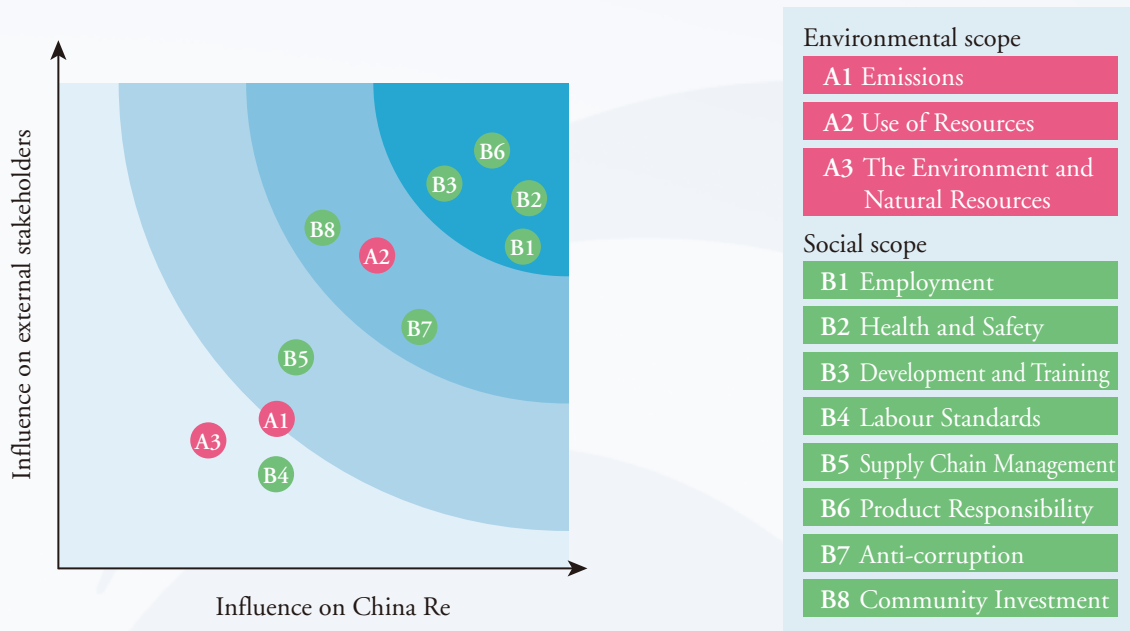
Based on the above mentioned diverse communication channels, China Re also conducted ancillary questionnaires to identify major stakeholders' concerns in a more comprehensive way, which is also a basis for the ESG Report and future improving actions.

Workflow for materiality assessment;

- Identify the scope of major internal and external stakeholders based on their dependency and influence on China Re;
- Determine the assessment scope including 43 topics from 11 aspects of 2 areas in accordance with Hong Kong Stock Exchange's ESG Reporting Guide;
- Assess the significance of topics: the factors that internal stakeholders consider include but are not limited to the influence on China Re's strategy, policies, procedures and commitment, the influence on competitive advantages and management, and the influence on current and future finance; the factors that external stakeholders consider include but are not limited to the influence on China Re's evaluation and decision making, as well as the influence on stakeholders' own interests;
- The management reviews the ranking of topics, and reports to the policy-maker, so that the policy-maker makes strategic deployment and adjustment based on major stakeholders' concerns;
- Review. After the end of this reporting period, China Re will review the ESG performance, and make targeted improvement in terms of ESG management.

### ESG Significance Assessment Results:

Based on the final assessment by major internal and external main stakeholders on ESG topics, a matrix on 2016 ESG topics is made, indicating the key issues, i.e. the topics of mutual concern to both internal and external stakeholders. As shown in the matrix, the key issues include employment, health and safety, development and training, and product responsibility. China Re will focus on these identified key issues of 2016 and respond to the major stakeholders.



# 03

## Improving Operation

In 2016, China Re completed the formulation of its “13th five-year” plan, and formed a strategy of “One-Three-Five”, namely: “one core, three breakthroughs and five leaps”, highlighting its nature of reinsurance. China Re took reinsurance as the core for development, sped up the improvement of overall business deployment and actively cultivated new area for growth under the premise of controllable risk and efficiency. Centering on ensuring the implementation of the strategy, China Re adhered to the group-based management idea of “to grasp the two ends to motivate the middle”, further optimized its group-based management mode and organizational structure by streamlining its administration and delegating its power to lower levels, and strengthened market-oriented evaluation and risk control construction, further improving its basic management ability. In addition, China Re adhered to enhancing its own integrity construction and supply chain management, so as to establish a sound corporate and brand image, and strive to become a benchmarking enterprise for the insurance and reinsurance industry.

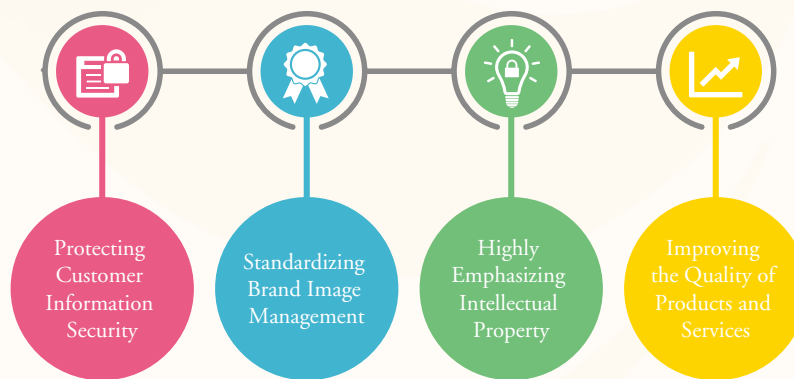
China Re will continue its hard work and glory.

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- Product Responsibility
  - Procurement Management
  - Strict Anti-Corruption

# Improving Operation

## Product Responsibility

China Re has been carrying out the service idea of customer first, and provides high quality reinsurance and insurance services to the society and its public clients with a good reputation. To further improve the quality of customer service and protect the interests of insurance consumers, China Re carries out strict management in protecting customer information security, standardizing brand image management, highly emphasizing intellectual property as well as improving the quality of products and services, and shoulders its due “brand social responsibility”, while protecting its own legitimate interests.



## Protecting Customer Information Security

China Re attaches great importance to the protection of customer information and privacy. The *Staff Handbook* of China Re clearly specifies that employees shall protect customers' or potential customers' information obtained from their posts or other channels, such as commercial secrets and related intellectual property information.

In the process of implementing the information protection management framework, China Re encourages its subsidiaries to set up related management system for information security protection. China Continent Insurance established a scientific and effective information safety management system, and has obtained the ISO27001 Information Safety Management System Certificate.

The information security management system covers the following important points:

- The *Administrative Measures for Safe Operation* and the *Administrative Measures for Customer Information* were formulated in accordance with the *Regulations of the People's Republic of China on Protecting the Safety of Computer Information Systems*
- The organizational responsibility, confidentiality requirement, collection and maintenance process and the use requirement of customer information management were clarified based on the principles of centralized management, risk control, consistent specification, and one record for one customer

- Centralized system management and regular authority review of the system were used to safeguard information use safety and customers' interests
- The screening system, telephone communication system and distribution management system were established to enhance the lists management, comprehensively protect customer' privacy and legitimate interests, and fulfill various commitments in a timely manner



### Standardizing Brand Image Management

As the brand represents an enterprise's external image. China Re deeply recognizes that brand image is an important intangible asset for an enterprise, and plays an important role in its future development. In this regard, in external publicity and brand management, China Re strictly observed relevant laws and regulations such as the *Advertisement Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Interim Measures for the Administration of Internet Advertising*. Also, China Re established a series of brand management systems such as the *Administrative Measures for Brand Publicity of China Reinsurance (Group) Corporation*, the *Measures for Website Management of China Reinsurance (Group) Corporation*, the *Management Measures for Reputation Risk of China Reinsurance (Group) Corporation*, as well as a series of management rules such as the *Management Rules for News Release of China Reinsurance (Group) Corporation* and the *Handbook of Visual Identification System of China Reinsurance (Group) Corporation*, so as to effectively protect its brand image.

According to the relevant provisions and requirements of the Trademark Office of the State Administration for Industry & Commerce, China Re constantly standardizes its trademark management, continuously conducts daily monitoring on its trademark and domain names, objects to or makes announcement of invalidation for similar trademarks, so as to protect its trademark interests according to the law. In case of unauthorized use of China Re's name for advertisement release or other promotional event, China Re shall immediately hold their accountability according to the law.



### Highly Emphasizing Intellectual Property

China Re values all enterprises' intellectual property rights, as intellectual property is the core competitiveness for every enterprise to gain its market share. China Re undertakes to strictly comply with relevant laws and regulations on intellectual property such as the *Patent Law of the People's Republic of China*, and developed relevant rules, such as the *Administrative Measures for Legal Affairs of China Reinsurance (Group) Corporation*, so as to standardize its intellectual property management and fully respect others' legitimate interests.

For intellectual property rights such as outsourcing patents and software, China Re obtains valid certification of ownership or use authorization. The legal affairs management department reviews and approves relevant legal documents such as contracts and agreements. Relevant technical professionals, patent agencies, and law professionals will be appointed to provide advisory services where necessary. At the same time, China Re's subsidiaries make efforts in relevant copyright protection work in their advertisement investment, promotional materials production, and other external brand publicity, so as to avoid intellectual property infringement.



## Improving the Quality of Products and Services

As the only state-owned reinsurance group in China, China Re continues to explore, develop and improve its products and services, striving to become the leading enterprise in the reinsurance industry. At the same time, China Re deeply understands that the improvement of services quality should not only be reflected in providing customers with diversified products, but also in the fact of customer satisfaction.

China Re's reinsurance business mainly involves providing facultative companies with reinsurance risk assurance and other services, while complaints about products and services are mainly from facultative companies. Based on friendly cooperation, China Re keeps full communication with facultative companies to understand customers' opinions and suggestions for products and services, and makes timely improvement for the deficiency of the products and services. In addition, China Re actively organizes facultative clients to participate in service requirement questionnaire survey, satisfaction survey and customer training results assessment.





### China Re P&C: Satisfaction Survey

In 2016, the customer service directory exclusive services provided by China Re P&C to 16 important customers added up to 117. Among these, the customized services accounted for 85%, highlighting the precise-service orientation.

Targeting at the final service evaluation, China Re P&C sent formal letters to persons in charge of the Reinsurance Department of 16 company customers: “Invitation Letter to Fill in the Year 2016 Form of Customer Service Directory Evaluation by China Re P&C” and the “2016 Evaluation Form of Customer Service”. 16 customers all participated in the evaluation and provided feedback. Among them, more than 85% of the service contents were rated as “very good” or “good”, and there was no negative feedback. For customer evaluation, China Re P&C made analysis and summarization on the whole process of service, and made plans to improve customer service in the subsequent connection and following up process.



### China Re Life: Developing New System

In order to raise the quality of customer service, strengthen the accurate control of links such as underwriting contract and pricing, and to improve business processing efficiency, China Re Life specially designed and developed the Customer Support System (CSS). CSS collects all kinds of customers’ complete and detailed information, makes accurate portrait of customers, and makes personalized customer service strategy. The reasonable use of company resources and efficient response to customer demand well improved customer service. The efficient management of information such as contact persons and meeting activities concentrates the originally fragmented information centralization and makes information structured, thus to effectively connect scattered information and lay a foundation for digging customer information. In 2016, the CSS System had 1,607 effective records of customer activities, an average 134 per month, to timely capture customer demand and to enhance diverse cooperation.

In August 2016, the intelligent CRE (China Re Life Rules Engine) System developed by China Re Life passed the appraisal and acceptance. The system is the first Chinese intelligent underwriting system of China Re Life’s independent research and development covering electronic insurance, rules engine, artificial underwriting workbench (including facultative insurance processing) and the whole process of rule management. It can provide insurance companies with solutions to insurance buying, underwriting and facultative insurance processing, which fully reflects the reinsurance risk management concept of China Re Life. China Re Life has reached consensus with many insurance companies on CRE cooperation intention. This is also another innovative measure in IT service in addition to the independent research and development of SRE independently developed for E-business and online business, substantially increasing the efficiency and quality of insurance companies.





### China Continent Insurance: Establishing Customer Complaints Management System

China Continent Insurance, an insurance representative subsidiary of China Re, established a management system for customer complaints which meets its own requirements, including:

- *Complaints Management Measures* and *Complaints Handling SOP* were formulated for complaint handling in accordance with the *Measures for the Administration of Handling of Insurance Consumption Complaints* issued by China Insurance Regulatory Commission
- The national service hotline 95590 (24 hours per day, 365 days a year) has been set up to provide all-weather services such as reporting, consultancy, complaints, underwriting insurance and claiming information inquiry and callback
- The complaints due to insurance customers' dissatisfaction of products or services during business handling and service acceptance shall be accepted, delivered, handled, reviewed and closed in accordance with related system

To ensure that each complaint is timely and properly handled, China Continent Insurance has strict requirements on the timing and efficiency of complaint handling. Customers who make a complaint shall be connected within half an hour after the complaint, and a complaint case shall generally be closed within three working days. In view of special complaints, China Continent Insurance carries out supervision for major complaints and coordination and consultation for complicated complaints, so as to proactively resolve disputes and timely respond to customers' demands, which is a true reflection of China Re's core values of "Integrity, Expertise, Responsibility, Aspiration".



### China Continent Insurance: Keeping Pace with the Times, and Settling Insurance Claims Fast and Conveniently

In 2016, China Continent Insurance launched four "eras" for car insurance claims, so that customers can enjoy simple, convenient, warm services, resulting in customers' extensive affirmation and praise. The four "eras" include:

- The "friends era" featured by claims through WeChat
- The "small era" featured by direct claims through phone calls
- The "intelligent era" featured by simple and fast claims
- The "assisting era" for personal injury claims

In 2016, WeChat claims odds below RMB 5,000 of China Continent Insurance accounted for 18.2%, and the average period of loss assessment was 0.6 days. The closing rate of cases on the day of claiming through phone calls was 97.25%, and the average closing period was 1.55 hours. The proportions of simple and fast cases closed within 24 hours, 48 hours and 72 hours were 30.6%, 53.3% and 65.0% respectively. The non-prosecution rate of personal injury cases was 42.0% and the prosecution rate was 38.3%, which was a great year-on-year improvement.



### China Continent Insurance: Complaints Management Performance

- China Continent Insurance 95590 hotline connection rate: 98.80%
- Complaints timely contact rate: 99.19%
- Complaints timely solution rate: 95.77%

In 2016, the number of complaint to regulators per 100 million insurance fee of China Continent Insurance was 0.59, whereas that of the whole industry was 1.08. China Continent Insurance ranked the 6th among the 60 property insurance companies, and had the lowest complaints rate among the top 10 property insurance companies, ranking the first.



### China Continent Insurance: May 20 Customer Service Day

The May 20 Customer Service Day lasting for a month by China Continent Insurance centered enhancing customer service capabilities, creating customer service atmosphere and giving back to customers. Themed with “Being Grateful for you, and Advancing with Love”, it created a feast of customer service, and attracted millions of customers’ enthusiastic attention and active participation. Through more than 1,900 service outlets all over China and various Internet platforms such as “China Continent Insurance” APP, WeChat, weibo, and websites, the company collected brilliant ideas and inspirations from its customers, selected hundreds of “Goodwill Ambassadors”, and carried out “Refueling for Love” caring activities. The company also upgraded customer service commitments, released innovative claims, and launched products themed with “escort for love”.



## Procurement Management

China Re has established a sound procurement system and strict procurement procedures, and sticks to the principle of openness, fairness, justness, honesty, competition and benefit, so as to standardize procurement activities, strengthen compliance management, save procurement costs and improve procurement performance.



### Standardizing Procuring Behavior

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In order to prevent bribery and corruption during procurements, China Re specially formulated the *Measures for Procurement Management of China Reinsurance (Group) Corporation*, with a sound mechanism to guarantee open, fair and just selections for suppliers. During the procurement review, supervisors are involved to supervise the whole process of procurement. The Management Measures clearly specifies prohibited behaviors in procuring activities, and requires the Discipline Inspection and Supervision Department and the Audit Department to supervise all phases of centralized procurement, and supervise and review procurement projects. Any unlawful or indiscipline behaviors identified during procurement will be handled according to relevant regulations, and even handed over to judicial organs for criminal liability according to the law in case of criminal event.



### China Continent Insurance: Occupational Training for Procurement Staff

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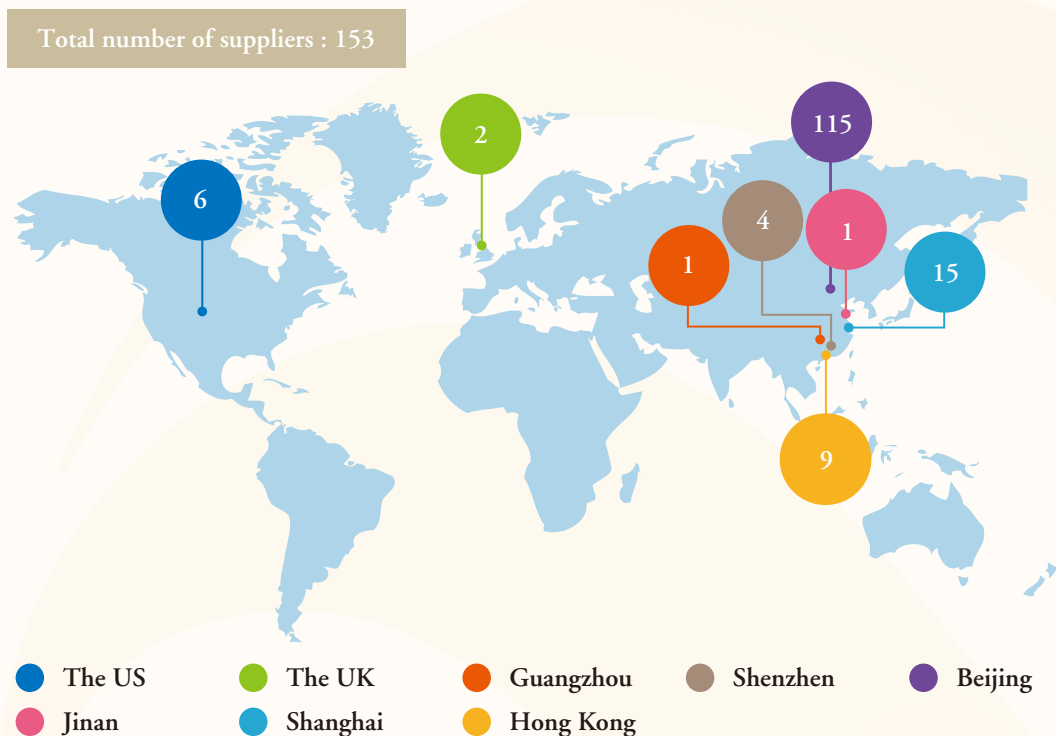
In 2016, China Continent Insurance enhanced occupational quality training and promotion for relevant procurement staff by way of training. The training consisted of two video conferences and one centralized training, focusing on compliance, legitimacy and integrity requirements on procurement.



## Strengthening Supplier Management

China Re respects suppliers' service, and also strictly controls the quality of service. Besides, comprehensive evaluation feedback is conducted on selected suppliers in a timely manner to guarantee the interests of both sides. For all suppliers, China Re makes specific technical indicators for procurement, and clearly requires that suppliers shall not violate relevant state laws and regulations.

### Statistics on number of suppliers at the Group Company level



## Environmental Protection Comes First: Purchase and Decoration of Office

The environmental issues of workplace directly affect the health and safety of employees. When choosing the suppliers of office building, China Re first requires suppliers to provide the approval documents of the environmental impact assessment for the construction to guarantee it conforms to relevant national environmental protection regulations.

In 2016, China Re Life had part of the office place decorated, and appointed Beijing Municipal Institute of Labor Protection to conduct a test on the indoor air quality of the decorated place. The results showed that the indoor concentration of formaldehyde, benzene and total volatile organic compounds was lower than the national standard limit, ensuring that the decoration materials used met the environmental standards.



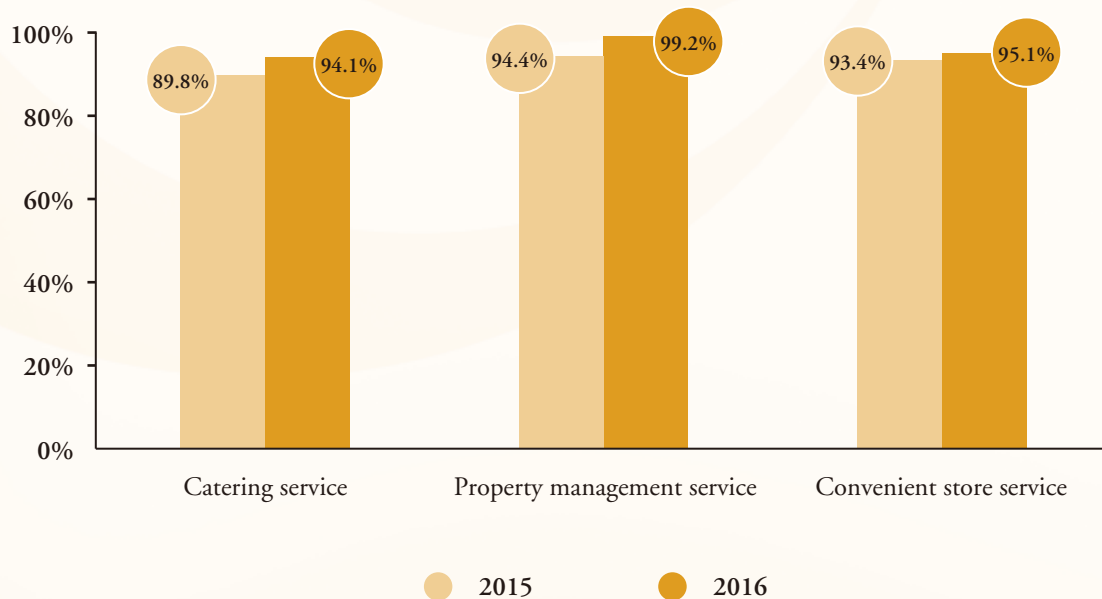
### Three Criteria in Choosing Catering Supplier: Health, Safety and Environmental Protection

In 2016, the catering supplier selected by the Headquarters Mansion of China Re was awarded “2015 Top 100 Chinese Food Enterprises in Terms of Social Responsibility” and “Customer-Trustworthy Enterprise” by the Annual Social Responsibility Conference Committee of China Food Enterprises’ Society Responsibility.

In terms of catering supplier management, China Re pays special attention to supplier’s choice of ingredients, employees’ health and safety management, dining environment and proper disposal of kitchen waste. China Re arranges special staff to carry out regular inspection of the catering suppliers, and timely urges them to rectify problems identified.

China Re carries out satisfaction survey among employees on the suppliers at Headquarters Mansion each year. The increasing satisfaction rate year by year indicates the effect of China Re’s strict management on suppliers:

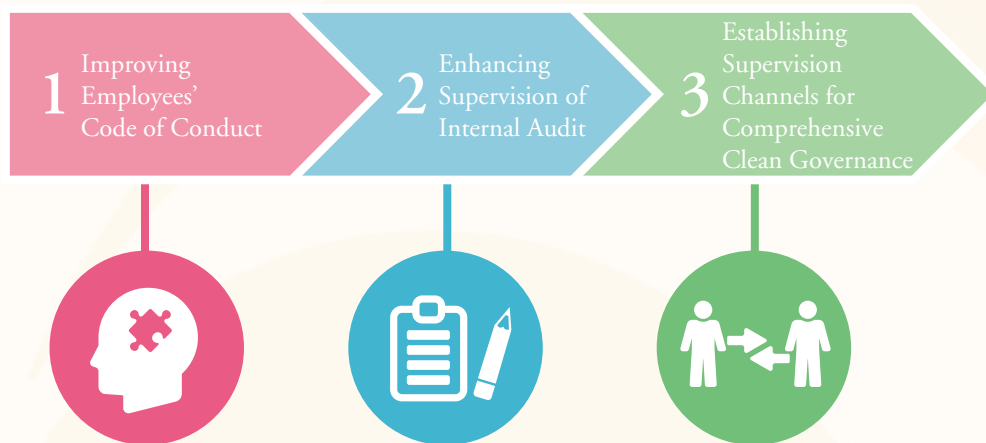
#### Satisfaction survey among employees on the suppliers (2015–2016)



## Strict Anti-Corruption

Creating an atmosphere of “honor to integrity, and shame on corruption” is not only a necessary requirement for fighting against corruption, but also an indispensable condition for realizing the sustainable development of an enterprise. As the core enterprise among China’s reinsurance industry, China Re pays special attention to strengthening the promotion and education of anti-corruption, and has formed the management idea of “anyone with the rights shall have duty, anyone who uses the power shall be supervised, and anyone who breaks discipline shall be held accountable”. Besides, China Re implements its integrity management through improving employees’ code of conduct, giving play to the leading educational role of the Party, establishing a comprehensive integrity supervision channel, standardizing procurement and strengthening supplier management.

In 2016, there was no material corruption case in China Re.





## Improving Employees' Code of Conduct

While earnestly implementing relevant laws and regulations such as the *Anti-Money Laundering Law of the People's Republic of China*, the *Provisions on Anti-money Laundering through Financial Institutions*, the *Administration Measures for Financial Institution Anti-money-laundry Supervision (for Trial Implementation)*, the *Measures for the Administration of Anti-money Laundering Work in the Insurance Sector*, the *Regulations of the Communist Party of China on Internal Supervision*, China Re specially formulated a series of rules including the employees' professional code of ethics and code of conduct, such as the *Professional Code of Ethics for Senior Management of China Reinsurance (Group) Corporation*, the *Accountability Assessment Measures of China Reinsurance (Group) Corporation on the Construction of a Clean and Honest Party and Government*, and the *Management Measures of China Reinsurance (Group) Corporation on Anti-Money Laundering and Anti-Terrorism Financing*, so as to regulate employees' behaviors and curb moral risks.

In 2016, China Re newly formulated the *Interim Provisions of China Reinsurance (Group) Corporation on Disciplinary Actions against Violations of Laws and Disciplines*, to further improve employees' code of conduct, and effectively enhance employees' occupational awareness of legal compliance and honesty, which every employee will always keep in mind to consciously regulate their daily behavior.



## Enhancing Supervision of Internal Audit

Enhancing internal audit supervision is an important means and measure to strengthen risk and internal control management and anti-corruption. Through a sound anti-fraud system and solid and effective measures, China Re integrates anti-corruption and anti-fraud into various audit work, so as to give better play to the role of audit supervision in the construction of anti-corruption system.

In 2016, China Re carried out 558 various internal audit projects in total, covering the group company to all subsidiaries, including senior executive audit, related transactions audit, internal control audit, solvency audit, and information technology audit. Through audit recommendations and rectification, China Re stopped loopholes in management in a timely and effective manner and resolved all kinds of risks, laying a solid foundation for its safe, stable and healthy development.



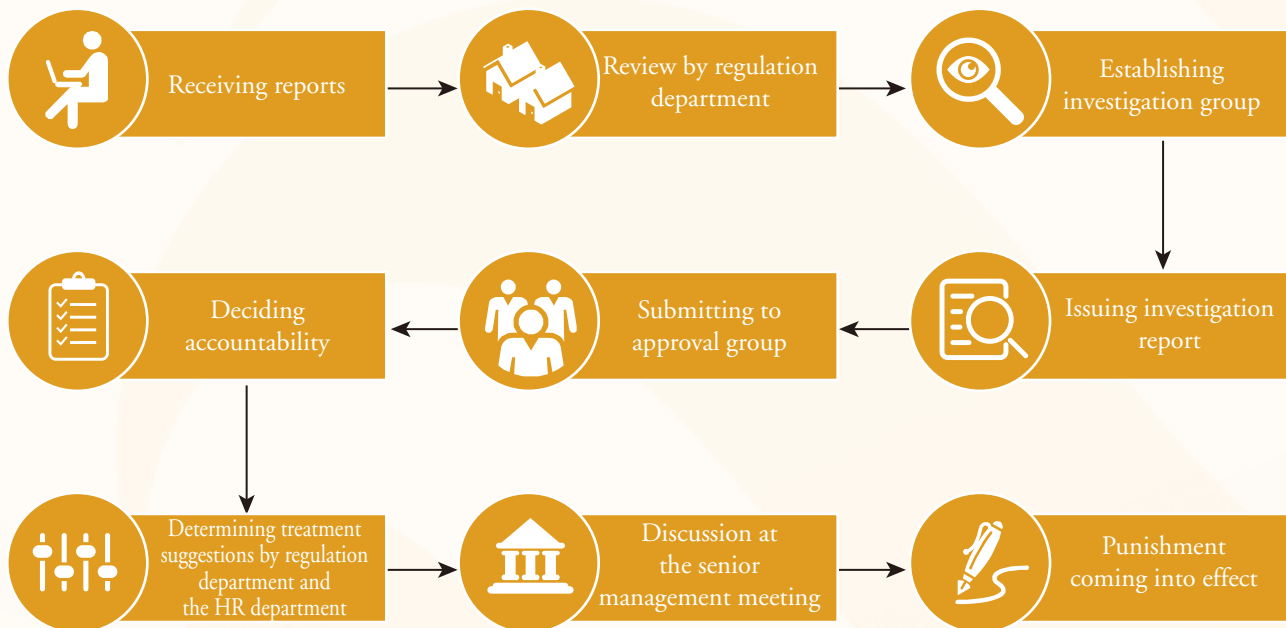


## Establishing Supervision Channels for Comprehensive Clean Governance

China Re established multi-channel and multi-form supervision mechanisms. Dependent on strengthening supervision on leaders and cadres by Party members and the masses, China Re realized a systematic, regular and ordered anti-corruption culture construction.

Through continuing to strengthen supervision and inspection over employees' undisciplined and illegal activities, China Re enhanced accountability, so as to effectively prevent employees' corruption, bribery and fraud. China Re adopted related management rules, and set up anti-fraud hotline, mailbox, received visits and conducted external and internal investigations to accept reports and accuse of employees' actions which were against national laws and regulations, policies and company rules. Through investigation and verification via regulated procedures, China Re would give corresponding punishment on the behaviors which are deemed in violation of disciplines and regulations.

In 2016, through integrity education, special remediation, inspection and rectification, China Re further improved employees' awareness of compliance, strengthened the weak links in management, and secured the effective operation of internal supervision system, so as to provide a sound guarantee for its normal operation. The handling process is as follows:

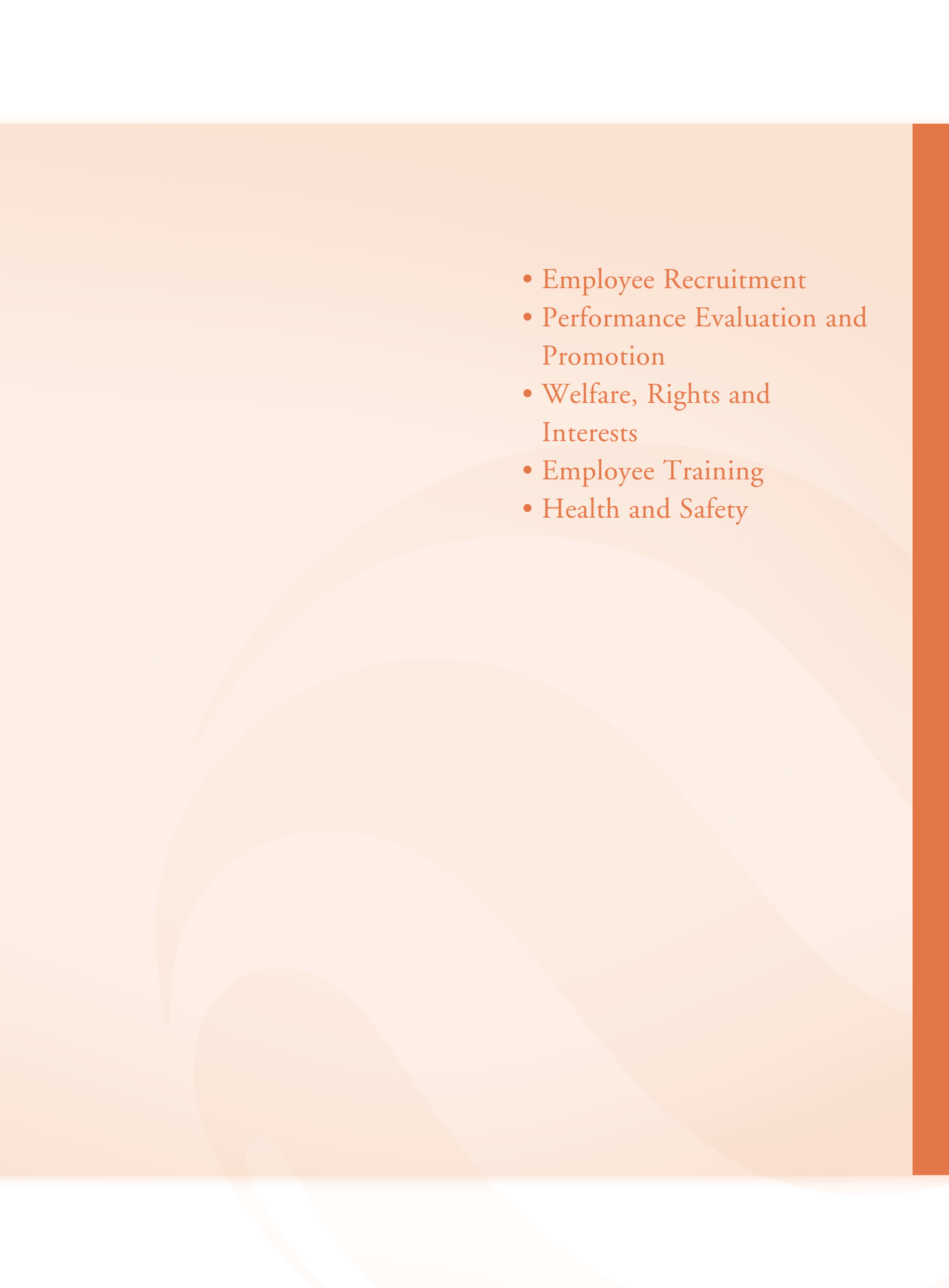




# 04

## Care for Employees

Employees' progress and growth are motivation for China Re to move forward. During development progress, China Re attaches great importance to employee's rights and interests and shares its harvest with employees. With the principle of people-oriented and harmonious development, China Re tries its best to create harmonious working atmosphere and provides supportive development space to achieve common growth of both the company and employees.

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- Employee Recruitment
  - Performance Evaluation and Promotion
  - Welfare, Rights and Interests
  - Employee Training
  - Health and Safety

# Care for Employees

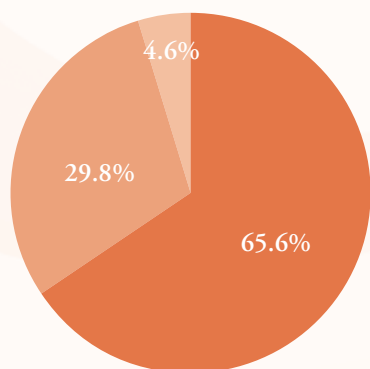
## Employee Recruitment

China Re deeply realizes that comprehensive human resources management is the premise for a company to achieve its strategic goal and to create corporate value, and also the solid foundation to realize its sustainable development in the future.

In the human resources management process, China Re strictly observes relevant laws and regulations that have a significant impact on China Re, such as the *Labour Law of the People's Republic of China*, and strictly implements related human resources management rules, to ensure that all applicant candidates are treated fairly during the recruitment process, with no discriminations of gender, race, belief, etc. Moreover, China Re also explicitly forbids the use of child labor and forced labor.

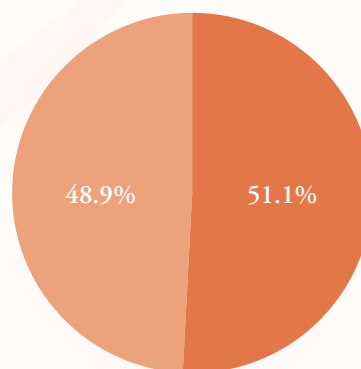
With its good corporate image and talent management model, China Re has attracted professionals from various fields. As of December 31, 2016, China Re and its subsidiaries had 42,045 employees in total, 34.1% of whom obtained bachelor degree or above.

Workforce by age  
of China Re



- Below 35 years old
- Between 35 and 50 years old
- Above 50 years old

Workforce by gender  
of China Re



- Male
- Female

## Performance Evaluation and Promotion

In order to support the career development of employees, China Re implemented an H-model promotion channel. Employees can choose either management sequence or expertise/function sequence according to their own career development design and their professional specialty.

China Re standardizes the working procedures and specifies operational process by formulating rules on performance evaluation, salary management, and employee selection and appointment. Such rules reflect China Re's new concepts, new approaches and new ideas in talent resources management, and also provide sound system assurance for market-oriented talent building.

In 2016, China Re released the *Guidance on Allocation of Performance Bonus by Subsidiaries for 2016*, which provided guidance for its subsidiaries to allocate the 2016 performance bonus. This policy clarified the composition and weight of performance bonuses, evaluation method, allocation body, allocation principle, and allocation timing, and also reflected the principle that the reception desk, the front-line workers, and the core staff should get more bonuses, so as to give full play to incentive role of performance bonus.



## Welfare, Rights and Interests

Employees are the foundation for the development of an enterprise. China Re has been devoting itself to guaranteeing employees' various basic rights and interests and providing them with due welfare. Thus, China Re has established a basic welfare guarantee system, including basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing fund. Other welfare is also provided, such as supplementary medical insurance and supplementary pension. At the same time, China Re attaches great attention to holiday management, and strictly observes the *Labour Law of the People's Republic of China* and other applicable laws and regulations. China Re has also made clear regulations on annual leave, sick leave, leave for personal affairs, marriage leave, maternity leave, and funeral leave, so as to truly protect employees' legitimate rights and interests.

Besides, the Trade Union of China Re is an important platform to guarantee employees' right of information, participation, expression and supervision. The Trade Union makes full play to the maintenance role, construction role, participation role and education role, to intrigue employees' passion and creativity, and is crucial in uniting and mobilizing employees to be devoted into the development of China Re.



Maintenance role:

100% of the employees are members of the Trade Union, and a complete organization structure has been built.



Construction role:

The Trade Union is aimed at building a "home to employees". In 2016, 42 "homes to employees" have been set up.



Participation role:

Smooth communication channels for employees to express their opinions effectively. In 2016, the Trade Union of China Re organized 7 Employees' Congresses.



Education role:

Paid attention to training union experts and employees. In 2016, there were 3 training regarding to union policy, provision and female employee protection organized.



### "Warmth" During the New Year

In January, 2016, China Re visited the front-line employees with difficulties. The visits were conducted at the same time in China Re and its subsidiaries. The Trade Unions at the primary level visited 28 stores, 557 first-front employees, employees with difficulties, and single mothers with huge difficulties, and brought them RMB256,000.



## Entertainment Activities on Chinese New Year

On January 29, 2016, the Trade Union of China Re held the 2016 New Year's Entertainment Activities at the Headquarters Mansion. The aim was to enable employees to relax their body and mind to prepare a happy mood for the Chinese New Year.

The activities involved games full of entertainment and techniques, to fully arise employees' passion for participation. The activities enhanced employees' communication and brought them great happiness.







## China Continent Insurance: Family Day for Employees

On April 24, 2016, 286 families of 556 employees and their relatives from China Continent Insurance gathered together at the Shanghai Binjiang Forest Park to participate in the Family Day themed with “2016 My Continent, My Home”.

Family Day was an important project for 2016 Employees Cultural Festival, and it was also the largest family activity and parent-child activity platform specially organized for employees. Such employees’ cultural activities improved the healthy development for employees’ body and mind, and also promoted communication among departments and among employees. It also created a harmonious work and life atmosphere, and provided mental support and cultural guarantee to unite employees for the new journey of “Second Entrepreneurship with Three Steps”.





## China Re P&C: Photography Contest for Female Employees

China Re P&C organized a photography contest for female employees themed with “Employees of One family: Everlasting Beautiful Moment”, which established the concept of “Happy Work, and Healthy Life”.





## Employee Training

Enterprises develop because of the work of employees; employees grow on the platform of enterprises. China Re pays great attention to helping employees improve their comprehensive capacity by providing continuous and professional trainings for directors, supervisors, senior executives, and employees with scientific and reasonable arrangements. China Re supports each employee to achieve comprehensive development and gives fair promotion opportunities according to their performance, so as to realize harmony between sustainable development of China Re and individual employees' career planning.

In order to implement training and development in a scientific and reasonable way, China Re has formulated the *Interim Management Rules on Employees' Training of China Reinsurance (Group) Corporation*, standardizes employee training management, and adopts a hierarchical and diversified training system, including the combination of online and offline training, domestic and oversea training, and theoretical study and practice. China Re actively organizes all kinds of trainings to continuously improve the comprehensive capacity and professional skills of employees, so as to promote the mutual development of enterprise and employees.

The training system of China Re has explicit key points and rich contents, including new employee orientation, operation and management training, professional skills training, comprehensive quality training as well as professional qualifications training.





## Training for Intermediate and Senior Management Staff

In October and November of 2016, China Re cooperated with China Europe International Business School (CEIBS) to hold two training classes for intermediate and senior management staff at the Beijing campus of CEIBS.

The theme of the training was to “Cultivate Strategic Thinking”. Through case study, the training helped intermediate and senior management staff learn theoretic knowledge of strategic management, and master a series of strategy analysis tools, which reinforced their strategic thinking and effectively promoted the implementation of China Re “One-Three-Five” strategy.





## New Employee Orientation

Between August 3 and 6, 2016, China Re held the 2016 orientation for new employees. 40 new employees from the Group Company, China Re P&C, China Re Life, China Re Asset, Huatai Agency and Hong Kong representative office participated in this training. In the orientation, new employees were introduced to the history and development strategies of China Re and taught the basic theoretical knowledge of insurance and reinsurance, business operation situation and corporate culture, in addition to outdoor trainings. This training helped new employees deepen their understanding of China Re, master the basic business knowledge, speed up their identification with China Re. Thus it laid a foundation for new employees to start work and to improve their comprehensive quality.



## China Re P&C Lectures

China Re P&C created a high quality course named “China Re P&C Lectures”. There were 10 sessions of training throughout the year with 14 lecturers giving speeches and 538 attendances. The contents of the training involved core analytic system, operating mechanism of CAIRC and functional analysis, etc. The lectures attracted many employees of China Re P&C and other China Re’s departments and subsidiaries. “China Re P&C Lectures” has become an important platform for employees to communicate on their business and study.



## Management Advanced Training Class of China Continent Insurance

From July 25 to 29, 2016, China Continent Insurance held the “2016 Management Advanced Training for Principals of Branch Companies” at Renmin University of China. 41 principals of branch companies took part in the training.

The content of the training included macroeconomic environment and financial hot spots, service marketing and brand building, innovation and sustainable development strategy, organization ability development, finance and capital management, and visits to innovative enterprise. The courses were given by famous domestic experts and professors in the relevant fields. The training provided the principals of branch companies with cutting-edge theories and reference cases to improve their management ability in the era of Internet plus, and to cultivate their sensitiveness to opportunities and consciousness of innovation.



## Health and Safety

A healthy body and good spirit are the most precious fortune for employees. China Re highly values employees' health and safety and thus strictly observes relevant laws and regulations such as the *Labour Law of the People's Republic of China*, the *Regulation on Work-Related Injury Insurances*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Fire Prevention Law of People's Republic of China* in its actual management.



### Safety Guarantee

In order to protect employees' personal safety and public property, prevent fires and eradicate the occurrence of various safety accidents, China Re has formulated the *China Reinsurance (Group) Corporation Headquarters Mansion Fire Control Management Regulations* by combining the actual conditions of the Headquarters Mansion of China Re. The fire control safety management of the Headquarters Mansion is under the guidance and supervision of Beijing Municipal Fire Bureau and the superior departments. China Re adheres to the policy of "prevention first, and a combination of prevention and control" to implement the hierarchical responsibility system for fire prevention in line with the principle of "whoever in charge holds the responsibility".

In order to enhance employees' consciousness of fire prevention, and to improve their skills of emergency escape, China Re periodically organizes routine fire prevention knowledge lectures and visits to fire prevention museums, and carries out fire drills, and evacuation drills. Meanwhile, China Re is also active in carrying out education on self-prevention and self-rescue, to educate employees to understand prevention measures, the property of fire prevention and rescue goods, and the performance of firefighting apparatus, and understand the knowledge of fire prevention and firefighting; and to be capable of making firefighting strategies, using firefighting equipment and apparatus, and eliminating the faults of equipment and apparatus.





## Health Care

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China Re always advocates the idea of “Healthy Work, and Happy Life”. In order to provide employees with a healthy working environment, to enhance team cohesiveness, and to stimulate the enthusiasm of innovative work, China Re organized all kinds of employee activities. China Re installed fresh air system for employee’s health, organized regular healthy lectures, daily physical exercise and provided gym, ping-pang room and yoga course.



## Walking Exercise

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Aiming at enriching employees’ spare-time life, and promoting outdoor exercises and developing a healthy life style, China Re periodically organizes its employees to participate in outdoor exercise activities. The Walking Exercise enriches employees’ spare time, helps employees relax body and mind, promotes communication among employees.





## China Continent Insurance: Healthy Running

On September 10 2016, the second healthy running activity themed with “Happy Sports, and Vigorous Continent” by China Continent Insurance was held in different cities at the same time. Nearly 20,000 employees started to run with unified sportswear, reaching a new record in terms of participants’ number. The healthy running activity showed a vigorous and positive image of China Continent Insurance, and promoted the cultural concept of “Happy Continent”.



# 05

## Environmental Protection

Since the environmental and ecological problems, such as global warming, deterioration of ecological environment and natural resource damage, have become the common concerns to the whole society, China Re recognizes that its business operation has certain environmental impacts and that it is every single social member's responsibility to mitigate the impact on the environment and natural resources as well as to contribute to the environmental protection, even though it is a non-production enterprise.

On the basis of the compliance with environmental related laws and regulations, China Re continues to improve its environmental management regulations and measures to save energy and other resources, reduce waste, and encourage its employees to set up the concept of energy conservation and emissions reduction. Meanwhile, China Re promotes the environmental protection work with its partners by actively developing green insurance business.

- Green Office
- Green Insurance



# Environmental Protection

## Green Office

“Green Office” has become China Re’s new operation principle. As a non production enterprise, China Re’s major operation is within office buildings. Its major adverse environmental impacts include: greenhouse gases and harmful exhaust emissions caused by electricity and motor vehicles’ fuel consumption, the sewage discharge of office buildings and the generation of hazardous and non-hazardous wastes during the operation process. Even though these behaviors have relatively less adverse environmental impacts as compared with manufacturing enterprises, China Re pays attention to its own environmental management. China Re, on one hand, reduces its negative environmental impacts by saving electricity and water resources, managing office cars, reducing paper usage, managing solid waste etc.; on the other hand, recognizes and follows environmental laws and regulations which have significant effects on its business, such as the *Environmental Protection Law of the People’s Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People’s Republic of China*, the *Water Pollution Prevention and Control Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Waste*, the *Directory of National Hazardous Wastes*, the *Law of the People’s Republic of China on Environmental Impact Assessment*, in order to truly implement the green office and the concept of sustainable development.



## Saving Electricity

As indirect greenhouse gas emission caused by electricity consumption is one of the major resources of carbon emission generated by China Re, so various electricity management and energy-saving measures are adopted in different offices, such as: assigning staff to check the usage of electricity at office, and reducing the standby power consumption of electrical equipment. In 2016, the overall power consumption of Headquarters Mansion was 3,795<sup>1</sup> MWh, accounting for approximately 2,883 tonnes of carbon dioxide emission.

In 2016, China Re actively carried out the national development plan of low-carbon economy, energy conservation and emissions reduction.

While ensuring normal operation of equipment at the Headquarters Mansion, China Re strengthened the electricity saving management on operation of equipment in public area, resulting in substantial progress:

- (1) Replaced 755 fluorescent tube lights with new LED lights and installed voice-operated switch at some parking area, firefighting stairway and main computer rooms. In 2016, the electricity power consumption of public illumination was reduced by approximately 395,514 kW•h as compared with 2015.

Public illumination energy consumption <sup>2</sup>	2015	2016	Energy saving calculation
Data (kW•h)	2,594,244	2,198,730	395,514

- (2) Adjusted the operation hours of the air conditioning unit from 11.5 to 10 hours in summer, which lowered the unit's energy consumption under sufficient refrigeration effect. In 2016, the energy consumption for air conditioning unit was reduced by approximately 58,460 kW•h as compared with 2015.

Air conditioning unit energy consumption <sup>2</sup>	2015	2016	Energy saving calculation
Data (kW•h)	1,832,540	1,774,080	58,460

<sup>1</sup> The data is calculated by China Re in accordance with the actual power bill.

<sup>2</sup> The data include power consumption of other organizations in Headquarters Mansion.

- (3) Installed frequency converters on the heating water pump power control cabinet in order to lower the running current; controlled the frequency of the circulating pump of the heat station at around 45HZ in order to lower the power; and adjusted circulation pump operation quantity and water temperature according to the weather and temperature. In 2016, the energy consumption for heating unit was reduced by approximately 33,000 kW•h as compared with 2015.

Heating unit energy consumption <sup>2</sup>	2015	2016	Energy saving calculation
Data (kW•h)	326,160	293,160	33,000



## Company Car Management

The company car usage is another significant environmental impact aspect during companies' business operations. China Re strictly carried out the rules for the use of company cars, and conscientiously implemented the *Interim Measures for the Management of Company Cars and Traffic Expenses of China Reinsurance (Group) Corporation*, to further regulated the use on the basis of reducing company cars. More specifically, China Re encouraged its employees to choose public transportation and car sharing.

Company car oil consumption	2015	2016	Energy saving calculation
Data (L)	28,718.2	20,670.06	8,048.14

Meanwhile, China Re's subsidiaries and branches of various business segments established remote office and video conference system, to reduce business so as to reduce the pollution and greenhouse gas emissions caused by business travel's energy consumption.

In 2016, Group Company, China Re P&C, and China Re Life organized 615 remote video conferences in total.



### China Continent Insurance: Blue in the Hero City

Jiangxi branch of China Continent Insurance spent over RMB100,000 for purchasing a batch of electric vehicles in March 2016, which made Jiangxi branch the first to apply and implement electric vehicle for investigation in China Continent Insurance. In the Hero City (nickname of Nanchang City), electric vehicles have become a popular type of investigation vehicles, not only because it is compact, portable, energy-efficient and durable, but also because of its higher investigation speed as compared with automobiles.

The rapid increase of automobiles has brought huge traffic pressure to the Hero City, while improving the quality of citizen's live in recent years. The adoption of electric vehicles is not only a pioneering initiative for Jiangxi branch to cope with traffic pressure, but also a measure for promoting energy conservation and environmental protection. Reducing the use of automobile company cars can effectively decrease the air pollution caused by exhaust gas emission of automobiles; the replacement of traditional fuel vehicles with electric vehicles can also reduce greenhouse gas emission resulted from fuel consumption by automobiles.



### Cherishing Water Resources

Since China Re's business places are all located in offices that use municipal water supply, there is no water supply problem during its daily operation. Even though, as a responsible corporate citizen, China Re deeply recognizes the severe water scarcity in the whole society and it is China Re's responsibility to cherish water resources.

China Re realized the goal of protecting water resources and saving water by installing induction faucets in the Headquarters Mansion and adopting reclaimed water. Meanwhile, China Re arranges staff to check company cars, in order to clean up the car's capping mass in time so as to reduce unnecessary water consumption during car washing.

In 2016, the total water consumption of China Re's Headquarters Mansion amounted to 23,335 tonnes, including: 8,753 tonnes of cold water, 3,163 tonnes of hot water, 11,419 tonnes of recycled water.

In 2016, China Re strengthened the management for water consumption and wasted water discharge of air-conditioners:

China Re conducted Regular water quality testing for air-conditioners, reasonable water control, scientific water consumption control and wasted water discharge. According to the actual statistics, China Re reduced 1,369 tonnes of air-conditioner's water consumption and wasted water discharge in 2016 compared with that of 2015.



## Solid Waste Management

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Sticking to the principle of “minimizing waste”, China Re arranges properly disposes of all kinds of office wastes. For the selenium drum and ink cartridges, China Re makes agreement with suppliers for recycling. As for general office waste, China Re strictly controls the gross production and hands over to the property management company for collective treatment.



## Reducing Paper Usage

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China Re implemented a series of measures targeted at paper usage reduction. Meanwhile, China Re adopted electronic office means such as information platform in order to promote paperless office; built printing room and advocated two-sided printing; and encouraged its employee to recycle paper for future use so as to reduce waste paper.



## Green IT

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Equipment procurement: Priority in purchasing equipments including servers, network switches, storage devices, microcomputers and printers is given to energy-saving products, so as to minimizing energy consumption.

Virtual software: Virtualization of server has been fully implemented, and so will the virtualization of desktop; currently 26 X86 physical servers (1,200w) carry 417 virtual servers, reducing the number of physical servers and achieving the goal of Green IT; and the upcoming desktop virtualization will adopt smaller and energy-saving clients (15w) to replace higher energy-conservation PCs (280–450w), which can reduce personnel maintenance, but also raise the security of data.

Desktop system: Through domain strategy, automatic shut-down is set at 22:00 where an office computer is left unattended operated for long, and automatic screensaver is set up to reduce energy consumption of equipment.

New data center: In 2016, China Re embarked on planning and design of new environmental data center by recalculating the power consumption of computer rooms and deploying more environmentally friendly equipment such as air-conditions, striving to reduce the energy consumption of the data center by 30%. Also, a complete dynamic environment monitoring system was established to monitor the energy consumption of the various systems and equipment and to make adaptive adjustment, so as to save energy.

## Green Insurance

Along with aggravated environmental pollution and ecological deterioration, pollution accidents have caused more and more severe adverse impact on social economy. China Re makes use of its business advantages to participate in environmental and energy management area through providing better insurance services to new energy, clean production, environmental treatment and circular economy, so as to assist the whole society in transferring risks effectively and reducing the loss, and to work with partners to improve the ecological environment for the society.

Since the beginning of the new century, along with the increasing demand for energy and the environmental protection, nuclear power has regained attention as a clean and efficient energy. In order to support peaceful development and utilization of nuclear energy at the national level, China Re actively works with its partners to provide insurance and reinsurance services in particular for the nuclear energy development. As the management company and the chairman of the executive agency of CNIP, China Re provided effective management and service in 2016, leading CNIP to escort the development of China's nuclear energy industry continuously.

- On April 7, 2016, CNIP held the "Training Seminar on Nuclear Power and Nuclear Insurance Hotspot Issues" in Beijing for its membership companies, discussing on the *White Paper of China's Nuclear Emergency Respond*, the situation of nuclear power development, the development strategy of "going abroad" of nuclear power, and the Fukushima accident.
- Between July 18 and 27, 2016, in order to keep constant understanding and evaluating of the risks of the insurance subject-matter, to provide advice on disaster prevention and damage prevention from the perspective of insurance to clients, and also to provide technical support for underwriting insurance, CNIP organized the third nuclear insurance risk inspection for China National Nuclear Corporation's Qinshan Nuclear Power Base during its operational period. The advice played a constructive role in promoting continuous and stable operation of the unit.
- Between August 15 and 17, 2016, CNIP completed the international risk inspection before the world's first fuel loading of Sanmen Nuclear Power, which is the third generation of AP 1000 nuclear power technology, and came up with suggestions on the improvement of disaster prevention and damage reduction, which promoted the risk management for Sanmen Nuclear Power.

# 06

## Community Investment

China Re has been actively fulfilling its social responsibility for years. Giving full play to the role of a vanguard as a state-owned enterprise, China Re inherits the traditional Chinese nation's virtue of being dedicated to the public welfare undertakings and showing boundless love through small good deeds. By conducting social public welfare undertakings, such as fixed-point poverty alleviation, donations for education, and afforestation, China Re makes full use of its advantages to actively participate in public welfare projects, winning extensive praise from all walks of life.

- Fixed-point Poverty Alleviation
- Public Welfare Activities



# Community Investment

## Fixed-point Poverty Alleviation

China Re actively responds to the call from the Party and the State of the poverty alleviation strategy, and implements a series of important plans and requirements of the Party Central Committee, the State Council and China Insurance Regulatory Commission about winning the combat against poverty. By exerting the industry advantage, China Re increases its efforts in poverty alleviation through finance, innovates the measures, so as to fulfill social responsibility.

Since 2002, China Re began its fixed-point assistance in Xunhua County of Qinghai Province. By the end of 2016, the cumulative fund for assistance had reached RMB14 million, making great contribution to the economic and social development of the county.



### Poverty Alleviation Funds for Xunhua County

In 2016, China Re allocated RMB2.1 million to Xunhua County of Qinghai Province, mainly used for the construction of China Re electronic (multi-media) classroom, purchase of teaching equipment, funding poor college students, and visiting the poor families. RMB600,000 was used to fund 100 poor college students with RMB6,000 each; RMB1.07 million was used to equip the computer classrooms with 230 computers, 6 teachers' computers, 236 pairs of computer desks and chairs, and to equip the teachers' preparation rooms with 48 computers in 6 local primary schools; RMB200,000 was used to replace 1,000 pairs of desks and chairs for 18 local primary schools; RMB200,000 was used for the development of big data platform for targeted poverty alleviation, system maintenance and operation training; RMB30,000 was used for visiting the poor families recorded in poverty files.



## Fixed-point Poverty Alleviation Investigation into Xunhua County

In June and November 2016, China Re went to Xunhua County to carry out special research on poverty alleviation. The research team visited villages and towns to learn about the status quo and the difficulties of the poor families with poverty files; visited poor families in Dazhuang Village of Qingshui Township, and expressed concerns and love to the poor families on behalf of China Re's Party Committee and employees; visited Tiegaleng Primary School of Daowei Township, the Central Primary School of Qingshui Township, and Yari Primary School of Wendu Township that China Re had assisted, and communicated with teachers and students to understand the effects of previous poverty-alleviation project; visited local enterprises of urban and rural agricultural cultivation, ethnic costumes, and arts and crafts, and had extensive communication with entrepreneurs on how to integrate finance, culture and education with industry to realize development-oriented targeted poverty alleviation; and communicated with county leaders and more than twenty government departments, listened to a brief report on the poverty alleviation work in Xunhua County, and watched a presentation of the "Big Data Platform for Targeted Poverty Alleviation of Xunhua County". The team also discussed the implementation of the 2016 fixed-point poverty alleviation project, and the planning of the 2017–2020 Poverty Alleviation Framework Agreement, and extensively communicated on opinions and suggestions for further promotion of targeted poverty alleviation and deepening conception.



## The Liaison Office for Poverty Alleviation at Xunhua County

On December 14, 2016, China Re prepared and completed the establishment of Xunhua Branch of China Continent Insurance, which is also the liaison office for China Re's targeted poverty alleviation work. On the one hand, this was a response to the call from the Party Central Committee, the State Council, regulators and shareholders on innovating targeted poverty alleviation through making use of the advantages of finance and insurance companies; On the other hand, this effective liaison mechanism for poverty alleviation can facilitate the implementation of fixed-point poverty alleviation work.



## Public Welfare Activities

China Re always keeps in mind “actively giving back to the society with the care from the society”, and takes public welfare donation as a main way of giving back to the society. In 2016, the charitable donations and other contributions made by China Re totaled about RMB7.0739 million.



### China Re Life: “Loving Care Forest”

China Re Life calls its employees to actively participate in the afforestation activities in Beijing. Through afforestation activities every year in the suburbs of Beijing, the company has built a “China Re Life Loving Care Forest”, to call for action of the whole society to protect the ecological environment. The company has planted over a thousand trees for six consecutive years.



### China Continent Insurance: Giving Back to the Society

China Continent Insurance has begun its cooperation with China Youth Development Foundation since 2013, and set up “China Continent Insurance Hope Project of Happy Sports Fund”, donating a total of RMB6 million. In 2016, the Fund carried out “safety classroom”, fun sports and motivational sports films on site in 50 primary schools nationwide.

At the same time, employees of China Continent Insurance actively participated in various volunteering activities including blood donation, “college entrance examination service cars” and volunteer teaching.



### China Re Asset: “New Green Public Welfare Program”

China Re Asset took the opportunity of the poverty alleviation activity in Qinghai to launch the “New Green Public Welfare Program by China Re Asset” in 2013 based on employees’ volunteering activity, and accumulatively donated RMB213,600. In 2016, there were 3 supporting activities for Yari Primary School of Wendu Township, Xunhua County, Qinghai Province. In May, the company donated 85 sets of bedding and sheets, 223 school uniforms and over 50 books for extracurricular reading by post; In June, the volunteers went to Qinghai to donate 225 schoolbags, teaching stationery and sporting goods, as well as life supplies such as rice, flour and oil; In December, taking into consideration of the cold weather in Qinghai and the lack of winter clothing for students, the company donated 252 clothes to the teachers and students.



### “Huatai Agency Cup” Insurance Moot Court Competition

China Re pays attention to the future development of the college students majoring in insurance and related subjects. In order to promote college students’ understanding and passion for the major and to stimulate their interest in learning, on December 4, 2016, Huatai Agency cooperated with eight universities in Beijing, including University of International Business and Economics, Peking University and Renmin University of China, to jointly hold the sixth “Huatai Agency Cup” Beijing University Student Insurance Moot Court Competition. Huatai Agency sponsored the competition for six consecutive years. For the six years, the competition has developed progressively in terms of its enlarging scale, maturing form and changing contents in line with the times. Through sponsoring such public welfare activity, Huatai Agency supports the healthy development of the insurance industry.

07

Appendix: Index  
to ESG Reporting  
Guide

- Appendix:  
Index to ESG  
Reporting Guide



# Appendix: Index to ESG Reporting Guide

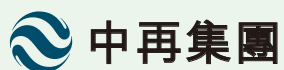
Subject area	Topic	Performance indicators	Information source
Environmental	A1 Emissions	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	52
		A1.1 The types of emissions and respective emissions data	53
		A1.2 Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	53
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	—
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	—
		A1.5 Description of measures to mitigate emissions and results achieved	53–55
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	56
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials	52
		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)	53, 54
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	55
		A2.3 Description of energy use efficiency initiatives and results achieved	53, 54
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	55
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	N/A
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources.	52
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	52–56

Subject area	Topic	Performance indicators	Information source
Social	B1 Employment	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	38–43
		B1.1 Total workforce by gender, employment type, age group and geographical region	38
		B1.2 Employee turnover rate by gender, age group and geographical region	—
	B2 Health and Safety	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	47, 48
		B2.1 Number and rate of work-related fatalities	—
		B2.2 Lost days due to work injury	—
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored	47–49
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	44–47
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	—
		B3.2 The average training hours completed per employee by gender and employee category	—
	B4 Labour Standards	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	38
		B4.1 Description of measures to review employment practices to avoid child and forced labour	38
		B4.2 Description of steps taken to eliminate such practices when discovered	N/A



Subject area	Topic	Performance indicators	Information source
Social	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	31
		B5.1 Number of suppliers by geographical region	31
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	30–32
	B6 Product Responsibility	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	24–29
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A
		B6.2 Number of products and service related to complaints received and how they are dealt with	28, 29
		B6.3 Description of practices relating to observing and protecting intellectual property rights	25
		B6.4 Description of quality assurance process and recall procedures	N/A
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	24, 25
	B7 Anti-corruption	General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	33–35
		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	33
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	30–35
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	60
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	60
		B8.2 Resources contributed (e.g. money or time) to the focus area	60–63

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