



CORPORATE SOCIAL RESPONSIBILITY REPORT 2017

People's Insurance for the People



PICC APP



PICC WeChat

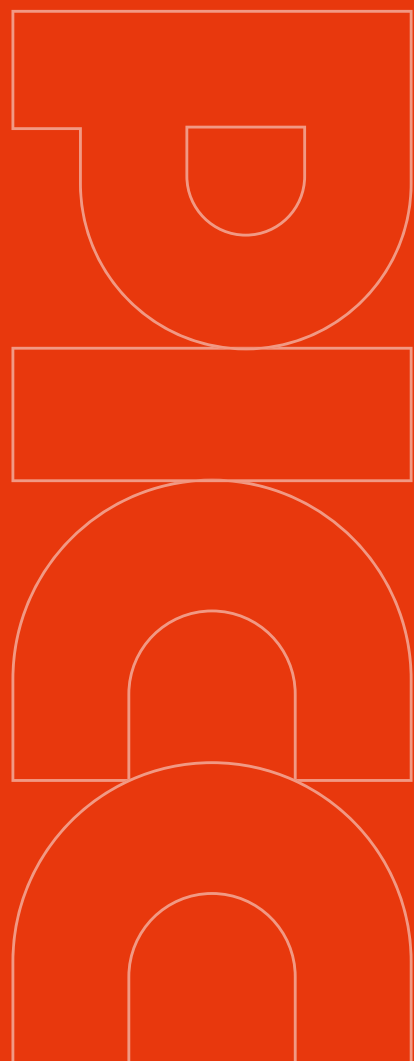
Insurance consultation hotline: 4001234567

Customer service hotline: 95518

Official website: www.epicc.com.cn

Head Office address: Tower 2, No.2, Jianguomenwai Avenue, Chaoyang District, Beijing, China





Report Compilation Specification

This report comes as the Corporate Social Responsibility Report (2017) of the PICC Property and Casualty Company Limited, with an emphasis on information disclosure concerning the sustainable development of the Company in terms of economy, environment and society.

Report Scope	<p>Time range of the report: From January 1, 2017 to December 31, 2017.</p> <p>Organization scope of the report: PICC Property and Casualty Company Limited and its branches.</p> <p>Release cycle of the report: Issue the corporate social responsibility report for the previous year within three months after the disclosure of annual corporate report per year.</p>
Report Reference Standard	<p>This report is compiled mainly based on the Environmental, Social and Governance Reporting Guide (ESG) released by the Stock Exchange of Hong Kong Limited and the core schemes in Sustainability Reporting Guidelines (2013) (G4) of the Global Reporting Initiative (GRI), in accordance with relevant reporting requirements specified in the UN Sustainable Development Goals (SDGs).</p>
Report Content and Boundary	<p>This report is presented in line with the reporting principles of materiality, quantitateness, balance and consistency as is required by ESG, and stakeholder inclusiveness, sustainability context, materiality and completeness specified in SRG. By soliciting suggestions from the management executives, collecting report topics from branches and external stakeholders, referring to the social responsibility standards in the industry and other means, the materiality analysis is carried out and the material topics and their boundaries are determined.</p>
Report Data Source	<p>The financial data in this report comes from the 2017 Annual Report of PICC Property and Casualty Company Limited, which is independently audited by Deloitte Touche Tohmatsu. Other data is collected by the head office and branches of the Company. The data indicators disclosed in this report are highly correlated with the corporate social responsibility, and will be subject to further adjustment and improvement along with the promotion of the work of social responsibility.</p>
Currency	<p>Unless otherwise noted, all monetary figures in this report are expressed in RMB (yuan).</p>
Report Access	<p>This report is issued in both the printing edition and online edition, with the latter available for download via the official website of SEHK and the Company's website www.epicc.com.cn.</p>
Report Interpretation	<p>This report is made in Simplified Chinese, Traditional Chinese and English versions. In the case of discrepancies between different language versions, the Simplified Chinese version shall prevail.</p>
Acknowledgements	<p>We hereby extend thanks to employees of the PICC Property and Casualty Company Limited providing photographic works for this report.</p>
Definitions	<p>The following definitions shall apply to the following abbreviations used in this report:</p> <p>“PICC Property and Casualty” or “the Company” or “We” refers to “PICC Property and Casualty Company Limited”</p> <p>“The People’s Insurance Group of China” or “PICC” refers to “The People’s Insurance Company (Group) of China Limited”</p> <p>“CIRC” refers to “China Insurance Regulatory Commission”</p> <p>“SEHK” refers to “The Stock Exchange of Hong Kong Limited”</p> <p>“C-ROSS” refers to “China Risk Oriented Solvency System”</p> <p>“First Piece (Set)” refers to “the First Piece (Set) of Crucial High-Tech Equipment”</p> <p>“Province” refers to provincial-level administrative divisions of China (including provinces, autonomous regions, and municipalities directly under the Central Government)</p>

Part 01

MESSAGE FROM THE LEADERS

01 / Message from the Chairman
03 / Message from the President

Part 02

COMPANY PROFILE

06 / Company Profile
07 / Company Business
09 / Corporate Strategy
11 / Company Advantages

Part 03

CREATING VALUE WITH INTEGRITY AND COMPLIANCE

13 / Corporate Governance
14 / Compliance Operation
15 / Economic Performance

Part 04

PROMOTING COOPERATION BASED ON RESPONSIBILITY

16 / Social Responsibility Management
17 / Communication with Stakeholders
18 / Determination of Material Topics

Part 05

SERVING THE NATIONAL STRATEGIES WITH ENGAGEMENT IN SOCIETY AND PEOPLE'S LIVELIHOODS

20 / Serving the Rural Revitalization Strategy
23 / Serving the Construction of Major National Projects
25 / Furthering Targeted Poverty Alleviation
28 / Participating in Social Governance Construction
31 / Supporting the "Belt and Road" Construction
33 / Serving the "Healthy China" Strategy
36 / Vigorously Developing Inclusive Finance

Part 06

BRINGING SATISFYING CUSTOMER EXPERIENCES WITH UPGRADED SERVICES

40 / Offering Diversified and High-quality Services and Products
43 / Improving Efficiency and Quality of Claim Services
47 / Reinforcing Service Capability of Disaster and Damage Prevention
49 / Increasing Technical Innovations of Insurance Service
54 / Safeguarding Legitimate Rights and Interests of Customers

Part 07

PROVIDING BROAD PLATFORMS WITH CONTINUOUS CARE FOR EMPLOYEES

56 / Safeguarding Rights and Interests of Employees
61 / Creating Excellent Development Platform
64 / Caring for Employee Health and Safety
65 / Promoting the Employee Well-being through Care

Part 08

JOINTLY BUILDING A BEAUTIFUL HOME BY ADHERING TO GREEN DEVELOPMENT

70 / Green Operation
74 / Green Finance

Part 09

JOINING HANDS WITH PARTNERS TO PURSUE FUTURE DEVELOPMENT

78 / Partner Management
79 / Supplier Management
79 / Strengthening Industry Study

Part 10

JOINTLY BUILDING A BEAUTIFUL HOME WITH CARE FOR SOCIETY

82 / Donations
83 / Volunteer Activities
84 / Carrying out Social Public-Service Activities

Part 11

85 / SGS Assurance Statement

Part 12

87 / ESG Indicator Index
90 / GRI Indicator Index
94 / Reference to UN Sustainable Development Goals (SDGs)

Part 13

Reader Feedback



Content



Part 01

MESSAGE FROM
THE LEADERSMessage from the
Chairman

During this year, we stayed true to our original mission to serve the real economy and the "Belt and Road" Initiative.
 During this year, we implemented the policy of supporting and benefiting San Nong and served the strategy of rural revitalization and targeted poverty alleviation.
 During this year, we focused on the people's livelihoods and served the strategy of Healthy China.
 During this year, we showed courage in innovation to serve the modernization of state governance system and capability.
 During this year, we upgraded our services to deliver more satisfying services to customers at a faster speed.
 During this year, we offered help to those in need and danger and proactively pushed forward the charitable and public-service activities.
 During this year, we strove to move ahead and realized remarkable operating results with strong shareholder returns.

Being bold to assume responsibilities and blaze a new chapter by keeping the mission firmly in mind. In 2017, under the leadership of the Party committee of the People's Insurance Group of China and the board of directors of the Company, the Company carried out an in-depth study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and carefully implemented the spirit of the National Finance Work Conference, the National Work Conference for Party-building of State-owned Enterprises and Annual Work Conference of the People's Insurance Group of China. Adhering to the mission of "People's Insurance for the People", the Company integrated national strategies into its development, served the real economy and proactively safeguarded the people's livelihoods, with a continuous improvement in the Company's value for the society, shareholders and customers.

During this year, we stayed true to our original mission to serve the real economy and "the Belt and Road" Initiative. Amid the wave of "Made in China 2025" and "Mass Entrepreneurship and Innovation" strategies, we made great efforts to develop the first piece (set), new materials, tech insurance, patent insurance and other businesses, giving a boost to the supply-side structural reform. We, by giving play to the role of insurance in offering guarantee, provided support for national strategic programs such as the home-grown C919 passenger jet, and the coordinated development of Beijing-Tianjin-Hebei region, the construction of Xiongan New Area and other regional development strategies. We made active response to the "Belt and Road" construction, accelerated the implementation of globalization strategy, and dispatched employees to work overseas, in a move to raise the ability of providing supporting services and support the Chinese enterprises to "go global".

During this year, we implemented the policy of supporting and benefiting agriculture, rural areas and farmers (hereinafter referred to as "San Nong") and served the strategy of rural revitalization and targeted poverty alleviation. We vigorously developed San Nong

insurance and maintained the leading market share in the San Nong insurance, with a continuously expanded coverage of "San Nong-supporting financing". We were the first in the industry to set up the business unit of poverty alleviation by insurance. We put intense efforts into insurance-backed poverty alleviation by developing dedicated products, creating new models, pumping more capital and pushing ahead with the targeted poverty alleviation. Thanks to all these efforts, we helped Ji'an county in Jiangxi province successfully overcome poverty.

During this year, we focused on the people's livelihoods and served the strategy of Healthy China. We gave full play to the professional technological advantages as a commercial insurance institution, proactively built the integrated development landscape in social insurance business which involved "basic healthcare insurance+critical illness insurance+supplementary medical insurance+social security accidental injury+medical assistance+long-term nursing-care insurance", and further expanded the scope of critical illness insurance. Throughout the year, the Company provided critical illness insurance services to 400 million-person times in 194 prefecture-level cities across 29 provinces.

During this year, we showed courage in innovation to serve the modernization of state governance system and capability. We integrated insurance innovation into serving the state governance, took an active part in public governance by and for all, innovated the "insurance+service" model, and spared no effort to develop governance-related liability insurance in terms of safety, healthcare, government relief, legal affairs, elevator security and other aspects and public security insurance, catastrophe insurance, among other varieties; we were active in response to the national deployment of building the green finance system and vigorously promoted the development of environmental pollution liability insurance and other green insurance.

During this year, we upgraded our services to deliver more cordial and satisfying services to customers at a faster speed. We upgraded the insurance product supply system to meet the demand of customers for living a beautiful life on the back of insurance. We sped up the building and improvement of the three-dimensional and one-stop service network system involving "offline and online". We were a pioneer in the P&C insurance industry to roll out the helicopter rescue services and the model of "customer-centered services • intelligent claims". We brought our role as a major state-owned insurance enterprise into play and tried our best to ensure rescue and claim services in the face of the earthquake in Jiuzhaigou county, Aba, the Typhoon Hato, rainstorm in southern China and other catastrophes.

During this year, we offered help to those in need and danger and proactively pushed forward the charitable and public-service activities. To assume the social responsibility as a state-owned enterprise, branches of the Company at all levels proactively carried out all sorts of charitable and public-service activities, and donated and offered help to those in need and danger to give back to society and the public. The whole company donated of over RMB80 million during this year. In addition, we organized and encouraged all employees to take an active part in volunteer activities, carry forward traditional virtues and bring positive energy to the society.

During this year, we strove to move ahead and realized remarkable operating results with strong shareholder returns. We commanded one-third market share in the mainland of China with a total premium income of more than RMB350 billion and maintained our dominant position as industry leader; our combined ratio was again superior to industry peers, the total assets exceeded RMB500 billion, and the return on equity maintained at the forefront of the insurance industry worldwide, achieving both development and profitability.

The Company was ranked among the top 100 HK-listed companies for six consecutive years.

Now is the right time for us to set new aspirations and march forward. 2018 marks the first year to implement the spirit of the 19th National Congress of the Communist Party of China (CPC), the 40th anniversary of China's Reform and Opening-up, and a crucial transition period to secure a decisive victory in building a moderately prosperous society in all respects and implement the "13th Five-year Plan". We will, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, carefully put into practice the new development ideas and the development strategy of the People's Insurance Group of China, stick to development and governance of the Company through specialization, innovation and concepts amid a healthy atmosphere, strive for a change in quality, efficiency and growth drivers, and accelerate the transformation to high-quality development, thus giving back to society, shareholders and customers with better operating performance, higher service quality by carrying on heavier responsibilities.

Chairman: Miao Jianmin

Part 01

MESSAGE FROM
THE LEADERSMessage from the
President

Jointly opening a new chapter with the big picture in mind.
Jointly building the moderately prosperous society in all respects with benefits shared by all people.
Jointly creating a beautiful life with upgraded services.
Jointly expanding global layout with entry into the overseas market.
Jointly sharing the development results with people-centered efforts.

2017 proved to be an unusual year when PICC Property and Casualty (PICC P&C) witnessed historic breakthroughs and major historic changes. Over the past year, under the guidance of the spirit of the 19th National Congress of CPC, we served the big picture, paid attention to the people's livelihoods, and pursued development through joint efforts. We made tangible efforts to push forward the "13th Five-Year Plan", implement the "Prominence 2020" action plan, strengthen compliance with industry standard, improve the operating mechanism, and deepen the operational reform. We made efforts to ensure the appreciation of the value of state-owned assets and better perform the social responsibilities as a state-owned enterprise on the back of robust growth and leading profitability, with a view to achieving a harmonious win-win situation shared by all, which fully demonstrated the leading position of a key state-owned insurance company that bears heavy responsibilities. The Company posted a total premium income of RMB350.31 billion in 2017, maintaining its dominant position with a ranking of first and third in the Asian and global P&C insurance market, respectively. Securing one third of the market share in the mainland of China, the Company continued to lead the industry in profitability, with its return on equity kept at a high level among industry peers worldwide. Moody's Investors Service rated the financial strength of the Company at A1 (stable outlook), the top-notch level among insurers in the mainland. Besides, the Company was honored with a wide range of awards like "Best Asian P&C Insurer" and "Annual Best P&C Insurer", with growing social influence.

Jointly opening a new chapter with the big picture in mind. We persisted in taking it as our own duty to serve the big picture of social and economic development. We served as the chief insurer of the home-grown C919 passenger jet and the exclusive insurer of AVIC AG600 Kunlong aircraft. We also provided support for major national projects including the exploitation of combustible ice and "Hualong One", and offered successful insurance services for the Belt and Road Forum for International Cooperation held in Beijing and the BRICS Summit in Xiamen; with a focus on serving the real economy and in line with the deployment of major national strategies such as "Mass Entrepreneurship and Innovation", the coordinated development in Beijing-Tianjin-Hebei region and green finance, we unveiled the "Mass Entrepreneurship and Innovation" insurance, vigorously developed the green insurance, expanded strategic businesses regarding the first

piece (set), loan assistance insurance, elevator liability and Internet insurance, further enhanced government-enterprise interactions and boosted the supply side structural reform; in the face of the Typhoon Hato, rainstorm in southern China and other serious disasters and accidents, we took proper measures and spared no effort to engage in rescue and relief and deliver claim services. Throughout the year, we undertook RMB387.1 trillion worth of risk coverage and paid RMB192.52 billion insurance indemnities with the handling of 64,804,000 claims for all sorts of incidents.

Jointly building the moderately prosperous society in all respects with benefits shared by all people. With a focus on serving San Nong, we strengthened construction of rural network, sped up the development of special rural insurance, made innovation in index insurance and vigorously expanded rural commercial insurance as part of our effort to provide as much support as possible for the rural revitalization; committed to the fight against poverty, we set up the business unit of poverty alleviation by insurance and unit of inclusive finance, teamed up with the State Council Leading Group Office of Poverty Alleviation and Development to implement a package of measures for poverty alleviation, explored to roll out a series of special products aimed at poverty alleviation, such as "Fupinbao" (poverty alleviation insurance) and "Huinongbao" (insurance beneficial to San Nong), and developed typical models for insurance-backed poverty alleviation including "Zhengrongbao Model" (government policy support+financing by insurance capital+risk control by insurance) and "Hechi Model", with 154 poverty-stricken counties nationwide benefiting from our capital used for San Nong-related financing throughout the year; in an effort to improve the people's livelihoods, we proactively pushed ahead with the building of the multi-layer social security system, vigorously developed the critical illness insurance and insurance relating to people's livelihoods and social governance, tapped new fields including the basic healthcare insurance, nursing-care insurance and poverty alleviation backed by social security at a faster pace. In a word, we gave full play to the positive role of insurance in safeguarding people's livelihoods and social governance.

Jointly creating a beautiful life with upgraded services. We accelerated the implementation of mobile and interconnected value chain, built the mobile e-commerce platform and mobile operating platform, improved and popularized the "PICC" APP and the official WeChat platform, in an effort to offer one-stop online services to the customers; relying on the new model of "technology-backed claim", we debuted "customer-centered services • intelligent claims". We were the first in the industry to introduce the helicopter rescue with a three-dimensional rescue network that features "air-ground combination and personnel collaboration". We expedited the service upgrade to bring better customer experiences across the board; we established the consumer complaint system coupled with the corresponding pacification scheme, and further optimized the mechanism regarding the handling of insurance complaints, with complaints per RMB100 million premium released by the regulatory authority continuously below the average in the P&C insurance industry. The Company was rated at AA for its services in 2017, the highest rating among all insurers.

Jointly expanding global layout with entry into the overseas market. We took an active part in the construction of the "Belt and Road", accelerated the implementation of the globalization strategy, and set up the international business unit to realize specialized operation of the international business, thus building a comprehensive security network for the "going-global" of China; we optimized the international business operating model with an improvement in the corresponding management institution system, and the overseas business management platform was initially established; we built the professional team to handle overseas claims and expedited the cultivation of globalized talents with the first working groups dispatched to Russia, Indonesia and South Africa and the assignment of personnel working in the United Kingdom and the United States under active preparation. Thus, new progress was made in overseas layout, with the Company serving as the insurer in 2,228 overseas projects for the whole year.

Jointly sharing the development results with people-centered efforts. We strengthened the Party building across the board, brought the core leading role of the CPC into full play, kept to the "Four

Consciousnesses", continually strengthened the "Four Confidences", and assumed the sacred mission of "People's Insurance for the People" with a strong sense of pride and responsibility; we consistently carried out initiatives centered on employee well-being and care for employees, and ramped up efforts in construction of the home for staff with more resources used for the grassroots level, in a move to create a sound atmosphere for the development of employees in a happy enterprise; keen to be part of the public-service cause, we put intense efforts into supporting the targeted poverty alleviation and pairing-assistance to Xinjiang, consistently carried out charitable and public-service activities and volunteer services, and organized series of public activities themed "PICC on the way", with the donations during the year totaling RMB 84,685,000.

We get ready to embark on a new journey to 2018 at a new starting point amid a new era. PICC P&C will remain true to our original aspiration and keep our mission firmly in mind, rally closely around the CPC Central Committee with Comrade Xi Jinping at the core, push ahead with the transformation to high-quality development across the board and speed up the building of a world-leading P&C insurance company under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and with the aim of meeting the people's ever-growing needs for a better life, so as to make bigger contributions to securing a decisive victory in building a moderately prosperous society in all respects and striving for the great success of socialism with Chinese characteristics for a new era.

林智勇

President: Lin Zhiyong

Part 02

COMPANY PROFILE



Registered capital
RMB **14.83** billion



Total assets
RMB **524.57** billion



Number of people offered with direct job opportunity
180,000



Total tax paid to the state
RMB **24.3** billion



Donations
RMB **84,685,000**



Number of customers served
70,809,000



Coverage of outlets in towns
98%

Company Profile


PICC Property and Casualty Company Limited (PICC P&C), headquartered in Beijing, was formerly known as the People's Insurance Company of China established on October 20, 1949. PICC P&C is the core member and the landmark business of the People's Insurance Company (Group) of China Limited (PICC Group, No. 114 in the "Fortune Global 500 list"). As a major state-owned property and casualty insurance company in China with a long history, large-scale businesses and strong overall strength, PICC P&C was at the forefront of global P&C insurance market in terms of the premium scale. The Company got listed in main board of SEHK on November 6, 2003 (stock code: 2328). Over the past year, the Company took new strides in development, with the total premium income surpassing RMB350 billion and the total assets exceeding RMB500 billion. The Company made the list of top 100 HK-listed companies for six consecutive years. Furthermore, Moody's Investors Service rated the financial strength of the Company at A1 (stable outlook), the top-notch level among insurers in the mainland.


As a state-run insurance company which was founded in the same year as the People's Republic of China, we were always committed to resolutely implementing the fundamental policy of CPC and decisions and deployment of the state under the leadership of the CPC, and always stuck to the historical mission of "People's Insurance for the People". We persisted in the market-oriented and customer-centered principle and provided powerful insurance guarantee for economic development and social stability by proactively performing the responsibility as a good corporate citizen. Throughout the year, the Company undertook RMB387.1 trillion worth of risk coverage and paid RMB192.52 billion insurance indemnities with the handling of 64,804,000 claims for all sorts of incidents.

Company Business

Motor vehicle insurance, business property insurance, cargo transportation insurance, liability insurance, accident insurance, short-term health insurance, agricultural insurance, household property insurance, marine hull insurance, guarantee insurance and other Yuan-denominated and foreign currency-denominated insurance businesses; reinsurance businesses related to the aforesaid businesses; and investment and fund utilization businesses that are allowed by the laws and regulations of China.

The domestic business of the Company basically covers all urban and rural areas across China, and our international business includes more than 100 countries in Asia, Africa, South America, North America and Oceania, with the corresponding amount of risk coverage close to RMB4 trillion. Moreover, the Company proactively expanded international business to over 40 countries along the "Belt and Road" route to boost the implementation of the national development strategy.

 Motor vehicle insurance
249.23 billion

 Accident and health insurance
30.65 billion

 Agricultural insurance
22.09 billion

 Liability insurance
16.98 billion

 Business property insurance
12.62 billion

 Cargo transportation insurance
3.23 billion

 Others
15.52 billion

25,600 San Nong insurance service stations

302,000 San Nong insurance service points

658 community insurance outlets in urban network

W westernmost part
Wuqia Branch in Xinjiang Uygur Autonomous Region

N northernmost part
Mohe Branch in Heilongjiang province

E easternmost part
Fuyuan Branch in Heilongjiang province

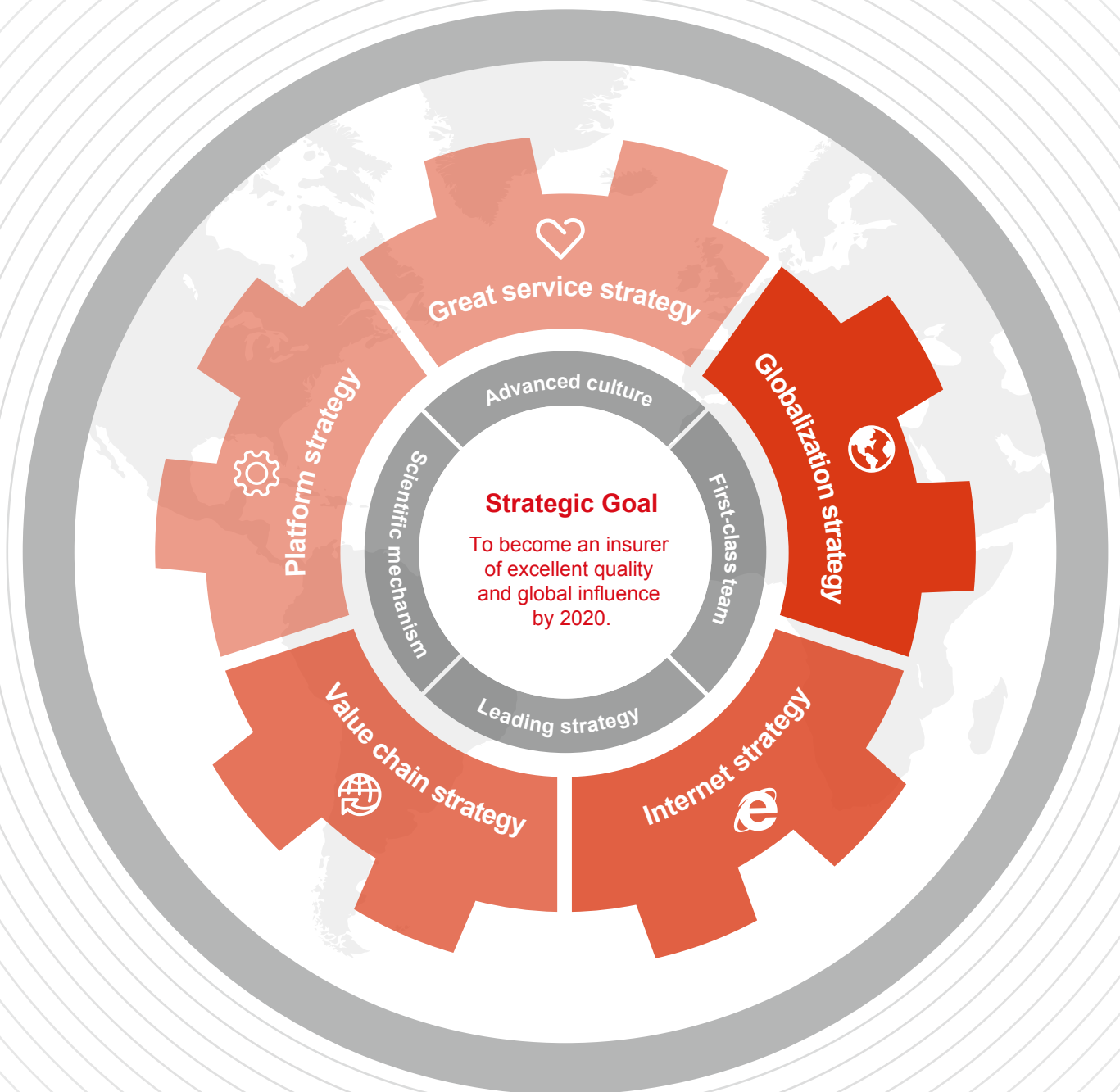
S southernmost part
Sansha Branch in Hainan province

Map of corporate network distribution

36 provincial branches
14,000 institutional outlets
(Including **9,314** sales divisions)

Corporate Strategy

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and upon an in-depth study and implementation of the spirit of the 19th National Congress of CPC, the Company took the new vision of innovative, coordinated, green, open and shared development as the guiding principle, the upgrade of supply-side insurance as the main task, and the development of modern insurance services as the direction. The Company persisted in serving the big picture, in reform and innovation, and in compliance operation with priority given to development and efficiency. We strengthened the Party building across the board, and thoroughly implemented the "13th Five-Year Plan" for the country, the industry and the Group. Meanwhile, we pushed ahead with innovation and upgrade in the management, operation and business models across the board, thoroughly implemented the five strategies, pushed for transformation from nine respects, sped up changes in quality, efficiency and growth drivers, and pursued high-quality development of the Company.



Company Advantages

Brand advantage

By remaining true to our original aspiration and keeping our mission firmly in mind, we crafted a renowned and advantageous brand both at home and abroad with integrity, responsibility, specialization and value. The Company served as the insurance partner for major events and activities including the Beijing 2008 Olympic Games, the 2010 Shanghai World Expo, the 2010 Guangzhou Asian Games, the 2016 Hangzhou G20 Summit, and the 2017 Belt and Road Forum for International Cooperation held in Beijing.

Political advantage

We witnessed and experienced the birth and growth of the insurance industry upon the founding of the PRC. As a major state-owned insurance enterprise, we gave full play to the functions of economic compensation, financing and social management that insurance plays, and took active steps to maintain social stability, boost economic performance, guarantee the people's livelihoods, and improve social governance, a powerful indication of how a state-owned insurance enterprise has assumed responsibilities and played the major role in serving the big picture of social and economic progress.

Service advantage

Our national service hotline 95518, telephone sales hotline 4001234567, official website for direct sales www.epicc.com.cn, mobile Internet platform and "PICC" APP and official WeChat account were made available to the customers in order to offer them one-stop online services including underwriting and claims anywhere at any time; we were a pioneer in the P&C insurance industry to implement helicopter rescue and provide air-ground-integrated all-weather risk coverage services.

Network advantage

We boasted about 14,000 branches and service outlets spread across the urban and rural areas of China. Extending from the northernmost Mohe to the southernmost Sansha, our service network at the town level had a coverage rate of over 98%, ending up with a three-dimensional service network featuring online-offline interaction and combination of urban and rural network.

Talent advantage

On the strength of a high-quality management team and technical talents specialized in various core P&C insurance business sectors, we built a high-quality talent team able to deliver top-notch and diversified insurance services to customers in all fields of insurance based on familiarity with the national conditions and rich experience.

Technical advantage

Equipped with a powerful product system and professional technologies, we offered a wide range of products covering all fields relating to the national economy and people's livelihoods to meet the customers' demand for diversified and high-quality insurance products. Supported by professional and state-of-the-art risk management capability, we carried out the "air-to-ground" integrated insurance RS technology application, urban flooding risk management, earthquake RS survey and evaluation, mobile underwriting and claims, etc.

Important Honors during the Reporting Period



The Company was at the top of the "Asian Insurer Competitiveness Ranking" hosted by the 21st Century Business Herald and the Center for Financial Studies of the 21st Century Institute in December 2017, and was honored with the "2017 Annual Best P&C Insurer in Asia".



The Company was awarded the title of "Annual Best P&C Insurer" at the selection of "Ranking of Best Chinese Financial Institutions" hosted by the Financial Times in December 2017.



The Company was honored with the award "Annual P&C Insurance Brand" on the "2017 China Top Finance List" ranking unveiled at the "New Finance · New Development 2018 Financial Forum" hosted by the Paper in January 2018.



The Company earned the award of "2017 Most Reliable Insurer" as a nominee for the "2017 Ark Prize for China's Insurance Industry" co-hosted by Securities Times and Insurance Asset Management of China in July 2017.



The Company won the "2017 Annual P&C Insurer" award upon the selection activity of the 11th "Jinchuan Award" co-hosted by China Times and Sina Finance in January 2018.

Part 03

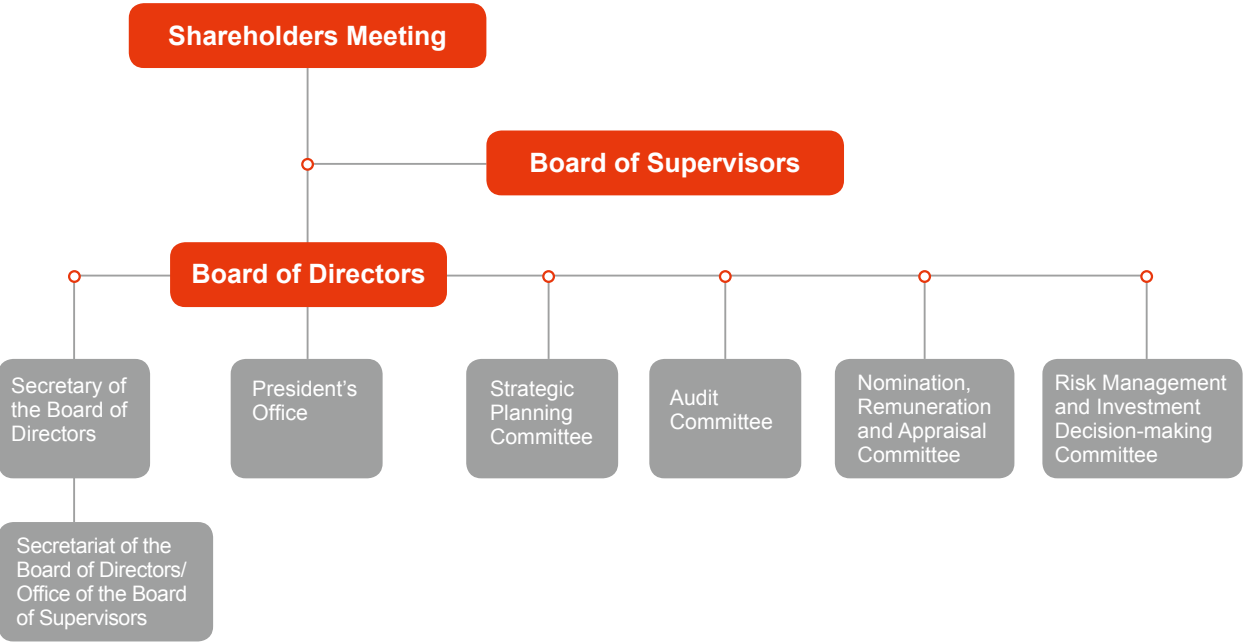
CREATING VALUE WITH INTEGRITY AND COMPLIANCE

Corporate Governance

We made incessant efforts to raise the ability in corporate management and governance to ensure sound and stable development of the Company and increase shareholder value in strict compliance with the Company Law of the People's Republic of China, the Insurance Law of the People's Republic of China and relevant laws, and requirements of rules and regulations including Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Guiding Opinions on Regulating the Governance Structure of Insurance Companies (for Trial Implementation) and Articles of Association.

We integrated the strengthening of the leadership of the Party into better corporate governance, formed a cohesive force at the ideological level, optimized the organizational system, improved the institutional mechanism, served the integrated construction of PICC Group, and drove the Company toward customer-centered transformation.

Corporate Governance Structure



Compliance Operation

Compliance operation comes as a lifeline for the Company's reform and development. We strictly followed national policies and laws and regulations and code of conduct of the Party, and firmly adhered to legitimacy and compliance.

We made sustained efforts to promote the construction of the integrated risk management system and establish the long-term mechanism for risk management, including measures to improve the risk management information system, carry out financial risk prevention and control, self-inspection and rectification, continually implement monitoring and prewarning in key fields and links, and put in place the "C-ROSS". We took effective measures to prevent the occurrence of illegal money laundering in strict compliance with the anti-money laundering regulations. And we also initiated series of education campaigns to propagate the prevention of illegal fund-raising.

During this year, we revised the Compliance Policies and Compliance Management Measures according to the compliance requirements specified in national policies and by the SEHK. We put the regulatory requirements into practice, continued to strengthen abilities in internal control and management, supervision and risk management, and adopted measures to effectively identify, prevent and resolve compliance risks, in an effort to push the Company's operation to a higher level based on legitimacy and compliance and maintain its legal, sound and stable operation. We initiated the compliance culture and formulated the basic code of conduct for compliance, namely, "integrity and self-discipline, legitimacy and compliance, honesty and faithfulness".

We strengthened the building of the institutional framework for anti-corruption and released Interim Rules on Regulating Persons Responsible for Violating Laws, Interim Measures for Imposition of

Misconduct Liabilities and relevant detailed rules for implementation, in a move to further consolidate the mechanism-building as a cage to contain powers. The secretary of the Party committee at each level signed the Letter of Responsibility for Full and Strict Governance over the Party and the secretary of the committee for discipline inspection at each level signed the Letter of Responsibility for Discipline Inspection; newly appointed leaders were organized for conversations and signing the Letter of Commitment to Integrity and Self-discipline before taking office to help raise their awareness in this respect.

In 2017, we also waged education campaigns to further push the anti-corruption drive.



Various warning education programs are launched

List of Warning Education Campaigns in 2017

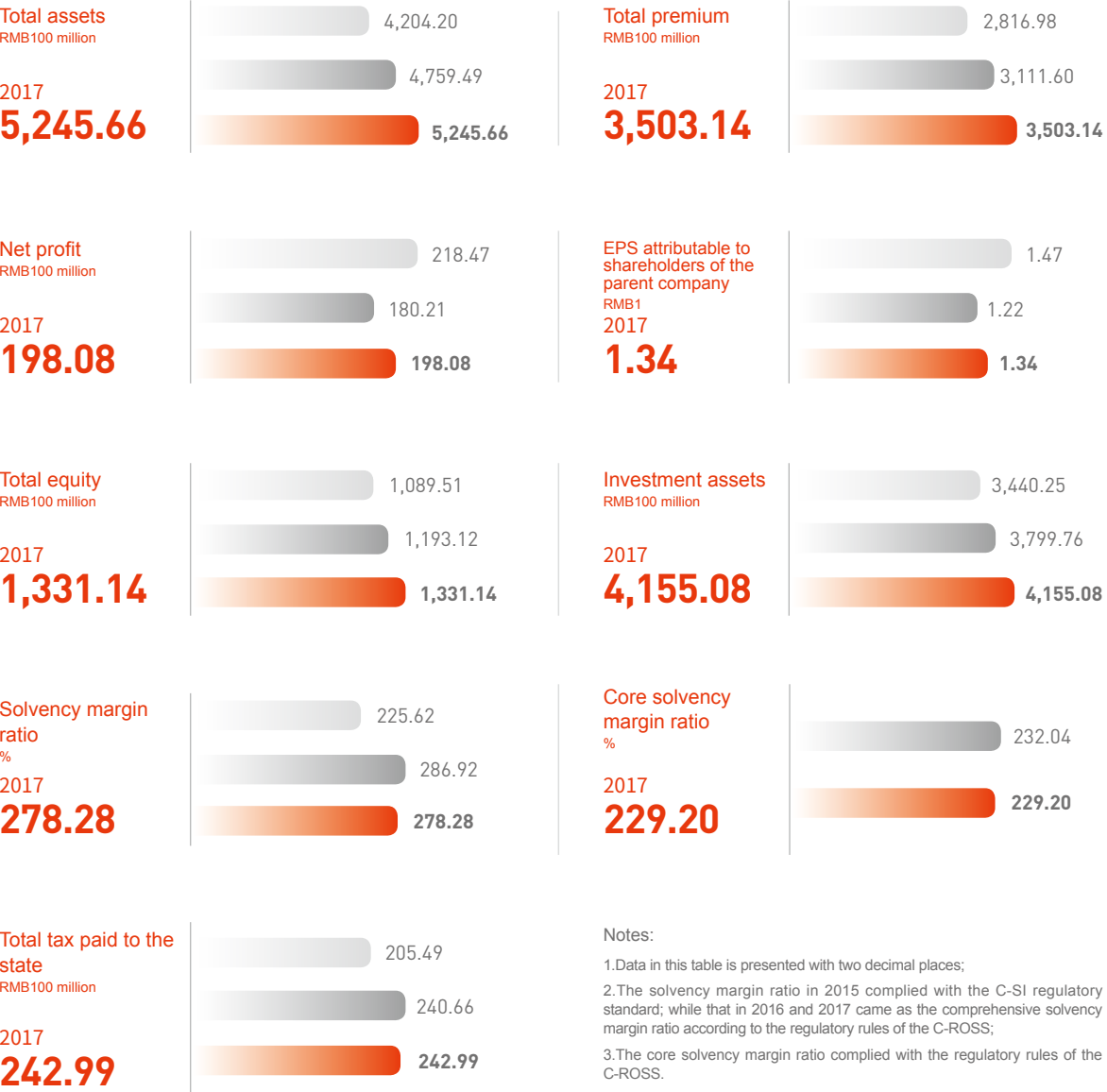
Conversations between the department of discipline inspection and supervision at each level and the incoming leaders regarding anti-corruption (person time)		3,355
Training received by leaders and employees in charge of discipline inspection and supervision (person time)		9,933
Messages sent to leaders and employees to give warning of corruption during important holidays (number)		499,000
All sorts of warning education campaigns	Round (time)	3,212
	Leaders and employees concerned (person time)	144,000
All sorts of education campaigns under the theme of anti-corruption	Round (time)	3,733
	Leaders and employees concerned (person time)	177,000

Economic Performance

Creating economic value and proactively performing the tax obligation is the fundamental social responsibility an enterprise should bear, and is also the basic form we use to contribute to the sustainable development goals.

Basic Financial Data of the Company from 2015 to 2017

2015 2016 2017



Part 04
PROMOTING COOPERATION BASED ON RESPONSIBILITY

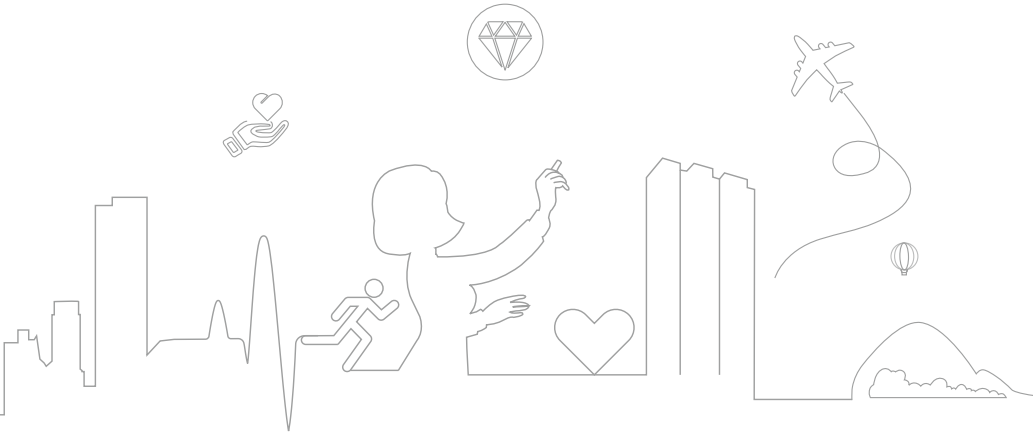
Social Responsibility Management

With the historical mission of “People’s Insurance for the People”, we have always engaged in operation and management by performing social responsibilities which are viewed as one of the Company’s fundamental operating principles.

Our social responsibility management mechanism is as follows: In formulating the long-term corporate strategic objectives, the company’s board of directors and related specialized committees take into full account the environmental, social and governance risks on different stages, finalize the subject of social responsibility and include it into strategic decision-making process. Under the guidance of corporate strategic objectives, the management takes charge of the deliberation and decision-making of major issues related to social responsibilities; the relevant functional departments are responsible for pushing ahead with the building of the social responsibility management system and routine management work, publicizing issues concerning social responsibility, collecting data about the CSR key performance indicators and relevant practical materials and typical cases at regular intervals, and compiling the CSR report; other functional departments and branches are responsible for reporting on the content and typical cases involved in the CSR indicators regularly and organizing all kinds of activities. The CSR mechanism is

designed to realize a closed-loop from planning, implementation and monitoring to review of the Company’s CSR strategy, goals, actions and performance based on two dimensions, namely, significance to decisions of stakeholders and significance to economic, social and environmental impacts, with the aim of a spiral of continuous improvement.

We strove to boost the economic development, improve the people’s livelihoods, and promote social harmony by bringing the specialization and service advantage into full play, utilizing the market-oriented risk transfer mechanism, social mutual aid mechanism and social management mechanism of the insurance, and assuming the social responsibilities as a good corporate citizen. Meanwhile, we constantly introduced distinctive innovative products and services in insurance-served social management and other fields. During the process of regular strategic planning review, internal supervision and auditing, assessment and social responsibility reporting, the company’s board of directors, management and functional departments review the effectiveness of risk management and the performance achieved from fulfilling social responsibility at different levels to make a timely adjustment and have a better decision.



Communication with Stakeholders

Stakeholders participation underpins the establishment of the social responsibility management system. We pay high attention to participation from stakeholders with constant optimization of the communication means and dialogue mechanism.

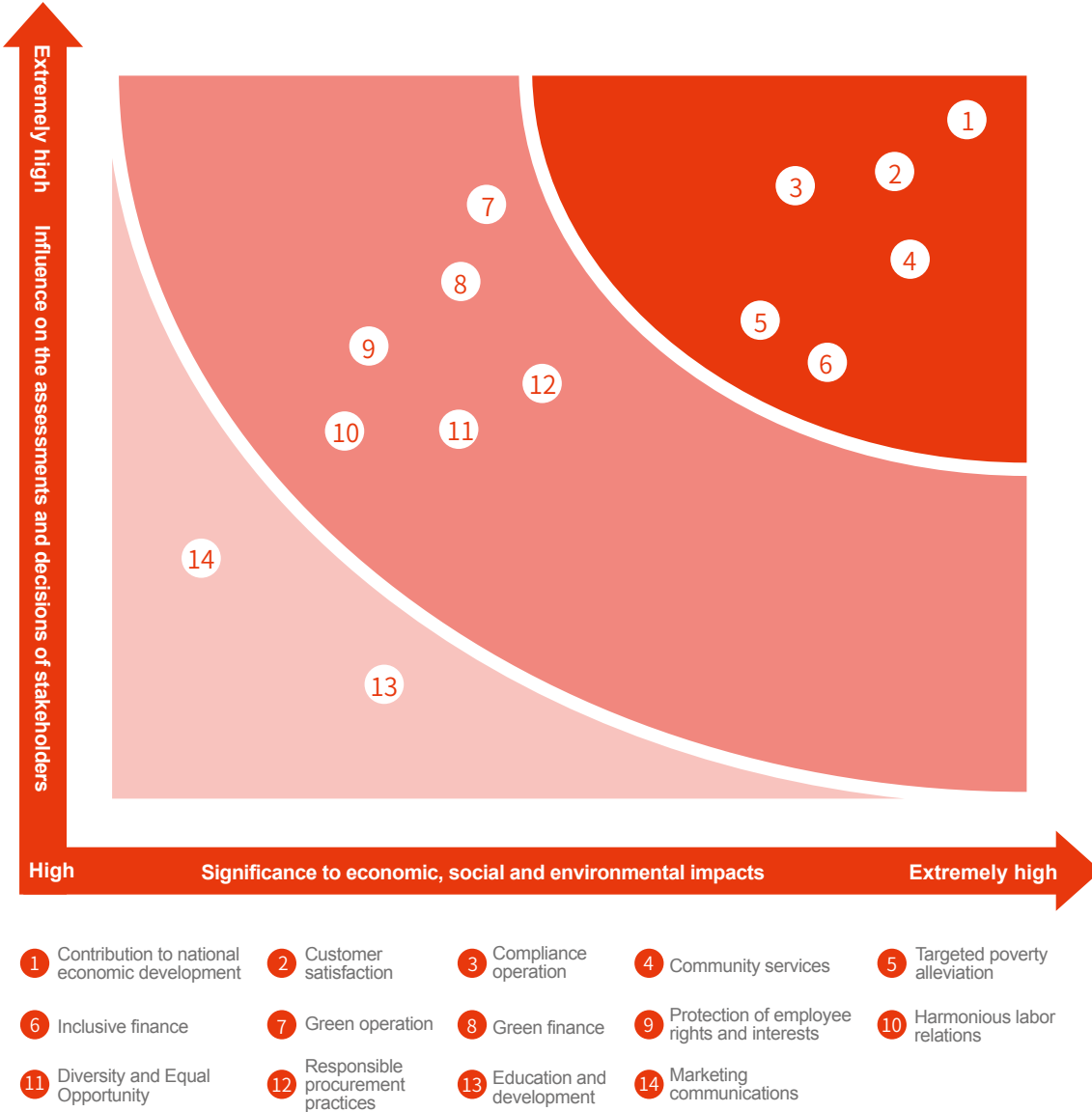
Our stakeholders include shareholders, customers, employees, partners, suppliers, industry peers, securities exchanges, non-government organizations (NGO), the government, society, natural environment, etc. In accordance with assessment result regarding significance to the influence from and on the Company, we made a list of key stakeholders and determined the degree and range for their participation in corporate governance, management and decision-making.

Over the past year, the Company maintained close communications with the stakeholders and actively used such media as the official website and official platforms of Weibo and WeChat to enhance exchanges and feedback in a more convenient and timely manner.

Participation from key stakeholders		
Key stakeholders	Expectations of stakeholders	Means for participation and response
 Shareholders	Stable value growth Perfect corporate governance Effective risk management Clean commercial environment	Shareholders' meeting Annual report and announcements Earnings release Exchanges with investors
 Customers	Diversified insurance products Convenient and high-quality services Protection of customer rights and interests Protection of customer privacy	Customer Day Customer symposium and return visit Satisfaction survey Social media such as Weibo, WeChat and APP Service hotline 95518 Telephone sales hotline 4001234567 Company website www.epicc.com.cn
 Employees	Rights of democratic participation Occupational health and safety Favorable career development platform Harmonious working atmosphere	Workers' Congress and Member Representative Assembly Employee symposium Performance management Face-to-face and online training Internal network information platform Mutual help and care activities
 Partners	Cooperative and win-win partnership	Strategic cooperative agreement Standard and evaluation
 Government and regulatory authorities	To shoulder the due social responsibility of a central state-owned enterprise and listed company in response to national strategies and contribute to industry development and communication	Returning to the original mission of insurance to provide the guarantee to serve the big picture in social and economic development Presence in industry associations and societies Seminar to discuss major issues and offer policy suggestions Making reports at regular intervals
 Public and society	To improve people's livelihoods To advance social governance Charitable activities	Undertaking the government's and enterprise's projects for people's livelihoods Volunteer activities Charitable donation and targeted poverty alleviation
 Natural environment	To realize green operation To protect the environment	Product innovation Green financial insurance products Energy saving and emission reduction Green public-service activities

Determination of Material Topics

Based on ESG, GRI (G4) and SDGs, and through participation from the stakeholders, consultation from experts, discussions with the team members, study of industry standard and other means, we defined the material topics that are involved in this report following a comprehensive analysis of our activities, products, services and relations concerned from the perspective of two dimensions: "influence on the assessments and decisions of stakeholders" and "significance to economic, social and environmental impacts". Information related to these topics is disclosed and explained in this report.



Part 05

SERVING THE NATIONAL STRATEGIES WITH ENGAGEMENT IN SOCIETY AND PEOPLE'S LIVELIHOODS

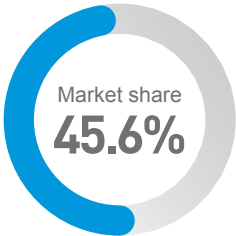
Returning to the original mission of insurance to provide guarantee, we gave boost to the supply-side structural reform and took an active part in social management with innovative mechanism, with serving the real economy and major national strategies as the starting point. During this year, in accordance with China's "13th Five-Year Plan", policies relating to the construction of "Belt and Road" and regulatory requirements, we made contributions to serving the rural revitalization strategy, ensuring the progress of major national projects, furthering the targeted poverty alleviation, serving the strategy of Healthy China, developing inclusive finance, among other sectors. Besides, we integrated serving the "Belt and Road" construction into the globalized development of the Company.



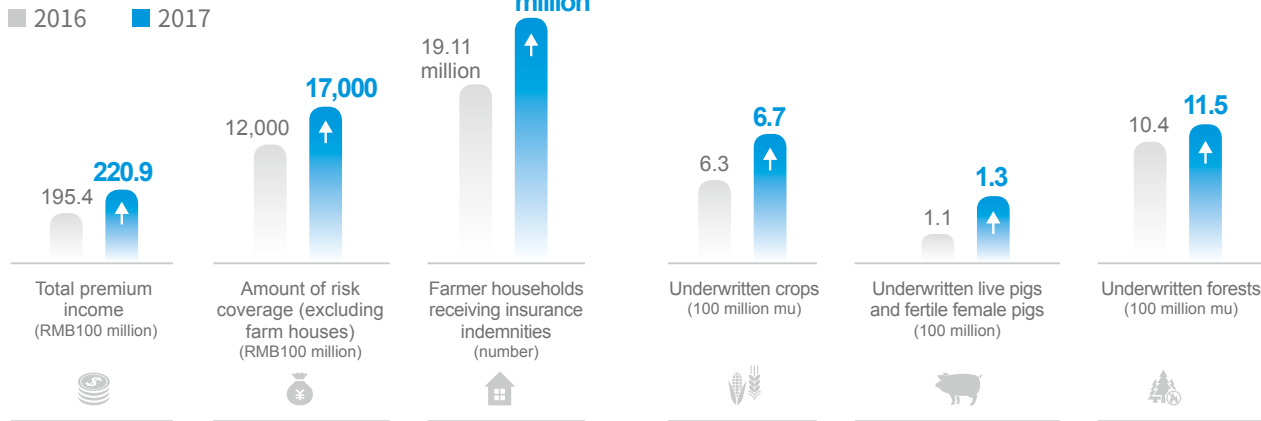
A drone is used in agricultural insurance to conduct an aerial survey.

Serving the Rural Revitalization Strategy

We thoroughly implemented the national strategy of rural revitalization, vigorously developed San Nong insurance with a focus on serving the "San Nong". Thus, we offered a helping hand to perfecting the agricultural risk coverage system, promoting agricultural and rural economic development, and increasing the peasant income. We remained the industry leader in terms of both the market share and the total amount of risk coverage.



Agricultural insurance

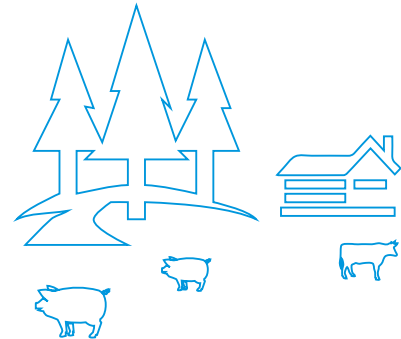


Our San Nong insurance features



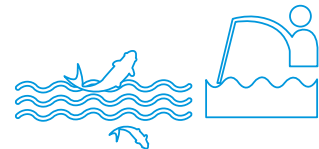
Broad insurance sectors

A wide range of industries including agriculture, forestry, animal husbandry and fishery were covered.



Convenient service outlets

Our service network was extended to the rural areas and covered **98%** towns and **55%** administrative villages across China backed by a rural insurance service team of approximately **380,000** people.



Diversified products and services

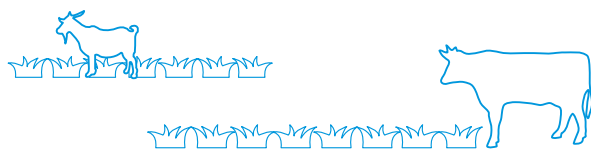
Our agricultural insurance products totaled more than **2,300** amid increasing supply.



Product innovation

Among the **187** innovative agricultural insurance products developed and put on records in 2017, there were 54 futures price insurance products involving 10 agricultural products.

25 products targeted at the local poverty alleviation including "Zhengrongbao", "Fupinbao", "Tehuibao" (insurance with preferential policies) and "Huinongbao" were introduced.



Industry-leading position

The Company served as the exclusive insurer or co-insurer of the **122**, or **80.1%** of the 152 counties where a nationwide pilot program of agricultural catastrophe insurance was under way.



A field survey is conducted in the affected farmland.



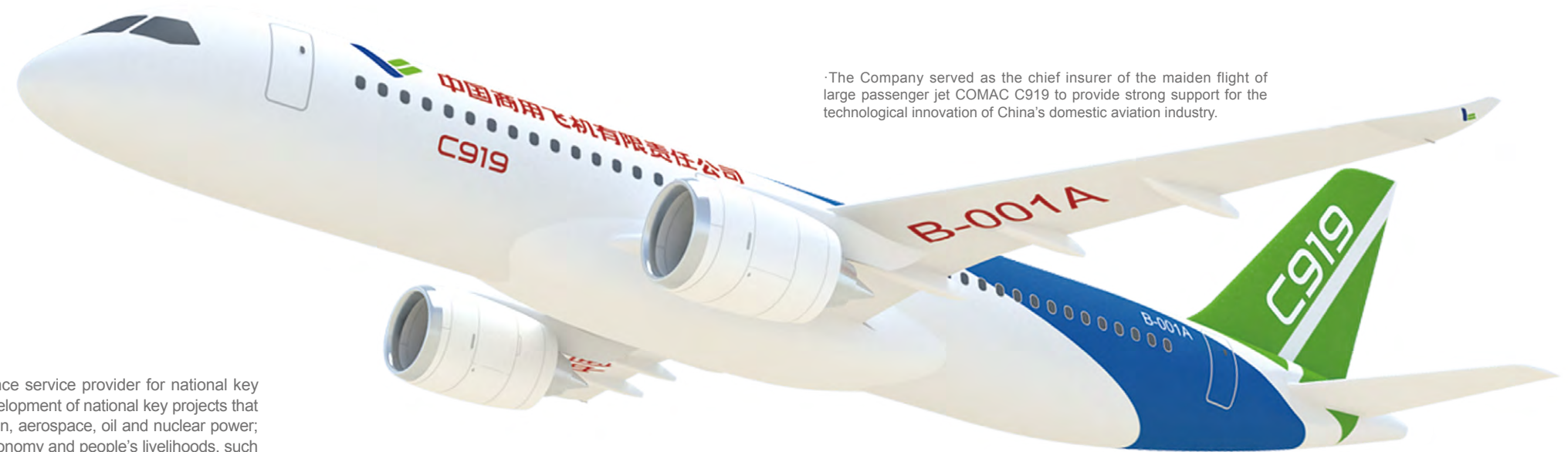
Jinzhong Branch unveils the policy-backed poverty alleviation insurance to provide support for the production and operation of the cattle breeding farmers.



Tibet Branch receives the silk banner from the local farmer.

Serving the Construction of Major National Projects

We took active steps to serve the economic and social development of China as the insurance service provider for national key projects, livelihood projects and emerging industries. Specifically, we continually boosted the development of national key projects that carry significant implications for the politics, economy, society and environment, including aviation, aerospace, oil and nuclear power; invested in the construction of a multitude of important infrastructure in relation to the national economy and people's livelihoods, such as high-speed rail and super highway, water conservancy projects, affordable housing and shantytown renovation; and provided risk coverage for new equipment, new material, new energy and other emerging industries to serve the "Made in China 2025" strategy.



The Company served as the chief insurer of the maiden flight of large passenger jet COMAC C919 to provide strong support for the technological innovation of China's domestic aviation industry.

Major moves to serve the national major projects



Livelihood projects

- Union-Wuhu Public Rental Housing Debt Investment Plan
- PICC Investment Holding-CITIC Guoan Mianhuapian Renovation Project Real Estate Debt Investment Plan
- Changjiang Pension-Shanghai Land Debt Investment Plan for Sanlin Shantytown Renovation
- New China Asset-Guiyang Debt Investment Plan for Phase I Shantytown Renovation Project, No.3 Parcel of Guizhou Provincial Development and Reform Commission
-



Major projects

- Anbang-Jinyulu Railway Debt Investment Plan
- Zhongtian Hechuang-Ordos Coal Further Processing Demonstration Program
- Huadian Corporation-Lawa Hydropower Station Project Insurance Program
- Generali China-Tianjin Harbor Industrial Park Program Debt Investment Plan
- Taikang-Guangdong Super Highway Debt Investment Plan
- PICC-Guangdong Super Highway Debt Investment Plan
-



Emerging industries

- Underwriting 3,075 pieces(sets) of the first piece (set) crucial high-tech equipment with the amount of risk coverage for the liability insurance totaling RMB44.7 billion
- Underwriting 458 pieces of new material of the first batch, with the amount of risk coverage for the liability insurance totaling RMB5.9 billion
- Insurer of the 2017-2020 offshore wind power project of China Three Gorges New Energy Co., Ltd.
- Providing cargo transportation insurance services for the import and export of Huawei
-



The Company served as the exclusive insurer of the maiden flight of AG600 Kunlong, China's first large amphibious aircraft used for fire extinction/water rescue, contributing to the great leap in the construction of national aviation equipment system for emergency rescue.



The Company served as the exclusive insurer of China's first trial exploitation of combustible ice in South China Sea with a risk solution by considering operation safety, environmental protection and other factors, and thus pushed the new round of "natural gas hydrate revolution" led by China to go smoothly by means of all-around insurance services.



The Company served as the chief insurer to undertake the launch insurance and launch third-party liability insurance for YF-3D meteorological satellite of China Meteorological Administration (CMA) to ensure the successful launch of the satellite.







The Company served as the chief insurer of China's nuclear reactor "Hualong One", which was not only a symbolic overseas business in nuclear power insurance, but also a historic landmark project where China's insurance industry contributed to the "going-global" of China's nuclear power as the chief insurer.

Furthering Targeted Poverty Alleviation

In response to the call from the central government to win the anti-poverty fight, we took active steps to further the “targeted poverty alleviation” through insurance. We were the first in the industry to establish the business unit of poverty alleviation by insurance and inclusive finance. We resorted to public-private partnership (PPP), coordinated promotion, dispatching managers, model popularization and other means to push forward the program of anti-poverty through insurance on the whole. More importantly, the poverty-stricken Ji'an county in Jiangxi province exclusively assisted by the Company was successfully lifted out of poverty.

Major actions for targeted poverty alleviation

 PPP	29 branches and the department of poverty alleviation of each province signed the cooperation agreement on poverty alleviation through insurance.
 Coordinated promotion	Coordinated efforts were made in multiple sectors including the business poverty alleviation, poverty alleviation for exclusively-designated county, industrial poverty alleviation and poverty alleviation through Party building, with a “twelve-haves” model for the anti-poverty program.
 Dispatching managers	818 excellent managers from 26 branches were dispatched to the poor areas, with 805 of them holding a post in poverty-stricken villages and the other 13 in poverty-stricken counties/towns.
 Model popularization	The Company explored eight “insurance” models like “Zhengrongbao” in Hebei, “Fupinbao” in Ningxia and “Zhunongbao” in Shaanxi, alongside typical models for poverty relief through insurance in Huichang of Jiangxi, Hechi of Guangxi and Jianhe of Guizhou.



The anti-poverty team of Hubei Branch dispenses the piglet and feed to the poor rural farmer

Case

23 excellent cases of the Company made the list of “Pioneer Insurance Products for Poverty Alleviation” issued by Insurance Association of China

Insurance products/programs of the Company	“Pioneer Insurance Products for Poverty Alleviation”	Number of product
Huinongbao in Liangshan of Sichuan “Package insurance scheme” for targeted poverty alleviation in Baise of Guangxi Local special industry insurance in Longling of Yunnan ...	Product Pioneer	12
Farm produce target price insurance for targeted poverty alleviation in Yaoan of Yunnan “Zhengrongbao” financial project for targeted poverty alleviation in Fuping of Hebei ...	Targeted Poverty Alleviation Pioneer	6
Return-of-poverty liability insurance targeted at out-of-poverty populations in Le'an of Jiangxi “One-stop” services in commercial supplementary medical insurance for the disease of poor rural people in Huichang of Jiangxi ...	Service Pioneer	3
Long-term assistance project in four counties exclusively undertaken by Jiangxi, Heilongjiang and Shaanxi provinces ...	Assistance Pioneer	2

Case

Project of Jilin Houde Food Co., Ltd.

On September 27, 2017, Jilin Branch loaned RMB80 million to Jilin Houde Food Co., Ltd. As of the end of 2017, the firm offered dividends to the local poor people through the breeding cooperative, helping 350 poor people recorded in the filing system overcome poverty.



Jilin Branch reaches strategic cooperation relationship with the municipal government of Liaoyuan to finance the local enterprises.

Case

Long-term assistance project in four counties exclusively undertaken by Jiangxi, Heilongjiang and Shaanxi provinces

The Company provides long-term special support for Ji'an county and Le'an county in Jiangxi province, Huachuan county in Heilongjiang province and Liuba county in Shaanxi province as per the deployment of the PICC Group. Over the past 15 years, the Company has invested a total of about RMB40 million and successively assigned 16 managers in charge of anti-poverty to support the implementation of the local anti-poverty program, thus blazing an exclusive anti-poverty trail featuring "poverty alleviation through a combination of special industry, public service and insurance".



Infrastructure program of Chouxi village (new immigrant village) in Nancun town, Le'an county, Jiangxi province



Infrastructure program of Liuba county



Farmers' Specialized Cooperative Demonstration Zone Program in Liangjian village of Ji'an county



Innovative anti-poverty model for elders of Fuping in Hebei province

The way to allow the over-63-year-old elders without work capacity in the filing system to buy a share in the cooperative lifted the restriction on age of borrowers as usually imposed by the normal financial institutions. Further, more borrowers were covered by the anti-poverty program. Such a model offered financial support of nearly RMB170 million for 1,713 poor farmers in Fuping county, and made contributions to the overall anti-poverty program and poverty alleviation efforts involving "every single person".

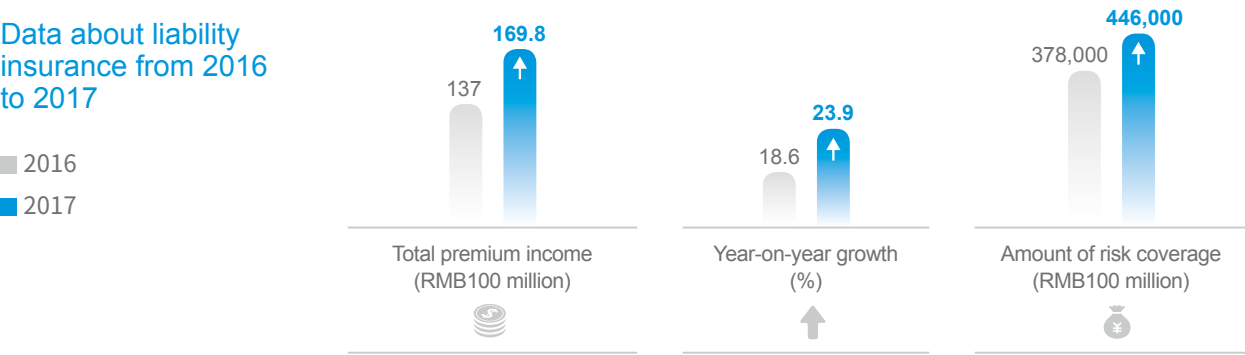


Case

Participating in Social Governance Construction

As an active participant in the modernization of state governance capability, we carried out liability insurance in an array of fields, including ecological environment, food safety, safe production, healthcare, traffic and transportation, tourism services, campus security, professional liability, government relief, pension services, first piece (set), preservation measures in litigation, technological culture, construction engineering and new material. With a focus on serving the real economy, we played a role in driving transformation and upgrade, resolving social conflicts, safeguarding the rights and interests of the public and improving the people's livelihoods. In the end, we obtained wide recognition and appraisal from the government departments and social media.

Data about liability insurance from 2016 to 2017



Data about liability insurance in 2017

		2017
Government relief insurance	Coverage	30 provinces
	Amount of risk coverage (RMB100 million)	63,000
Legal insurance	Coverage	31 provinces
	Amount of risk coverage (RMB100 million)	3,000
Medical liability insurance	Number of medical institutions covered	62,000
	Amount of risk coverage (RMB100 million)	534
Elevator safety liability insurance	Number of elevators covered	>330,000
	Amount of risk coverage (RMB100 million)	12,000
Safe production liability insurance	Coverage	31 provinces
	Amount of risk coverage (RMB100 million)	6,455
Pension institution liability insurance	Coverage	29 provinces
	Amount of risk coverage (RMB100 million)	531



*The integrated mediation center for personal injury compensation in Shanghai Branch offers one-stop services targeted at personal injury cases in traffic accidents.



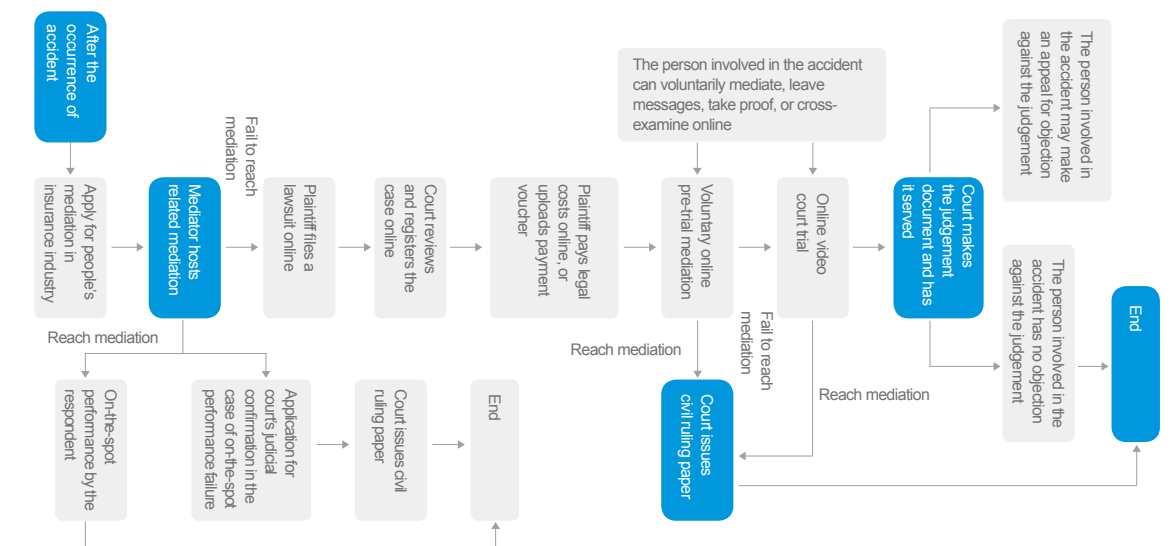
·Shenzhen Branch partners with the People's Court and Judicial Bureau at Luohu District, Shenzhen to establish the online case handling platform.

Wide application of “Yuhang Model”

"Yuhang Model" was hailed as a major institutional innovation regarding the handling of personal injury cases in road traffic accidents based on the joint efforts from the CIRC, the Insurance Association of China and PICC P&C in cooperation with the Supreme People's Court, the Higher People's Court of Zhejiang province, the Intermediate People's Court of Hangzhou Municipality, and Yuhang District People's Court. On the basis of the traditional procedures to handle traffic accidents, this model was supported by consistency in procedures, connection between systems and data sharing, with "prior mediation and unified rules" and "information system operation" as the core. Thus, it offered comprehensive online services to the persons involved in a traffic accident including the calculation of compensation for personal injury, compensation mediation, case registration and response, and payment of insurance indemnities.

In 2017, the "Yuhang model" was put into use in 18 provincial branches, with 6,842 cases successfully solved through mediation. The number of face-to-face communication with the Higher People's Court, the Intermediate People's Court and the basic People's Court of each province totaled 77 times, 524 times and 1,758 times, respectively.

The road traffic accident dispute “online data integrated disposal” and procedures under “Yuhang Model”



·Traffic Accident Mediation Committee Office for staff members of Yuhang branch

Supporting the “Belt and Road” Construction

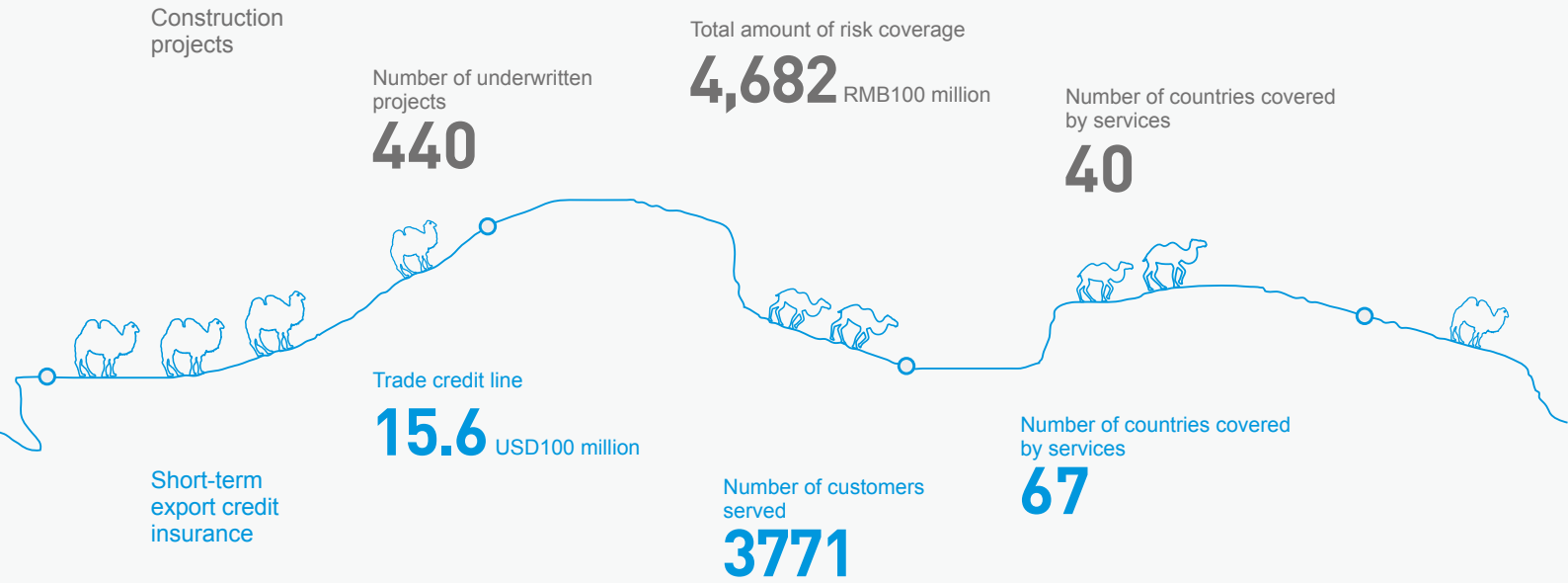
We were committed to establishing an operational management platform for centralized and specialized international businesses, pushing ahead with the construction of overseas service network, and further providing specialized, globalized insurance guarantee and one-stop, whole-process insurance services for “going-global” customers along the “Belt and Road” route, as part of our proactive steps to integrate into the national development strategies. We successively dispatched working groups to Russia, Indonesia, South Africa, the United Kingdom and the United States to deliver supporting risk coverage services to “going-global” Chinese enterprises.



·The Company serves as the officially designated insurance provider for the Belt and Road Forum for International Cooperation held in Beijing

Representative projects along the “Belt and Road” route underwritten by the Company in 2017	Amount of risk coverage (USD100 million)
Chief insurer of the East Coast Rail Link project in Malaysia whose construction is led by China Communications Construction Company (CCCC)	130
Co-insurer of the China-Laos Railway Project jointly undertaken by China Railway Group and other Chinese-invested enterprises	70
Exclusive insurer of the Mombasa-Nairobi SGR Project in Kenya constructed by CCCC	28
Chief insurer of the Pakistan Dasu Hydropower Project undertaken by China Gezhouba Group	25
Chief insurer of the Pakistan Port Qasim Coal-Fired Port Power Project awarded to the Power Construction Corporation of China (POWERCHINA)	20.9

Services from the Company along the “Belt and Road” route in 2017



·The Pakistan Port Qasim Coal-Fired Port Power Construction Insurance Project underwritten by the Company

Serving the "Healthy China" Strategy

In the big picture of "Healthy China" strategy, we took active steps and made full use of our specialization advantages. We deepened the public-private partnership, proactively participated in construction of the multi-layer medical security system covering the urban and rural residents, assisted in the building of multi-support pension insurance system, and innovated the social health insurance, in a move to reduce the pressure and operation cost of the basic healthcare insurance fund, rev up the allocation efficiency of social medical resources, and continue to play a significant part in "promoting reform and improving living standards".

Major actions

Winning the bid of the basic healthcare insurance project in Anhui, Qinghai and other places, followed with a gradual management transfer

Taking part in the audit of basic healthcare insurance in Chongqing, Xiamen and other places

Accelerating the expansion of all sorts of social health insurance businesses with a connection to basic healthcare insurance

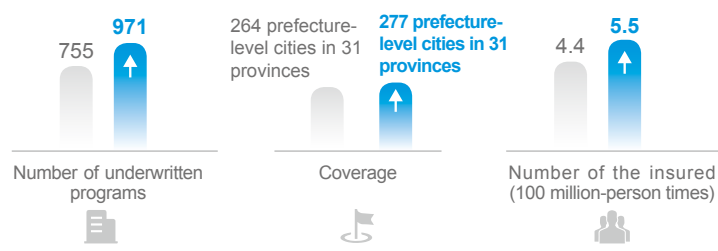
Vigorously expanding the anti-poverty insurance businesses like medical assistance, apart from accident medical insurance and other businesses, and creating the integrated development landscape combining "basic healthcare insurance + critical illness insurance + supplementary insurance + social security accidental injury + medical assistance + long-term nursing-care insurance" step by step

Proactively building the social security business service platform, carrying out joint office work with the healthcare insurance management department, and actively promoting "one-stop" settlement

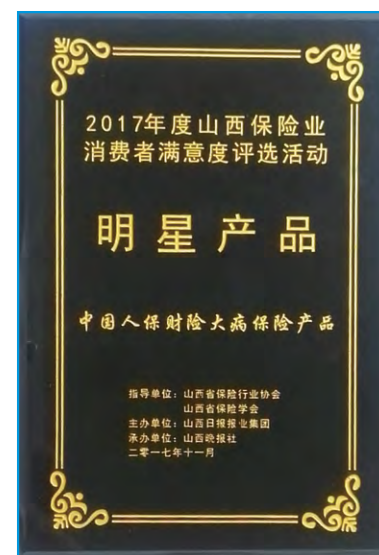
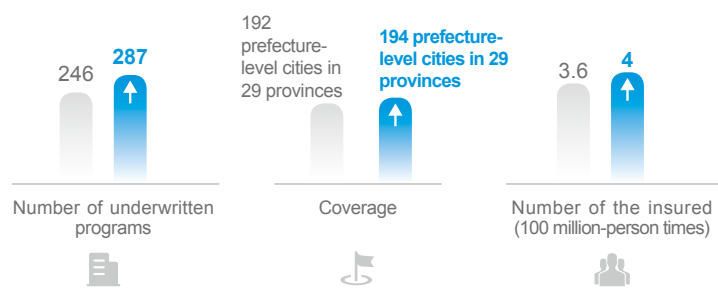
Social health insurance and critical illness insurance from 2016 to 2017

■ 2016 ■ 2017

Social health insurance



Critical illness insurance



The critical illness insurance product of the Company is awarded the title "Star Product" in a survey of consumer satisfaction with the insurance industry of Shanxi



The critical illness healthcare insurance business carried out by Guangxi Branch in 2017 covered a total of 16.38 million persons in four prefecture-level cities, namely, Nanning, Liuzhou, Wuzhou and Guigang.



Hetian Branch of Xinjiang receives a silk banner that reads "Thanks extended to PICC Hetian Branch for timely reimbursement of medical expenses".

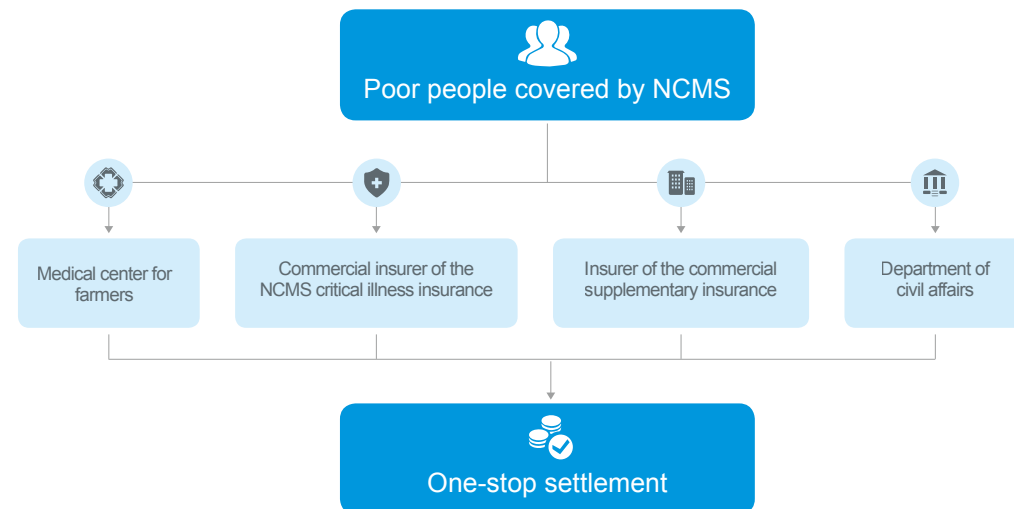


Huanggang Municipal Healthcare Insurance Bureau cooperates to develop targeted poverty alleviation model featuring a combination of "NCMS+critical illness insurance+assistance from department of civil affairs+supplementary medical insurance".

Case

Introduction of creative "Huichang Model"

Jiangxi Branch offered the poor people in Huichang county of Ganzhou access to "one-stop" settlement through the illness medical insurance, a model that spared the local people the trouble of having to obtaining four certificates from four departments before spending two or three days in applying for reimbursement. It was much applauded by the local people who could now go through all expense compensation procedures involved in the insurance within a dozen of minutes.



Vigorously Developing Inclusive Finance

We proactively implemented the central government's requirement to vigorously develop inclusive finance by setting up the specialized team of inclusive finance, putting more efforts into innovation, and engaging in business beneficial to San Nong including the financing business to serve the real economy. On this basis, we were committed to offering a helping hand to the farmers, micro-, small- and medium-sized enterprises, and middle- and lower-income urban families finding financing difficult and costly to obtain, and further providing comprehensive financial services for the farmers, new-type rural operation entities and micro-, small-, medium-sized enterprises.

Major actions



Assisting more than **200,000** borrowers across **31** provinces in obtaining over RMB10 billion
Providing insurance products tailored for micro-, small- and medium-sized enterprises, with the amount of risk coverage provided for more than **30,000** enterprises reaching RMB **83.39** billion



Partnering with the government at each level to provide financial support for hundreds of thousands of poor households in **154** poverty-stricken counties nationwide
Exploring a variety of industrial models for modern agriculture such as "leading enterprise+cooperative+peasant family" and "production+processing+sales" with a focus on rural development to serve the real economy

San Nong-supporting financing business in 2017



Coverage
30 provinces
137 prefecture-level cities
150⁺ poor counties



Amount of the contracts signed with the government and policy guarantee companies (RMB100 million)
201.8
Where, the amount of cooperation agreements on "Zhengrongbao" San Nong-supporting financing (RMB100 million)
159.8



Number of customers served
1,311



Amount of financial support (RMB100 million)
12.88

Export trade credit insurance in 2017



Number of small- and micro-sized enterprises served
18,000



YoY growth (%) of small- and micro-sized enterprises served
76.8



Amount of financial support for export trade (RMB100 million)
1,188

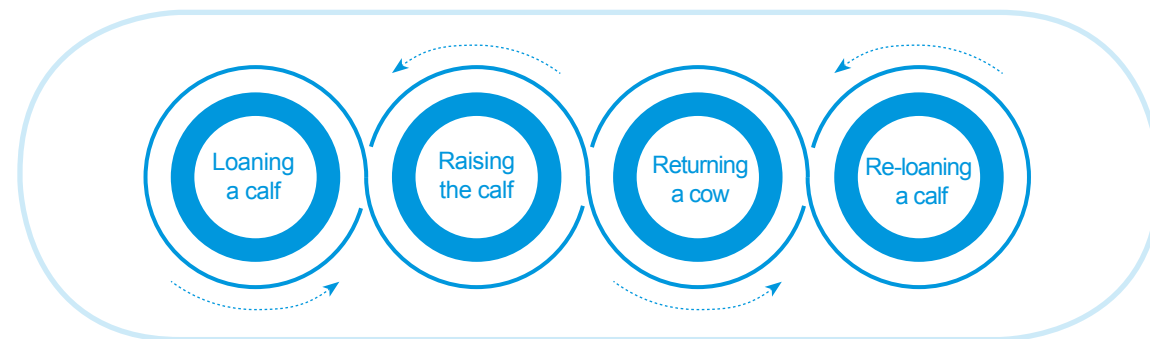
Case

“Borrowing a Cow, Returning a Cow” Industrial Anti-Poverty Program in Du'an county

PICC P&C set up the “PICC P&C Insurance-backed Targeted Poverty Relief Fund for Du'an County”. According to the sustained development operation model of “loaning calves to peasant families before they return a cow and borrow another calf” in which the government provides support and the enterprise takes the lead, the fund is responsible for offering the calves that are loaned to poor peasant families for breeding. Then, the enterprises are in charge of purchases, and the Company provides insurance for peasant families. It is estimated that each cow can help earn RMB 5,000 to 6,000 for the poor family. Thus, a virtuous cycle involving loaning a calf, raising the calf, returning a cow and re-loaning a calf is formed, which helps local poor families whose information is put on record get rid of poverty on their own through industrial development.



It is estimated that each cow can help earn RMB 5,000 to 6,000 for the poor family.



“Zhengrongbao” Model in Henan province

The Company joined hands with relevant departments of the Henan Provincial Government to incorporate the “Zhengrongbao” program into the “Anti-Poverty Initiative backed by the 100-1,000-10,000 Program Led by the Henan Provincial-level Organ”. With the innovative model of “leader recommendation+San Nong-supporting financing+insurance guarantee+fiscal subsidy to cover interest” and the first secretaries of the Party committee assigned to villages across the province taking the lead, we proactively provided a wide range of financial services for a number of poor families, and San Nong-related enterprises, agricultural cooperatives and other new-type agricultural operation entities aimed at poverty alleviation, thus boosting the development of rural economy, on the back of the “100-1,000-10,000” program platform led by the Henan Provincial Working Committee.



Case

Debut of Industrial Chain Poverty Alleviation Model in Inner Mongolia

We unveiled the “Inner Mongolia Holmer Sugar Industry Co., Ltd. –Industrial Chain Poverty Alleviation Financing Program” in the Horqin Right Front Banner of Hinggan League, with a credit line of RMB100 million. The program was the first to introduce the industrial chain poverty alleviation financing model. In this model, the government department and the leading enterprise are jointly responsible for customer recommendation and serve as the joint provider of credit enhancement, the guarantee company undertakes the guarantee responsibility in proportion, and the Company provides the corresponding insurance products for risk coverage and payment of San Nong-supporting financing. Thus, an integrated financing solution with clear division of rights and obligations among the four parties concerned is available to support the production of major growers and cooperatives.



Credit line of RMB100 million



Part 06

BRINGING SATISFYING CUSTOMER EXPERIENCES WITH UPGRADED SERVICES

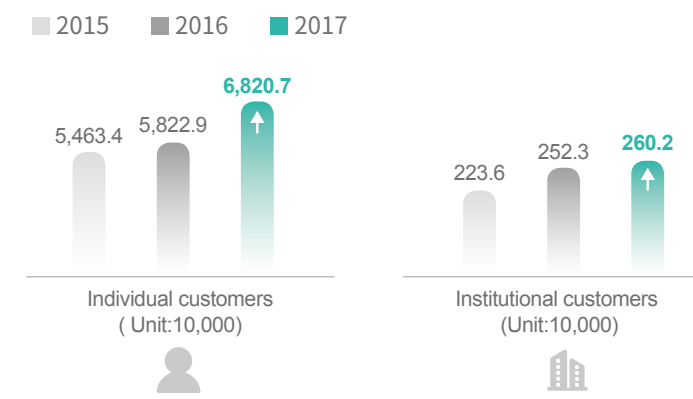
We are always centered on our customers with a service-first philosophy. In an era with a rapid pace of socio-economic and technological development, we endeavor to identify and meet the diverse demands of our customers for product variety and service quality. To this end, we churn out a wide assortment of high-quality insurance products and services for the purpose of disaster and damage prevention, and also provide highly efficient and high-quality claim settlement services with the aid of updated service systems and widely-used high technology.



Offering Diversified and High-quality Services and Products

Putting customer needs firmly in the first place, we incessantly upgrade customer services and pursue innovation in our insurance products. In this way, we are aimed at meeting the people's ever-growing needs for a better life supported by our insurance services of a higher value, insurance operation with higher efficiency and insurance supply at a higher level. Over the past year, we were the winner of numerous big prizes for excellent product innovation.

The number of customers served by the Company from 2015 to 2017



The Company is rated at “AA” based on the customer service rating of insurers announced by the CIRC to the public for the first time, the highest level among peers.

Case






The Company received “Annual Most Influential Insurance Brand” and other awards at the award-giving ceremony of the 10th China Insurance Culture and Brand Innovation Forum and the 12th China Insurance Innovation Award on November 17, 2017.

The Company won the “Annual Financial Product Innovation Gold Award” at the award-giving ceremony of the 2017 China Financial Planning “Gold Pixiu Award” on January 9, 2018.

The Company won the “2016-2017 China Best Customer Contact Center Award” on October 13, 2017.

Innovative Insurance Products in 2017

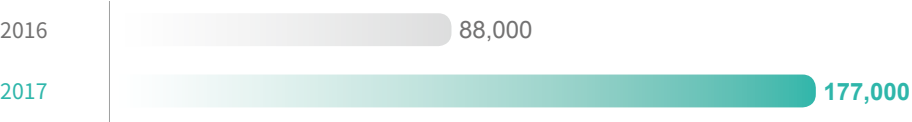
		2017
 Tech insurance	Number of tech firms served	1,136
	Amount of risk coverage (RMB100 million)	2,230.9
	Coverage	71 prefecture-level cities in 18 provinces
 Patent insurance	Number of enterprises served	2,350
	Number of patent programs undertaken	3,630
	Amount of risk coverage (RMB100 million)	74
 Culture insurance	Number of services provided	113,000
	Amount of risk coverage (RMB100 million)	610

Through the “Customer Day” activities under the theme of “listening to your wishes and serving your needs”, we further created effective interactions with the customers and enhanced exchanges and communications with them, with the awareness and quality of service of all staff at a higher level.



We gave priority to more online interactions with the customers. During the period of the 11th Customer Day (from May to October, 2017), the number of followers of the official WeChat platform “PICC P&C Customer Day” nearly doubled.

The number of followers of the official WeChat platform “PICC P&C Customer Day”



Key data about “PICC P&C Customer Day”



Views of texts and images released via the official WeChat platform (person time)

1,213,000



Persons covered in the gift-giving activities (person time)

16 million



Number of gift-giving activities (person time)

2.14 million



Number of quickly handled small-amount auto insurance claim cases (piece)

1,228,000



Cycle of registration and compensation payment of quickly handled cases (day)

0.9





·Shanghai Branch organizes the customers to take part in trekking during the “Customer Day”.



·Fujian Branch makes donations to the primary school in a rural town.

Improving Efficiency and Quality of Claim Services

Long charged with the mission as a key state-owned insurance enterprise, we advanced the excellent claim service program and took proper measures against the Typhoon "Hato", rainstorm in southern China and other catastrophes, which indicated the powerful insurance guarantee offered to economic development and social stability. The whole year posted a total of 64,804,000 claims of all kinds handled by the Company.



The whole year posted a total of **64,804,000** claims of all kinds handled by the company.



The PICC P&C staff members are assisting in rescue.



PICC P&C receives the banner reading "PICC shows great love in time of merciless flood" from the customer.

"Air-ground" integrated rescue services

We endeavored to offer an increasingly wider access to the helicopter rescue during 2017 to provide emergency life-saving services for the social public. At the same time, we, together with the local hospital partners, established the fast track which allowed the injured to receive the most timely and effective medical treatment.



We also introduced the "Insurance for Moving Vehicles" within-reach services to offer zero-distance and customer-friendly claim services. Our motor and electric vehicle teams are deployed in the whole downtown area of some cities. Based on the collaboration between the helicopter and ground personnel, or the air-ground integration, our team could arrive at the site of the accident immediately after its occurrence.



The Company is appraised by the customer for "giving support to Zhongxing 9A"

As the chief insurer of the "Zhongxing 9A" satellite, the Company handled the claim and paid the insurance indemnities in full within 20 days after the satellite "failed to enter the preset orbit", giving our support to the home-made satellite which finally reached its preset orbit following 10 orbit adjustments with its onboard thrusters. The satellite highlights the South China Sea wave beam, which is specially designed to put an end to the failure to have access to radio and television for the government, army and the general public in the waters, islands and reefs of the South China Sea, which helped ensure the coverage of live-broadcast satellite in the area over which China has sovereignty.

Case

Case

180,000
catastrophe claim cases
handled in 2017

RMB7.6 billion
involved in catastrophe
claim cases

We faced severe disasters and accidents in an active and proper manner. Prior to the flood season, we made early preparations for the potential disaster relief and claims in light of the weather forecast; upon the occurrence of the disaster, we initiated the emergency plan timely, and dispatched the team specialized in catastrophe claims to the site of catastrophe to provide convenient claim services. In 2017, we handled the settlement of 180,000 catastrophe claim cases, involving RMB7.6 billion.

Case

The Company properly handled the 37,383 claim cases for the Typhoon "Hato"

The 13th typhoon to hit China in 2017 "Hato" made landfall in Zhuhai, Guangdong province on August 23. The whole Company immediately initiated the emergency plan in quick response to the storm, and spared no effort to engage in disaster relief, claims handling and other work. The Company has paid RMB960 million for the settlement of 37,383 claim cases related to the storm.



·The insurance surveyors are working in the disaster area hit by Typhoon "Hato".



·Zhuhai Branch churns out the "cars for customers" service to allow the 382 customers, whose cars were entirely damaged by the storm, to use the cars free of charge for 10 days.

Case

The Company took emergency measures against the 7-magnitude earthquake in Jiuzhaigou

A magnitude 7 earthquake struck at 21:19 on August 8 in Jiuzhaigou County (33.20°N 103.82°E), Aba, Sichuan province. In the aftermath of the disaster, the Company carried out earthquake relief operations on the same night and sent dozens of rescue teams to the affected area at midnight to assist in disaster relief operations and make claim surveys.



·This is the site of rescue and claim survey.



·The Company provides quick access to catastrophe claims.

·The PICC ambulance helicopter makes an air survey of the earthquake-stricken area in Jiuzhaigou.

Case

Use of remote sensing for survey and assessment of the earthquake in Jiuzhaigou

Upon hearing about the losses caused by the earthquake, we quickly set up the earthquake disaster assessment team and adopted the achievement of the NDRC satellite application and industrialization program and the latest remote-sensing assessment technology to conduct an independent analysis and evaluation of the condition of the disaster. On this basis, we compiled the report on the analysis of the impacts from "8·8" Jiuzhaigou earthquake to lay the foundation for post-earthquake claims.



·3D remote-sensing image of Zhangzha Town

Reinforcing Service Capability of Disaster and Damage Prevention

We had an active presence in social risk management, and constantly improved the precaution and relief system for disasters and accidents, including disaster study, personnel training on raising the ability of disaster and damage prevention services, identification and management of annual disaster and damage prevention service program, application of new technologies, and equipment installation, making the management of disaster prevention and relief at a higher level.



A disaster-relief worker is standing by the warning road sign to provide additional warning against danger.



The claims personnel of Hebei Branch engage in emergency rescue of a vehicle on the verge of rolling over on a snowy day.



The Company carries out the community propagation activity under the theme of "Building a safe home: preventing disasters, reducing losses".

"Prevention first, claim second" philosophy saw obvious results

Hunan Branch introduced the loss reduction into the prewarning mechanism for disaster and damage prevention. During the storm period in July, the branch sent the personnel responsible for claims, product line and San Nong insurance services in advance to shift the vehicles involved in the relevant claim settlement services, and defend the low-lying areas. Hence, more than 3,500 vehicles survived the water logging.

Case

The customer is given access to diversified disaster and damage prevention services



Relevant personnel conduct an on-site check of potential production safety hazards in a chemical firm.

Case

The technology-backed elevator safety liability insurance is used to crack the quality problem of elevator repair and maintenance

Ningbo Branch integrated its insurance services into the repair and maintenance of elevators with a creative move to churn out the "PICC Elevator Guard" system, which is designed to effectively lower the elevator risk and fully ensure the safety. A total of 15,306 times of repair and maintenance was conducted for over 1,100 elevators covered in a pilot program under supervision, and 147 times of second repair and maintenance was made after the repair and maintenance work was found to fail to meet the contract requirement. According to the feedback from the property company, the average rate of elevator failure in 2017 decreased more than 40% compared with the same period of the previous year.



Case

Increasing Technical Innovations of Insurance Service

We actively embrace new technological innovation. We researched and explored to apply new technologies including mobile Internet, big data, artificial intelligence and blockchain in the insurance industry. We established the operation and management committee for mobile Internet, improved the "PICC" APP and official WeChat platform, built the mobile e-commerce and operation platform, and popularized the marketing management system across the board to provide one-stop online services for the customers.



Qingdao Branch unveils the "Drive to enjoy life on the back of PICC" at the Qingdao International Auto Show (among China's five largest auto shows) on May 10.



Shanxi's first insurance ATM debuts at the business hall of Taiyuan Branch.



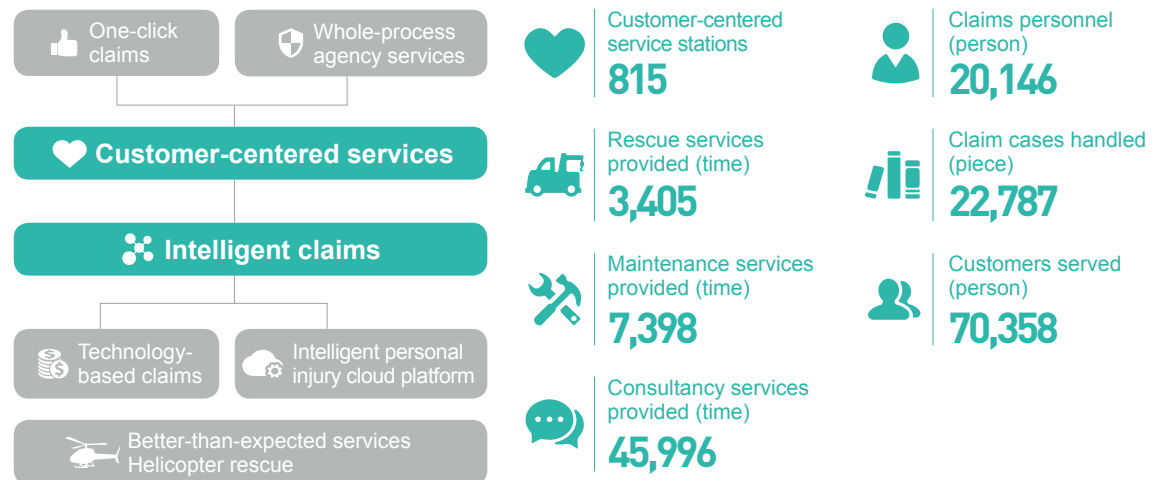
All branches successively debut the helicopter rescue services.



Case

Introduction of customer-centered services • intelligent claims

The Company initiated the program of "customer-centered services • intelligent claims" in Beijing on August 31 to make "services more user-friendly and claims easier". During the weeklong National Day holiday, PICC P&C branches won wide acclaim for their "customer-centered services" provided at the toll gates, stations, traffic hubs, scenic spots and the like.



Resorting to cutting-edge technologies for management of risks and claims at a higher level

Given the "difficulty in loss assessment, claims and management and control" peculiar to the agricultural insurance, we were proactively involved in exploration in advanced technologies, including biometric identification, blockchain, mobile Internet, unmanned aerial vehicle, underwater detection and remote survey, to give support to agricultural underwriting, claims and business management.

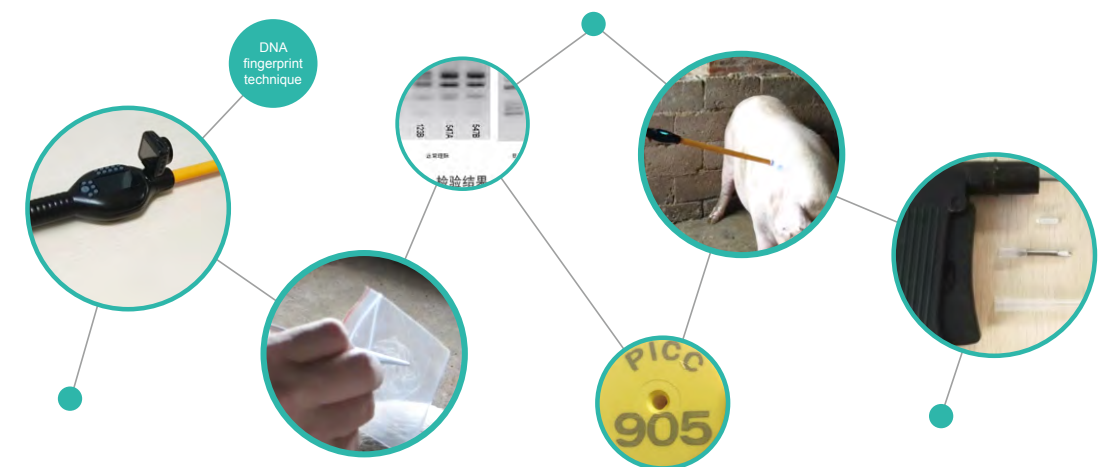


The mobile survey and loss assessment system is put to use.

Case

Application of biotechnology

Dedicated ear tag and file management system are developed and applied in fertile female pigs, and DNA fingerprint technique and radio-frequency identification (RFID) electronic tag are used for the whole-process risk management of the breeding insurance.





Case

Introduction of the satellite remote sensing and geographical information system

The satellite remote sensing and geographical information system is a powerful tool for the prewarning, monitoring and situation assessment of the disaster. The Company explored the new models of underwriting and claims in agricultural insurance, namely, "underwriting by image" and "claims by image".



Data about the "Air-Ground" Integrated Agricultural Insurance Underwriting and Claim Settlement Service System by the end of 2017

 UAV remote sensing	Coverage	25 provinces
	Number of UAV centers	56
	Number of UAV controllers	173
 Agricultural insurance mobile investigation terminals	Coverage	17 counties in 5 provinces
	Number of terminals	90

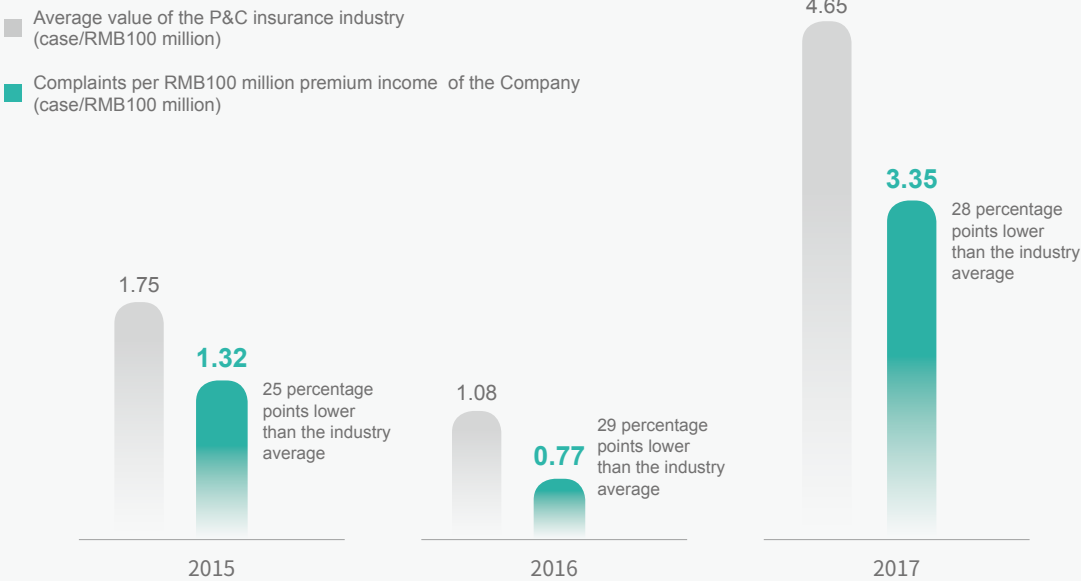
Safeguarding Legitimate Rights and Interests of Customers

We improved the complaint handling mechanism based on multiple dimensions, intensified efforts to prevent and control the occurrence of severe complaints, and established the joint operation mechanism to truly safeguard the legitimate rights and interests of customers. In 2017, the Company's complaints per RMB100 million premium income released by the regulatory authority were 28 percentage points lower than the average of the P&C insurance industry.

We attached high importance to the protection of personal information and privacy of the customers. To this end, we strengthened protection of information security and respected and safeguarded the customer privacy. The Company established the customer information management system for a centralized management of such information. Meanwhile, the Company laid down the customer information security management systems and internal operation procedures, and kept the management and approval of the use of such information under strict control, which helped ensure its security. We tried our best to protect the customer information from being leaked, and blocked access to sensitive information about the customers to forbid any third party from obtaining the customer information.

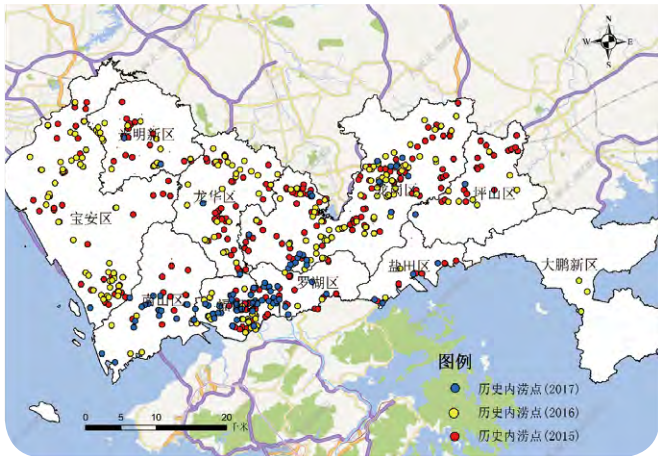
The past year saw no record of any regulatory punishment on the Company for violations of the customer information security management systems. In addition, we laid emphasis on protecting the intellectual property rights to effectively safeguard the lawful IP rights and interests of the Company.

Complaints per RMB100 million premium income



Urban flooding risk management

On the basis of the urban flooding data from previous surveys, simulated data from the models and insurance loss data, the Company made an analysis of urban flooding risks, and formulated the urban flooding risk map of Shenzhen. In this way, the Company provided theoretical basis and data support for risk control and management of the insured, which served as a reference for real-time prewarning, customer services and so on.



Distribution of Recorded Waterlogging in Shenzhen

Case

Part 07

PROVIDING BROAD PLATFORMS WITH CONTINUOUS CARE FOR EMPLOYEES

Guided by the people-centered philosophy, we value the most precious possession for the Company—the employees. We respect talents, attract talents, provide broad career development platforms for them and protect their rights and interests; we care for the health and safety of our employees and their family amid harmonious labor relations.



Safeguarding Rights and Interests of Employees

Employment

In 2017, the Company earned the title of “China Best Employer Award” for the 7th time, with a ranking of the sixth on the list of “China’s Best Employer Nationwide TOP 30”.



We show respect for work, knowledge and talents, and create an atmosphere filled with understanding, trust, respect and harmony, in an effort to provide the employees with the first-rate growth platform and development opportunities and enable them to make their career aspiration and life goals come true with backing from the Company.

In accordance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other state rules, the Company formulated a series of documents on the labor management systems, which are aimed at safeguarding the employment rights of the employees, and eliminating child labor and forced or compulsory labor in any form. Besides, the Company took active steps in pushing forward the collective contract systems, as evidenced by the fact that provincial branches like Xinjiang Branch and Ningxia Branch and branches in prefecture-level cities such as Baoding and Suzhou signed the collective contract.



Employee Distribution (Unit: person)

Employee type	2015		2016		2017	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
On-the-job employees	128,823	32.9	147,155	29.1	156,565	28.2
Contractors	36,394	9.3	25,304	5	21,821	3.9
Other labors	2,492	0.6	2,086	0.4	1,692	0.3
Marketing personnel	223,602	57.2	330,764	65.5	375,499	67.6

On-the-job Staff Turnover (Unit: person)

Employee type	2015	2016	2017
New recruits	33,893	26,013	19,029
Transferred employees	33	26	45
Dismissed employees	151	137	190
Resigned employees	3,027	5,804	7,492
Retired employees	1,808	1,615	1,816
Others	800	99	76

Education Background of the On-the-job Staff (Unit: person)

Education background	2015		2016		2017	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
University graduate (at PhD level)	108	3.9	104	3.7	104	3.7
University graduate (at master's level)	4,841		5,306		5,736	
University graduate (at bachelor's level)	65,096	86.5	76,556	87.4	85,281	88.3
Three-year college graduate	46,322		52,045		52,996	
Technical secondary school and below	12,456	9.7	13,144	8.9	12,448	8

Age Composition of On-the-job Staff (Unit: person)

Employee age	2015		2016		2017	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Under 30 years old	44,431	34.5	53,112	36.1	55,407	35.4
31-50 years old	68,137	52.9	76,895	52.3	83,565	53.4
Above 50 years old	16,255	12.6	17,148	11.7	17,593	11.2



Diversity and Non-discrimination

Our employment management systems make clear the stipulation that the workers will not suffer discrimination due to difference in their nationality, race, gender and religious belief. The Company pays attention to the protection of the reproductive rights of female employees and fully respects and safeguards the rights of pregnant employees to take maternity leave. Some branches have even set up the mother-and-baby room to meet the special needs of relevant female employees.



Gender Composition of On-the-job Staff (Unit: person)

Employee gender	2015		2016		2017	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Male	68,633	53.3	76,731	52.2	81,880	52.3
Female	60,190	46.7	70,424	47.9	74,685	47.7

Ethnic Composition of On-the-job Staff (Unit: person)

Nationality	2015		2016		2017	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Han nationality	120,509	93.6	137,107	93.2	145,444	92.9
Minorities	8,314	6.5	10,048	6.8	11,121	7.1



Member Composition of the Board of Directors and Supervisors (Unit: person)

Board of Directors	Gender composition	Male	9
		Female	2
	Age composition	≤30	0
		31-50	0
		> 50	11
Board of Supervisors	Gender composition	Male	5
		Female	1
	Age composition	≤30	0
		31-50	1
		> 50	5

Note: As of December 31, 2017



Statistics of Employees Taking the Maternity/Paternity Leave at the Head Office in 2017 (Unit: person)

The total number of employees actually taking the maternity/paternity leave	Male	67
	Female	117
The number of employees returning to their post 12 months after the maternity leave or paternity leave in 2016	Male	69
	Female	59
The proportion of employees returning to their post after taking the maternity leave		100%

Notes:
1.The statistics covered 1,922 employees at the Head Office in 2017.
2.The standard to calculate the employees actually taking the maternity/paternity leave: The number of employees completing or were on maternity leave (paternity leave) in 2017.
3. The standard to calculate the number of employees returning to their post 12 months after the maternity/paternity leave: The number of employees who completed the maternity leave (paternity leave) in 2016 and remained at their post by December 31, 2017.




Remuneration and Benefits

We designed and formulated an equitable and competitive remuneration system. We paid the basic social insurance and housing provident fund for all on-the-job staff in time and in full according to relevant state and local rules. We also provide optional benefit programs in good time such as supplementary medical services and heath examination. All in all, we offer better benefits to our employees in terms of their work, health and life with all-round guarantee.

The Company purchases the supplementary medical insurance for the employees to lessen the burden on them to bear medical expenses and provide a guarantee for their personal health and safety during the working period.

In line with the state laws and regulations concerning the working hours, annual leave, labor protection and other aspects, the Company enacted internal management systems explicitly stipulating the leave, treatment and benefits that the employees are entitled to, and took corresponding measures to enable the employees to strike a better balance between their work and life.

Statistics of Head Office Employees Taking the Paid Leave in 2017 (Unit: person)

	Completion of paid leave	Number of employees	Proportion (%)
 Completed		416	22.41
 Partially completed		1057	57.99
 Not taken		382	20.6

Note: The statistics covered 1,855 employees at the head office entitled to the statutory paid leave in 2017

Grievance Mechanisms

We persisted in democratic management with the Workers' Congress as the basic form and steadily extended the system of member representative congress of labor union to more branches. In 2017, 21 provincial branches such as Ningbo Branch held the Workers' Congress, and 12 provincial branches including Guangxi Branch held the Member Representative Congress, which ensured the right of the members to know, to participate, to express and to supervise.



·The Chongqing Branch convened the first session of the 2nd Workers' Congress and the first session of the 4th Labor Union Member Representative Congress on March 13.



·At the second session of the 5th Workers' Congress held by the Ningbo Branch on December 20, the staff representatives presented 12 proposals, and the new Labor Union Committee was elected by secret ballot at the Member Representative Congress.

Creating Excellent Development Platform


Training and Education

Providing employees with opportunities of study and promotion matters much for the Company to maintain its talent advantage and realize its strategic goals. We emphasize how to train the employees well to increase their professional ability and overall strength and make efforts to establish an institutionalized, standardized and scientific training system. We push the employees to grow themselves via face-to-face training, online training, test-based certification, among other means.




The whole system of the Company possesses about **4,600** part-time trainers

Diversified training and education campaigns




Holding various targeted training

Carrying out professional technical training targeted at new recruits, grassroots-level sales personnel and managers at each level.




Holding and encouraging employees to take part in training of other types

Holding employee-shared classes focused on the hot topics in the insurance industry; providing financial support for employees to take society-wide training, professional qualification examination, etc.



Continually providing training resources for employees

Actively engaging in the construction of trainer team and curriculum system; extending the outstanding results innovatively to the whole system via media.



Holding all sorts of qualification tests at all levels

Forming a test system covering posts like "underwriting, claims, sales, customer service, comprehensive management, financial affairs, employment".

		2017
Training expenditure	Total expenditure (RMB10,000)	24,857
	Expenditure per person time (RMB1)	1,311.5
Number of face-to-face courses provided (period)		54,740
Number of online courses available in the system (course)		380
Number of training class hours (person hour)	Anti-corruption training	154,505
	Occupational health and safety education	52,368
	Total person time	307.6
	Training on management	7.7
Face-to-face training person time (10,000)	Training on professional skills	95.9
	Training on sales	202.1
	Total spending (RMB10,000)	28.3
Spending on external training or education	Spending per person time (RMB1)	2,773.7



·Ningbo Branch carries out the "Claims Iron Man" training.



·Guangdong Branch carries out pre-job training for new hires in 2017.



·Guangdong Branch conducts the "Dandelion" internal trainer training and selection activity.



·Fujian Branch holds the job training contest.

Employee Honors

Our employees are worth praise for their pursuit of practical work and entrepreneurship, professional integrity of hard work and diligence, and moral character of being earnest and responsible. Many employees and institutions earn the title of "Excellent Employee" in the selection activity at the national level and within the industry. The Company carried out the activity to select and commend "Touching China PICC P&C · Person of the Year" for six consecutive years. In this way, the Company wishes to pass on the good traditions and corporate spirit worth following amid the positive energy possessed by the typical characters, and inject mental power into the transformation of the Company.



·Quzhou Branch is honored with the award of "May Day National Model Workers" by All-China Federations of Trade Unions.



·"Touching China PICC P&C · Person of the Year 2017" is awarded to the electric vehicle Party member task force on inspection of Nanjing Branch.

PICC P&C 2017 Excellent Employees

	National May Day Model Worker Award	
	Lei Yu	Manager of the subbranch in Pengshan District, Meishan, Sichuan
	The 11th Chinese Youth Volunteer Excellent Individual 2017	
	Wu Wen yuan	Southern e-Commerce Operation Center
	2017 National Financial Youth Service Star	
	Chen Xiuhong	Deputy Manager of the sales team of the subbranch in Haidian District, Beijing
	Ding Jiaju	Assist Manager of the Information Technology Department of Nantong Branch, Jiangsu
	Duan Haiwen	Staff of Administrative/Labor Union Department of Hengyang Branch, Hunan
	2017 National Best Financial Youth Worker	
	Chen Weiqing	GM Assistant of Jieyang Branch, Guangdong
	Liu Yong	Manager of the Qujiang subbranch, Quzhou, Zhejiang
	Lin Ling	Manager of the Auto Business Department of the Cili subbranch, Zhangjiajie, Hunan
	Wang Shuai	Deputy Manager of the Claim Management Department in Dalian Branch
	Jia Qianyun	Group Leader of the 95518 Customer Service Center in Shanxi Branch
	Lin Fei	Subbranch of Yiwu China Commodities City

Caring for Employee Health and Safety

We pay much attention to the health and safety of the employees and spare no effort to provide them with a safe and secure working environment. Posts posing occupational hazards are excluded from the Company's operation. The Company also organizes them to undergo a physical examination on a regular basis every year and optimizes the examination standard and items in light of the actual situation of employees. Moreover, we put consistent efforts into the employee assistance program, including the commercial supplementary medical insurance, to safeguard the personal health and safety of employees during the working period.

In addition, we carry out a variety of health and safety education campaigns annually. In 2017, there was no record of any serious occupational injury and safety accident in the Company.



·The fire drill was held by the Company at the Head Office building (Beijing) in 2017.

Promoting the Employee Well-being through Care

Carrying out Long-term “Care for Employees” Activities

All provincial branches have set up the independent labor union that is aimed at “making the employees’ life better”, in a move to build a happy home with creativity, vigor and quality for the staff and gradually enhance their sense of belonging and happiness.

Employee Care Activities of the Company in 2017

During the New Year’s Day and Spring Festival		
	Number of sick and poor employees visited throughout the system	405
	Subsidy (RMB10,000)	90
Routine “Employee Care” activities carried out by the labor union at each level		
	Number of outlets visited	367
	Number of front-line employees visited	12,180
	Number of poverty-stricken employees visited	4,079
	Subsidy (RMB10,000)	920
“PICC Employee Charity Day” donation activity		
	Employees involved (person)	160,000
	Donations to PICC Care Fund (RMB10,000)	375



·Heyuan Branch conveys greetings to the front-line employees still working during the Spring Festival.



·Employees of Zhangzhou Branch make a donation to the seven-year-old child diagnosed with leukemia.



·Zhaoqing Branch of Guangdong province holds the “Employee Care” activity on Mother’s Day.



·The labor union of Henan Branch takes various measures to care for female workers during pregnancy.



·The leader of Taizhou Branch expresses sympathy for a retired worker in the hospital.

Organizing Colorful Sports and Recreational Activities

We hold all sorts of sports and recreational activities regularly to enrich the cultural life of employees and provide, as best we can, all employees with a stage to play to their strengths and exhibit their image.



To celebrate the Spring Festival in a frugal and civilized way, the Company holds a combination of activities including "game competition, performances, making rice dumplings and tasting traditional snacks".



The first PICC P&C Balloon Volleyball Contest is organized and held.



Employees at the Head Office are organized to participate in the brisk walking contest activity under the theme of "Celebrating the 19th National Congress of CPC".



The basketball team of Fujian Branch is the champion in the basketball final of the third Workers Sports Meeting of the 2017 National Financial System.



Qingdao Branch holds the "PICC Qingdao Branch Workers Sports Meeting".



The football team of Qinghai Branch wins the first prize in the six-player football match among industry peers in Qinghai.



Ningbo Branch organizes and holds the 12th Employee Basketball League Match.



Participants from the Company win a prize at the second (Huarong Cup) "Enthusiastic Dance" Chinese Financial Dancer Competition held by the Chinese Financial Dancer Association.



Part 08

JOINTLY BUILDING A BEAUTIFUL HOME BY ADHERING TO GREEN DEVELOPMENT

We carefully put into practice the basic national policy of protecting the environment and the philosophy that “lucid waters and lush mountains are invaluable assets”, and made an active response to the national deployment to establish the green finance system. In compliance with the trend of sustainable development, we clarified the development direction toward green finance, including green operation, green office, and green insurance products and green investment provided to our customers as a responsible insurer.



Green Operation

We introduced the green operation mechanism into the office and procurement activities in the course of internal management to make as many contributions as possible to saving resources and energy, reducing the emission of pollutants and climate change mitigation.

Green Office

Water, fuel oil, electricity, paper and other energies and resources are the primary source of emissions of wastewater, solid waste and waste gas at the office. Adhering to the principle of green office, we laid down systems to manage energy saving and consumption reduction to decrease the emissions of greenhouse gases and waste of energies and resources, and raise their use efficiency as much as possible; we formulated requirements for waste classification to store and dispose of the waste by category; we standardized the management of repair and maintenance of vehicles for which claims are needed, and helped the claims personnel develop a good driving habit and raise their awareness of environmental protection as part of the initiative to reduce the consumption of vehicle-used oil and emissions of waste gas (including the greenhouse gases).

Water

All water used by the Company can be subsumed under office water. Aside from the water-saving education campaign carried out in daily work, the whole Head Office building (Beijing) adopts the water-saving sanitary ware, and finishes the washing work by using recycled water.

Water Consumption of the Head Office Building (Beijing) in 2017

Items	Total water consumption (ton/year)	Number of persons involved	Water consumption per capita (ton/year · person)
Tap water	21,288	2,150	9.9
Recycled water	9,836	2,150	4.6

Note: The above data is calculated according to the use of water on each floor of the Head Office building (70% from the area used by the employees of the Head and 30% from the area used by the tenants).



Energy Consumption and Greenhouse Gas Emissions

The Company's energy consumption falls into office, canteen and business energy consumption, with the energy including purchased electricity, natural gas, liquefied petroleum gas, coal gas, gasoline and diesel oil.

Electricity and Gas Consumption and Greenhouse Gas Emissions at the Head Office Building (Beijing) in 2017

Annual purchased electricity (kwh/year)	Annual consumption of gas (m³)	Total energy consumption (KJ)	The total number of personnel working in the area	Annual electricity consumption per capita (kwh/year · person)	Annual gas consumption per capita (m³ · person)	Emissions of greenhouse gas (tCO₂e)	Emissions intensity per capita of greenhouse gas (tCO₂e /person)
5,765,499	49,158	22,669,566,498	2,150	2,681.6	22.9	3,625	1.69

1.The electricity consumption equals the total electricity consumption of the Head Office minus the electricity by the tenants.
2.The above data about gas consumption is calculated as per the number of Head Office employees taking their meals at the Company in 2017 (70% from the employees of the Company's Head Office and 30% from employees of the tenants).
3.The conversion coefficient used in calculating the total energy consumption: 1 kilowatt-hour = 3,600 KJ, and the lower heating value of 1 m³ gas stands at 38,931 KJ.
4.The greenhouse emissions are calculated in accordance with the Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Public Building Operation Units (Enterprises) (Trial) issued by the National Development and Reform Commission (NDRC) and the emission factors released by IPCC in 2006. Three greenhouse gases, namely, CO₂, CH₄ and N₂O are included in the accounting.
5.The electricity emission factor complies with the average emission factor of the national power grid in 2015, 0.6101tCO₂/MWh from the official website of the NDRC: http://www.ndrc.gov.cn/zcfb/zcfbtz/201712/t20171215_870543.html

Waste

The Company complies with the principle of waste sorting and expands its application to the nationwide institutions. Efforts are under way to establish a reliable system to collect waste data from a great variety of widely spread outlets of the Company.

The Head Office building (Beijing) of the Company realizes a front-end management of waste by category, namely, life waste, construction waste and kitchen waste, before the wastes go through professional back-end disposal procedures by the qualified factory entrusted by the property company in strict accordance with relevant environmental protection standards specified by the state and by Beijing municipality. Recyclable waste generated from the office work is mainly paper. The Company Head Office completes a biannual centralized disposal of the waste paper including internal documents, magazines and official documents, approximately two tons for each time. All electronic waste ends in safe disposal by Lenovo for the purpose of protecting information security. Other dangerous waste is lawfully disposed by the local property company.



·Lenovo is entrusted to dispose of the used electronic equipment in a safe manner.

Green Procurement

As an advocate for the philosophy of green procurement, we propose “purchasing energy-saving products and products certified with an eco-label” in the annual Centralized Procurement Catalogue and Limit Standard. We give preference to partners advocating for green operation in selecting of the suppliers.

All procurement requirements being equal, we stick to the principle of physical proximity as much as possible to try to reduce the transportation distance and volume of the objects and lessen the impact on the environment in the transportation process.



Green Low Carbon

Office Energy-saving

The Company puts intense efforts into the management of energy saving and consumption reduction at the office to lower the equipment operation cost and relevant resources consumption; and makes unremitting efforts to strengthen energy-saving education on the employees. Warning labels are put on the switch of the electrical equipment in the office area to remind the employees to develop the energy-saving habit of turning off lights when leaving, shutting down the computer when leaving, controlling the air conditioning temperature in summer, etc.

The Head Office building (Beijing) of the Company continues to strengthen management of energy saving and consumption reduction by putting the specially-designated person in charge of relevant work and specifying the corresponding appraisal target. We adopt the time-share model, which falls into the period for normal operation and for non-office hour operation, for the operation of the air conditioning system, illumination for the public area, elevator equipment, etc. The operation is subject to adjustment in light of the actual situation in the case of special events. In the future, the Company will further the work relating to energy saving and consumption reduction, and start the review on clean production covering the Head Office building and other Beijing-based offices of the Company, with a view to providing scientific basis and setting targets for the task of energy saving and consumption reduction in the next step.

The Head Office building (Beijing) has been incorporated into the list of “key district-level energy consumption units of Beijing under review”. Based on the appraisal result announced by the Development and Reform Committee of Chaoyang District, Beijing on December 20, 2017, we successfully accomplished the task to meet the energy saving and carbon reduction targets of Chaoyang District in the “13th Five-year Plan”, rated at “Good” in the annual appraisal.

Electronic Operation

As an active participant in the action of the mitigation of climate change, we advocate electronic operation and paperless office, with active progress made in the application of e-policy, e-invoice and mobile payment. Over the past year, the Company piloted the commercial auto insurance e-policy program inside the system to lay a solid technology and management foundation for future application of e-policy in mandatory liability insurance for traffic accidents of motor vehicles to a wider range. At the same time, more efforts were made to expand the use of electronic products in non-auto insurance across China. This resulted in a huge rise in the number of e-policy used by the Company, which totaled 14,051,000 in 2017 according to statistics.

The Number of E-policy from 2016 to 2017

Year	Number of e-policy
2016	1.897 million
2017	14.051 million

Note: The data equals the downloads from the elife e-policy system plus the volume generated from the e-certificate integrated management system platform.
I.e.: The total number of e-policy in 2016 1,897,443 equals 1,866,791 plus 30,652; total number of e-policy in 2017 14,050,866 equals 3,040,974 plus 11,009,892.

The Number of Value-added Tax E-invoice in 2017

Average e-invoice views via the Company’s official website (times/day)	8,879
Number of e-invoice generated via the whole channel of the Company(10,000)	1,251.4

We continually optimize the office operation management with stricter requirements. According to incomplete statistics, the Head Office and provincial branches of the Company had more than 8,000 times of telephone and video conferences in 2017. This was helpful not only for raising the working efficiency, but also for greatly reducing the greenhouse gas emissions caused by frequent business trips. In addition, the carbon emissions resulting from manual operation also witnessed a huge fall thanks to the establishment of the marketing management platform based on the unified customer view.

Launching Voluntary Tree Planting and other Green Public-service Activities

Alongside the adherence to the “low-carbon office” principle, we also proactively partook in such activities as tree planting to make contributions to the mitigation of climate change through carbon neutral measures. Beijing, Hebei and other branches carried out green public-service activities including the tree planting.



Beijing Branch holds the voluntary tree planting activity and mountain climbing contest.

Green Finance

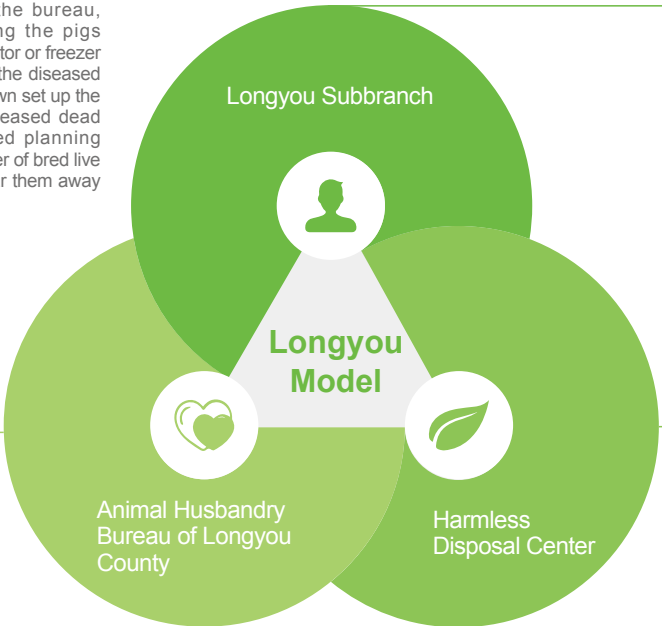
Green Insurance

In an active response to the call from the state to “build a beautiful China, promote green development and develop green finance”, we kicked the green insurance plan into high gear to serve the supply-side structural reform. Branches in five provinces including Zhejiang, Jiangxi, Guangdong, Guizhou and Xinjiang took active steps to implement relevant requirements the state has on “setting up the green finance reform and innovation pilot zone”. The likes of catastrophe insurance, environmental pollution liability insurance and meteorological disaster insurance are developed.

Live Pigs Insurance “Longyou Model” Combining Unified Insurance of Live Pigs and Harmless Disposal

Case

Under guidance of the bureau, the farmers breeding the pigs purchased the refrigerator or freezer large enough to store the diseased dead animals. Each town set up the collection point of diseased dead animals under unified planning according to the number of bred live pigs to collect and clear them away in time.



More than 10 professional survey personnel, insurance adjusters and claim settlement personnel are hired upon selection. Four survey personnel are assigned to the harmless disposal center to help collect the diseased dead animals, with the insurance survey integrated into the transportation work.

Under the model of “unified collection and centralized disposal”, the harmless center keeps the records concerning collection of the diseased dead animals and harmless disposal every day.

Quzhou Branch solved the environmental pollution and food safety problems such as unregulated dumping of diseased dead pigs and food made from dead pigs in a fundamental way that combines unified insurance of live pigs and harmless disposal.

Environmental Pollution Liability Insurance

We played an active role in helping the enterprises to raise their ability in terms of environmental risk management and disaster and damage prevention by providing environmental risk assessment services, with the environmental risk coverage services available for industries like oil and gas exploitation, coal mining and non-coal mining, chemical industry, heavy metal and machine manufacturing. A good case in point was Wuxi Branch. The branch adopted a new way to engage third-party experts in environmental risk management to be responsible for the assessment and examination of environmental risks likely to occur before and during the insurance duration, in an effort to prevent any risk and accident from happening to the greatest degree.

The Environmental Pollution Liability Insurance in 2017



Insurance Related to Natural Disasters

We developed the natural disasters, catastrophe insurance, weather index insurance and other insurance targeted at plant diseases and insect pests, earthquakes, landslides, mudslides, floods, and forest fires, among other disasters, to effectively compensate the farmers for the losses caused by such disasters. We started the disaster and damage prevention program to provide corresponding pre-disaster services, such as giving a further warning to the customers based on the disaster forecast made by the meteorological department through texting via 95518, the official WeChat platform and other media to inform them to save and transfer their property in time.



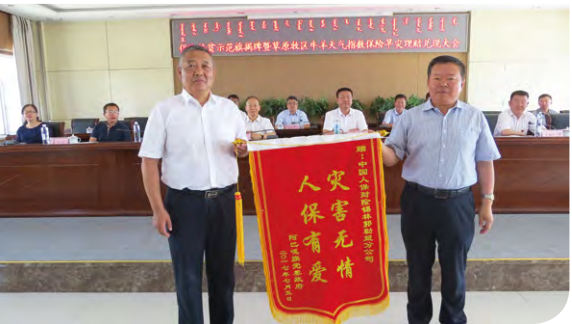
·The picture shows employees assisting customers in transferring their property.



·Sending early warning messages to the customer

Earthquake Catastrophe Insurance

Amount of risk coverage provided (RMB100 million)	914
The number of households served (10,000)	240
Where, the amount of risk coverage provided for eight prefecture-level cities in Sichuan, including Mianyang, Yibin, Meishan, Zigong, Guangyuan, Leshan and Ya'an, and Ganzi Tibetan Autonomous Prefecture (RMB100 million)	223



Case

·During the first half of 2017, the Inner Mongolia Branch paid RMB6.85 million insurance indemnities to 1,027 herdsmen in Abag Banner who bought the weather index insurance for their cattle and sheep to cover their losses incurred by the drought.

The Company paid nearly RMB1 billion insurance indemnities after three typhoons hit Guangdong province

From August 23 to September 6, three rare tropical storms including Typhoon "Hato", "Pakhar" and "Mawar" made landfall successively in Guangdong and caused huge losses. The Company initiated the emergency plan immediately for rapid survey and compensation, providing a strong support for the affected enterprises and individuals to get their work and life back to normal.

Case

Shortly after a serious forest fire happened in the Greater Khingan Range in the northeastern Inner Mongolia on April 30, May 2 and May 17, successively, the Company initiated the catastrophe emergency plan and made an advance payment of RMB42 million insurance indemnities on May 5, which was highly appraised by the insured and leaders of the insurance regulatory bureau of the autonomous region.

Case

Green Investment

The Notice on Using Insurance Funds to Invest in the Relevant Financial Products released by the CIRC stipulates that investment of insurance funds into the financial products shall conform to the macro policies, industrial policies and regulatory policies of China. On this basis, the Company gives full consideration to the impact of its investment program on the environment when making the investment decisions. Meanwhile, "the high-energy-consuming industries, high-polluting industries, and industries with massive over-capacity" are excluded from the investment choices of our insurance capital, with investment into the new energy in the green field being the first choice.

By the end of 2017, the Company pumped a total of RMB2.56 billion into the clean energy sectors like wind power, hydropower and nuclear power by means of infrastructure debt plans, equity plans, project and asset support plans and the like.

Part 09

JOINING HANDS WITH PARTNERS TO PURSUE FUTURE DEVELOPMENT

We are keenly aware of the close ties between the Company's operational results and joints efforts from all partners. Cooperation and sharing is also an essential condition for the Company to achieve the best result from performing its social responsibilities and pursuing the sustainable development goals. We cooperate with all partners in each link of the value chain to jointly build harmonious cooperative relations and operational environment and strive for a bright future.

Partner Management


We have forged equal and mutually beneficial cooperative partnership featuring resource sharing to pursue common development in terms of products, services, brands and other aspects on the strength of years of sound interactions and mutual collaboration with our partners.

Specialized Insurance Agencies and Car Dealers

Over the past year, we implemented a package of measures to manage and establish a long-term mechanism to further standardize channel-based cooperation procedures so as to ensure that the Company's agency businesses are on track in a healthy way. We also conducted a classified assessment of the agencies and pushed them to raise the awareness of risks and strengthen compliance management and control.

More affordable
- when you purchase the car

More secure
- when you drive your car




More satisfied
- when you use your car

More considerate
- when you maintain and repair your car

As of the end of 2017, **1,812** auto shows were held backed by the "3rd PICC Car Shopping Day", which boosted sales of **277,000** new cars.

Partners via the Car Dealer Channel

	Number		2016	2017
		Main engine plants	30	47
		Auto maintenance and repair chains	8	10
		Car dealerships	29	28

Partners via the Specialized Insurance Agencies

	Number		2016	2017
		Insurance brokerage (legal person) partners	421	426
		Professional agency (legal person) partners	1,359	1,368

Cooperative Banks

We established multi-level and multi-dimensional cooperative business relationships with large state-owned banks, policy banks, and joint-equity commercial banks nationwide and extended the cooperation on bankassurance business to a wider range. So far, the Company has inked the "group-to-group" agreement with 28 banks.

Cooperative Hospitals

We took a proactive move in building the social security business service platform and sharing co-working spaces with medical insurance management departments to actively promote "one-stop" settlement. As a result, while insurance buyers were given quick access to high-quality services, problems relating to personnel allocation and network construction of government departments concerned were addressed effectively, with an effective reduction in the pressure on the basic healthcare insurance fund and corresponding costs, and an increase in the allocation efficiency of social medical resources.

Supplier Management

We helped to boost the sustainable development in environment and society through the supply chain management, with their social responsibility performance incorporated into the management of suppliers.

Responsible procurement

Implementing the philosophy of green procurement

Proposing "procurement of energy-saving products and products certified with an eco-label" in the annual Centralized Procurement Catalogue and Limit Standard.

Paying attention to the social responsibilities of suppliers

Using materials such as "number and composition of employees under an over-three-year labor contract" and "introduction to payment of social insurance for employees over the most recent year" as a reference index for examination of the supplier base.

Creating an open, fair and impartial environment for procurement


Taking public bidding as the first choice for the Company's centralized procurement. All competitive programs where the public bidding is not adopted shall be subject to public solicitation.

The Company carried out 95 projects with open bidding in 2017, their amount covering RMB1.82 billion, or 75.18% of the budget.

Strengthening Industry Study

We set up the specialized research institution to engage in extensive research, both fundamental and practical, in various fields, to provide reference for the policy making and industry development in relevant fields.

Establishing the Whole-process Digitalized Reinsurance Operation Platform



The platform, as a manifestation of the principle to cooperate with the international reinsurer in an equitable and mutually beneficial manner, has turned out to be an effective one to promote the standardization of the reinsurance transaction procedures and boost the transformation and upgrade of the service model of insurance agencies. Its functions contain the whole reinsurance process ranging from the signing of the contract to its management. Therefore, the best solution is available to effectively reduce the management and risk costs based on better digitization, standardization and transparency of the reinsurance transactions.

Case

Constantly Conducting Disaster Research and Creating Professional Risk Research Magazine

"DAO" magazine created by the Company's Disaster Research Center pertains to studies regarding risks, disasters, major reforms and policies with wide attention across the society. It is designed to carry out risk management through the insurance tools. In 2017, 1,800 copies of the magazine were distributed to the public for free.



Case

The Company Set up the Disaster Research Fund (2011-2017)

The total amount of funding provided to the society (RMB10,000)		>1000
Coverage	The number of colleges and universities and research institutions	60
	The number of students, young teachers and researchers	323
The number of programs established		220
The number of papers published in journals at home and abroad		75

Case

The Company was elected Chairman of the Nuclear Insurance Emergency and Compensation Committee of China Nuclear Insurance Pool in 2017 to take charge of the stipulation of emergency plans to tackle nuclear damage and implementation of relevant work.

Case

Associations and Organizations with Engagement from the Company in 2017(no particular order)

China International Public Relations Association	Insurance Society of China
China Automotive Logistics Association of CFLP	Insurance Association of China
CNHEASMA Extended Warranty Service Professional Committee	Banking Accounting Society of China
International Credit Insurance & Surety Association (ICISA)	Road Traffic Safety Association
The International Union of Credit & Investment Insurers (Berne)	China Association of Automobile Manufacturers
Chinese Veterinary Medical Association (Standing executive member)	China Fisheries Association (Vice-chairman)
China Animal Agriculture Association (Vice-chairman)	China Economic Forest Association
CAMRA- Auto Repair Parts Committee	Insurance Asset Management Association of China
Shanghai Insurance Exchange	China Association of Actuaries
China Association for Public Safety of Science and Technology	China Automobile Dealers Association
Shanghai Institute of Marine Insurance	FAIR
Shanghai Corporate Counsel Association	ISO
CAMRA- Accident Auto Repair Committee	Association of Certified Anti-Money Laundering Specialists
China Automotive Maintenance and Repair Trade Association (Standing executive member)	China Institute of Internal Audit
CAET Financial Educational Technology Committee	

Part 10

JOINTLY BUILDING A BEAUTIFUL HOME WITH CARE FOR SOCIETY

We always remember the sacred responsibility charged with a good corporate citizen and make sustained efforts to organize and carry out all sorts of public-service activities as a messenger of love to pass it to the society. Through engagement in various charitable programs, we participate in public donations and assistance activities; through volunteer activities, we offer a helping hand to the disadvantaged groups, bring positive energy to the whole society and join hands with those in all walks of life to build a beautiful home.



Donations

Devoted to the social public-service cause in an active manner, we offer help to those in need and danger and make donations to contribute to a stable and harmonious society where people live in health and happiness.



Guizhou Branch establishes the "Central Financial and Economic Affairs Commission Office-PICC Jianhe Education Fund for Poverty Alleviation" named after the Company and has donated a total of RMB1,500,000 to offer scholarships to the excellent poor students in the Jianhe High School (including the vocational middle school).

Jiangsu Branch donates RMB1 million to Jiangsu Charity Society that would be mainly used to help the disadvantaged groups falling into or falling back into poverty because of illness in six key districts of the northern area of Jiangsu Province.



The Company initiates the "PICC Hope Classroom for Learning the Chinese Classics" public-service activity and makes donations for education assistance in the Zhenluoying Central Primary School in Pinggu District, Beijing.

Volunteer Activities

The employees of the Company took an active part in a battery of voluntary service activities, including blood donation without payment, traffic volunteers and visits to elders of no family, to carry forward the traditional good virtues of the Chinese nation and build a society full of positive energy.

Volunteer Activities by the Youth League Committee of the Company from 2015 to 2017

Year	2015	2016	2017
Number of volunteers engaged	2,966	3,202	4,826
Service hours	4,794.5	6,497	11,307.5
Number of main service recipients and beneficiaries	19,368	39,372	39,280

Volunteer Activities by the Company's E-commerce Center from 2015 to 2017

Year	2015	2016	2017
Service hours	480	640	820
Number of volunteers engaged	120	155	185
Number of main service recipients and beneficiaries	650	650	650



·Chaoyang Subbranch in Beijing carries out the public-service program under the theme of “Show Our Love to the Children”.



·Fujian Branch launches the “Shared Bike Transport Assistant” activity.

Carrying out Social Public-service Activities

Case

Zhejiang Branch, together with the Office of Zhejiang Commission for Guiding Cultural and Ethical Progress, Traffic Management Bureau of Zhejiang Provincial Public Security Department and other departments, organizes the “2017 PICC ‘Civilized Travel’ Tour Publicity Month Public Activity across Zhejiang”



·Intelligent robots serve as street assistant to remind car drivers to “give right of way to pedestrians over the zebra crossing”.



·From July 20 through 25, Qinghai Branch leads two teachers and 20 students from Tuguankou Central School in Shoule Town, Ledu District, Haidong and Xiarha School in Dulan County, Haixi Mongol and Tibetan Autonomous Prefecture to take part in the “2017 PICC Summer Camp for Chinese Classics” theme activities.



·Ningbo Branch initiates an activity under the theme “7.8 Insurance Poverty Alleviation · Run for Public Service”.

Part 11

SGS ASSURANCE STATEMENT



ASSURANCE STATEMENT

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. REPORT ON SUSTAINABILITY ACTIVITIES IN THE PICC PROPERTY AND CASUALTY COMPANY LIMITED.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2017

NATURE AND SCOPE OF THE ASSURANCE

SGS-CSTC Standards Technical Services Co., Ltd. was commissioned by PICC Property and Casualty Company Limited. (hereafter as PICC Property and Casualty) to conduct an independent assurance of the Corporate and Social Responsibility Report for 2017 (hereafter as *CSR Report 2017*). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text and data in accompanying tables, contained in the Chinese version of the *CSR Report 2017*. Data and information for company other than located at Tower 2, No. 2 Jianguomenwai Avenue, Chaoyang District, Beijing City, P. R. China named PICC Property and Casualty Company Limited. (Headquarter) was not included in this assurance process.

The information in the *CSR Report 2017* of PICC Property and Casualty and its presentation are the responsibility of the directors and the management of PICC Property and Casualty.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance set out below with the intention to inform all PICC Property and Casualty's stakeholders.

SGS sustainability report assurance procedure was based on accredited guidance, including GRI report guidance accurate and reliable principle and assurance level by AA1000 series.

This report has been assured at a moderate level of scrutiny using our protocols for:

- evaluation of content veracity; and
- evaluation of the report against the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013)

The assurance comprised a combination of pre-assurance research, site assurance, and interviews with relevant employees at PICC Property and Casualty Company Limited. Documentation and record were verified.

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with Sustainability Reporting Assuror, SAI Registered SA 8000 Lead Auditor, CCAA ISO 14001 Lead Auditor, CCAA OHSAS 18001 Lead Auditor, GRI Qualified Assuror etc.

ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, the information and data contained within 2017CSR Report is basically accurate. The assurance team is of the opinion that the *CSR Report 2017* can be used by the Reporting Organization's Stakeholders.

In our opinion, PICC Property and Casualty has chosen an appropriate level of assurance for this stage in their reporting.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Stakeholder Inclusiveness

PICC Property and Casualty had identified the stakeholders who affected by activities with a planning methodology, think about the reasonable expectations and interests from stakeholders, established the channel

and platform for stakeholders' inclusiveness and took some certain ways to communicate and exchange information.

Sustainability Context

PICC Property and Casualty had presented the efforts on sustainability development related to economic, environmental and social aspects and combined the performance in the wide context as well.

Materiality

PICC Property and Casualty has considered reasonably disclosing issues and indicators with materiality, which substantively influencing the assessments and decisions of stakeholders, to reflect the organization's significant economic, environmental and social impacts.

Completeness

PICC Property and Casualty's report basically included coverage of material aspects and boundaries, to reflect significant economic, environmental and social impacts and enable stakeholders to assess the organization's performance in the reporting period.

Balance

PICC Property and Casualty's report respected the balance principle with positive and negative aspects revealing.

Comparability

PICC Property and Casualty had disclosed performance indicators in 2017, some previous data were disclosed, which could help stakeholders to understand the improvement performance year by year.

Accuracy

PICC Property and Casualty's information in the report was accurate, enable to reveal more qualitative and quantitative information with indicators for stakeholders.

Timeliness

Assurance to know that the data and information was on a regular schedule and available in time. PICC Property and Casualty will report on a regular schedule with one year to assure the good timeliness.

Clarity

Report was presented different ways with words, charts, graphics and pictures, also describe with actual cases as well to ensure the stakeholders understanding easily.

Reliability

Through information and data collecting, recording, analyzing and disclosing methods managing and controlling in CSR report, the data and information was reliable.

Signed:

For and on behalf of SGS-CSTC Standards Technical Services Co., Ltd.

Ben Tsang
Director, China and Hong Kong
Certification and Business Enhancement
13 Jun. 2018
16F, Century Yuhui Mansion, No.73, Fucheng Road, Beijing City, P. R. China
WWW.SGSGROUP.COM.CN

Part 12

INDICATOR INDEX

ESG Indicator Index

ESG Content Index		
Index	Indicator	Page No.
A. Environmental		
Aspect A1: Emissions	General Disclosure	P70 Green Operation
	KPI A1.1 The types of emissions and respective emissions data.	P70 Green Operation
	KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P71 Energy Consumption and Greenhouse Gas Emissions
	KPI A1.3 Total hazardous waste generated (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P71 Waste
	KPI A1.4 Total non-hazardous waste generated (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P71 Waste
	KPI A1.5 Description of measures to mitigate emissions and results achieved.	P71 Waste
	KPI A1.6 Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved.	P71 Waste
AspectA2: Use of Resources	General Disclosure	P70 Water P71 Energy consumption and greenhouse gas emissions
	KPI A2.1 Direct and/or indirect energy by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P71 Energy consumption and greenhouse gas emissions
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P70 Water

AspectA2: Use of Resources	KPI A2.3 Description of energy use efficiency initiatives and results achieved.	P72 Office Energy-saving
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P70 Water
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P73 Electronic Operation
AspectA3: The Environment and Natural Resources	General Disclosure	P70 Green Operation P74 Green Insurance P76 Green Investment
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P70 Green Operation P74 Green Insurance P76 Green Investment

B. Social

Employment and Labor Practices

Aspect B1: Employment	General Disclosure	P56 Employment
	KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	P57 Employment
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	P57 Employment
Aspect B2: Health and Safety	General Disclosure	P64 Caring for Employee Health and Safety
Aspect B3: Development and Training	General Disclosure	P61 Training and Education
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P61 Training and Education
	KPI B3.2 The average training hours finished per employee by gender and employee category.	P61 Training and Education
Aspect B4: Labor Standards	General Disclosure	P56 Employment
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure	P79 Supplier Management

Aspect B6: Product Responsibility	General Disclosure	P33 Serving the "Healthy China" Strategy P39 Upgrading customer service creating superior experience
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	P54 Safeguarding Legitimate Rights and Interests of Customers
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	P54 Safeguarding Legitimate Rights and Interests of Customers
	KPI B6.5 Description of customer data protection and privacy policies, how they are implemented and monitored.	P54 Safeguarding Legitimate Rights and Interests of Customers
Aspect B7: Anti-corruption	General Disclosure	P14 Compliance Operation
Community		
Aspect B8: Community Investment	General Disclosure	P81 Jointly Building A Beautiful Home with Care for Society
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	P82 public donations P83 Volunteer Activities P84 Carrying out Social Public-service Activities

GRI Indicator Index

General Standard Disclosures

General Standard Disclosures	Page No.
Strategy and Analysis	
G4-1 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	P1 Message from the Leaders
Organizational Profile	
G4-3 Name of the organization	P6 Company Profile
G4-4 Primary brands, products and services	P7 Company Business
G4-5 Location of organization's headquarters	P6 Company Profile
G4-6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	P7 Company Business
G4-7 Nature of ownership and legal form	P6 Company Profile
G4-8 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	P7 Company Business
G4-9 Scale of the reporting organization: Total number of employees, total number of operations, net sales (for private sector organizations) or net revenues (for public sector organizations), total capitalization broken down in terms of debt and equity (for private sector organizations), and quantity of products or services provided.	P7 Company Business P57 Employment
G4-10 a The total number of employees by employment contract and gender; b The total number of permanent employees by employment type and gender; c The total workforce by employees and supervised workers and by gender; d The total workforce by region and gender; e Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers (including employees and supervised employees of contractors); f Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	P57 Employment
G4-11 The percentage of employees contained in collective bargaining agreements.	P57 Employment
G4-12 Description of the organization's supply chain.	P79 Supplier Management
G4-13 Significant changes during the reporting period regarding size, structure, ownership or its supply chain, including changes in location of, or changes in, operations, the share capital structure, the location of suppliers, the structure of the supply chain, or in relationships with suppliers.	No Change
G4-14 Whether and how the precautionary approach or principle is addressed by the organization.	P76 Green Investment
G4-15 Economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it supports.	None
G4-16 Memberships in associations (such as industry associations) and national or international advocacy organizations in which the organization: holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, and views membership as strategic. This refers primarily to memberships maintained at the organizational level.	P79 Strengthening Industry Study



Identified Material Aspects and Boundaries

G4-17 List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. The organization may report on this Standard Disclosure by referencing information in publicly available consolidated financial statements or equivalent documents.	P6 Company Profile
G4-18 Process for defining report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	P18 Determination of Material Topics
G4-19 List all material Aspects identified in the process for defining report content.	P18 Determination of Material Topics
G4-20 Explain the Aspect Boundary within the organization for each material aspect.	P18 Determination of Material Topics
G4-21 Explain the Aspect Boundary outside the organization for each material aspect.	P18 Determination of Material Topics
G4-22 Explanation of the effect of any re-statements of information provided in previous reports, and the reasons for such re-statements.	P18 Determination of Material Topics
G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	No Significant Changes

Stakeholder Engagement

G4-24 List of stakeholder groups engaged by the organization	P17 Communication with Stakeholders
G4-25 Basis for identification and selection of stakeholders with whom to engage.	P17 Communication with Stakeholders
G4-26 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. The organization should indicate whether any of the engagement was undertaken specifically as part of the report preparation process.	P17 Communication with Stakeholders
G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	P17 Communication with Stakeholders
G4-28 Reporting period for information provided.	Report Compilation Specification
G4-29 Date of most recent previous report (if any)	Report Compilation Specification
G4-30 Reporting cycle (annual, biennial, etc.)	Report Compilation Specification
G4-31 Contact point for questions regarding the report or its contents.	P95 Reader Feedback
G4-32 GRI Content Index. a. Report the 'in accordance' option the organization has chosen (Core or Comprehensive). b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	P87 Content Index
G4-33 a. Policy and current practice with regard to seeking external assurance for the report; b. If not included in the assurance accompanying the sustainability report, explain the scope and basis of any external assurance provided; c. Explain the relationship between the reporting organization and the assurance providers; d. Explain whether the highest governance body or senior executives are involved in seeking assurance for the organizations' sustainability report.	P85 SGS Assurance Statement

Governance

G4-34 Governance structure of the organization, including committees of the highest governance body. Identify any committee responsible for decision-making on economic, environmental and social impact.	P13 Corporate Governance P16 Social Responsibility Management
---	--

Ethics and Integrity

G4-56 Explain the organization's values, principles, standards and norms of behavior, such as codes of conduct and codes of ethics.	P9 Corporate Strategy P13 Corporate Governance
---	---

Specific Standard Disclosures

Material Aspects	DMA and Indicators	Page No.
Economic		
Economic Performance	DMA	P15 Economic Performance
	G4-EC1 Direct economic value generated and distributed by the organization (EVG&D)	P15 Economic Performance
Environmental		
Energy	DMA	P70 Green Office P72 Green Low Carbon
	G4-EN3 Energy consumption within the organization	P71 Energy consumption and greenhouse gas emissions
	G4-EN5 Energy intensity	P71 Energy consumption and greenhouse gas emissions
Water	DMA	P70 Water
	G4-EN8 Total water withdrawal by source	P70 Water
Emissions	DMA	P70 Green Office P72 Green Low Carbon
	G4-EN15 Direct greenhouse gas emissions (Scope 1)	P71 Energy consumption and greenhouse gas emissions
	G4-EN16 Indirect greenhouse gas emissions (Scope 2)	P71 Energy consumption and greenhouse gas emissions
Effluents and Waste	DMA	P70 Water P71 Waste
Supplier Environmental Assessments	DMA	P79 Supplier Management
Social - Labor Practices and Decent Work		
Employment	DMA	P56 Employment
	G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region.	P56 Employment
Occupational Health and Safety	DMA	P64 Caring for Employee Health and Safety
Training and Education	DMA	P61 Training and Education
	G4-LA9 Average hours of training per year per employee by gender, and by employee category	P61 Training and Education
	G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender, and by employee category	P61 Training and Education

Supplier Assessment for Labor Practices	DMA	P79 Supplier Management
Labor Practices Grievance Mechanisms	DMA	P60 Grievance Mechanisms
Social -- Human Rights		
Child Labor	DMA	P56 Employment
Forced or Compulsory Labor	DMA	P56 Employment P58 Diversity and Non-discrimination
	G4-HR6 Operational points and suppliers with serious risks of forced or compulsory Labor, and measures to help eliminate all forms of forced or compulsory Labor have been identified	P56 Employment P58 Diversity and Non-discrimination
Social - Society		
Anti-corruption	DMA	P14 Compliance Operation
	G4-SO4 Communication and training on anti-corruption policies and procedures.	P14 Compliance Operation
Compliance	DMA	P14 Compliance Operation
Supplier Assessment for Impacts on Society	DMA	P79 Supplier Management
Social - Product Responsibility		
Product and Service Labeling	DMA	P54 Safeguarding Legitimate Rights and Interests of Customers
	G4-PR5 Results of surveys measuring customer satisfaction.	P54 Safeguarding Legitimate Rights and Interests of Customers

Reference to UN Sustainable Development Goals (SDGs)

SDGs		Page No.
Goal 1	End poverty in all its forms everywhere	P25 Furthering Targeted Poverty Alleviation
Goal 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	P25 Furthering Targeted Poverty Alleviation
Goal 3	Ensure healthy lives and promote well-being for all at all ages	P33 Serving the “Healthy China” Strategy
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	P81 Jointly Building A Beautiful Home with Care for Society
Goal 5	Achieve gender equality and empower all women and girls	P55 Providing Broad Platforms with Continuous Care for Employees
Goal 6	Ensure availability and sustainable management of water and sanitation for all	NA
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all	NA
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	P13 Creating Value with Integrity and Compliance
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	P19 Serving the National Strategies with Engagement in Society and People’s Livelihoods
Goal 10	Reduce inequality within and among countries	P25 Furthering Targeted Poverty Alleviation
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable	NA
Goal 12	Ensure sustainable consumption and production patterns	P69 Jointly Building A Beautiful Home by Adhering to Green Development
Goal 13	Take urgent action to combat climate change and its impacts	P69 Jointly Building A Beautiful Home by Adhering to Green Development
Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	NA
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	NA
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	P14 Compliance Operation
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	P77 Joining Hands with Partners to Pursue Future Development

READER FEEDBACK

Dear Reader:

Thank you for reading the 2017 Corporate Social Responsibility Report of PICC Property and Casualty Company Limited. We attach great importance to and are looking forward to receiving your feedback and suggestions on our work related to social responsibilities and this report. Your opinions and suggestions serve as an important reference for us to continually raise the level of corporate responsibility information disclosure and push forward management and practices of such responsibility. You may fill out the form below and send it to us by post, e-mail or fax. Our warm welcome and heartfelt thanks to those offering precious suggestions to us!

1. Your overall assessment of PICC P&C in performing the corporate social responsibilities:

☐ Very good ☐ Good ☐ Ordinary ☐ Bad

2. Your overall assessment of this report:

☐ Very good ☐ Good ☐ Ordinary ☐ Bad

3. How do you rate PICC P&C in terms of stakeholder communication?

☐ Very good ☐ Good ☐ Ordinary ☐ Bad

4. How do you rate PICC P&C in terms of performing economic responsibility?

☐ Very good ☐ Good ☐ Ordinary ☐ Bad

5. How do you rate PICC P&C in terms of performing environmental responsibility?

☐ Very good ☐ Good ☐ Ordinary ☐ Bad

6.How do you rate PICC P&C in terms of performing social responsibility?

☐ Very good ☐ Good ☐ Ordinary ☐ Bad

7. Do you think whether the content arrangement and layout design of this report is convenient for reading or not?

☐ Yes ☐ No

8. Your suggestions on the CSR of PICC P&C:

9. Your suggestions for PICC P&C on performing corporate social responsibilities:

Name:

Please fill out the form and send it to: F36, Tower 2, No.2,
Jianguomenwai Avenue, Chaoyang District, Beijing, China
Or email it to: zhangmengmeng05@picc.com.cn
Or fax it to: 010-85176028

Unit:

Contact telephone:

E-mail: