



中国太平
CHINA TAIPING

2017

CORPORATE SOCIAL RESPONSIBILITY REPORT





中国太平
CHINA TAIPING

2017

CORPORATE SOCIAL RESPONSIBILITY REPORT



CONTENTS

1. ABOUT THIS REPORT	01
----------------------	----

2. CHAIRMAN'S STATEMENT	02
-------------------------	----

3. ABOUT CHINA TAIPING INSURANCE	08
3.1. Group Profile	10
3.2. Diversified Governance System	11
3.3. Business Overview of the Group	13
3.4. Awards and Honors of the Group	

4. SUSTAINABLE DEVELOPMENT STRATEGY	18
4.1. Social Responsibility Organization System	19
4.2. Stakeholders Engagement	23
4.3. Sustainable Development Strategy	

5. SHARING GREEN ECOLOGY	26
5.1. Environmental Protection Policy of Taiping	27
5.2. Developing Green Finance	29
5.3. Developing Green Building	31
5.4. Promoting Green Operations	

6. CREATING QUALITY SERVICES	38
6.1. Implementing High-quality Strategy	42
6.2. Expanding Innovation Business	44
6.3. Protecting Customer Information	45
6.4. Handling Customers' Feedback	47
6.5. Respecting Intellectual Property Rights	

7. RESPONSIBILITY GOVERNANCE OF THE GROUP	50
7.1. Stabilizing Growth with Risk Prevention	54
7.2. Observing Business Ethics	

8. CARING FOR THE GROWTH OF EMPLOYEES	58
8.1. Talent is the First Resource	59
8.2. Fair Talents Introduction Mechanism	60
8.3. Safeguarding Employees' Rights	61
8.4. Promoting A Healthy Workplace	63
8.5. Cultivating the "Dream Team"	

9. JOINING IN THE CONSTRUCTION OF A HARMONIOUS SOCIETY	69
9.1. Expanding Real Economy	76
9.2. Universal Health and Pan-Pension	83
9.3. Strengthening Targeted Poverty Alleviation	

APPENDIX	APPENDIX I: Key Performance Summary of Sustainable Development	88
	APPENDIX II: Index of Environmental, Social and Governance Reporting Guide of the Stock Exchange	91
	APPENDIX III: Content Index of Global Reporting Initiative (GRI) G4	95

1. ABOUT THIS REPORT

The Corporate Social Responsibility ("CSR") report of China Taiping Insurance Holdings Company Limited and its subsidiaries (hereinafter referred to as "China Taiping", "we" or the "Group") outlines the principles and sustainability philosophy of the Group in fulfilling its CSR and illustrates the relationships between the Group and its major stakeholders with a vision and commitments for its CSR.

BASIS FOR PREPARATION

This report is prepared pursuant to and with reference to the following documents. The content of which is prepared in accordance with the Environment, Social and Governance Reporting Guide (the "Guide") as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the scope covered is in compliance with the disclosure principles under the Guide. We have also complied with the "Comply or Explain" provisions under the Guide to address the environmental and social impacts from various business and operating activities of the Group accordingly.

- the Environment, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange")
- Sustainability Reporting Guidelines (G4) issued by Global Reporting Initiative(GRI)

REPORTING SCOPE

The content of the CSR report mainly focuses on the core businesses of the Group, its practices in sustainable development from 1 January 2017 to 31 December 2017 (hereinafter referred to as the "Year") and overall performance in terms of fulfilling CSR, with a modest extension before the year 2017 to enhance comparability, or comparison with the 2016 CSR report. The report also discloses the sustainability performance, including the key environmental and social performance indicators for the head offices of the Group and its subsidiaries. Unless otherwise specified, this report covers the businesses directly controlled by China Taiping.

This report uses the same definitions as the 2017 Annual Report of the Company and should be read together with the 2017 Annual Report of the Company. The information and cases disclosed in the report came from official documents, statistical reports or available information of the Company.

REPORTING INFORMATION

This report is published in both printed and electronic versions. The electronic version can be downloaded from the official website of China Taiping Insurance Holdings Company Limited (<http://www.ctih.cntaiping.com>) and the website of the Stock Exchange (<http://www.hkexnews.hk>). For details on the corporate governance of the Group, please refer to the section headed "Corporate Governance Report" in the 2017 Annual Report. Your opinions on this report are treasured by us. If you have any enquiries or recommendation, please feel free to contact us by telephone or email. Our contact details are as follows:

Contact: Investor Relations

Address of the Company: 22/F., China Taiping Tower Phase I, 8 Sunning Road, Causeway Bay, Hong Kong

Telephone: (852) 2854 6555

Fax: (852) 2866 2262

Email: ir@cntaiping.com

2. CHAIRMAN'S STATEMENT



Wang Bin Chairman

2017 is the third year of implementing the "High-quality Strategy" by China Taiping. I am pleased to report that, with the unwavering guidance of the spirit of the 19th National Congress of the Communist Party of China and keeping failing in our original aspiration of "rejuvenating the national insurance brand", China Taiping Insurance Holdings Company Limited has been guided by the High-quality strategy and assumed the responsibility as a state-owned financial enterprise to perform the critical task of serving people's well-being and actively responding to the requests and expectations of our stakeholders such as shareholders, customers, employees, the industries, community and environment, contributing its strength to the great rejuvenation of the Chinese nation.

China Taiping adheres to the principle of "Steady Growth, Innovation-driven, Lower Cost and Higher Efficiency, Strictly Controlling Risks", and solidly promoted the international operation plan following the concept of "focusing on Asia-Pacific based in Hong Kong and Macau with Europe and America as two wings". In 2017, our market value and brand value, increased significantly brand value exceeded RMB100 billion and we have been listed in the world's top 500 Brands

and the world's top 100 Insurance Brands for consecutive year. As its overall strength significantly enhanced and the "Headquarter to Headquarter" strategic cooperation continuously deepened, China Taiping has signed "Headquarter to Headquarter" Strategic Cooperation Agreements with 84 strategic clients, and the "Headquarter to Headquarter" Strategic Cooperation has become the new engine for the business development of the Group, providing the Group with unrelenting power in making social contributions.

As the slogan of "Taiping Insurance ensures peace" goes, as a state-owned financial enterprise, China Taiping attaches great importance to the Group's role in jointly building a harmonious society and safeguarding harmony and stability. The Group firmly takes the lead in implementing new development concepts and building a modern economic system, in safeguarding and improving people's livelihood, strengthening and making innovation in social governance, in advancing all-round opening up and building a community of human destiny, in adhering to the principle of "one country, two systems" and promoting the national reunification. Therefore, the Group is deeply convinced that talent is the most important resource. It strives tirelessly to

establish its "Dream Team" and thoroughly studies and implements the spirit of the 19th National Congress of the Communist Party of China. It promotes employees training from top-down with focuses on new ideas, new era, new contradictions, new missions, and new deployments under the thought on socialism with Chinese characteristics in the new era to comprehensively and profoundly understand the principal new social contradictions in our country, become adroit in applying contradictions, strive to resolve contradictions and exert ourselves to solve the problem caused from imbalances and insufficiency of development, thus ensuring that each detail of the businesses is conducive to the society to bear in mind, implement and be armed with the thought to guide practices.

China Taiping actively integrates its own development into the overall work of rejuvenation of the Chinese nation. We actively construct a real economy risk protection system and make contributions to comprehensively build a well-off society in 2020; we provide assistance in protecting people's livelihood and social governance to promote the national unity and progress; we vigorously promote energy conservation and emission reduction, develop green buildings and boost

the construction of ecological civilization; we accelerate the pace of international operations in response to the One Belt and One Road initiatives.

The Group closely focuses on the three major tasks of serving the real economy, preventing financial risks and deepening financial reform. The Group's total premium income amounted to HK\$178.7 billion, representing a year-on-year increase of 19.7%. The total assets and assets under management amounted to HK\$666.5 billion and HK\$1,125.6 billion with a rapid growth of 30.9% and 34.0%, respectively, ranking one of the top among its counterparts and providing solid support for the real economy. As the business grows robustly, China Taiping firmly adheres to the baseline of risk and has treated risk prevention and control as the eternal theme of the sustainable and healthy development of the Group. In practice, we constantly develop new risk prevention and control mechanisms and continuously raise the level of risk prevention and control in operation. All of the Group's 11 subsidiaries have obtained credit ratings above A level, ranking top among the PRC insurance group. TPL and TPAM ranked first among Chinese-funded life insurance companies and Chinese-funded asset management companies,

respectively during the first on-site evaluation of the corporate governance of legal person institution by CIRC.

In order to implement the healthy China strategy, we are committed to accelerating the innovated development of insurance, such as commercial endowment, medical care and accidental liabilities. The revenue from pension insurance business reached HK\$4.7 billion, reflecting our provision of multi-level and wide-ranging insurance coverage for the people. We are also committed to the development of inclusive business such as health care, and the promotion of livelihood-related insurance such as basic insurance, major illness insurance, accident insurance, and family planning insurance to promote the construction of social security system.

We have persistently implemented target poverty alleviation and utilised the sustainable development model of increasing their capability to enrich themselves to conduct targeted assistance, fulfill the political and social responsibility for poverty alleviation and development, and ensure the removal of poverty in Liangdang of Gansu Province, Yuan City of Anhui Province and three counties in Weixin of Yunnan Province with targeted

assistance in 2020, playing our leading role to improve people's livelihood and strengthen social governance.

As a leading insurance group, China Taiping fully utilized the international characteristics of long-term overseas operations. Revenue from overseas property and casualty insurance exceeded HK\$3.4 billion in 2017. The Group will continue to expand its insurance and investment services for projects along the "One Belt and One Road" initiative and effectively support the Chinese enterprises to go global.

Looking forward, China Taiping, with a never-slack spirit and a never-stop attitude, will continue to actively promote the development of the Taiping Insurance business, significantly enhance the quality and efficiency of the Group's development and provide richer and better insurance products and services to consistently meet the people's growing needs for a better life as well as take advantage of the state-owned enterprises in Hong Kong to make contributions to the great cause of "one country, two systems".

ABOUT CHINA TAIPING INSURANCE

Head Office: 22/F, China Taiping Tower Phase I, 8 Sunning Road,
Causeway Bay, Hong Kong

Asset Scale : In 2017, there was a substantial increase in the profits with
the profit attributable to the shareholders of the Group of
HK\$6.136 billion.

Listing Method: It was listed on the main board of the Stock Exchange on
29 June 2000 (stock code: HK00966)



08	3.1. Group Profile
10	3.2. Diversified Governance System
11	3.3. Business Overview of the Group
13	3.4. Awards and Honors of the Group

3.1 Group Profile

China Taiping Insurance Holdings Company Limited, incorporated in Hong Kong on February 18, 2000, is a subsidiary of China Taiping Insurance Group Ltd., with its principal activities is investment holding. The business scope of its subsidiaries covering the underwriting of direct life insurance business in the PRC and Hong Kong, direct property and casualty insurance business in the PRC, Hong Kong and overseas, pension and group life business, and all classes of global reinsurance business. The Company's subsidiaries also carry on operations in asset management, insurance intermediary, E-commerce for insurance, financial leasing, property investment, senior living investment, securities dealing and broking business etc. On 29, June 2000, China Taiping was successfully listed in the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: HK00966), making it the first China insurance enterprise to be listed overseas.



Key Financial Indicators



Total premiums income



Total assets



Assets under management



Net operating profit



Basic earnings per share



Net income from life premiums

Number of individual customers
9.6290 million
Number of corporate customers
858



Net income from domestic property premium

Number of individual customers
5.5093 million
Number of corporate customers
246,100



Net income from overseas property premiums



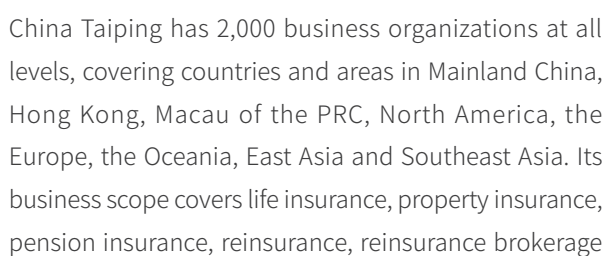
Net income from reinsurance premiums



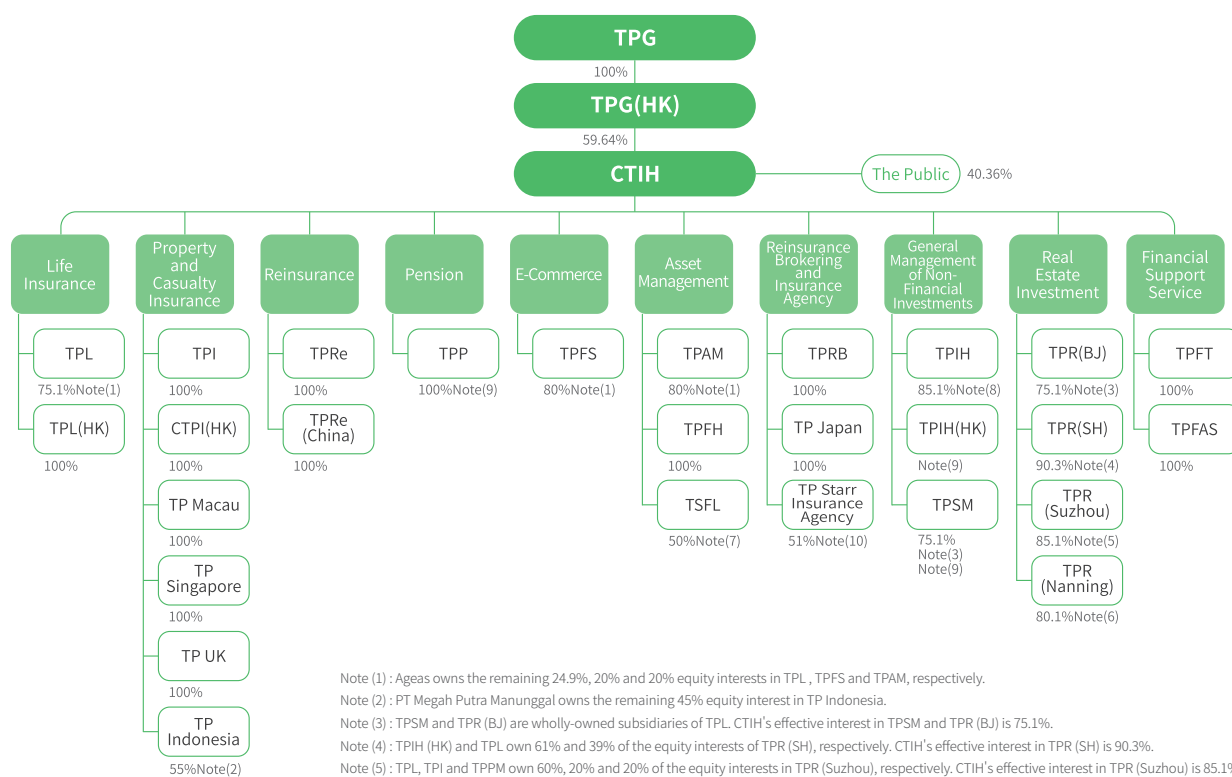
Net income from life premiums



Total tax of the Group



and insurance agency, Internet insurance, asset management, securities brokerage, financial leasing, real estate investment and pension industry investment featuring a wide range of services to provide customers with one-stop integrated financial insurance services.



Note (9): In addition to operating its own business lines, TPIH (HK), TPSM and TPP also act as investment platforms in the

-09-

3.2 Diversified Governance System

China Taiping builds the corporate governance structure based on the values of "honesty, professionalism and value" to ensure the integrity of business management and compliance with business ethics, thus safeguarding the interests of shareholders and stakeholders. The Board of Directors of CTIH consists of twelve directors, including four executive directors, four non-executive directors and four independent non-executive directors, which meets the regulatory requirements and the Articles of Association. The Board is responsible for overall leadership and ensuring the implementation and maintenance of effective risk management and internal controls to protect the interests of the Company and its shareholders. In order to improve the supervision system, China Taiping has adopted a board diversity policy since 2013 with no restriction set on age, culture, educational background, professional experience, skills, expertise, service terms, gender and ethnicity. As of 2017, the diversified composition of the Board of the Group was summarized as follows:



Designation

Executive Directors	4
Non-executive Directors	4
Independent Non-executive Directors	4



Directorship with the Company (No. of years)

0	1
1-5	10
More than 10	1



Age Group

46-50	1
51-55	3
56-60	5
61 or over	3



Education Background

Doctorate Degree	6
Master Degree	2
Bachelor Degree	3
Other	1



Gender

Female	1
Male	11



Professional Experience

Banking	5
Insurance	1
Government Authority /	
Regulatory Body	2
Central Bank	2
Accounting	1
Scholar	1

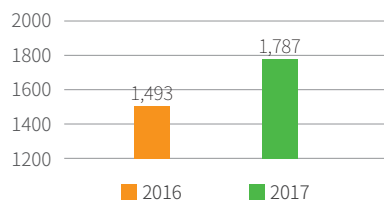
The information is as of 31 December 2017

3.3 Business Overview of the Group

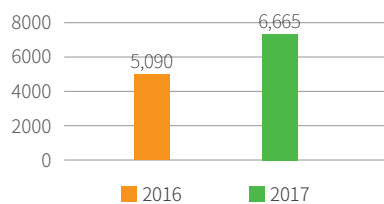
China Taiping is committed to becoming "the Most Unique with Highest Potential High-quality Insurance Company". In 2017, total premium income of China Taiping was HK\$178.7 billion and the total assets and assets under management amounted to HK\$666.5 billion and HK\$1,125.6 billion, respectively, reflecting that the core business development indicators have consistently outperformed the

market for 3 years since 2015 with significant increase in market value and brand value and its overall strength was greatly enhance. The average annual growth rate of total premiums, total assets and assets under management of the Group was 17.0%, 14.5% and 20.2%, respectively, ranking one of the tops among its counterparts.

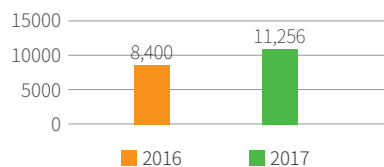
Total premiums of the Group
(HK\$ 100 million)



Total assets of the Group
(HK\$ 100 million)



Assets under management of the Group
(HK\$ 100 million)



Taiping Life Insurance Company Limited

Taiping Life Insurance Company Limited ("TPL") is a professional life insurance company under China Taiping.

The "Tai Ping" brand was founded in Shanghai in 1929 with specialising in overseas operations in 1956 under the unified deployment of the state and re-entered the domestic market in 2001. In November 2001, China Taiping (then referred as "China Insurance Co., Ltd.") took TPL as its main operating entity and fully resumed its domestic life insurance business. On 5 December, TPL officially commenced business.

In 2017, the annual insurance premium income of TPL exceeded RMB 100 billion, total assets exceeded RMB 390 billion, and the effective insurance amount at the end of the period exceeded RMB 5,800 billion. The total number of customers served exceeded 43 million and the total settlement payment and survival funds made to customers exceeded RMB 72 billion, giving full play to commercial insurance as a pillar of the social security system.

As the main force of the strategic development of China Taiping, TPL relied on comprehensive and diversified business platform of China Taiping to provide various insurance products covering life, accidents, health and annuities through several channels, such as personal agents, silver mail agents, telephone sales and online sales, to provide customers with comprehensive insurance protection and a package of one-stop financial management services. It is headquartered in Shanghai with a registered capital of RMB 10.03 billion. Currently, it has opened 37 branches and more than 1,100 third- and fourth-tier institutions with the nation-wide service network.

<http://life.cntaiping.com/>



Taiping General Insurance Company Limited

Taiping General Insurance Company Limited ("TPI"), is affiliated to China Taiping Insurance Group Co., Ltd., a state-owned insurance enterprise. It has the China Insurance Regulatory Commission regulatory ratings of A-level and the Standard & Poor's Ratings of International A. With a long operation history, it provides comprehensive professional service and possesses advanced management standards and a good brand image. It has won such honors as "China's Top 10 Best Insurance Company" and "Most Competitive Insurance Company" and has been widely acclaimed and praised by insurance consumers and all sectors of the society.

In 2014, TPI completed the strategic goal of "rebuilding a new Taiping in three years" and achieved a doubling increase of total premiums, total assets and net profit as compared to 2011. In 2015, TPI opened a new chapter in creating "the Most Distinctive and Potential High-quality Insurance Company". In 2017, the insurance premium income of TPI exceeded RMB 22 billion, becoming the only property and casualty insurance company in the industry that outperformed the market for six consecutive years and recorded profit from underwriting insurance.

Headquartered in Shenzhen, TPI has a registered capital of RMB 5.07 billion. It has established 31 provincial branches and more than 600 third- and fourth-tier institutions. It possesses 25,000 professional management and business elites with the nation-wide service network and high quality and high efficiency service ability. Its business scope covers all non-life insurance areas, such as property insurance, liability insurance, credit insurance, agricultural insurance, short-term personal accident insurance.

<http://caixian.cntaiping.com/>



Taiping Pension Company Limited

Established in 2004, Taiping Pension Company Limited ("TPP"), is an important subsidiary of China Taiping, which specialises in pension services and employee welfare protection business and is also the first batch of professional pension insurance companies set up in China.

The business of TPP covers services of various institutions, such as enterprise annuities, professional annuities, pension insurance and asset management. The employee welfare protection business covers life insurance, accident insurance, supplementary medical care and health management services.

In 2017, the company closely focused on the strategy of "taking quality strategy as the guide, adhering to the principle of pursuing progress while ensuring stability, making innovation and development, cost reduction and efficiency enhancement and strict risk control" with relying on the corporate platform of the Group to building an integrated pension asset management and livelihood security management service provider.

TPP provides customers with a full range of health protection with unique international cooperation advantages in lifelong critical illnesses, medium- and high-end medical care, long-term care insurance products and global medical security services, which have received wide recognition from the public.

In the current year, the company recorded positive perform in business operations and realised a profit of RMB 82.64 million under the PRC New Accounting Standards. As of the end of 2017, total assets of TPP reached RMB 9.154 billion with the solvency adequacy ratio of 336%; Pension assets under management exceeded RMB 130 billion and group insurance exceeded RMB 4 billion.

<http://tppension.cntaiping.com/>



3.4 Awards and Honors of the Group

China Taiping adheres to the comprehensive business model and service goals of "One Customer, One Taiping", and continues to provide customers with distinctive High-quality services and products. Over the years, while we promote the continuous growth of the economic benefits of the Group, our efforts to promote the development of the industry have also been widely praised by domestic and international authorities and recognised by different organizations. The Group will continue to improve business management and brand operation.

In 2017, China Taiping was listed in the World's Top 500 Brands again and entered the top 400 with ranking up by 51 as compared with that of the previous year. In addition, the Group was listed among the Top 100 Most Valuable Chinese Brand by BrandZ for the second time

as one of the top five Chinese insurance brands and in "Insurance 100 2017" by Brand Finance with the biggest rise in ranking among the seven domestic insurance companies selected. In the appraisal of "Top 500 Asian Brands", China Taiping's brand value exceeded RMB100 billion for the first time. Moreover, it was also honored as the Best Listed Company by China Financial Market, and awarded 2017 China Brand by The People's Daily, and the Listed Company with the Largest Investment Potential and the Best New Media Brand Communication Listed Company by Hong Kong Ta Kung Wen Wei Media Group.

In addition, capitalizing on risk-adjusted strong its capital capability, good operating performance and established market position in the property insurance market, China Taiping (Hong Kong) received an "A" rating from AM Best international rating agency for six consecutive years. On 22 December 2017, Standard & Poor's Ratings Corporation maintained the long-term financial strength rating of insurance companies and counterparty credit rating as "A" for China Taiping (Hong Kong) and as "cnAA+/-" in the Greater China with stable rating outlook. Its 11 subsidiaries have also received the "Grade A" rating granted by an international rating authority, making it the insurance group with the most international ratings of "A" in the Chinese insurance industry.



Other awards of China Taiping and its subsidiaries in 2017:

Awarded Unit	Awarded Items	Organizing / Awarding Institutions
China Taiping	Listed Company with Best Investment Potential	Hong Kong Ta Kung Wen Wei Media Group Limited
China Taiping	Best New Media Brand Communication Listed Company	Hong Kong Ta Kung Wen Wei Media Group Limited
China Taiping	Top 5 Insurance Brands	Interbrand 2017 Best Chinese Brands Rankings
China Taiping	Insurance 100 2017	Brand Finance(British) Consultation Company
China Taiping	Top 100 Overall Strength	Top 100 Hong Kong Stocks and the First Hong Kong Listed Companies Development Forum 2016 (an award received in 2017)
China Taiping	Best Investment Potential Award	Top 100 Hong Kong Stocks and the First Hong Kong Listed Companies Development Forum 2016 (an award received in 2017)
TPI	SARMRA – higher than the average level in the industry	CIRC
TPI	Top Ten Property Insurance Companies with Market Competitiveness of China	"The 3rd China Insurance Market Development Roundtable Forum" sponsored by The China Institute of Actuarial Science and the School of Insurance of Central University of Finance and Economics
TPI (Xiamen)	Senior Sponsors of BRICS Leaders Meeting in Xiamen	BRICS Leaders Meeting in Xiamen Sponsorship and Creation Team Award Ceremony
TPI	The Trustworthy Insurance Company 2017	Securities Times - 2017 Selection
TPI	Best Product Award	www.caishiv.com
TPI	Best Channel Award	www.caishiv.com
TPRe	Outstanding Reinsurance Program Award	Hong Kong Insurance Industry Awards Ceremony 2017
TPRe (China)	SARMRA – higher than the average level in the industry	CIRC
TPRe (UK)	China's Top 30 Fastest Growing Enterprises in the UK- UK Investment Active Ranking 2017	China's Best Growth Company in the UK" jointly organized by China Daily and Grant Thornton
TPL	Best Life Insurance Company of the Year	Financial Times - 2017 Gold List of Chinese Financial Institutions Gold Dragon Award
TPL	China Top Ten Annual Influential Brand	Shanghai China Business Network Co. Ltd "2017 CBN · RFP China Financial Elite Award Ceremony and China Financial Planners Conference"

Awarded Unit	Awarded Items	Organizing / Awarding Institutions
TPL	Annual Insurance Brand	The Paper
TPL	Excellent Life Insurance Brand Award	www.stockstar.com
TPL	Life Insurance Brand Pioneer Award	Investors Journal Weekly
TPL	2017 China Insurance Innovation Ark Award	Securities Times - 2017 Selection
TP Macau	2017 Advanced Units	Liaison Office of the Central People's Government in the Macao S.A.R. - 2017 Summary Commendation Congress
TPAM	2017 TOP10 Influential Industry Strategic Investment Agency	China Renaissance - 2017 VC/PE Influential Investment List
TPAM	2017 Trustworthy Insurance Asset Management Company	Securities Times - 2017 Selection
TPAM	2017 Excellent Insurance Investment Team Award	Securities Times - 2017 Selection
TPAM	Excellent Efficiency Insurance Asset Management Company	2017 China Insurance Billboard
TPAM	Best Insurance Asset Management Award	www.caishiv.com
TPAM	2017 Best Insurance Asset Management Company	The 10th Gold Shell Award of China Asset Management

SUSTAINABLE DEVELOPMENT STRATEGY

The Group has been committed to being a responsible corporate citizen to make contributions to the sustainable development of the market, the working environment, the community and nature.



18	4.1. Social Responsibility Organization System
19	4.2. Stakeholders Engagement
23	4.3. Sustainable Development Strategy

4.1 Social Responsibility Organization System

During the year, China Taiping formulated the CSR Code to clearly describe the environmental, social, and governance objectives and management guidelines of the Group and strive to improve its CSR management system. It also endeavored to implement a sustainable development strategy that covered all businesses and products and services of the Group. Through the establishment of an efficient operating model, we expected to make better use of and reduce the energy and other resources consumed in our business operations.

At the same time, China Taiping also established a corporate social responsibility task force during the year to implement and promote efforts in the sustainable development of the Group. The Board assumed responsibility for monitoring environmental, social and governance risks, and led a task force composed of Chief Executive Officer (CEO) and representatives from various major departments of the Group to assess and formulate the Group's environmental, social and governance risk management and internal monitoring system to enhance its CSR performance.

The main responsibilities of the corporate social responsibility task force are as follows:

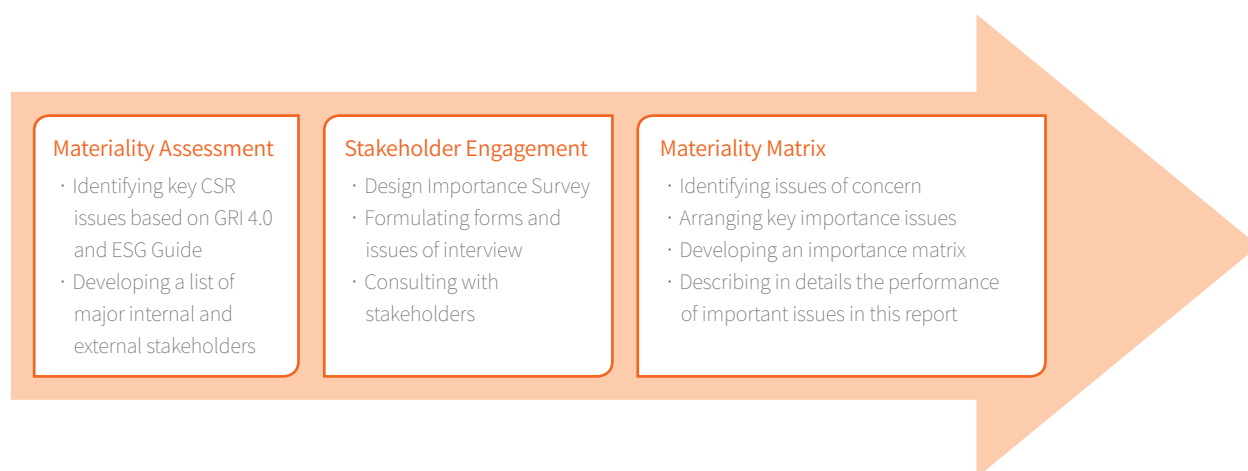
1	2	3	4	5	6
Assessing and determining the environmental, social and governance risks that have significant influence on the Group	Ensuring that the Group meets relevant legal and regulatory requirements and monitoring and responding to issues in relation to CSR	Regularly reporting to the Board on the implementation of CSR projects	Making recommendations to the Board in relation to the improvement of the CSR of the Group	Promoting various departments to implement CSR policies	Reviewing and approving Social Responsibility Report of the Group

4.2 Stakeholders Engagement

China Taiping adheres to the values of "possessing dreams, responsibility, passion, focus, courage and innovation" to promote business development and takes CSR as a priority for the entire development strategy to pursue sustainable development. We believe that these values are the core concepts of the long-term success of the China Taiping, and adopting socially and environmentally responsible ways of operating the business is also the key to its success in the long run.

China Taiping fulfills its responsibilities as a corporate citizenship and integrates the concept of sustainable development into the mission and core values of the Group with the combination of strategic orientation to penetrate the entire organization from top down.

In formulating the sustainable development strategy of the Group, China Taiping has formulated its CSR procedure and actively promoted the Group to make contributions to performing CSR by conducting materiality assessment, engaging with stakeholders and developing a materiality matrix. The CSR procedure of the Group is as follows:



Materiality Assessment

Important issues are those that can reflect the significant impacts of businesses of the Company on the economy, the environment and society or material impacts on the assessment and decisions of stakeholders. In identifying and evaluating important issues, we initially identified issues that reflect the internal and external impacts of businesses of the Group in accordance with the guidelines of the Global Reporting Initiative (GRI).

Stakeholder Engagement

China Taiping has attached importance to communication with stakeholders and established an effective and transparent communication mechanism. We have identified stakeholders from different sectors and adopted an open and proactive attitude to listen to and understand their areas of concern, thereby determining the scope of this report.

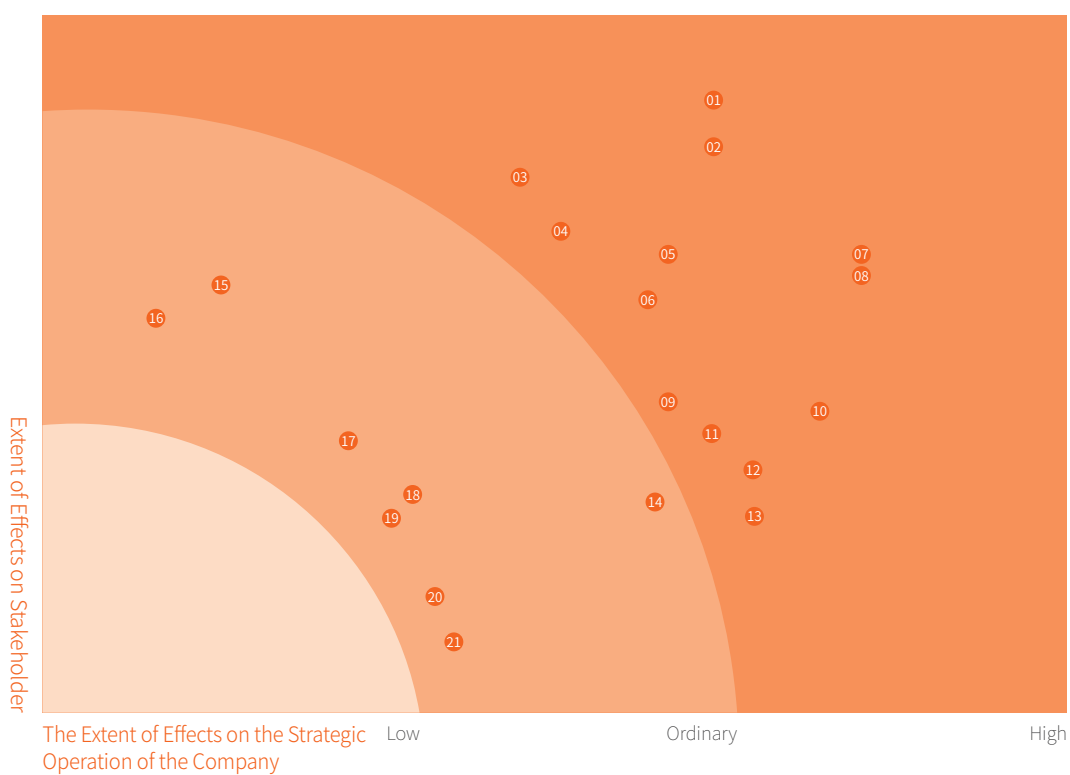
Except for regular communication, during the preparation of this report, the Group also commissioned third-party professional organizations to conduct communication with stakeholders to understand their opinions and evaluation on the Group's sustainable development performance and establish long-term and mutual trust relationships. Through meetings and questionnaire surveys, we invited internal and external stakeholders of the Group (including shareholders, the Board, the management, customers, employees and business partners) to conduct consultation work. During the consultation process, stakeholders discussed the impacts of our business on the industry and the region where the business is located, and their expectations for the future sustainable development of the Group. This would not only benefit us to assess the importance of different sustainable development issues for stakeholders, but also help us to more specifically disclose relevant information in this report.

Principal Stakeholders	Main Communication Channels	Key Concerns of Stakeholders
Shareholders	<ul style="list-style-type: none"> · Annual General Meeting and other general meetings · Interim Report and Annual Report · Corporate communications · Results announcement · Shareholders visits · Investor conferences 	<ul style="list-style-type: none"> · Solid return on investment · Governance mechanism of the Group · Effective risks management · Transparent and timely information disclosure
Customers	<ul style="list-style-type: none"> · Customer satisfaction survey and opinion form · Customer consultation group · Customer service centre · Activities to improve customer loyalty · Customer relationship manager visits · Daily operation / exchange · Online service platform, telephone and email 	<ul style="list-style-type: none"> · Innovative products and services · Quality insurance service · Customer rights protection
Employees	<ul style="list-style-type: none"> · Opinion survey · Performance assessment · Interviews · Staff publications · Staff communication conference · Staff intranet · Special advisory committee · Volunteering activities 	<ul style="list-style-type: none"> · Employee benefits · Good working environment · Occupational safety and health
Investors	<ul style="list-style-type: none"> · Results announcement · Senior management meetings · Interviews 	<ul style="list-style-type: none"> · Solid return on investment · Stable governance of the Group · Effective risks management · Commitment to society
Business partners	<ul style="list-style-type: none"> · Reporting · Meetings · Lectures 	<ul style="list-style-type: none"> · Industry development exchange · Promotion of cross-border cooperation
Government / Regulatory authorities	<ul style="list-style-type: none"> · Meetings · Response to public consultation in writing · Compliance report 	<ul style="list-style-type: none"> · Group compliance · Assistance in innovation and start-up · Support the real economy · Involvement in public poverty relief
Community / Non-governmental organizations	<ul style="list-style-type: none"> · Volunteering activities · Donations · Community investment plans · Community activities · Seminar / Lecture / Workshop 	<ul style="list-style-type: none"> · Support in public welfare · Green financial products · Implementation of green operation · Concern about climate change
Peers in the insurance industry	<ul style="list-style-type: none"> · Strategic cooperation projects · Group notice · Strategic cooperation 	<ul style="list-style-type: none"> · Win-win industry collaboration · Support in cooperation
Suppliers	<ul style="list-style-type: none"> · Meetings · Supplier / contractor evaluation system · Site-inspection 	<ul style="list-style-type: none"> · Promotion of integrity and reciprocity · Support in fair procurement

Materiality Matrix

After communicating with internal and external stakeholders and having considered that the important issues are not only highly relevant to the Group's business, but also are valued by all the stakeholders, China Taiping has determined the CSR Importance Matrix (see the graph below). In view of the above, it enabled us to identify areas in our CSR performance that need to be improved and to provide more comprehensive, transparent and targeted responses in the annual report to continue to improve the quality of the report.

ESG Materiality Matrix of China Taiping



- | | | |
|-------------------------------|--------------------------------|--|
| 01 Service Quality | 09 Occupational Safety | 17 Green Products / Services |
| 02 Innovation Products | 10 Lawful Hiring | 18 Human rights and Anti-discrimination |
| 03 Social Security | 11 Occupation Development | 19 Environment Protection Awareness of the Company |
| 04 Customer Rights Protection | 12 Internal Training | 20 Green Finance |
| 05 Internal Control of the | 13 Supply Chain Management | 21 Waste Management |
| 06 Liability Insurance | 14 Remunerations | |
| 07 Results of the Company | 15 Development of the Industry | |
| 08 Corporate Governance | 16 Social Investment | |

4.3 Sustainable Development Strategy

In order to make more detailed disclosures on important issues in this report to enhance the quality of the report and satisfy the stakeholders' expectations on the continuous improvement in sustainable development performance of the Group, we integrated the sustainable development elements into every aspect of the Group's operations and summarized the sustainable development strategy into five major areas, including "Responsibility Governance of the Group", "Creating Quality Services", "Care for and Growth of Employees", "Share Green Ecosystem" and "Jointly Building a Harmonious Society".



SHARING GREEN ECOLOGY

Goal: Contributing to the sustainable development of the environment and building ecological civilization

Practices :

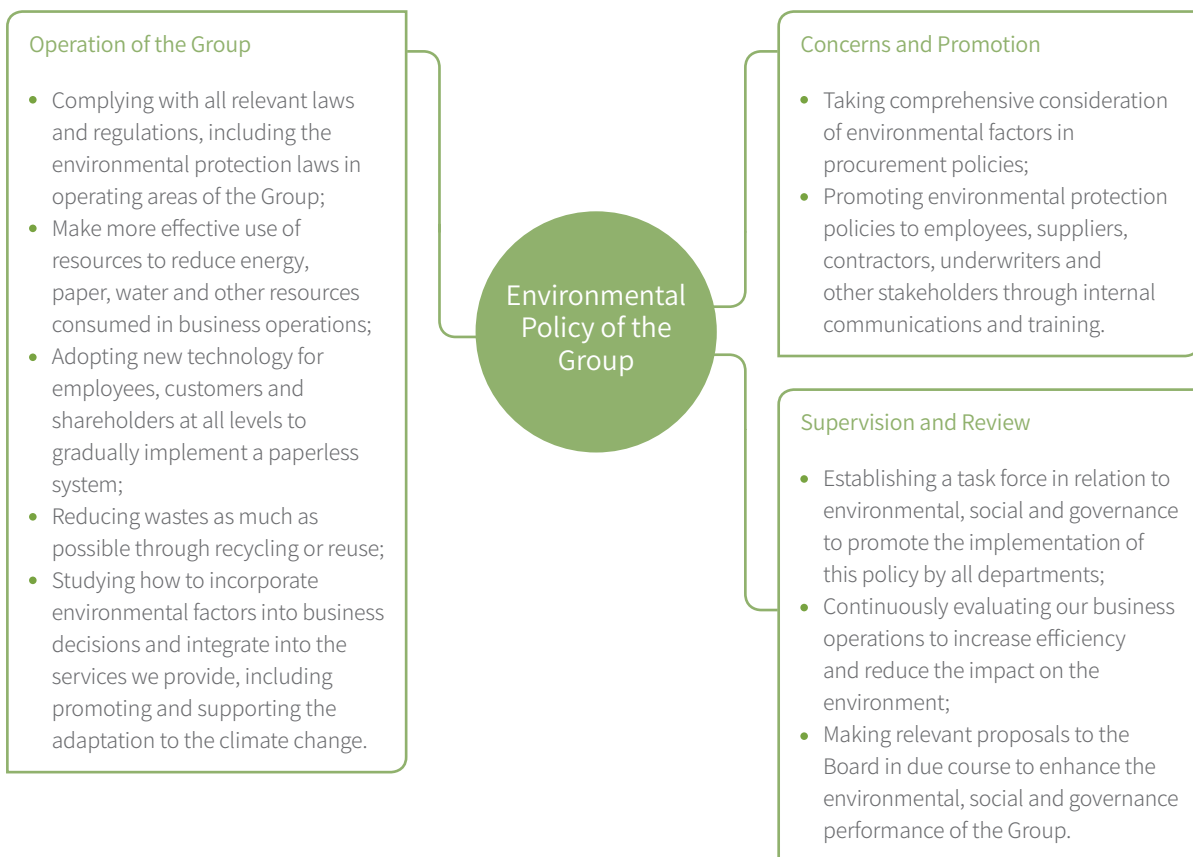
- Reducing greenhouse gas emissions and consumption of natural resources
- Reducing wastes
- Encouraging customers and suppliers to implement environmental protection measures



26	5.1. Environmental Protection Policy of Taiping
27	5.2. Developing Green Finance
29	5.3. Developing Green Building
31	5.4. Promoting Green Operations

5.1 Environmental Protection Policy of Taiping

China Taiping upholds the goal of "Ecological Civilization is the Millennium Plan for Sustainable Development of the Chinese Nation" proposed in the "Report of the 19th National Congress", pays attention to the impacts on the environment and natural resources of the Group's operations, and actively responds to global climate change and challenges of changes in the environment. We also strictly abide by the environmental protection laws and regulations of the Group's operating regions and other related requirements and have promulgated the Environmental Policy of the Group this year to commit to enhancing the Group's overall environmental performance, achieving sustainable development and fulfilling its obligations as a global citizen.



5.2 Developing Green Finance

"The modernization we want to achieve is the one featuring harmonious coexistence of man and nature. In other words, more material goods and spiritual wealth should be created to meet the people's growing needs for good life, and more quality ecological products should be provided to meet the growing eco-environmental needs of the people."

——Report of the 19th National Congress

China Taiping actively pursues the green development path. Internally, it advocates energy conservation and emission reduction, and externally, it also implements a green operating model, develop green financial products, invest in green environmental protection projects, actively fulfilling the responsibility of the central government, and adopt green development path and green lifestyles, being the "China Road."

We carried out research and development of green insurance and in-depth market research, and specifically launched green insurance that met the needs of the Company. On the other hand, the deep development of green insurance would provide risk management advices to the Company to carry out risk prevention and control. As a result, the past economic compensation bearers have become risk managers to jointly promote the development of the insurance business in green liability series.

Invest in green enterprises and actively develop renewable energy

In 2017, Taiping Asset Management Company Limited successfully launched the "Fund Equity Investment Plan for the Investment and Supply-side Reform Industry in Qinghai", which is a key project for the green development and supply-side reform of Qinghai. TPAM invested funds in a green, clean and environment-friendly energy company, Qinghai Development Investment Co., Ltd, subordinate to the SASAC of Qinghai Province, which is mainly engaged in hydraulic power, wind power, solar energy and renewable energy. TPAM has actively developed its wind power plant project in Xitieshan with total installed capacity of the wind power plant project of 99.5 MW. The power generation capacity mainly covers the northwestern region of China and effectively relieves the electricity consumption of urban residents and industries and agriculture in northwestern China to reduce dependence on traditional fossil fuels and decrease greenhouse gas emissions, thus promoting economic development in northwest China.

TPI has developed environmental pollution liability insurance and provided insurance coverage for wastewater plants, power plants and power transmission industries in Jiangsu, Guangdong, Shenzhen and Beijing with an amount over RMB 18 million. Enterprises participate in environmental pollution liability insurance. Once the liability accident occurs, an insurance company with economic compensation capability can compensate the injured party in a timely manner. On the

one hand, this avoids the situation in which companies are difficult to fulfill bankrupt liabilities due to failure to bear the burden; on the other hand, victims are faced with the "Four difficulties" in the civil process of past pollution accidents: "Difficulty to file, Difficulty to obtain

evidence, Difficulty to certify and Difficulty to win a lawsuit". At the same time, we can also help companies establish an effective environmental risk protection mechanism in the future to avoid the recurrence of environmental pollution liability accidents.

Establish Hong Kong Green Finance Association

As one of the five sponsors for the establishment of the Hong Kong Green Finance Association, China Taiping Life Insurance (Hong Kong) Company Limited plans to assist the Hong Kong Special Administrative Region Government in carrying out its work in the following areas:

- Promoting and publicizing the concept of green finance to deepen market awareness of green finance, mobilize institutions and personnel from all sectors to participate in green finance and popularize green finance expertise through meetings, forums and exhibitions;
- In combination with the HKSAR policy, assisting the Hong Kong government in formulating standards for Hong Kong green financial system that are compatible with the current standards in the Mainland and Europe and the United States, so that Hong Kong can play a greater role in the global green financial system;
- Working closely with the Hong Kong Special Administrative Region Government and combining the understanding of the green financial market of the Association to develop draft proposals on the green finance related policy for the Hong Kong SAR Government;
- Designing and launching green finance related products to encourage market participants with a green investment philosophy to benefit from investment and financing, corporate listing and green bond issuance;
- In conjunction with the "One Belt and One Road" strategy, we will promote the development of green finance in Hong Kong and attract green investments for the "Belt and Road Initiative."



Shenzhen Taiping Finance Tower - "The Breathing Building"

The 228-meter-high Shenzhen Taiping Finance Tower Project developed by Taiping Investment Holdings Company Limited is the tallest non-core tubular steel concrete building in the PRC. With a 400-square-meter atrium rarely seen in other parts of the world, natural light can enter directly from the sky to the lobby. The building adopts more than 20 green energy-saving technologies, such as a hollow Low-E glass envelope structure with efficient energy-saving, a dynamic interior lighting ventilation shaft, a building member exterior shade, a natural ventilation device, an efficient lighting and control, an energy-efficient chiller, an air quality monitoring system, a water-saving appliance and equipment and a roof, implementing the concept of green policy and environmental protection from the planning, design, construction, operation and management for the entire cycle. After a rigorous review and re-inspection, the project was awarded dual certification of the "Two-Star Green Building Label Certificate" and "Shenzhen Green Building Post-Completion Certification - Gold Grade" in this year. It has also been the first label project in this country and Shenzhen operation phase of the Shenzhen Green Building Association. In addition, it has become one of the green and ecological super-high-rise Grade A office building that has been actually put into operation in the central area of Shenzhen City.

5.4 Promoting Green Operations

China Taiping will continue to adhere to the green development concept, actively respond to national strategies, fulfill its responsibilities as a state-owned enterprise and act as a practitioner and promoter of ecological civilization. China Taiping will continue to improve the internal environmental governance mechanism, vigorously promote the popularization of environmental liability insurance, invest more in green industry and give priority to environmental protection in investment decision-making.

5.4.1 Practicing Low-carbon Operation

Global climate change leads to more frequent extreme weather conditions. The global climate change has brought the global environment, species and humans to a critical point. To envisage this serious global issue, at the end of 2015, the UN Climate Change Conference reached the final agreement in Paris, i.e. the Paris Agreement, with an aim to control global warming, which conveyed a powerful and proactive will of achieving green and low-carbon, climate adaptable and sustainable development to the world. According to the Agreement, China, one of the 195 signatories, is required to control the increase in the average global temperature within 2 degrees Celsius within this century and endeavor to make an increase of less than 1.5 degrees Celsius on that basis.

In order to cooperate with the state in fulfilling its responsibilities under the Paris Agreement, China Taiping is committed to establishing a sound green, low-carbon and recycled economic development

system to deter the trend of global warming. We have conducted the first greenhouse gas (GHG) emissions inspections for the subsidiaries of the Group in China in compliance with GHG Protocol issued by the World Resources Institute and the World Business Council for Sustainable Development and the ISO 14064-1 set by the International Organization for Standardization. The summary of GHG emissions during the Reporting Period is as follows:

Total GHG emissions

16,478.42 tonnes

Scope 1 Direct GHG emissions



CO₂ equivalent

821.42 tonnes

Percentage **4.98%**

Scope 1 Direct GHG reduction



CO₂ equivalent

0.35 tonnes

Percentage **0.00%**

Scope 2 Indirect GHG emissions from the use of energy



CO₂ equivalent

15,189.96 tonnes

Percentage **92.18%**

Scope 3 Other indirect GHG emissions



CO₂ equivalent

467.39 tonnes

Percentage **2.84%**

Scope 1: The direct GHG emissions generated from sources owned and controlled by the Group.

Scope 2: GHG emissions indirectly generated by electricity generation, heating and cooling or steam purchased by the Group.

Scope 3: Emissions include GHG emissions indirectly generated by sources that are not owned or directly controlled by the Group but related to the Group's business activities.

After inspection, our GHG emissions can be divided into direct emissions (Scope 1) and indirect emissions (Scope 2 and Scope 3). GHG emissions of each scope come from fuel used by vehicles of the Group (Scope 1), electricity consumption during the operation (Scope 2) and domestic water and waste landfill (Scope 3), respectively.

Direct GHG Emissions (Scope 1)

The Group's direct GHG emissions generate from the mobile combustion sources, such as the Group's vehicles and stationary combustion sources, such as boilers. Carbon dioxide, methane and nitrous oxide are released when the vehicle runs and the boiler burns fossil fuels. During the Reporting Period, the Group consumed a total of 177.08 tonnes of gasoline,

0.5 tonnes of fuel oil, 0.2 tonnes of liquefied petroleum gas and 12,180 units of coal gas for cooking, 163.3 kilograms of refrigerant, representing 821.42 tonnes of CO₂ equivalent and 4.98% of the total GHG emissions.

Direct GHG Reduction (Scope 1)

Planting trees can help reduce GHG in the atmosphere because trees assimilate carbon dioxide into plant tissue as they grow. During the Reporting Period, the Group reduced 0.35 tonnes of CO₂ equivalent.

Indirect GHG Emissions from the Use of Energy (Scope 2)

The largest portion of the Group's GHG emissions mainly comes from scope 2 — GHG emissions indirectly caused by purchased electricity, accounting for 92.18% of the total GHG emissions. During the Reporting Period, the Group's electricity consumption reached 24,235.31 kWh, representing 15,189.96 tonnes of CO₂ equivalent and the average electricity consumption per sq meter of floor area was 6.31kWh in total.

Other Indirect GHG Emissions (Scope 3)

The total GHG emissions of the Group in Scope 3 amount to 467.39 tonnes CO₂ equivalent, representing 2.84% of the total GHG emissions. The sources of the Scope 3 mainly included water consumption, paper consumption and GHG emissions caused by employees' travel by plane. During the Reporting Period, the Group's water consumption was 130,980.17 cubic meters.



5.4.2 Insisting on Green Office

On the basis of sorting out GHG emissions and strictly observing the Law of the PRC on Energy Conservation, the "13th Five-year" Comprehensive Plan for Energy Conservation and Emission Reduction and other laws and regulations, China Taiping actively formulates measures to reduce GHG emissions and improve energy efficiency and follows the path of green development. For office of the major headquarters and other offices workplace, we develop an energy conservation and environmental protection management measure to contribute to the construction of ecological civilization.

Eliminating the lighting products with low efficiency



- Use high energy-efficient lamps
- Divide the office into several lighting areas where we set up individually controlled lighting switches

Strictly controlling air-conditioners and heaters



- Set the temperature of air-conditioner at 25.5 degree Celsius
- The temperature, start and stop time of all air-conditioners are automatically controlled

Categorizing the waste treatment



- Cooperate with electronics companies to recycle old or other electronic waste
- Use recyclable toner cartridges and ink cartridges

Improving indoor air quality



- During the year, China Taiping received the Indoor Air Quality Certificate (Good Class) granted by the Environmental Protection Department of Hong Kong.

Encouraging water treasuring and saving



- Regularly conduct leakage test for hidden water pipes and inspect overflowing water vats
- Use sanitary ware with water-saving labels

Promoting paperless office



- Replace paper-based office administration with the Office Automation System (OS System)
- Preset two-sided printing and ink saving mode for computers and printers

Energy Conservation

To adhere to the basic national policy of saving energy and protecting environment, we start with the lighting system through dividing the office into several different lighting areas where we set up individually controlled lighting switches and encourage employees to turn off unnecessary lighting systems before close of office, leaving their seats, going out or during lunchtime. We conduct regular check the luminosity of different locations in the office and reduce the number of lamps in places where the brightness is higher than the demand to reduce energy consumption. The deleted lamp will be reused to replace the depleted lamp and avoid waste.

Paperless Office

The Group has always recognized and encouraged customers to issue electronic bills, promoted paperless bills to save paper and implemented green office. TPI has actively responded to the Group's call, fulfilled its social responsibility as a central enterprise, and actively used paperless office tools. In the ordinary course of office operation, TPI has actively cooperated with China Insurance Regulatory Commission (CIRC) and the automobile insurance department to promote electronic policies. We have successfully implemented the electronic policies in Beijing. As for Shenzhen, system testing has been completed and the electronic policies will be fully implemented after CIRC's notification. We have also actively cooperated with the tax bureau and the financial department to implement the electronic invoices and have allocated electronic invoice printing equipment within the Group. In the initial contact with customers, electronic data has been adopted when providing company information, and in the process of business communication, the paperless email office is adopted as much as possible.

Waste Management

- 1) Reduce wastes from the source
 - Assess the number of materials before purchasing office stationery to avoid excessive inventory.
 - If there is need to purchase materials, we will give preemption to purchase products that can be recycled or refilled to reduce the use of disposable and non-recyclable products.
- 2) Reuse
 - Encourage employees to reuse envelopes, binders and other stationery items.
 - Use refills to reuse pens, thereby reducing the quantity and volume of wastes.
- 3) Waste recycling and reusing
 - If office wastes involve customers' personal data, they are processed in shredding according to the Group's policies and then handed over to specialized service providers to ensure they are properly handled.
 - For non-confidential documents, all waste paper will be sent to waste paper recycling companies for recycling after being collected.
 - Participate in "computers recycling program" to contribute some older computers and peripheral products to charities so that electronic wastes can be recycled and reused, thus reducing the burden from dumping e-wastes to the landfill and assisting people in need.

5.4.3 Training Green Staff

As a committed corporate citizen, China Taiping has been actively participating in a wide range of community activities, sparing no effort to protect the environment and is committed to building a greener and sustainable community. China Taiping directed active publicity campaigns of environmental protection to its staff and have staff jointly involved in putting into practice the environmental protection through conveying green environmental protection notion. The Group advocated that staff should commute by public transportation instead of by private car and other environmentally friendly means and endeavored to "Be a responsible corporate citizen and contribute to the sustainable development of the market, working environment, society and environment".

"Taiping Loves Forest"

Environmental protection is one of the important public themes concerned by "TPL Customer Service Festival". As early as 2012, subsidiaries of the Group including TPL and TPI organised "Taiping Loves Forest" tree planting activities for organizations in more than 20 provinces, including Jiangxi, Heilongjiang, Shanxi, and Beijing, etc. The activities are welcomed by customers and employees. Some customers even get their family members involved in the activities. The activities not only added more "green" to the environment, but also helped children pay attention to the ecological environment and foster their environmental protection awareness in the process of participation. The activities also enhanced the interaction between employees and helped the Group to create a "unified and highly-efficient" staff team.



CREATING QUALITY SERVICES

Goal: Adhering to the principle of "One Customer, One Taiping" to provide the best and most attentive service for our customers

Practices :

- Implementing "High-quality Strategy"
- Providing diversified service channels
- Improving customers' experience
- Expanding innovation business



38	6.1. Implementing High-quality Strategy
42	6.2. Expanding Innovation Business
44	6.3. Protecting Customer Information
45	6.4. Handling Customers' Feedback
47	6.5. Respecting Intellectual Property Rights

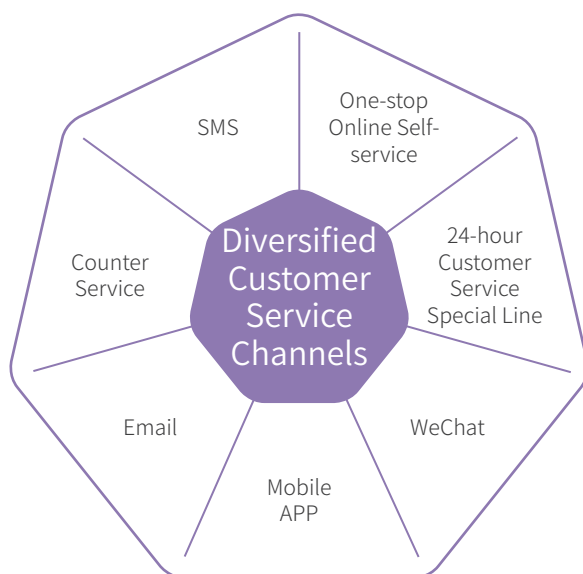
6.1 Implementing High-quality Strategy

China Taiping firmly implements the concept of "One Customer, One Taiping", and has been committed to the practice of "High-quality Strategy" to create the best and most attentive services for its customers. Under the general guidance of "Following momentum, accelerating innovation and continuously increasing value", we constantly pursue innovative development in business models, product functions and channel expansion to provide customers with quality and professional services to meet multi-level and all-dimensional needs from different customer groups.

Provide Diversified Service Channels

In 2017, China Taiping has taken "Technicalization" and "Intellectualization" as its new goals for innovative development. Amidst the increasingly fierce competition in the prevailing insurance market, we persist in implementing the "High-quality" strategy of China Taiping, seize opportunities in the era of "Disruptive Breakthrough" and continue to build "Innovation Culture" that adapts to market competition to provide a diversified business model that meets the needs both of the times and consumers to the market.

We are committed to expanding service channels to serve more different customer groups, and combining the Internet and artificial intelligence technology in various service channels to improve the level of intelligent services, thus striving to provide customers with a distinguished user experience.



National Customer Service Hotline: Provision of 24-hour customer service consultation and complaints services to customers to offer problem solving solutions around the clock in a quick and responsive way.

Short Message Service (SMS): Timely provision of inquiry, consultation and customised service message to offer customers with convenient, quick, professional and high-quality services.

Website of China Taiping: Provision of multiple self-service functions to enable customers to be more readily served in enquiries, changes, claim settlement and payment, thus providing customers with "One-stop" services like in an "Insurance Supermarket."

"With the coming of the Internet wave, artificial intelligence technology is gaining rapid development, marking the transformation in all forms of industries." China Taiping, as the leader in the domestic life insurance industry, is working hard to develop smart insurance products and services which are more scenario-based and technology-centered to enable the application of insurance technology to more accurately meet the growing needs of customers and make insurance more "insurable".

Except for the traditional channels, China Taiping vigorously develops electronic channels and enhances insurance claims settlement services through channels of WeChat and Mobile APP.

◎ The mobile application program, such as the "Claim Settlement", a mobile claim settlement service platform created by TPL will improve both the quality and efficiency of claim settlement services;

◎ TPL has opened an official WeChat account and APP for the mobile Internet insurance platform of "Taiping Insurance", and has also launched a variety of insurance products including "Super E Insurance", enabling TPL to complete the establishment of a new marketing model based on the needs of Internet insurance technology applications;

◎ The pilot "E Claim Settlement" system developed by TPI has drastically shortened the motor insurance settlement period by 9 days;

"Intelligence-centered" and "scenario-based" High-quality customer service experience

"Insurance Service Password" of TPL was formally launched. Policy customers may use the official WeChat account of "China Taiping95589" to perform transactions including customer information changes, policy loan repayments and renewal account changes in real-time. Over 240,000 policy customers of TPL have been benefited from the "Insurance Service Password", which has served the needs of customers for intelligence-centered transactions. Moreover, the High-quality customer service brand of TPL, "Taiping Green Tree Space", has provided customers with more "intelligence-centered" and "scenario-based" High-quality customer service experience through five theme venues and diverse online services, including "Health Management", "E-service", "Home Culture", "Hand in Hand Philanthropy" and "Appointment of Masters". At present, the number of visits to "Tai Ping Tree Space" has exceeded 2 million.

© The WeChat claim settlement service launched by TPL achieved remote self-help for the claim settlement process;

© In responding to the trend of mobile internet, we also hosted "Love Group Purchase" activities at WeChat to meet customers' needs for short-term accidents and health protection.

The first artificial intelligence customer service in the insurance industry

"Xiao Hui", the first artificial intelligence customer service of the insurance industry was put into trial operation at TPFT. While the intelligent robots now available in the market are generally only able to carry out fixed responses to simple questions, Xiaohui of China Taiping is able to conduct active voice interaction with customers in the follow-up scene of motor insurance settlement with independent thinking and quick response in a highly personified tone and content.

Artificial intelligence customer service "Xiaohui" is the first achievement of TPFTe and the artificial intelligence voice lab of iFLYTEK in four months. The first service scenario of motor insurance settlement has been officially launched after passing the laboratory test and information security assessment. The project, produced from the in-depth cooperation in the financial insurance industry and artificial intelligence technology, integrates insurance customer service application scenarios, service talks and professional knowledge bases, and various artificial intelligence technologies which are jointly developed by insurance customer service experts, IT experts and artificial intelligence technology experts, including voice-to-text, semantic understanding and speech synthesis.

Xiaohui, featuring stable service quality, independent learning, capability to listen to and speak and cost optimization, represents the first artificial intelligence customer service robot used for commercial purpose in the insurance industry, and takes the lead in the development and application of artificial intelligence in the financial insurance industry.

Continuous Increase in Operational Service Efficiency

During the year, the efficiency of our operational services continued to increase. The self-audit approval rate, batches and regular claims self-signing rate of the new group contracts exceeded 15%. After the implementation of full automatization rules for life insurance, the operation automatization rate for approvals reached 75%. On the other hand, the electronic policies achieved full coverage from personal agents, silver mail agents to electric sales, reducing the amount of manual rechecks by nearly one-third, thus greatly improving operational efficiency and risk prevention capabilities.

Open Electronic Follow-ups

In 2017, our 11 institutions have opened electronic follow-ups with successful completion of more than 840,000 electronic follow-ups, accounting for more than 36% of the total number of follow-ups of individual insurance. On the one hand, electronic follow-ups can enhance the customer service experience, more effectively divert the manual follow-ups business and greatly reduce operating costs. On the other hand, we established the promotion and opening process for standard electronic follow-ups to provide support for subsidiaries to file with regulatory authorities and introduced face recognition technology to prevent financial risks. As of 2017, the cumulative reduction

in customer service personnel exceeded 38, saving manpower costs by RMB 3.13 million and telephone costs by RMB 170,000.

Strictly Guarding Against Information Security

We continuously strengthen the information service capabilities of the Group. After the incidents such as the sudden break of Ransomware and the abnormal domain name of the Group, the relevant departments will put in priority and dispose in a timely manner. In accordance with the requirements of CIRC, the Group strictly carried out a number of self-examination work during the year, in particular ensuring the system security during important events and meetings, such as the National Day and the Nineteenth National Congress. During the year, no products sold or shipped by the Group had to be recalled for quality verification, safety and health reasons.

Wuhan Data Center

At present, the overall operation of the Wuhan Data Center remains stable and has successfully passed the enhanced (A-level) data center certification of China Quality Inspection Center and the ITSS national standard CB-33136 data center operation and maintenance maturity level four certification, which means that the Group's data center infrastructure and the maturity of operation and maintenance management have reached the domestic advanced level.



▲ Wuhan Data Center.

Comprehensive Commitment to the Establishment of Information System

In 2017, the IT team of more than 400 personnel of the Group overcame various difficulties and successfully completed the optimization and daily operation and maintenance of more than 200 information systems, completed the first phase of private cloud and the establishment of systems, such as alternative investments of the Group, MIS and budget preparation to cater for the needs of the Group in various aspects of business management.

Continue to Improve IT Basic Management

We have established a development mechanism of "Mature function parameterization and agile demand for innovation", made full use of automation tools and third-party resources to strengthen the development of quality management and better meet the needs of user-differentiated services. We have completed the quality consulting project of IT application process of the Group, laying foundation for subsequent quality improvement.

TPL	TPI	TPP	TPFS
<p>It actively promoted the transformation of the "Streamline Core Business" and completed the upgrade of the Li BaoTong Structure. In terms of the platform, it was upgraded from the support of 20,000 salesmen online at the same time and completion of 100,000 orders per hour to the support of 100,000 salesmen at the same time online and 100,000 orders per 10 minutes. It completed the upgrading of 41 life insurance products in a timely way and fully promoted the construction of systems such as self-service for agents, which provided strong support for the rapid development of the business.</p>	<p>It actively cooperated with TPI to promote the cooperation with online platforms, such as Ant Financial Services and Qunar Motor Insurance. It continued to optimize the H5 system and enabled the mobile H5 to become the mainstream channel for insurance. The non-vehicle product lineup mechanism has been optimized to shorten the release cycle of non-vehicle products to the hourly level. The MIS system has realised second-level refresh of data and self-analysis of tens of millions of grades, laying a solid foundation for improving the operation and management of property insurance.</p>	<p>Workers marketing and the Phase II functions of the "Workerologist " system platform have been put into use as planned, effectively supporting front-end marketing model innovation. It actively promoted the implementation of new projects such as individual income tax deferred retirement and long-term care for personal tax, which would promote the diversified development of TPP.</p>	<p>It fully supported the business transition of TPFS and completed major system upgrades such as marketing campaign platform and online sales customer service, realizing the whole process tracking management from the front-end customer acquisition to business transformation.</p>

6.2 Expanding Innovation Business

China Taiping, adhering to the spirit of quality strategy, provides more innovative and diversified products to customers at all levels in order to respond to economic development and meet the demands for health services in the moderately prosperous society.

The following four insurance products won several awards, such as "Best Health Insurance Product", "Best Wealth Management Insurance Product" and "Most Investment Value Insurance Brand" awarded by the 10th China Insurance Culture and Brand Innovation Forum and the 12th China Insurance Innovation Awards hosted by the Insurance Culture magazine.

In addition, TPL has established a customer service system that includes value-added health management services for VIP customers and caring services for all customers based on customer ratings.

In terms of health management services, with the integration of domestic and overseas excellent health medical service resources, we have provided nearly 24 service programs such as 24-hour home telephone doctors and expert outpatient appointments, forming a package of health service solutions. In addition, VIP customers have been offered with exclusive project of "Doctors' Visiting Services", under which experts from famous top-three hospitals will provide customers with in-depth health guidance on one-to-one basis so that customers can be available to medical treatment without leaving their homes. TPL

also conducted exclusive cooperation with A&A Helicopter Rescue Service Providers to expand its "domestic air emergency rescue" service resources, build air rescue lifelines, fully achieve VIP customer value-added service systems and rely on aviation rescue advantages to supplement rescue service projects, thereby providing customers with a vertical service experience.

TPL has comprehensively upgraded its 24-hour telephone doctors for customers, increased the proportion of 24-hour telephone doctors and prevented customers from sudden consultation to solve urgent needs of customers. We have further improved the qualification threshold of telephone doctor services, ensured customer satisfaction and introduced the US quality customer services according to the physical examination for top customers, and designed specific physical examination plans based on the actual situations of customers to further enhance the quality of health management service projects; launched the online series of activities under "Music Therapy", covering 12 kinds of sub-health conditioning and carried out the online activities of "Slow Diseases Conditioning" and "Nurturing Five internal organs in Four Seasons" series with the annual hits exceeding 640,000.

Innovative Agricultural Insurance Products

With active response to the policy of "Supporting and Benefiting Farmers", TPI has

"Taiping serious illness protection scheme"

Providing customers with multiple critical illness guarantees featuring early intervention of mild illness, multiple payouts in groups, guaranteed related benefits, free transition of annuity and return of premium upon expiration, to work with you to jointly resist the risks of future diseases

"Taiping caring for this life insurance protection plan"

In order to provide comprehensive care for 80 kinds of serious illness, additional benefits for 20 kinds of mild illness, human care for accidental exemption, thus truly achieving protection under which diseases will be treated and pension will be ensured without diseases

"Taiping lifetime annuity insurance (with participative features)"

Providing real needs for wealth management featuring "stable earnings, high receipts, lifetime enjoyment and flexible turnaround" to mid- to high-end customers

"Taiping annuity insurance (with participative features)"

Providing customers with long-term sustainable surviving funds services, increasing the insured premium by the additional dividends and providing life-long death protection, to allow customers to enjoy a life free from concerns and achieve an effective wealth inheritance, thus fundamentally achieving multiple protections of annuity products

Development of "Tai Ping Group Overseas Medical Insurance"

TPP made full use of international outstanding medical resources to provide overseas medical treatment arrangements and insurance coverage for six major cancer treatments, such as cancer therapy, coronary artery bypass graft surgery, heart valvular replacement or repair, neurosurgery, living organ transplantation and bone marrow transplantation through Best doctors, the excellent partner of overseas medical services.

launched more than ten innovative agricultural insurance products, such as wheat planting insurance in Shandong, breeding insurance in Inner Mongolia, temperature index insurance for crab breeding in Jiangsu and innovative development of beef cattle breeding insurance,



▲ Hubei Enshi Tea Garden.

providing a strong protection for the harvest of farmers from the risk of reducing beef cattle breeding. The tea weather index insurance launched in Enshi, Hubei Province, is one of the innovative agricultural insurance types in Hubei Province. During the tea weather index insurance period, if the tea garden suffers from damages resulted from low temperature or high temperature and high humidity weather, as long as the temperature changes within the scope of the insured contractual compensation, it shall be regarded as a risk and the claims procedure shall be initiated directly. Agricultural insurance has effectively increased the farmers' ability to withstand risks and lifted their worries, thus ensuring the economic benefits of planting and industry. In addition, the first target price index insurance for garlic launched of Lan Ling County, Linyi, Shandong Province, winter jujube hail insurance of Zhanhua, Shandong, Pepper "Price insurance + off-shore options" of Hanyuan, Sichuan,

and sea cucumber / scallop weather index insurance of Qingdao, Dalian.

In the event of default risk due to disaster losses, TPI also assisted loan companies and rural households in loan difficulties caused by factors of single asset composition and narrow scope of effective collateral. At the same time, it also exempted the premiums of poverty-stricken farmer and solved the biggest problem of lack of early stage equipments and high capital investments.

6.3 Protecting Customer Information

China Taiping attaches great importance to the protection of information security and customer privacy and makes the Group more information-based and safeguards customer information under the most stringent criteria. We have established "TPG Customer Information Management Compliance Guidelines" and "Administrative Regulations on TPG Domestic Insurance Information Security" in accordance with relevant requirements and standards under "Guidelines for Informatization Management of the Insurance Companies" issued by the China Insurance Regulatory Commission (hereinafter referred to as CIRC) to improve the Group's information security system and capabilities of information system protection.

In strict compliance with relevant laws and

regulations of the State and the Personal Data (Privacy) Ordinance in Hong Kong, the Group promulgated the "Data Permission Management Regulations" to regulate the use procedures of various types of data and specify the purposes of collecting and using customer information and disclose restrictions on customer data, and methods to preserve customer information to prevent information leakage and fully protect customers' information and privacy.

In order to regulate and effectively control the informatization asset management of the TPG Shared Service Center (hereinafter referred to as "the Center"), to ensure the security and integrity of the information-based assets and to fully exert its management efficiency, it has formulated the information assets management regulations of the Center in accordance with the "China Taiping Insurance Group Information Asset Management Regulations." and "Administrative Measures on the Informatized Assets of Taiping Financial Service Centre (Shanghai) Company Limited".

We also provide that the operation management center is responsible for supervising and inspecting the file management of customers in business processing and service links such as group underwriting, preservation, claim settlement and customer service. We have confidentiality responsibility for all customers' personal data and strictly forbid employees from divulging data without the customers' permission. We also direct employees to be responsible for the confidentiality of all confidential or special data provided by customers and business partners.

It is forbidden to disclose or publish relevant information to third parties without obtaining their consent.

6.4 Handling Customers' Feedback

The Group attaches great importance to customers' opinions, establishes multiple channels to listen to the voice from customers and regards all opinions as opportunities for service improvement to strive to satisfy customers and safeguard their rights and interests and promote the healthy development of the business.

In 2017, TPI thoroughly implemented the guidelines for "Insurance is security-based", promoted the supervision concept and the

Actively monitoring the quality of services

The specific methods of TPL in service quality inspection are as follows:

Formulating agency operation assessment standards, conducting assessment of key indicators in customer service processes such as new contracts, claim settlement, preservation, investigations, telephone interviews and complaints, and targeted evaluation of strict control of the delivery rate of insurance policies within 15 days, efficiency of claim settlement services and timeliness of complaint settlement to improve the overall service level.

Holding monthly business analysis meeting to monitor the backward institutions and indicators and requiring the institutions to propose corrective measures for backward indicators and conducting follow-ups of corrective actions.

core values of the industry and strengthened the protection of consumer rights. We also strengthened the construction of the insurance credit system with focusing on promoting the product development, the integrity of insurance sales and the credit of insurance services and the use of funds.

We have also revised the Articles of Association with adding the rule of protecting the legitimate rights and interests of consumers. In addition, in accordance with the requirements under the "Sword Action" of CIRC, we have been committed to customer service to improve service assessment mechanisms, strengthen evaluation performance of supervision service, refine complaint management, establish the registration feedback mechanism for abnormal cases and build the internet service platform based on customer self-service claims to continuously improve the online claims user experience. Furthermore, we have implemented a work plan to improve customer service quality. We have strengthened customer service system from three aspects of service innovation, operational efficiency and complaints management to improve customer service quality.

In 2017, the number of various complaints from TPL were 1,681, and the number of complaints was only 1.48/100 million dollar (RMB), which was lower than the industry's 1.69/100 million dollar (RMB); the number of TPI's complaints were 1,979, the number of complaint was 0.02 per 10,000 of complaints, which was lower than

the industry average (0.03 pieces/ per 10,000 of complaints).

Handling Customers' Complaints

According to regulatory requirement under "Administrative Measures on the Handling of Insurance Consumption Complaints", "Notice on Enhancing the Protection of Rights and Interests" of Insurance Consumers and the "Guiding Opinions of the General Office of the CIRC on Further Strengthening the Petition Work of the Insurance Industry" issued by the CIRC, we have formulated "China Taiping Customer Complaint Management Regulations" to implement the regulatory requirements for safeguarding the legitimate rights and interests of consumers and conducted reviews and optimization of the complaint management system from time to time.

TPL (Hong Kong) has attached great importance to the collection of customer complaints, and established multiple complaint channels, such as service channels of the official website, WeChat, service email and customer service, to enable customer to submit complaints through onsite-visit, telephone calls and letters to ensure smooth settlement of customers' complaints.

When receiving an inquiry or complaint, the Operational Service Department, as the principal for the handling of complaints, will implement the complaint management

requirements and be responsible for the acceptance, follow-up and conclusion of the customer complaints to improve the communication and coordination among departments and properly handle complaints to avoid escalation of complaints. The Integrated Management Department, the Legal Compliance Department and related business units provide full support in reputation, legal compliance and sales personnel management. In terms of major crisis events, the Group has established a mechanism for reporting major complaints and administrative measures for major reputational risks, under which the operational management has conducted decision-making management of major crisis events to ensure that the cases are handled effectively, promptly and reasonably.

Complaint service commitment:

Accepting customer complaints in a timely manner, such as the clear responsibility of ordinary cases, complete material and promise to conclude the case within 10 working days

6.5 Respecting Intellectual Property Rights

The Group strictly abides by relevant laws and regulations concerning intellectual property rights to safeguard the intellectual property rights of the Group and third parties. We have also formulated and implemented the "Administrative Provisions on Information System and Cyber Security", under which the operation and maintenance department is responsible for the installation and setting of employees' desktop systems to ensure that their desktop computer systems are installed with security and genuine computer software is not involved in illegal use of intellectual property rights of third parties

China Taiping has not only set requirements on intellectual property rights for internal operations, but also strictly regulates the operating practices for selecting external suppliers. Suppliers should ensure that all technologies and development results submitted in the course of cooperation do not infringe any legal rights of any third party such as legal patent right, trademark right and copyright. We will consider suspending the cooperation with any supplier who violates the above mentioned.

RESPONSIBILITY GOVERNANCE OF THE GROUP

Goal: Adhering to the principle of "Preventing risks and stabilizing growth" to steadily and prudently promote the strategic objectives of the Group

Practices :

- Establishment of a Risk Management system featuring "Unified Framework and Hierarchical Management"
- Development of Codes for the Prevention of Bribery
- Implementation of the Information Security Policy
- Development of standard procedures for handling complaints
- Improvement of procurement policies and principles of the Group



50 7.1. Stabilizing Growth with Risk Prevention

54 7.2. Observing Business Ethics

7.1 Stabilizing Growth with Risk Prevention

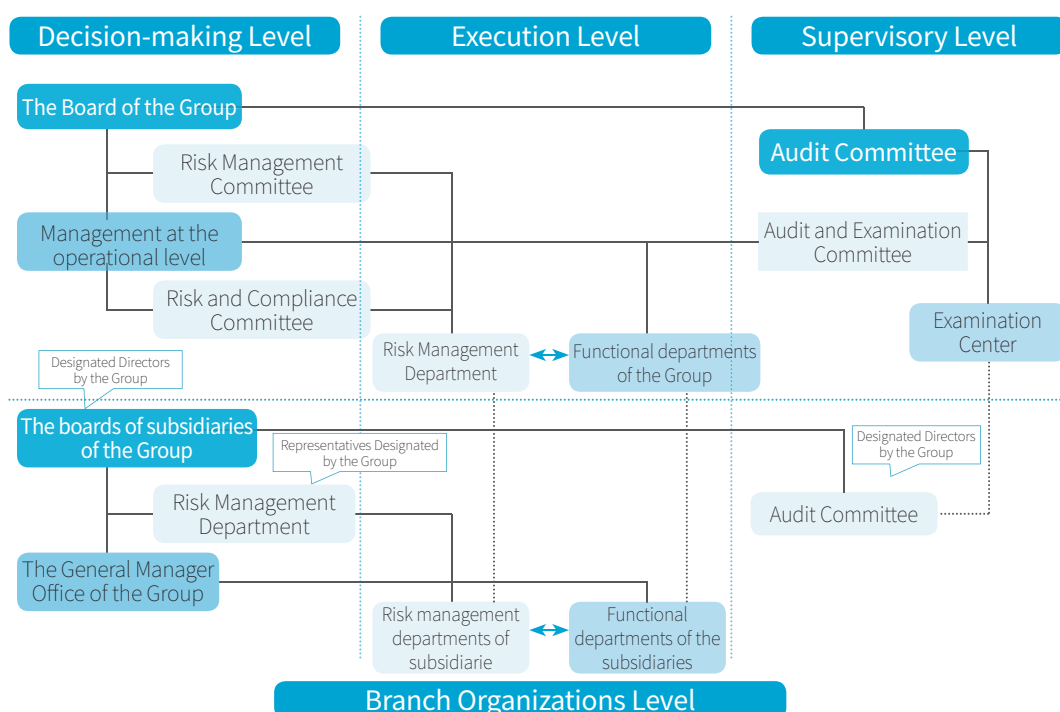
While actively developing new business and new models to strive to promote distinctive operations, we upheld the principle of "Preventing risks and stabilizing growth" and attached great importance to the proactive control and management of risks to steadily and prudently promote the achievement of strategic objectives of the Group.

We have followed the internal management needs of comprehensive risk management and "Unified Framework and Hierarchical Management" to promote the establishment of a risk management system. Currently, the companies and major domestic and foreign subsidiaries of the Group have established the following standardized risk management

The strategic risk management objectives of the Group include:

- Balancing the overall risks and benefits to achieve the Group's strategic goals
- Efficiently allocating resources and closely integrating risk management and business development strategies
- Improving transparency to ensure timeliness, accuracy and authenticity of business and financial information
- Safeguarding the continuous and steady development of the Company and subsidiaries of the Group

system in accordance with the requirements of regulatory authorities:



The Group has established a more scientific and standardized risk management system, under which the Board are ultimately responsible for all decisions. With the support from the risk management committee for decision-making, the decisions of the Board will be directly managed and executed by the management and the Risk Management Committee will lead all functional departments to perform their duties with all employees' participation after the repeated confirmation from the Risk and Compliance Committee. The entire risk management system is supervised by the Audit Committee of the Board, the Audit and Examination Committee and the Examination Center.

In 2017, to further improve the Group's profession in risk management and make better use of its second defense line of comprehensive risk management, the Group has removed the Risk Management and Compliance Department and established the Risk Management Department and the Legal Compliance Department, respectively. Among them, the Risk Management Department continues to be responsible for the construction of a comprehensive risk management system, assumes the responsibilities of the risk prevention and control working group office of the Group and coordinates the risk management work of the Group and its subsidiaries.

In 2017, China Taiping has defined the following seven risk categories as risk indicators

and allocates each risk limit to specific subsidiaries and functional departments. The Risk Management Department of the Group will integrate and coordinate the overall risk management work and will be responsible for monitoring the Group's risk status and aggregate in a timely manner and report to the Risk Management Committee and the Risk and Compliance Committee at the Operational Level. Each functional department of the Group is responsible for the identification, monitoring and report of risks within their respective functions. The Examination Center of the Group assists the Board Committees of the Board and the Audit and Examination Committee to monitor, evaluate, review and report on the comprehensive risk management framework and its implementation process, and make improvement suggestions accordingly.



7.1.1 The "Three Lines of Defense" System

The Group's subsidiaries and major domestic and overseas companies of the Group have established a "Three Lines of Defense" system (see the graph below) centered on risk management, which clarified the responsibilities of the three defense lines, establishing risk appetite, risk tolerance and risk control objectives. The first line of defense, consisting of various functional departments and business units, is directly responsible for risk management. The second line of defense, consisting of the Risk Management Committee of the Board, the Risk and Compliance Committee at the Operational Level and the Risk Management Department, is responsible for formulating the comprehensive risk management system plan and organizing and coordinating the establishment of the comprehensive risk management system. The third line of defense, consisting of the Audit Committee of the Board, the Audit and Examination Committee at the Management Level and the Examination Center of the Group, is responsible for reviewing and evaluating the adequacy and effectiveness of the comprehensive risk management system.

As of the end of each quarter, the functional departments of each subsidiary are required to report to the risk management department of the Group on the implementation of the risk appetite system and measures to deal with risk events. This will benefit to improve the monitoring, early



warning, reporting and response processes for risk appetite system of each subsidiary, and strengthen the close integration of risk management with business development strategies and daily operations. Each subsidiary will perform internal self-assessment of compliance risks, including registration of insurance intermediaries, inspection of delisting compliance risk and compliance risk analysis on anti-money laundering and financial needs.

7.1.2 Codes on Prevention of Bribery and Financial Crimes

The Group pursues anti-corruption construction as its core value in business activities. In order to strictly abide by this commitment, requiring all employees to reflect the values of integrity when conducting business with external partners, such as customers and suppliers, to prevent employees from receiving benefits and getting involved in illegal acts, such as corruption or bribery.

In order to promote the corporate culture of honesty and integrity and create an anti-fraud working environment, we regularly organised anti-fraud training for all employees and agents, including trainings on the "Professional Ethics and Corruption Prevention Seminar", "Personal Data (Privacy) and Direct Marketing Activities" and the "Regulations and related regulatory requirements on Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance" to further strengthen the compliance culture of all employees of the Company. During the year, the Group was not aware of any lawsuits involving bribery and financial crimes.

In the fast business development, China Taiping has encountered various risks that may arise from its business operations with a "Proactive and

7.2 Observing Business Ethics

Prudent" attitude.

7.2.1 Anti-Money Laundering and Counter-Terrorist Financing

China Taiping adheres to the anti-corruption campaign and strictly abides by relevant laws and regulations, such as the Anti-Money Laundering Law of the People's Republic of China, Hong Kong Anti-Money Laundering Ordinance, Drug Trafficking (Recovery of Proceeds) Ordinance, Organized and Serious Crimes Ordinance and United Nations (Anti-Terrorism Measures) Ordinance. In accordance with the Corporate Governance Code under the Rules Governing the Listing of Securities on the Stock Exchange, the Administrative Provisions on Money Laundering of Financial Institutions and Terrorist Financing Risk Assessment and Customer Classification, the Group has established the Administrative Provisions on Customer Money Laundering and Terrorist Financing Risk Assessment and Classification and the Administrative Provisions on Anti-Money Laundering Management to prevent money laundering and terrorist financing activities and strengthen the effective implementation of the internal control system of anti-money laundering of the companies owned by the Group.

The Group and its subsidiaries held a number of internal training sessions during the year to explain to employees for the "Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance" and "Guidelines on Proper Handling Clients' Personal Data: Guidelines for the Insurance Industry" and provided the Personal Data Protection and Direct Marketing Training for Hong Kong Privacy Commissioner of Personal Data and Anti-Corruption Training Courses to enable them to familiar with the laws and regulations promulgated by the regulatory authorities. During the year, the Group was not aware of any cases of money laundering and terrorist funding.

7.2.2 Innovation against corruption and building a clean company

Through the establishment of a systematic anti-corruption and anti-corruption construction, we can truly achieve the subjective "dare not corrupt", and objectively can not corrupt the good effect.

In 2017, we continued to carry out clean government education activities and strengthened the ideological and political education of cadres and staff members. We should make full use of the propaganda platform such as mail, morning

meeting, WeChat and so on to carry out a systematic and continuous clean government education. The coverage of honest and clean government education activities is 100%. We mean the attitude of "zero tolerance" to seriously investigate and deal with all kinds of violations and violations of laws and regulations, and to make a briefing on typical cases and strengthen the effectiveness of anti-corruption and anti commercial bribery. In order to protect the rights and interests of employees' complaints and complaints, special processing institutions have been set up, and many channels have been opened for incorruptible letters and visits, telephone, fax and so on.

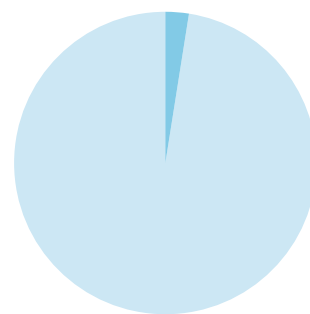
7.2.3 Supplier Management

To prevent the environmental and social risks caused by procurement activities, improve procurement efficiency and reasonably reduce procurement costs, the Group has formulated the "TPG Procurement Management Regulations" to enhance the awareness of suppliers in fulfilling their responsibilities.

China Taiping attaches great importance to supplier management. The Group implements a management system of "centralized management, delegation, effective internal control and guaranteed services" and actively conducts the social responsibility assessment for suppliers to

enhance the responsibility awareness of suppliers.

The Group determines the scope of centralized procurement, including three types of goods, services and engineering in accordance with the requirements of relevant state regulations. When selecting suppliers, in addition to assessing the quality, goodwill and cost of their products or services, we also value suppliers' commitment to compliance with laws and regulations and environmental and social responsibilities to endeavor to jointly create a sustainable supply chain with suppliers.



Number of suppliers in the group

5,638

Domestic company **5,506**

Overseas company **132**

CARING FOR THE GROWTH OF EMPLOYEES

Goal: Adherence to the "Talent is the first resource" to continuously optimize the structure of the talent team

Practices :

- Establishing the salary performance system scientifically
- Improving staff welfare measures
- Supporting the development of employees through multi-channels
- Establishing a proper training system
- Attaching importance to the physical and mental health of employees and their families



58	8.1. Talent is the First Resource
59	8.2. Fair Talents Introduction Mechanism
60	8.3. Safeguarding Employees' Rights
61	8.4. Promoting A Healthy Workplace
63	8.5. Cultivating the "Dream Team"

8.1 Talent is the First Resource

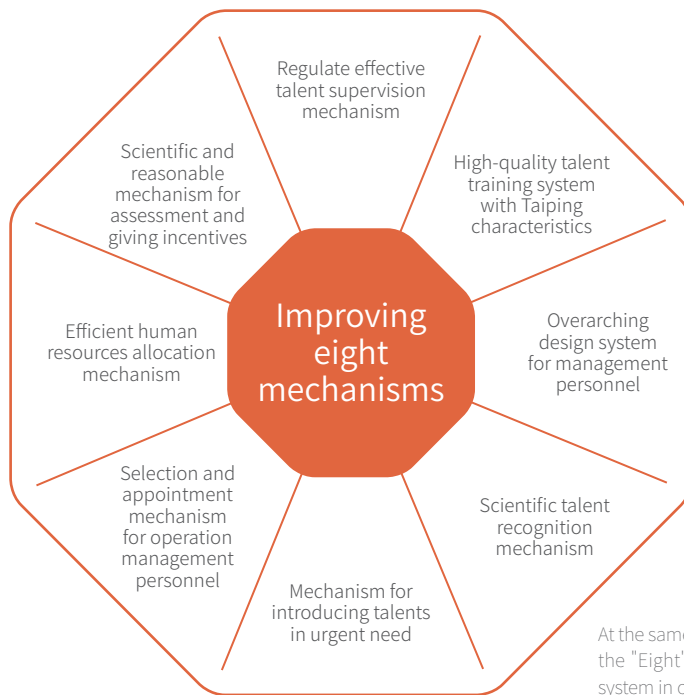
China Taiping fully implements the spirit of the 19th National Congress of the Communist Party of China and adheres to the concept that "talent is the first resource" under the guidance of supporting the High-quality strategy of the Group with an aim to make the talent team more "profession-based, market-oriented and international-targeted", thus optimizing the structure of the talent team through scientific planning, deepening reforms, making breakthroughs in key areas and overall improvement. We strive to improve the quality and capability of talents, make innovations in the talent development mechanism, promote the development of various talents and continuously improve the core competitive advantages of China Taiping, in order to cultivate and build an elite talent team that matches the "High-quality" strategy, coordinates with the business



It systematically enhances the understanding of employees for the qualifications of their own jobs and our corporate culture to improve their quality, give full play to their potential capabilities and establish good interpersonal relationships, thus carrying forward the Group's entrepreneurial spirit to make the "Six" teams stand out.

management and possesses high quality and international competitiveness.

Eight key talent projects	Overall Goals for 2020
(I) Integrated financial management personnel - "10, 100, 1000" project	To cultivate a group of leading integrated financial talents with strategic thinking and international perspectives and a composite senior management with innovation and transformation capabilities.
(II) International high-end talent- "Eagle Project"	To cultivate international advanced management talents who are familiar with international rules and possess practical experience.
(III) Internet financial professionals - "Phoenix Project"	To build an Internet finance talent team that can effectively support the implementation of "Smart Insurance" and "Network Finance" strategy of the Group.
(IV) Investment elite talent - "Everest Project"	To build a high-level professional investment team covering a wide range of areas including securities investment, alternative investment, wealth management and financial leasing, and to shape an investment elite culture of "Transcending Oneself and Scaling New Heights".
(V) Marketing elite - "a hundred people, a million C" project	To cultivate a group of high-level agents with high-end market permit, excellent qualification, and "Million C elites."
(VI) Professional personnel of engineering, operation and functioning - "321" project	To improve the professional talent management system in operation and functions, and build a professional talent team with appropriate amount and reasonable structure.
(VII) High-potential reserve cadre training project	To build a team of reserve cadres with high quality, outstanding potential and reasonable structure, and form a sound mechanism for upper and lower linkage and dynamic adjustment to achieve full rotation training for reserve cadres.



At the same time, we endeavor to improve the "Eight" mechanisms to optimize the system in charge of talents.

8.2 Fair Talents Introduction Mechanism

With more than 470,000 employees, China Taiping has adhered to the concept of "Introducing talents under the mechanism, employing talents in the system, retaining talents in reliance on the environment, training and cultivating talents", to provide employees with competitive salary and an extensive stage for career development. We have specifically prepared the Administrative Measures for Talents Allocation and Introduction of Headquarters, and set out relevant management methods, such as recruiting

talents introduction plan, recruitment process and performance evaluation.

We attach great importance to talent development and are committed to providing all employees with equal opportunities, a non-discriminatory and diversified working environment. We strictly abide by relevant labor laws and regulations, such as the Labor Law, the Labor Contract Law, the Law on the Protection of Minors and the Provisions on the Prohibition of Using Child Labor, adhere to the principles

of open and transparent employment and establish a talent introduction system that is open and transparent to avoid black-box operations. The Human Resources Department has formulated a series of strict procedures of qualification examination, written test, interviews and approval based on the principle of meritocracy. We conduct comprehensive investigations on personality, qualities, innovative work experience, development potential and the job qualifications, and select talents according to the criteria that talent is after the virtue and both, in regardless of gender, marital status, family status or disability. The employment process strictly prohibits any employment discrimination or forced labor and ensures that employment of child labor is eliminated.

In order to fully implement the Group's innovation-driven development strategy and actively absorb the extensive working experience in innovation, we have formulated the "Administrative Measures for the Innovative Talent Introduction of the Group" to further enrich the innovative talent team and expand the introduction of external innovative talents to advance the innovation work of the Group in depth and breadth.

Staff Employment

Under the leadership of the Group, talent development has laid a solid foundation. China Taiping currently has an employee team that has begun to take shape, is of high overall quality and has strong competitiveness. The total number of employees employed by the group in 2017 is 77,472.

8.3 Safeguarding Employees' Rights

The Group fully implements a strategic remuneration strategy and is committed to providing competitive remuneration, benefits and working environment to enhance employees' sense of belonging. In 2017, we conducted annual salary surveys and in-depth analysis of the compensation levels of the financial and insurance industry institutions in the market, and mastered the compensation level, salary increase and salary structure in local insurance industry. This has benefited us to review the salary and welfare policies on a regular basis and improve the Company's competitiveness in the market to assist the Company to attract, motivate and retain talents.

China Taiping has established a comprehensive employee welfare system to provide employees with benefits that are better than the statutory minimum requirements. In addition to paid annual leave, statutory sick leave, compassionate leave and maternity leave, employees also enjoy holiday allowances, summer cooling fees, clothing allowances, birthday benefits, marriage or childbirth gratuities. Except for making full contributions to all kinds of social insurance for employees in accordance with state laws and regulations, we also provide employees with comprehensive insurance benefits (including insurances for accidents, medical care, life insurance and major diseases). In addition, in terms of employees who are assigned to work in Hong Kong, the Company also provides temporary housing benefits in Hong Kong and grants rental subsidies allowances for visiting relatives.

Establish female staff lounge

The Group has a "Female Employees Committee of the Labor Union" to implement the "Special Regulations on Labor Protection for Female Employees". In order to reduce and solve the special difficulties caused by the physiological characteristics of female employees during work, and to safeguard the health rights and interests of female employees, the Female Employees Committee of the Labor Union of the Group recommends that the labor unions at all levels set up female employees' lounges in combination with actual conditions to assist in satisfying the needs of physical specialties for female employees, breast-feeding for pregnant employees and rest.

Staff Mutual Aid Plan of the Group

Under the principle of "People-oriented, caring for employees and helping the poor and those in distress", we actively built a support and security system for multi-level employees and their family members, and established the "TPG Staff Mutual Funding Plan" to provide assistance in difficulties caused from major illnesses of members of the labor union, their spouses or children.

8.4 Promoting A Healthy Workplace

China Taiping attaches great importance to employees' physical, mental and family health, and complies with relevant laws and regulations such as the Occupational Disease Prevention Law of the People's Republic of China, the Administrative Provisions on the Supervision of Occupational Sanitation for the Workplace, the Work-related Injury Insurance Regulations and the Occupational Safety and Health Ordinance of the Hong Kong Special Administrative Region to create a safe, healthy and caring working environment.

To protect the health and safety of its employees, the Group regularly employs professionals to inspect and clean office and air-conditioning equipment to ensure a comfortable and tidy office environment for employees. At the same time, all office units are equipped with safety kits, fire extinguishers and

emergency escape route maps available for employees to use and consultation. They also actively participate in fire drills organized by property managers to familiarize employees with escape routes.

In order to balance the work and life of employees, we regularly organize various sports activities and interest groups to enrich amateur cultural life of employees, cultivate solidarity and cooperation and enhance team cohesion.

"Staff e-Home" Mobile APP

The Group has specifically developed a mobile service platform for its employees, the "Staff e Home" mobile APP, with social networking, chatting and contacts functions, providing employees with timely access to the latest industry news, internal news announcements to improve working efficiency of employee. As of 2017, more than 30,000 people have downloaded this APP. Subsidiaries such as TPL have also used this APP to conduct interactive activities such as online walking PK and the show and broadcast of the Lantern Festival program to attract employees to participate together, and to increase the enthusiasm of employees for walking.



"Taiping Reading Season"

From July to September 2017, the second "Taiping Reading Season" was successfully held, which created a good atmosphere of "Scholarly Taiping" and enabled the concept of lifelong learning deeply rooted among the employees of the Group. The Group's units at all levels organized a total of more than 1,500 reading exchanges, and sharing activities among various types of employees, with the number of participants exceeding 31,000. We also built and improved more than 230 bookstores for employees and reading corners. We collected nearly 60,000 books in the "Book Donation" campaign. We also held the poetry essay speech contest under "Celebrating the 19th Congress and Eulogizing Taiping", and received warm responses and active participation from the employees.

National Financial Games

Athletes of Taiping fully demonstrated the unity and fighting in the Financial Games and achieved top-ranking achievements in the insurance industry and the Taiping spirit which is passionate, stateful, dreamful courageous, brave and innovative touched everyone in the stadium.

Various Cultural and Sports Activities

Relying on its associations, employees of the Group actively participated in various competitions such as painting, photography, table tennis, football and weiqi organized by the financial system or local financial unions. In particular, the "Bringing Culture into Ten Thousand of Homes" jointly organized the Calligraphy and Painting Association and the Financial Calligraphers Association achieved good results and impact. In addition, activities such as "Go Online Match", "WeChat Painting and Calligraphy Exhibition", and "Photo Contest under the Theme of Sports" were also widely welcomed by employees.



▲ Taiping athletes participated in the National Financial Games.



▲ "Celebrating the 19th Congress and Eulogizing Taiping", the poetry essay speech contest.

8.5 Cultivating the "Dream Team"

China Taiping has established the talent concept of "Talent is the first resource" and truly implemented the concept of "Strengthening the Company depending on talents". We have been committed to the talent development goal of the High-quality strategy with a hope to continue to improve the talent cultivation mechanism and strive to cultivate a team that is ethical and has a high level of management with innovative awareness and strategic thinking, and have adopted the following three directions to cultivate talents, thus achieving "Taiping Dream" and creating the "Dream Team."

In order to enable our talents to exhibit their advantages and provide premium customer service, we have established a talent development process for our employees and specifically prepared the "Key Points for Education and Training of the Group in 2017", which sets out the overall arrangement for education and training work in the system, and promote the education and training of the cadres of the Group based on the requirements for hierarchical classification and full



Establishing a Talent Development Outlook that accommodates the Quality Strategy



Cultivating an elite team that accommodates Quality Strategy



Improving the talent mechanism that accommodates Quality Strategy

coverage of all employees. In 2017, the Group held 28 training sessions at various levels throughout the year and 29,890 cadres participate in training, representing a significant increase in the number of trainings and the expanding breadth and depth. The following is a summary of the annual training program:

Types of Training	Purposes of Training	Training Programs
education for employees	To fully Study and Implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 19th National Congress of the Communist Party	<ul style="list-style-type: none"> · Studying and Implementing the Lectures on the spirit of the 19th National Congress of the Communist Party · "Two Learn One to Do" Subject Training Course
Development Strategy of the Group	To improve the overall capabilities and management of cadres, and master management skills to improve the execution ability of middle-level uploads	<ul style="list-style-type: none"> · Overseas Senior Management Network Training Course of the Group · Overseas New Senior Management Training Course of the Group · Legal Compliance Training Course of the Group · Risk Management Training Course of the Group
Focus on the main responsibility and core business	To conduct training for operating business by the various departments of the Group in various lines to focus on improving the skill level of the business department	<ul style="list-style-type: none"> · Special Training Course on Organizing Personnel Work of the Group · Actuarial Work Training Course of the Group · Office Ability Improvement Training Course of the Group · Financial Training Course of the Group · Training Manager Training Course of the Group · Centralised Purchasing Training Workshop for the Group · Product Innovation Training Course of the Group · Strategic Research and Innovation Development Training Course of the Group



▲ Study the Spirit of the 19th National Congress Training Course.



▲ Special Training Course on Organizing Personnel Work.

JOINING IN THE CONSTRUCTION OF A HARMONIOUS SOCIETY

Strategic Goal:

Fulfill responsibilities as a state-owned enterprise and improve people's livelihood

Executive strategy :

- Expand the risk protection system for the real economy
- Guide insurance funds to serve national development strategy
- Advance the layout of "universal health" and "pan-pension"
- Implement the program of "targeted poverty alleviation"



69	9.1. Expanding Real Economy
76	9.2. Universal Health and Pan-Pension
83	9.3. Strengthening Targeted Poverty Alleviation

It's the mission of the insurance industry to provide social security, create harmony and maintain stability. Therefore, China Taiping sticks to the nature of insurance. Last year, China Taiping greatly fulfilled its responsibilities as a state-owned enterprise in main businesses, strengthened its social responsibility as a state-owned insurance enterprise, actively established the risk protection system for the real economy and supported the development of the real economy. While focusing on supply-side structural reform, we have actively served the modernization of the state governance system and governance capacity to meet the growing demand for diversified insurance services.

In addition, the Group has sought progress along with stability, adhered to new development concept, satisfied high-quality development requirements and improved people's livelihood. While seizing the opportunities of health and pension, the Group continued to implement Healthy China Strategy, increased investment to the pension industry, proactively expanded the policy-based business such as tax-preference health insurance and commercially operated insurance for severe diseases, in order to ensure people's livelihood and social governance. The Group has carried out the "Most Unique and High Potential High-quality Insurance Company" with new development concept, strengthened and expanded the insurance and investment business and strived to serve and protect the livelihood, so as to contribute to build an insurance power.

Meanwhile, China Taiping has tried its best to fulfill corporate citizenship responsibility, committed to giving back to the society and contributed to the rejuvenation of the Chinese nation. A nation will prosper only when its young people thrive. Therefore, China Taiping targets youth education work as a social responsibility project for key enterprises, in the hope of cultivating a new generation to carry forward the Chinese dream. To achieve the "13th Five-year Plan" goal of building a moderately prosperous society in all respects by 2020, China Taiping has worked hard to conduct targeted poverty alleviation as a financial central enterprise, give targeted assistance in the sustainable development model of increasing their capability to enrich poor areas and actively lived up to its political and social responsibility in poverty alleviation and development, in order to ensure that Liangdang County of Gansu, Yu'an District of Anhui and Weixin County of Yunnan, the designated areas to receive assistance, will get out of poverty by 2020 and realize the "poverty – free dream" for the society.

China Taiping has solidly promoted the international operation layout following the concept of "based on Hong Kong and Macao, with a focus on the Asia- Pacific region while making Europe and the United States as the two wings". Thus, the social construction work of the Group is also spread all over the world to promote mutual understanding between people at home and abroad, and insist on building a community of common destiny for mankind.

9.1 Expanding Real Economy

Expanding the risk protection system for the real economy

China Taiping has actively given play to its role of insurance coverage and played a more important role in speeding up the construction of an industry system with the coordinated development of the real economy, scientific and technological innovation, modern finance and human resources, so as to provide risk protection for the stable operation of the real economy. The Group has vigorously developed corporate property insurance, project insurance, liability insurance and reinsurance. China Taiping has provided RMB43.2 trillion for all kinds of risk protection, covering 1,027,000 enterprises and over 100,000,000 individuals. The Group has also provided risk guarantee for a large number of national key projects, including the

trial flight of COMAC C919, Xiamen catastrophe insurance and Meizhou Railway. The Group has also strived to develop liability insurance in environmental pollution, food safety, medical liability, campus safety and other fields, with a purpose to providing risk protection for the stable operation of the real economy.

9.1.1 Promoting Urban Economic Leap Development

Shanghai Branch of TPI has become a consortium of the trial flight of C919 to provide maiden flight with insurance coverage including fuselage insurance, spare parts all risks insurance, third party liability insurance, accident insurance for test pilots, test pilots' baggage insurance and license lost insurance, of which, the fuselage insurance coverage is

▼ In 2017, participated in the trial flight of COMAC C919.





▲ In 2017, joined the Xiamen catastrophe co-insurance project.

RMB2.1 billion. As China's first mainline civil aircraft developed in accordance with the latest international airworthiness standards, COMAC C919 commenced its research and development in 2008 with full independent intellectual property rights. Based on the actual insurance needs of COMAC, China Taiping has endeavored to provide comprehensive, high-quality and efficient financial support and services to contribute to the research and development of large passenger aircraft and regional aircraft.

TPI also won the bid for Xiamen catastrophe co-insurance project which not only covered disasters such as rainstorms, typhoons, earthquakes, fires and explosions but also creatively included sudden public safety accident to have all-round coverage of citizen catastrophe risks. Xiamen Branch of TPI has taken active participation in the draft formulation of Xiamen Catastrophe Insurance Project to provide professional risk management report and insurance service program for Xiamen Catastrophe Insurance

Plan and promote local economic and social development.

The development of local economy depends on the extension of railways and highways, which will not only get through the artery for cultural exchanges, but also provide rapid passenger transportation networks and regional logistics channels for local economic development. Several railways passing through Fujian Province have been listed as the "great arteries" for national transportation construction and development. China Taiping has provided strong insurance coverage for the construction of some sections, such as the railway from Pucheng, Nanping to Meizhou, Shunchang County Road of 528 National Highway in Nanping and Longyan East Ring Line of Xiamen-Chengdu Highway, thereby giving support to accelerate the construction of local transportation network.

For real economy expansion, the Group continues to actively take part in the insurance for the first set of major technical equipment and insurance for the first application of new materials. TPI exclusively covered insurance for the first set of major technical equipment of large automobile corporation in Hebei, with a total coverage of RMB136 million, which greatly increased the confidence of buyers. TPI is striving to achieve the objective of Made in China 2025 and a manufacturing power.

In order to cultivate high-tech industry, it is necessary for the society to accelerate

the development of science and technology insurance. As the first professional technology insurance company in China, Taiping Technology Insurance Company Limited under the Group will firmly focus on national innovation-driven development strategy to make its own features and positively promote the development of the high-tech industry.

The Group also actively engages in the domestic and overseas exchange of the industry to create an atmosphere where the industry jointly serves the society. TPRe attended the 14th National Life Insurance Inter-Industry Products Exchange Meeting held in Kunming and gave a speech on the subject of "Traditional Life Insurance Products Innovation in the Low Interest Rate Environment", which introduced the development path of products from foreign life insurance companies under the low interest rate environment and discussed the feasibility of their application in China.

9.1.2 Pushing Forward Agricultural Development

While supporting urban economic development, China Taiping has vigorously promoted the development of agricultural insurance and actively explored ways to develop rural micro-credit, agricultural infrastructure and other insurance products for "agriculture, farmers and rural areas", aiming to develop rural economy. By December 2017, the agricultural insurance of TPI has covered 9.039 million hectares of farmland, 63.18 million hectares of forest and 55.88 million

China Taiping supported the Greater Bay Area to cope with Typhoon Hato

When Typhoon Hato hit Hong Kong and Macao in August 2017, Hong Kong Observatory issued No.10 typhoon signal, which was the highest level of tropical cyclone warning signal in Hong Kong for the first time since 2012. The typhoon caused 10 deaths and more than 200 injuries in Macao. As at 31 December 2017, the Company received 338 claim cases (including 310 cases of direct business and 28 cases of ceded business), of which, 30 fire insurances, 3 vessel insurances, 1 public liability insurance and 37 accident insurances were settled. Gross reserves for outstanding claims were approximately HK\$171 million and net reserves for outstanding claims were approximately HK\$16.95 million. Gross claims paid were approximately HK\$16.47 million and net claims paid were approximately HK\$ 970,000.

To sum up, our Company has estimated a gross loss of approximately HK\$187 million and a net loss of approximately HK\$17.92 million by 2017 as a result of the influence of Typhoon Hato. In spite of a declined underwriting profit as influenced by Typhoon Hato, CTPI (HK) has actively participated in the disaster relief and post-disaster reconstruction, thus building a good image for Chinese enterprises in Hong Kong and Macao. The business department of TPRe paid a two-week visit to Macao after the disaster to condole customers and have a timely understating of their needs, immediately initiated prompt claims processing and the first personal accident compensation of MOP4.50 million was paid within a week, which fully demonstrated China Taiping's core strategy of "based in Hong Kong and Macao".

livestock in 17 provinces, providing RMB13.6 billion of insurance coverage for a total of 1.72 million peasant households and paying RMB120 million of insurance indemnity to 53,000 peasant households, which effectively supported agricultural operators to resume production and livelihood.



▲ The "Marine Meteorological Index Insurance" launched by TPI won the Shenzhen Financial Innovation Award.

We have also introduced many innovative agricultural products. TPI rolled out the model of "insurance + futures" in Hanyuan, Sichuan Province for the first time. In light of the fact that pepper production in Hanyuan is greatly affected by natural climate and the price fluctuates in different years and months, TPI developed price insurance for pepper products and introduced Hanyuan pepper OTC options with Tianfu Mercantile Exchange to combine the agricultural product price insurance with OTC options for the first time, which resolved the risk of market price fluctuation in specialty agricultural products and

provided effective financial support to pepper producers and traders.

TPI has developed as many as 18 types of insurance in Shandong, a big agricultural province, including planting insurance, breeding insurance, forest insurance, weather index insurance, price index insurance and other categories. In 2017, a total of RMB1.9 billion was provided for agricultural insurance. TPI introduced public welfare forest insurance in Zhaoyuan, Yantai and Linqi County, Weifang, breeding insurance for cows and other livestock in Leling County, Dezhou, oyster breeding wind index insurance in Rushan, Weihai, American ginseng planting insurance in Wendeng, Weihai, apples and peaches planting insurance and spring onion target price insurance in Anqiu County, Weifang. The aforesaid agricultural insurance products adapt to local conditions and meet the multi-level and diversified insurance needs of peasant households.

9.1.3 Supporting The Belt and Road Initiative

▼ China's first overseas 1,000MW-class IPP thermal power project: Shenhua Guohua Indonesia Jawa-7.



Overseas, China Taiping has underwritten 21 major projects along the "Belt and Road" cities, including Pakistan CLP Hubu project, achieving a premium income of more than RMB19 million and providing risk guarantee of RMB21.14 billion. TPI under the Group participated in the underwriting of China's first overseas 1,000MW-class IPP thermal power project, that is, Shenhua Guohua Indonesia Jawa-7, which is currently a thermal power project with the largest unit installed



▲ Shenhua Guohua Power Indonesia Nansu Power Plant is currently the largest single-machine and capacity power plant in the South Jiangsu Power Grid.



▲ Indonesian Medan Power Plant in the northern part of Medan City, Sumatra, Indonesia.

capacity in Indonesia, with the total insurance coverage exceeding RMB10 billion.

CTPI (HK) even worked together with the International Exchange and Cooperation Center of the National Health and Family Planning Commission and jointly launched the world's first "Belt and Road" region exclusive medical and safety assistance insurance coverage plan and customized "Taiping Mascot" for the "going-out" Chinese enterprises, so as to reassure employees to make contribution to "The Belt and Road" initiative. The International Exchange and Cooperation Center of the National Health and Family Planning Commission coordinates the planning and guidance of the "The Belt and Road" medical assistance network system for the program and the medical treatment of returnees, while CTPI (HK) is responsible for the design of insurance products and protection arrangement. The program covers conventional risks including universal health care, serious disease, personal accident and medical aid, with the insured liability coverage extended to war, terrorist attack, Ebola, Middle East Respiratory Syndrome and

other infectious diseases with high incidence in countries in the "Belt and Road" region, as well as possible kidnapping, hijacking and other special risks, and the insured coverage expanded to medical, security and other special personnel. It's currently the first globally comprehensive medical and safety assistance insurance coverage plan that specially serves enterprises and employees of "The Belt and Road" initiative, thus filling the gap in the market. It's also another important fruit of the deepening cooperation between the International Exchange and Cooperation Center of the National Health and Family Planning Commission and CTPI (HK) in serving the country and society.

We have guided insurance funds to serve national development strategy and have actively expanded into overseas markets. After the holding company jointly set up with the Starr Group in the United States registered and the insurance agencies were opened in the United States and TPre and TPRB obtained the Lloyd's membership and broker qualification, the Group's business focus has been extended to cover Shanghai, Hong Kong,

Singapore, London, Tokyo, New York and other international financial centers.

Channeling Insurance Funds to Serve National Development Strategy

As for insurance funds investment, China Taiping has been providing long-term and stable funding support for national key strategies such as "The Belt and Road" initiative, the coordinated development of Beijing-Tianjin-Hebei Region, the Yangtze River Economic Zone, military-civilian integration, and the construction of Guangdong-Hong Kong-Macao Greater Bay Area and Xiong'an New Area. The Group has endeavored to use insurance funds in the real economy as they have the advantages of large volume and long-term stability, which can provide long-term and stable funding support for promoting the policy of "cutting overcapacity, reducing excess supply, deleveraging, reducing corporate costs, and strengthening areas of weakness" and improving the quality of supply system through industrial development funds, state-owned enterprise

mixed-ownership reform funds, kinetic energy conversion funds, debt schemes, collective trust and a variety of other ways.

In addition, the Group has further increased its efforts to support the construction of water conservancy, railways, highways, water transportation, aviation and other infrastructure network through equity plans and debt schemes. At the same time, the Group has actively studied the feasibility on the participation of insurance funds in market-oriented debt-for-equity swaps and the construction of the housing rental market.

China Taiping has actively supported the construction of "The Belt and Road" initiative, for which, domestic and overseas subsidiaries have provided a variety of financing services. Financing services are first provided to Guangdong, Jiangsu, Qinghai and several other provinces along "The Belt and Road" initiative for their construction of major infrastructure, renovation of shantytowns, urbanization and other projects for the benefit of people's livelihood. The Group has initiated



▲ China-Myanmar oil and gas pipeline.



▲ Sinopec's first overseas refinery project, the Saudi Yanbu refinery.

Chenming Holdings supply-side structural reform equity investment plan, Gui 'an New Area emerging industry fund equity investment plan, Taiping - Hohhot city development fund and several other major projects. 100 billion transportation funds project of Zhejiang achieved withdrawal as scheduled, which supported the implementation of supply-side structural reform in local and related enterprises and the development of strategic emerging industries.

TPFH and ICBCI have jointly and successively initiated and invested the first and second phase of ICBCI Silk Road Prosperity Taiping Fund in 2015 and 2016, with a total amount of HK\$6 billion. The raised funds are mainly used to support the construction of major projects of "The Belt and Road" initiative. Meanwhile, TPFH has invested more than HK\$2 billion to "The Belt and Road" initiative related special bonds issued by China Shenhua, MCC and other enterprises. TSFL has also invested a total of 5 projects in Xinjiang, with an accumulated amount of RMB4.655 billion.

In order to actively respond to national call and regulatory requirements, TPAM has taken the initiative to strengthen the communication and exchanges with the local governments, financial institutions and large enterprises all the way along "The Belt and Road" initiative and deeply explore investment opportunities and has successfully launched "Taiping - Yunnan Provincial Railway Investment Railway Project Debt Investment Plan". The plan is the first debt investment plan that has passed major project great channel in the industry, which has served as a good

demonstration for insurance funds to support the development of national strategies. The plan has a total investment amount of RMB3 billion which is invested to the construction of the railway from Dali (Xiangyun) to Lincang (Dali-Lincang Railway) under Yunnan Provincial Railway Investment, which is of great significance to improve the railway network in Western China, realize the infrastructure interconnection between Yunnan and its surrounding countries, and serve the strategy of "The Belt and Road" initiative.

As for overseas, TPI has successfully underwritten nearly 100 projects including property insurance, construction and installation insurance and public liability insurance, spreading all over Russia, Kazakhstan, Kyrgyzstan, Singapore, Indonesia, Burma, Cambodia, Vietnam, Iran, Iraq, Saudi Arabia, Pakistan, Sri Lanka, Nepal and several other countries along "The Belt and Road" initiative. After investigation to Malaysia, Myanmar, Brunei, Indonesia, Cambodia, Laos and many other countries, TP Singapore has established relationships with local insurance companies and developed Malaysia COSCO Group oil depot project, Malaysia south railway project, Brunei China State Construction project, etc.

Through the above insurance coverage, financial support and cultural exchanges, China Taiping has currently extended the financial insurance services to several countries along "The Belt and Road" initiative to provide quality financial insurance products and services for its construction and for people along the line ,thus fully serves the supporting role for this grand strategy.

9.2 Universal Health and Pan-Pension

The year 2018 is a crucial year for China Taiping to implement the "High-quality Strategy", during which China Taiping will insist to get the implementation of the High-quality Strategy off to a great start to create a greater value for the society. China Taiping maintains concentrated on the High-quality Strategy, keeps making progress while maintaining stability, pays attention to the consistency of speed and quality, the coordination of scale and benefits, assists to resolve the contradiction between people's growing need for a better life and the unbalanced and inadequate development, adheres to the people-centered development thought, and is committed to establishing a sound and people-first social security system.

Hence, the Group has steadfastly developed healthcare and other inclusive businesses. In basic medical insurance, serious illness insurance, accident insurance, family planning insurance and other insurance coverage related to people's livelihood, China Taiping expedited the layout of "universal health" and "pan-pension", stably promoted major investment projects, optimized its asset allocation structure, constantly strengthened its investment capabilities last year and successfully promoted the improvement of people's livelihood.

9.2.1 Making the Treatment of Serious Illness More Affordable to Ordinary People

The "universal health" project involves to actively participate in commercially operated insurance for severe diseases and medical insurance management in an all-round way, develop tax-preference health insurance, and promote the acquisition of medical resources and participation in the reform of public hospitals, so as to provide better healthcare for people. The "pan-pension" project firmly seizes the development opportunity of fund entrusted investment of occupational annuity, individual tax deferred pension insurance and basic pension insurance to do a good job in the management of pension assets and people's livelihood, actively take part in the pilot work of long-term care insurance, develop and promote long-term care insurance products in line with pension services and steadily promote the strategic layout of old-age care communities, so as to lay a harmonious foundation for the development of society in the future, assure people of old-age care and carry forward the morality of the Chinese nation.

According to statistics, there are about 70 million people live in poverty in China, among which, 40% of them have fallen into poverty because of illnesses, and the northwestern China accounts for a particularly large proportion. TPL has gone deep into these poverty-stricken areas such as Beihai, Fangchenggang and Yulin in Guangxi to provide them with medical insurance service for serious illness by virtue of years of incremental reform of

the health care system and the supplementary favorable measures of state-owned insurance companies, so that more people can afford the treatment of severe disease.

TPL won the bid for the open tender project of serious illness insurance service for urban and rural residents of Guangxi Beihai Human Resource and Social Security Bureau for the second time and will continue to provide serious illness insurance services for 1.4055 million urban and rural residents of Beihai in the next four years. Since the undertaking of the "project of serious illness insurance for urban and rural residents in Beihai" in 2014, TPL has provided insurance coverage for nearly 18.36 million people, and a total of approximately RMB330 million for serious illness insurance for urban and rural residents was paid with about 88,000 people having received related compensation, thus providing support to patients in Beihai

Through connection with the social security management institutions of Beihai and the basic medical insurance settlement system of new rural cooperative, the serious illness insurance service of TPL achieved the "one-stop" instant settlement for the reimbursement of basic medical insurance and serious illness insurance, which continuously increased the effectiveness of claims settlement. When patients are discharged from hospitals in Beihai City, payment and reimbursement can be made simultaneously. TPL has also gradually extended its "one-stop" instant settlement service to cover the whole Guangxi to further strengthen the "rapid" and "convenient" features of long-

distance settlement in Guangxi.

TPL has been constantly looking for new breakthroughs in the integration of social and business, so that commercial insurance can give full play to its own advantages and provide guarantee for the people under the premise of meeting their needs. Nowadays, an increasing

Receiving medical treatment without bringing a family to ruin

Mr. Chen, from Gongguan Town, Hepu County, Beihai City, Guangxi, was hospitalized in The First Affiliated Hospital of Nanning Medical University because of infective endocarditis. During the period of his hospitalization, his family barely paid off his medical expenses with all their savings and some money borrowed from their relatives and friends. When he came home from the hospital, Mr. Chen remembered that he had a "red book" (certificate of registered poverty-stricken households), but did not know how to use it.

After knowing the situation, the service commissioner of the serious illness insurance service center of TPL in Beihai took the initiative to contact Mr. Chen and told him that apart from the basic medical insurance reimbursement, TPL also provided high-rate serious illness insurance reimbursement service for registered poverty-stricken households. Of the more than RMB40,000 of hospitalization expenses, Mr. Chen only needed to pay more than RMB12,000. As Mr. Chen put it, we would be able to "receive medical treatment without bringing a family to ruin".

The comprehensive reimbursement ratio of Mr. Chen's medical insurance and the serious illness insurance for registered poverty-stricken households was as high as 73.4%, and the compensation ratio was 30% higher than before the implementation of serious illness insurance. Mr. Chen is not the only case. In Guangxi, more and more people are able to enjoy the tangible benefits of social and business integration just as Mr. Chen.

number of people have benefitted from the serious illness insurance service of TPL and they have taken the initiative to head for the local major disease insurance service outlets for details, which greatly improved people's sense of gain. For those people who live in remote mountainous areas and are ignorant of the serious diseases insurance policy or are antagonistic against it, personnel specialized in commercial-operated social insurance service of TPL went to the village households to give detailed explanation of the policy, and have continuous communication with the residents there, and they gradually won the recognition of people.

So far, TPL has provided insurance coverage for about 8.19 million people in Guangxi, with a total of approximately 19.34 million people having been insured. A total amount of approximately RMB478 million has been paid for serious illness insurance for urban and rural residents and nearly 128,000 people have received related compensation. As a result, the regional security objective of "making people able to afford the treatment of serious illness" was achieved.

The Group plans to, on the basis of completing existing security services, deepen the cooperation with local governments at all levels in width and breadth, further innovate and perfect service systems, and strengthen risk control to make the work of serious illness insurance for urban and rural residents a heart-winning project that is for the benefit and convenience of and favorable to people in a real sense.

9.2.2 Improving Medical Standards

Insurance industry in the new era should not only provide social security, but also continuously strive to improve security systems. TPIH and TSFL under the Group have earnestly implemented the strategic agreement signed between the Group and the People's Government of Yunnan Province. Through acquisition of medical resources and participation in the reform of public hospitals, they aim to provide the public with better medical care, demonstrate the development fruits of a moderately prosperous society, and make all people have access to common prosperity.

Following the high-end medical equipment purchased by the Group for the People's Hospital of Weixin County came into use last year, the Group invited first-class experts to have on-site training. The 64-slice CT, 1.5T nuclear magnetic resonance equipment, digital gastrointestinal machine and other advanced medical equipment that purchased by TSFL by way of lease and worth up to RMB26 million have arrived in Weixin County, and the installation and debugging of them have completed for official use. This move has effectively reduced the cost of medical treatment for local people. In order to improve the professional ability of local medical personnel and give better play to the role of the aforesaid high-end medical equipment, TPIH coordinated with the well-known experts from Chinese PLA General Hospital (Hospital 301) to make their appearance in the People's Hospital of Weixin County to give lecture on high-quality

imaging and clinical laboratory science, and teach operational skills. During their stay in Weixin, related personnel of TPIH also made field research on the current development situation of Weixin Hospital of Traditional Chinese Medicine, Woman and Child Healthcare Hospital and other medical institutions, discussed with personnel of related departments on the plan of graded diagnosis and treatment of medical institutions at county, township (town) and village level, and jointly studied and formulated a plan for medical consortium investment and construction, aiming to improve the medical service level of the county in an all-round way.

By establishing remote medical consultation and training platform and connecting with international quality medical resources and experts from domestic well-known "AAA" hospitals, TPIH enables the People's Hospital of Weixin County to have direct access to communicate, study and discuss medical cases with domestic famous experts and improve the hospital's ability in respect of CT, magnetic resonance image reading and intractable diseases treatment. TPIH also invited local famous medical experts to go to the People's Hospital of Weixin County to give on-site assistance, and conduct teaching ward inspection, intractable diseases discussion, academic forum, technical training and scientific research guidance, so as to improve the technical level of diagnosis and treatment of medical staff, the comprehensive standard of discipline construction as well as the overall service level of the hospital within a short period of time.

By solving a key part of the graded diagnosis and treatment, the vast majority of patients can enjoy high-quality medical services without leaving the county, and the additional financial burden caused by out-of-town medical treatment can also be reduced. Through the joint efforts with governments to design the plan of supporting the poor people to cover for the cost of large instrument inspection and remote medical consultation, for instance, carrying out "one yuan insurance", and adopting the model combining governmental subsidies, hospital reduction and insurance companies transfer, TPI has set up a strong barrier against medical risks.

TPIH, TSFL and TPI (Yunnan) even implemented the requirements of China Taiping Insurance Group to increase support for the People's Hospital of Weixin County, drive the construction of 11 township health centers in Weixin County and the implementation of family doctors contracted service and promote the model of "medicare + insurance".

▼ CTIH donated the high-end medical equipment worth up to RMB26 million to the People's Hospital of Weixin County.



9.2.3 Embracing the Aging Society

In face of the aging population, China Taiping positively perceives the aging society as an opportunity and seeks to make the elderly people obtain visible and tangible benefits, enhance their sense of achievement and happiness and promote the development of business and society with "pan-pension".

In compliance with the wishes of the elderly and in respect for the fine traditions of our family culture, the "pan-pension" layout of the Group has actively created the business pattern with home-based old-age care, community care and suburban centralized care complementing with each other, accelerated the development of a nationwide network of elderly care services, explored the model integrating medical and elderly care services, sped up the improvement of operational management standards and service quality, and strived to build high-quality endowment institutions. At the same time, the Group expedited the development and

promotion of long-term care insurance products to provide quality financial services for the elderly.

As one of the first insurance companies that start sojourn old-age care plan, China Taiping has focused on promoting the land acquisition projects in Sanya, Hefei, Chengdu, Beijing-Tianjin-Hebei Region and Yangtze River Delta, with nearly RMB 10 billion invested to have in-depth study of the standards of old-age care service with Chinese characteristics and speed up the construction of pension operation management teams. In 2017, to meet the increasing medical and elderly care services of customers, the Group created the first cross-border innovation cooperation model of "insurance + pension community" in the industry. On the basis of the original heavy asset of Taiping Wutong Family International Elderly Care Community Project, the Group began to work with quality third-party pension communities to accelerate the expansion of national pension community layout through the organic combination of "light" and "heavy". TPL



▲ "Taiping Pleasure Seekers" introduced the international concept of continuous care, to provide and create a healthy life, happy studying environment, helpful services, and enjoyable 5H concept of the old age.



▲ "Shanghai Evergreen Homeland" located in the Huaying Jinfeng International Villa area of the core section of Shanghai Dahongqiao. It is an international health and retirement community with rich medical resources. The community has also set up a secondary care home and cooperates with Shanghai Shuguang Hospital for docking and medical insurance.



▲ Ancient Dian City of Pleasure Seekers launched a new model of "home health and vitality", which provide quality medical services.

has successfully introduced the quality third-party pension community, namely, Shanghai Evergreen Homeland and Yunnan Ancient Dian City, and created a brand new upgraded brand of "Taiping Pleasure Seekers" to provide customers with more pension rights and interests.

At present, there are three pension communities including Wutong Family of Pleasure Seekers, Evergreen Homeland of Pleasure Seekers and Ancient Dian City of Pleasure Seekers under the brand of "Taiping Pleasure Seekers". "New Eastern Yard· Evergreen Homeland" and "Colorful·Yunnan Ancient Dian City" are TPL's exploration of the "light asset" elderly care service model. While for "heavy asset" model, TPL will continue the model of "Wutong Family" to gradually form a national strategic layout of covering the "eastern, southern, western, northern and central regions of China". Wutong Family in Shanghai is tentatively scheduled for opening in 2019.

China Taiping invested RMB800 million for the

construction of Dalian Jinpu New Area Swan Lake Healthcare Project, which is expected to provide 1,400 beds in 2018 to serve the elderly in Dalian and three northeastern provinces. Taiping Senior Living Management under China Taiping jointly established Taiping Watermark (Shanghai) Pension Enterprise Management Co. Ltd. with American watermark corporation, striving to build an internationally leading and domestic first-rate pension operation and management system.

Apart from its own efforts, the Group actively explored ways to enter into health pension industry and seek cooperation and interaction with more groups and launched Taiping Hejia rehabilitation medical industry equity investment fund, Yuanhe Hospital project, Yangpu New Jiangwan Nursing Home and other projects, aiming to create maximum synergies for the pension industry.

In addition to building pension communities for the elderly on hardware, the Group also pays

more attention to software development and has gained some experience through active trail of long-term care insurance in Jiangsu Province on a pilot basis. TPP signed a long-term care insurance cooperation agreement with Suzhou Municipal Government. The strengthened cooperation with Suzhou Municipal Government in the field of long-term care insurance is an important reflection of TPP to consciously fulfill its responsibility as a state-owned financial enterprise and actively participate in national social security system construction and the supply side structural reform, and it's also an important sign for the government and the market to recognize TPP's professional experience of long-term care and its innovative service mode. TPP will give full play to its superiorities in risk control, product

actuary, project management and operation service, actively cooperate with Suzhou Municipal Government to do a good job of long-term care insurance service in Suzhou Downtown, Gusu District and High-tech Zone, so as to make due contributions to the implementation of the long-term care insurance system in Suzhou. The project will further deepen the exchanges and cooperation with the Human Resources and Social Security Department of Suzhou, give play to the positive role of commercial endowment insurance in serving and improving people's livelihood, and construct a multi-level social security system for Suzhou.

TPP also cooperated with Starbucks to provide a new benefit for full-time employees who have worked for more than two years and purchase "serious illness insurance" for their parents below 75 years old. It is the first time that the Company has introduced such benefits in the world and is expected to benefit more than 10,000 elderly people in China. This move is in line with Chinese traditional value that children are liable to take care of their parents and grandparents. The cooperation between the Group and Starbucks is an active response to the national call of promoting the development of commercial insurance, advancing social security and building a "Healthy China", an embodiment of social responsibility, a meaningful move to serve and give back to the society and a reflection of the Group's determination to make greater contribution to the construction of the country's social governance system and people's livelihood protection system.

"Starbucks China Parents Care Plan"

Ling Li's father from Deyang, Sichuan Province said excitedly: "What a surprise. We could never expect my child's company to buy insurance for us". Ling Li is a member of Starbucks China. A previous survey of Starbucks' employees in China showed that 70% employees worry about the health of their aged parents and an increasing number of employees are applying for financial support to pay for the medical expenses of their parents.

"Starbucks China Parents Care Plan" is the first inclusive high-security project in the market of Mainland China launched by overseas enterprise with a full contribution to directly protect the parents of employees from the risks of serious disease. It's also the first time for Starbucks to insured their employees' parents around the world. The insurance provided by the Group covers 30 common severe diseases, which complements with the existing social medical insurance plan of China.

9.3 Strengthening Targeted Poverty Alleviation

China Taiping has unswervingly promoted the implementation of poverty alleviation strategy and made solid efforts for the designated poverty reduction work in Liangdang County of Gansu Province, Yu'an District of Anhui Province and Weixin County of Yunnan Province, and has developed the Group's 2016 - 2018 Work Plan on Poverty Alleviation. In order to achieve the institutionalized and standardized management of the Group's poverty alleviation work, a number of basic systems were put in place, including the Interim Measures for the Administration of the Group's Poverty Alleviation Cadres Who Take a Temporary Post, the Interim Measures for the Administration of Special Funds for Poverty Alleviation by the Group and the Measures for the Implementation of the Group's Poverty Alleviation Projects.

In accordance with the thinking of "targeted poverty alleviation, insurance goes first", the Group has implemented national poverty alleviation and development decisions and deployment in a deep going way, enhanced targeted poverty alleviation and elimination work in designated poor counties, paid attention to combine poverty alleviation through financial support with poverty alleviation through medical development and industrial poverty alleviation, ensuring that the designated areas of Liangdang County of Gansu Province, Yu'an District of Anhui Province and Weixin County of Yunnan Province will get out of poverty in 2018.

As early as 2015, China Taiping had initiated the

second round of selection of cadres who take a temporary post for poverty alleviation, and had sent two cadres and two village first secretaries to promote poverty reduction in Liangdang County and Yu'an District, Lu'an City. They have given full play to their bridge role and received praise from local governments with their style of working hard to overcome difficulties.

In 2017, Wang Bin, Chairman of China Taiping Insurance Group, went to the Group's designated poverty alleviation area Weixin County in Zhaotong City, Yunnan Province to research on the Group's targeted poverty alleviation work in designated areas.

Accompanied by the principal leaders of local county Party committee and the Group's cadres stationed for poverty alleviation, the party of Wang Bin visited the needy family, offered them with oil, rice, quilt and other articles for daily use and consolation money. The party also went to People's Hospital of Weixin County to have a field understanding of the usage of nuclear magnetic resonance and other medical equipment that leased by the Group through low-interest financing. Local principals praised that the operation of these advanced medical equipment enabled people to have access to medical treatment with "less time, less money and less errand making", which is a tangible poverty alleviation move.

In discussion with the county Party committee

and government, Wang Bin put forward that China Taiping will centralize resources and take various measures to further increase targeted poverty alleviation support to Weixin County through education poverty alleviation, labor export, etc. The project that the Group gives financial support to students from registered poverty-stricken households in Weixin County, Yunnan Province has been officially launched. According to the project plan, the Group invested RMB1 million to finance more than 20,000 undergraduates from registered

financially disadvantaged households in Weixin County to provide them with a living allowance, reduce their living pressure and help them complete their studies smoothly.

In addition, in order to enable more organizations and employees of the Group to participate in the designated assistance in Weixin County, the Group also organized its employees to carry out "One to One" program to fund students to receive education. As by 2017, a total of 90 employees donated RMB210,000 to fund 140 senior high school students from registered financially disadvantaged households. All the above funds have been put in place to implement the policy of poverty alleviation through education proposed by Chairman Wang Bin.

"Rehabilitation knowledge training course for parents of disabled children"

The Group has successfully financed the "rehabilitation knowledge training course for parents of disabled children". This training course is undertaken by the Disabled Persons' Federation of Yu'an District, with a total of 7 former experts from Beijing Disabled Persons Rehabilitation Service and Guidance Center invited to give lectures on the rehabilitation knowledge for four kinds of disabled children, namely, cerebral palsy, autism, deafness and amnesia. The course lasted for four days and benefitted a total of 600 doctors and parents of disabled children from 11 rehabilitation institutions in Lu'an City, 26 township health centers and community health centers in Yu'an District.

The experts gave a detailed explanation to parents of different disabled children from the aspects of psychological counseling, psychology of disabled children and basic knowledge of family rehabilitation and training skills. Experts communicated with children's parents for many times to deepen their learning by making small games, interesting questions and answers and other interactive modes. Rehabilitation teachers from all institutions participating in this training said that they benefited a lot and their rehabilitation knowledge and skills were improved. The successful organization of this rehabilitation training course for disabled children is turned out to be very effective, as it has increased the family rehabilitation knowledge and training skills of the parents of disabled children and improved the professional standards of doctors in rehabilitation institutions.

Outside the designated areas of poverty alleviation, TPL continues to resolutely implement the targeted poverty reduction strategy of the CPC Central Committee, and firmly responses to the Group's working requirements for providing financial aids for students to receive education. In Shandong, Hebei, Guizhou and Hubei, units of each system give full play to their subjective initiative to assist the areas in getting out of poverty. Fundamentally speaking, the activity of funding students to receive education is to eliminate the root cause of poverty. It's an important way to prevent the intergenerational transmission of poverty.

TPL (Shandong) has made donations to

finance the more than 100 poor students from Ligou Branch of Pingyin Experimental Primary School in Jinan for six consecutive years. Over the six years, TPL has donated more than RMB100,000 to Ligou Branch and gratuitously given away countless desks and chairs, stationery, books, sports supplies and other materials to the school. In addition, TPL (Shandong) has also called on organizations under its jurisdiction to carry out activities of making donation for education. Since 2012, Shandong Zaozhuang Central Branch has been donating money and goods to 10 poor students at Wenwangyu Primary School in Shanting District without interruption. Employees of the branch also volunteered to pair up with especially poor families in rural areas and provided RMB1,200 to two poverty-stricken students every month until they graduate from college.

While providing financial aids to education, the Group has also actively promoted insurance education throughout the country, carried out activities such as "introducing insurance and safety knowledge into class", with a view to do a good job in the work of education for young people, and cultivate talents who have lofty aspirations and can bring benefits to mankind for the country.

Education aids to hold up the star of hope

In Hebei, in active response to the call of the Party, TPL carried out the project of "Education aids to hold up the star of hope". Up to now, the activity has successfully helped more than 20 poor students, the majority of whom are still at primary school. In Guizhou, TPL carried out the donation activity of "students' safety insurance" in Xiaogang Primary School, Yong'an Town, Xishui County, Zunyi City, which benefitted 132 children. The insurance project of "students' safety insurance" aimed to provide students with an accidental medical expenses including outpatient service, with a maximum reimbursement of RMB6,000. The maximum reimbursement for hospitalization expenses is RMB 40,000, plus RMB 6,000 for death from illness and RMB 6,000 for accidental injury insurance. In addition, in response to the call of the Group, TPL (Guizhou) adopted the "One to One" or "One to Several" programs to carry out poverty alleviation and financial aid activity for the financially difficult students in the mountain areas of Yu'an District of Lu'an City, Anhui Province and Weixin County of Yunnan Province.

"Public subscription of free lunch"

In Hubei Province, TPL carried out the project of "public subscription of free lunch", aiming to solve the food and nutrition problem for children in mountainous areas. When it's known that there are two orphans and 32 left-behind children among the 49 children in Baiguo Jinye Primary School, Huiwan Town, Zhuxi County, Shiyan City, and that the average cost for each lunch is only RMB2 per child, the public service teams of TPL, after more than 10 hours of rugged and bumpy journey, brought school supplies to the students at Jinye Primary School and personally cooked a nutritious and delicious lunch for them. Currently, through the project of "public subscription of free lunch", TPL (Hubei) has raised more than RMB440,000 through subscription from all the institutions under its jurisdiction. All the funds raised will be donated to Baiguo Jinye Primary School and Meizi Primary School at Huiwan Town, Zhuxi County, Shiyan City and Shuifu Primary School at Zhichanghe Town, Songzi County, Jingzhou City through the Free Lunch for Children Fund of China Social Welfare Foundation.

APPENDIX



88 APPENDIX I: Key Performance Summary of Sustainable Development

61 APPENDIX II: Index of Environmental, Social and Governance Reporting Guide of the Stock Exchange

59 APPENDIX III: Content Index of Global Reporting Initiative (GRI) G4

APPENDIX I: Key Performance Summary of Sustainable Development

The data of key performance summary of sustainable development (table below) is derived from the headquarters offices of the Group's subsidiaries, including Taiping Life Insurance Company Limited, China Taiping Life Insurance (Hong Kong) Company Limited, Taiping General Insurance Company Limited, China Taiping Insurance (HK) Company Limited, China Taiping Insurance (Macau) Company Limited, TPre (China), TPre (Hong Kong), Taiping Pension Company Limited, Taiping Financial Services Company Limited, Taiping Asset Management Company Limited, Taiping Financial Holdings Company Limited, Taiping & Sinopec Financial Leasing Co. Ltd., TPRB, Taiping Investment Holdings Company Limited, Taiping Senior Living Management Co. Ltd., Taiping Financial Technology Service (Shanghai) Company Limited and China Taiping Insurance Group Audit center.

Environmental Performance	Unit	2017
Greenhouse Gas (GHG) Emissions		
Direct GHG emissions (scope 1)	tCO ₂ e	821.42
Direct GHG reduction(scope 1)	tCO ₂ e	0.35
Indirect GHG emissions (scope 2)	tCO ₂ e	15,189.96
Other indirect GHG emissions (scope 3)	tCO ₂ e	467.39
Total GHG emissions (scope1,2 & 3)	tCO ₂ e	16,478.42
GHG emissions intensity		
Per m2 of floor area (scope1,2 & 3)	tCO ₂ e/ m ²	0.08
Per employee(scope1,2 & 3)	tCO ₂ e /employee	4.29
Fuel Consumption		
Gasoline consumed by corporate fleet	Tonnes	177.08
Liquefied petroleum gas consumption	Tonnes	0.20
Fuel oil consumption	Tonnes	0.50
Gas consumption	Unit	12,180.00
Energy Consumption		
Total power consumption	MWh	24,235.31
Total power consumption intensity (per m2 of floor area)	MWh/ m ²	0.11
Total power consumption intensity (per employee)	MWh/employee	6.31

Water Consumption		
Total water consumption	Cubic meters	130,980.17
Total water consumption intensity (per m2 of floor area)	Cubic meters / floor area	0.61
Total water consumption intensity (per employee)	Cubic meters /employee	34.12

Hazardous Waste		
Hazardous waste produced (batteries)	Tonnes	0.26
Hazardous waste produced (computers)	Sets	392
Hazardous waste recycled	Sets	44

Non-Hazardous Waste		
General waste produced	Tonnes	381.52
General waste recycled	Tonnes	59.76
Percentage of general waste recycled	Percentage	15.66%
Intensity of general waste produced	Tonnes / employee	0.10
Paper consumption	Pieces	8,142,1187
Paper recycled	Pieces	76,313
Paper consumption intensity	Pieces / employee	21,209

Social Performance		
Total Workforce	Unit	2017
Direct employees	no. of persons	3,802
Outsourcing staff	no. of persons	51
Total number of employees	no. of persons	3,853
Number of employees (By region)		
Employees in Hong Kong	no. of persons	692
Employees in Macao	no. of persons	79
Employees in Chinese Mainland	no. of persons	3,082
Direct employees (by age group and gender)		
Note: The number of employee only includes the headquarters of 17 subsidiaries.		

Total new hires (by age group and gender)		Male		Female			
Below 30		no. of persons		400363			
30-50		no. of persons		885721			
Over 50		no. of persons		11660			
Total staff turnover (by age group and gender)		Male		Female			
Below 30		no. of persons		17797			
30-50		no. of persons		12162			
Over 50		no. of persons		89			
Employee category (by age group and gender)							
Employee category (by age group)		Below 30		30-50		Above 50	
Management		%		0%		8%25%	
Officer		%		0%		23%34%	
Clerical/Secretary		%		98%		69%36%	
Others		%		1%		1%5%	
Employee category (by gender)				Male		Female	
Management		%				10%4%	
Officer		%				22%14%	
Clerical/Secretary		%				67%82%	
Occupational Health and Safety							
Work-related injuries and fatalities				Male		Female	
Direct employees of the Group							
Injuries		no. of persons		0		0	
Number of work-related fatalities		no. of persons		0		0	
Community Investment							
Year		2016		2017			
Charitable donations		HK\$ 2.79 million		HK\$ 1.76 million			
Staff training							
Category		Average number of hours		Percentage of participants trained			
Management		126		100%			
Director		130		100%			
Civilian / Secretary		88		100%			

APPENDIX II: Index of Environmental, Social and Governance Reporting Guide of the Stock Exchange

Indicators			Relevant section
A. Environmental aspect			
A1: Emissions	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	5.1. Environmental Protection Policy of Taiping
	A1.1	The types of emissions and respective emissions data.	5.4. Promoting Green Operations APPENDIX I: Key Performance Summary of Sustainable Development
	A1.2	Greenhouse gas emissions in total and intensity.	5.4. Promoting Green Operations APPENDIX I: Key Performance Summary of Sustainable Development
	A1.3	Total hazardous waste produced and intensity.	APPENDIX I: Key Performance Summary of Sustainable Development
	A1.4	Total non-hazardous waste produced and intensity.	APPENDIX I: Key Performance Summary of Sustainable Development
	A1.5	Description of measures to mitigate emissions and results achieved.	5.1. Environmental Protection Policy of Taiping 5.2. Developing Green Finance 5.3. Developing Green Buildings 5.4. Promoting Green Operations
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	5.4. Promoting Green Operations
A2: Use of Resources	General disclosure	Policies on the efficient use of resources including energy, water and other raw materials.	5.1. Environmental Protection Policy of Taiping 5.2. Developing Green Finance 5.3. Developing Green Buildings 5.4. Promoting Green Operations
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity	5.4. Promoting Green Operations APPENDIX I: Key Performance Summary of Sustainable Development
	A2.2	Water consumption in total and intensity	5.4. Promoting Green Operations APPENDIX I: Key Performance Summary of Sustainable Development

	A2.3	Description of energy use efficiency initiatives and results achieved.	5.1. Environmental Protection Policy of Taiping 5.2. Developing Green Finance 5.3. Developing Green Buildings 5.4. Promoting Green Operations
	A2.4	Description of whether there is any issue in sourcing water that is fit for the purpose, water efficiency initiatives and results achieved.	5.3. Developing Green Buildings 5.4. Promoting Green Operations
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable (Businesses of the Group do not involve packaging material)
A3: The Environment and Natural Resources	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	5.1. Environmental Protection Policy of Taiping
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.1. Environmental Protection Policy of Taiping 5.2. Developing Green Finance 5.3. Developing Green Buildings 5.4. Promoting Green Operations

B. Social Aspect

B1: Employment	General disclosure	Information on: (a) the policies, and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	8.1. Talent is the First Resource 8.2. Fair Talents Introduction Mechanism 8.3. Safeguarding Employees' Rights
	B1.1*	Total workforce by gender, employment type, age group and geographical region.	APPENDIX I: Key Performance Summary of Sustainable Development
	B1.2*	Employee turnover rate by gender, age group and geographical region.	APPENDIX I: Key Performance Summary of Sustainable Development
B2: Health and Safety	General disclosure	Information on: (a) the policies, and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8.4. Promoting A Healthy Workplace
	B2.1*	Number and rate of work-related fatalities.	APPENDIX I: Key Performance Summary of Sustainable Development
	B2.2*	Lost days due to work injury.	APPENDIX I: Key Performance Summary of Sustainable Development
	B2.3*	Description of occupational health and safety measures adopted, how they are implemented and monitored.	8.4. Promoting A Healthy Workplace

B3: Development and Training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	8.1. Talent is the First Resource 8.5. Cultivating the "Dream Team"
	B3.1*	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	APPENDIX I: Key Performance Summary of Sustainable Development
	B3.2*	The average training hours completed per employee by gender and employee category.	APPENDIX I: Key Performance Summary of Sustainable Development
B4: Labour Standards	General disclosure	Information on: (a) the policies, and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	8.2. Fair Talents Introduction Mechanism
	B4.1*	Description of measures to review employment practices to avoid child and forced labor.	8.2. Fair Talents Introduction Mechanism
	B4.2*	Description of steps taken to eliminate such practices when discovered.	8.2. Fair Talents Introduction Mechanism
B5: Supply Chain Management	General disclosure	Policies on managing environmental and social risks of the supply chain.	7.2.3 Supplier Management
	B5.1*	Number of suppliers by geographical region.	7.2.3 Supplier Management
	B5.2*	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	7.2.3 Supplier Management
B6: Product Responsibility	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6.1. Implementing High-quality Strategy 6.3. Protecting Customer Information
	B6.1*	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable (Businesses of the Group are not applicable to this index)
	B6.2*	Number of products and service related complaints received and how they are dealt with.	6.4. Handling Customers' Feedback
	B6.3*	Description of practices relating to observing and protecting intellectual property rights.	6.5. Respecting Intellectual Property Rights
	B6.4*	Description of quality assurance process and recall procedures.	6.1. Implementing High-quality Strategy
	B6.5*	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.3. Protecting Customer Information

Indicators		Relevant section
B7: Anti-corruption	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 7.1. Stabilizing Growth with Risk Prevention 7.2. Observing Business Ethics
	B7.1*	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 7.1. Stabilizing Growth with Risk Prevention 7.2. Observing Business Ethics
	B7.2*	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 7.1. Stabilizing Growth with Risk Prevention 7.2. Observing Business Ethics
B8: Community Investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 9.1. Expanding Real Economy 9.2. Universal Health and Pan-Pension 9.3. Strengthening Targeted Poverty Alleviation
	B8.1*	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport). 9.1. Expanding Real Economy 9.2. Universal Health and Pan-Pension 9.3. Strengthening Targeted Poverty Alleviation
	B8.2*	Resources contributed to the focus area. 9.1. Expanding Real Economy 9.2. Universal Health and Pan-Pension 9.3. Strengthening Targeted Poverty Alleviation APPENDIX I: Key Performance Summary of Sustainable Development

* Recommended Disclosures

APPENDIX III: Content Index of Global Reporting Initiative (GRI) G4

Indicators	Description of Indicators	Reference section
G4-1*	Leader's Statement	2. Chairman's Statement
G4-3*	Name of organization	1. About this Report
G4-4*	Primary brands, products and services	3. About China Taiping Insurance
G4-5*	Location of the organization's headquarters	2. Chairman's Statement 3. About China Taiping Insurance
G4-6*	Country of the place of business	2. Chairman's Statement 3. About China Taiping Insurance
G4-7*	Nature of ownership	3. About China Taiping Insurance
G4-8*	Markets served	3. About China Taiping Insurance
G4-9*	Scale of the organization	3. About China Taiping Insurance
G4-10*	Employee statistics	8. Caring for the Growth of Employees
G4-11*	Ensuring the total number of employees	8. Caring for the Growth of Employees
G4-12*	Supply chain of the organization	7.2.3 Supplier Management
G4-13*	Significant changes regarding the organization's size, structure, ownership, or its supply chain	2. Chairman's Statement 3. About China Taiping Insurance
G4-14*	Relevant precautionary approach or principle	7. Responsibility Governance of the Group
G4-15*	Charters or initiatives established externally to which the organization endorses	5. Sharing Green Ecology 9. Co-construction of a Harmonious Society
G4-16*	Memberships of associations	5. Sharing Green Ecology 9. Co-construction of a Harmonious Society
G4-17*	Entities included in the organization's financial statements	3. About this Report 2017 Annual Report
G4-18*	Principle for defining the importance of different aspects	4.2. Stakeholders Engagement
G4-19*	Material aspects identified	4.2. Stakeholders Engagement
G4-20*	Aspect boundary within the organization for each material aspect	4.2. Stakeholders Engagement
G4-21*	Aspect boundary outside the organization for each material aspect	4.2. Stakeholders Engagement
G4-22*	Explanation of the reasons for any re-statements of information provided in earlier reports,	4. Sustainable Development Strategy

G4-23*	Significant changes in the scope and boundary of the report	1. About this Report
G4-24*	Stakeholder groups engaged by the organization	4.2. Stakeholders Engagement
G4-25*	Basis for identification and selection of stakeholders with whom to engage	4.2. Stakeholders Engagement
G4-26*	Approaches to stakeholder engagement, including frequency of engagement	4.2. Stakeholders Engagement
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	4.2. Stakeholders Engagement
G4-28*	Reporting period	1. About this Report
G4-29*	Date of most recent previous report	1. About this Report
G4-30*	Reporting cycle	1. About this Report
G4-31*	Contact information	1. About this Report
G4-32*	The 'in accordance' option the organization has chosen	1. About this Report
G4-34*	Governance structure for economic, environmental and social topics	4.1. Social Responsibility Organization System
G4-35*	Process for delegating authority to senior executives and other employees	4.1. Social Responsibility Organization System
G4-36*	Executive-level positions report directly to the governance structure	4.1. Social Responsibility Organization System
G4-37*	Processes for consultation between stakeholders and the governance structure	4.2. Stakeholders Engagement
G4-42*	Governance structure's purposes, values or visions, strategies and policies	4.1. Social Responsibility Organization System
G4-48*	Responsibility of the governance structure to check and approve the Group's social responsibility	4.1. Social Responsibility Organization System
G4-50*	Nature and total number of important key topics	4.2. Stakeholders Engagement
G4-56*	Organization's values, principles, standards and norms of behavior	3. About China Taiping Insurance
G4-57*	Internal and external mechanism for consulting matters relating to the organization's integrity	7. Responsibility Governance of the Group
G4-58*	Internal and external mechanism for reporting illegal acts	7. Responsibility Governance of the Group

