

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

MEETING YOUR DEMANDS
WARMING YOUR HEARTS

2020

CORPORATE SOCIAL
RESPONSIBILITY REPORT



Preface

The People's Insurance Company (Group) of China Limited (hereinafter referred to as "People's Insurance", "PICC", "Group", "Company" and "We" all refer to "People's Insurance" in this report) publishes an annual social responsibility report on a regular basis both through the exchange and the Company's official website to disclose the economic, environmental, and social performance of the Group and its subsidiaries during the reporting period.

This report is compiled primarily based on the disclosure requirements contained in the core schemes of the GRI Standards of the Global Reporting Initiative (GRI), the Guidelines on the Disclosure of Environmental Information by Listed Companies of the Shanghai Stock Exchange, and the Environmental, Social, and Governance Reporting Guide (HKEx ESG) released by the Stock Exchange of Hong Kong Limited.

This report will present the economic, environmental and social performance of PICC and its subsidiaries from January 1 to December 31, 2020. The financial data in this report is quoted from the financial report compiled according to the accounting standards for Chinese enterprises (audited by Deloitte Huayong Certified Public Accountants Co., Ltd. (Special General Partnership)) in the 2020 Annual Report of the People's Insurance Company (Group) of China Limited. Unless otherwise noted, all monetary figures in this report are presented in RMB (yuan).

The Board of Directors and other directors of the Company, in their formulation and implementation of supervision procedures pertaining to all matters of social responsibility, hereby do affirm that this report is free from any misrepresentation, misleading statements, or major omissions, and that all information contained is authentic. They entrust SGS to conduct independent third-party examination to confirm the accuracy and reliability of all data.

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

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CHAIRMAN'S SPEECH

2020 was a year that is destined to leave an indelible mark in history. Over the past year, PICC, together with our country and its people, has personally participated in and witnessed the nurturing of new opportunities in the midst of this time of crisis, and has sought opportunities amidst this change. Faced with the three-sided impacts of the epidemic, floods, and other dangers, we have weathered the storm and moved forward, formulating the To Be Prominent Insurance Strategy in the spirit of the Fifth Plenary Session, and achieving a stellar performance with balanced growth of economies of scale in innovation and reform. We insisted that what the country needs is what PICC wants, focused on integrating even further with the national strategy, the real economy, and the people's livelihood, and strove to be a heart-warming people's insurance.

All of us are united in our fight against the epidemic. When faced with emergencies presented by the epidemic, we donated money and materials as soon as possible, and took the lead in providing insurance protection to medical staff and their families. The majority of cadres and employees actively pitched in and did their part for mass prevention and control, and stuck to their posts to ensure that service remained uninterrupted. We launched comprehensive insurance for the resumption of work and production and the "Small and Micro Enterprise Guard" policy to help restore order of peoples' lives as well as normal production. We also made our own contributions to the overall promotion of epidemic prevention and control and economic and social development.

We have gone all out in the fight against poverty. By focusing on deeply impoverished areas such as the Three Sections and Three Regions and using poverty alleviation insurance products such as "Shenpin Insurance", we provided protection for nearly 40 million people registered as living under the poverty line. Using insurance, we built a line of defense to prevent people from becoming poor or falling back into poverty due to illness or disasters. We saw great success in our targeted poverty alleviation efforts, and helped lift the four national-level poverty-stricken counties out of poverty 483 days in advance. In the National Poverty Alleviation Summary and Commendation Conference, two advanced collectives and one advanced individual from our Group were commended.

We made every effort to provide innovation guarantees. We accelerated the promotion of technology insurance, actively expanded the first set, first batch, and intellectual property insurance, and provided full-process services for technology research and development, production, and promotion. We accelerated the promotion of the Suzhou Venture Capital Fund model that integrated investment, insurance, and loans as a whole, and launched the PICC Shanghai Science and Technology Innovation Fund to help resolve the difficult and costly financing issues faced by technology-based private small and micro enterprises.

We explored and made innovations in social governance. We facilitated the transformation of government functions, accelerated the expansion of governance insurance, and innovated and promoted the new integrated "Coordinated Actions between the Police and Insurance Company" traffic management model, which covers more than 330 cities and serves more than 4.67 million people. We vigorously developed environmental pollution liability insurance, and empowered enterprises using "insurance + service" risk management methods to both reduce the risk of enterprise pollution and promote the green development of enterprises.

We guarded the lives of the people with kindness. Meeting your demands, and warming your hearts. We actively served public health, and fully participated in the construction of the national multi-level medical security system, with our various policy-based medical insurance projects covering 863 million people. We strove to improve the level of pension security, and actively participated in personal tax deferred commercial pension insurance. Our long-term care insurance program covered 41.79 million people.

Our focus led us to excellence, and we pressed forward with our hearts open. In the new year, the People's Insurance Company (Group) of China Limited will find itself a new development paradigm. It will implement new development concepts, aid in the construction of a new development pattern, and comprehensively promote the implementation of the To Be Prominent Insurance Strategy. By having innovation and change drive us forward, having supply improvement act as the main thread, and quality improvement as our guiding theme, we will work together with customers, shareholders, and employees to seek common development, ensure that the 14th Five-Year Plan gets off to a good start, and allow our excellent performance to be our contribution to the 100th anniversary of the founding of the party!

THE PEOPLE'S INSURANCE COMPANY (GROUP) OF
CHINA LIMITED

Secretary of the Party Committee, Chairman

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01 NEW PICC IN PURSUIT OF EXCELLENCE

New stage, new PICC 06

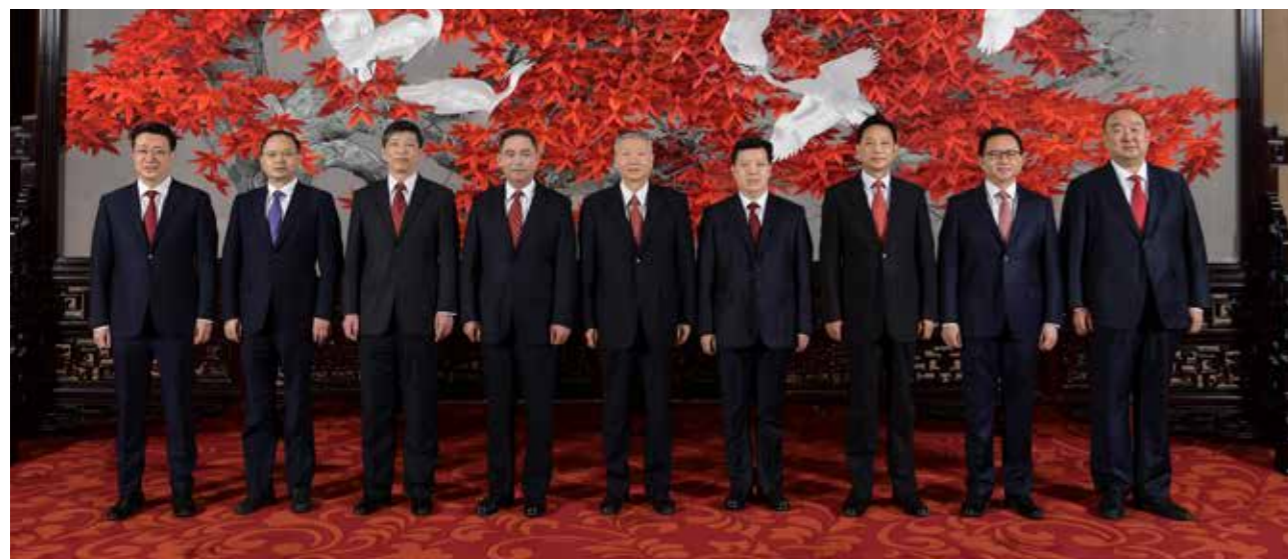
Promoting the To Be Prominent Insurance Strategy 07

NEW STAGE, NEW PICC

The People's Insurance Company (Group) of China Limited was established on October 20, 1949, and is headquartered in the PICC Building, No. 88 West Chang'an Street, Xicheng District, Beijing. As the first national insurance company in China, PICC has grown into a leading large-scale comprehensive insurance financial group in China. Its subsidiaries include PICC P&C, PICC Assets, PICC Life, PICC Health, PICC Investment Holding, PICC Capital, PICC Financial Services, PICC Reinsurance, PICC Pension, PICC Hong Kong, and many other professional subsidiaries. Our business scope covers property insurance, life insurance, reinsurance, asset management, real estate investment and alternative investment, financial technology, and other fields. In 2020, we ranked 112th in the Fortune 500. On December 7, 2012, PICC completed the H-share listing on the Hong Kong Stock Exchange (stock code: 1339), setting a precedent for the overall overseas listing of insurance groups directly managed by the Central Government of China. On November 16, 2018, PICC officially landed on the A-share market (stock code: 601319) on the Shanghai Stock Exchange, becoming the first Chinese-managed insurance group to be listed on the "A+H" as a whole. After successfully ensuring the running of the Beijing 2008 Olympic Games, in December 2019, PICC was formally signed as the official partner of the Beijing 2022 Winter Olympics and Paralympics, becoming an "Olympics Insurance" company for the second time that will help guide the Beijing Winter Olympics and Winter Paralympics.

People's Insurance was born for the people, and thrives because of the people. In the course of 71 years of reform and development, PICC has always kept their original aspiration in mind, and maintained their mission of being a People's Insurance for the people. PICC has always walked hand-in-hand with customers, the masses, enterprises, and its employees, moving forward together towards a loving future. Generations of PICC employees have continued to struggle and triumphantly press forward, striving to fulfill our original mission of serving the people with practicality. We shoulder the responsibility of serving the country's construction, and provide comprehensive and high-quality insurance protection and financial services to assist in economic and social development. Finally, we ensure the stability of the national economy and people's livelihood, and advance the construction of an ecological civilization.

As we stand at the historical intersection of the Two Centenaries, new development paradigm, development concepts, and development patterns have presented new opportunities and challenges for PICC, and have also endowed PICC with a greater sense of responsibility and purpose. As PICC embarks on this new journey, we will always adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, earnestly implement the decisions and deployments of the CPC Central Committee, and focus on building a New PICC. We will strive to build a world-class financial and insurance group with superb risk management that takes innovation and changes as the driving force, supply improvement as the main thread, and quality improvement as the guiding theme. With this new mission, PICC will firmly practice a people-centered way of development thinking, plot out a strategic position by placing the Company's development in the overall context of the state of the country, and regard the needs of both the country and the people as our primary task. We will play a better leading role in the industry in terms of serving the fields of real economy, people's livelihood, science and technology innovation, social governance, regional development, and opening to the outside world. We will also make new and greater contributions to the realization of both the Two Centenaries and the Chinese Dream as we strive towards the great rejuvenation of the Chinese nation!



▲ The People's Insurance Company (Group) of China Limited implemented the spirit of the fifth plenary session of the 19th Central Committee of the Communist Party of China (CPC) and established the To Be Prominent Insurance Strategy. The picture shows a group photo of PICC's new party committee.

PROMOTING THE TO BE PROMINENT INSURANCE STRATEGY

Our country is about to enter the new development stage of building a modern socialist country in a comprehensive fashion, and we are embarking on a new century-long journey of struggle. In this time, we will face many massive changes, as well as development opportunities, that have not been seen for over a century. Under these circumstances, the new party committee of the Group, guided by the spirit of the fifth plenary session of the 19th Central Committee of the CPC, established the To Be Prominent Insurance Strategy and drew a "1+7" strategic framework. They also proposed a clear strategic vision that focuses on building a world-class financial and insurance group with superb risk management, clarified the strategic positioning of each business segment, and proposed practical and feasible strategic actions. Finally, they pointed out PICC's directional path by looking abroad and facing the future to claim a unique advantage and achieve leapfrog development with a deep insight into reality, a grand overall vision, and a long-term strategic vision on the basis of the current situation.



To become a

world-class

finance and insurance group with superb risk management



2020 economic performance

	2020	2019	2018
Total assets (RMB 100 million)	12554.61	11327.71	10316.90
Net assets (Unit: RMB 100 million)	2731.36	2468.39	2054.26
Gross written premium (Unit: RMB 100 million)	5636.06	5552.71	4986.11
Consolidated net profit (Unit: RMB 100 million)	282.74	316.95	194.99
EPS (RMB)	0.45	0.51	0.32
Weighted average return on equity (ROAE)	10.4%	13.4%	9.4%

2020 ESG performance

Fulfilled the duty of guarantee	Provided a total of RMB 1446 trillion in risk protection
	Paid total insurance compensation of RMB 292.748 billion
Joined hands to fight against the epidemic	Donated over RMB 35 million in epidemic prevention funds
	Donated RMB 878.43 billion in insurance protection
	Provided RMB 58.50 million in compensation for the insured, including front-line medical staff
Served poverty alleviation	Invested RMB 44.90 million in assistance funds to four designated poverty alleviation counties
	Launched 139 exclusive products for poverty alleviation in the Three Sections and Three Regions, covering all poverty-stricken areas
	Served 135 counties in the outlets of the Three Sections and Three Regions, with a coverage rate of 100%

Supported rural revitalization	Provided RMB 2.4 trillion in risk protection for 86.07 million farmer households
	Underwrote 430 million mu in three major food crops
	Underwrote 170 million in live pigs
	Underwrote 1.1 billion mu of forest
Served the real economy	The first set of major technical equipment insurance provided RMB 51.3 billion in risk protection
	Technology insurance provided RMB 363.5 billion in risk protection
	Intellectual property insurance underwrote 7580 patents for 4,295 companies
	The One Belt One Road claims service network covered 186 countries and regions
Promoted public health	Undertook various policy-based health insurance projects covering 863 million people
	Undertook 96 long-term care insurance projects
	Long-term care insurance covered 41.79 million people
Optimized customer experiences	"Coordinated Actions between the Police and Insurance Company" served more than 4.67 million people
	The PICC app provided customers with 24.82 million core services
	88.98% of auto insurance customers went online
Built beautiful homes together	Environmental pollution liability insurance provided RMB 14.7 billion in risk protection
	Initiated and established a total of 10 green financial products
	246 million e-policy downloads
Human-centric	Per capita greenhouse gas emissions 2.07 tCO ₂ e/person
	193,000 employees
Expanded open cooperation	Signed cooperation agreements with 8 strategic customers



02

HEART-WARMING PEOPLE'S INSURANCE

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STABILIZING PEOPLE'S LIVELIHOOD INCREASING EFFORTS TO FIGHT THE EPIDEMIC TOGETHER

At the beginning of 2020, in the face of the sudden COVID-19, PICC resolutely implemented various decisions and deployments of the CPC Central Committee, as well as the State Council, regarding epidemic prevention and control. We mobilized the Company's nationwide system resources and teams, and effectively coordinated epidemic prevention and control efforts, resumed work and production, and stabilized growth as well as other tasks. This ensured the battle against the epidemic would be won, and maintained overall economic and social stability.



▲ On February 5, 2020, young employees of the anti-epidemic volunteer commando team from the PICC P&C Jiangsu Suzhou Branch assisted local traffic police in measuring the body temperature of personnel coming to and from Suzhou at the entrance of the Shanghai-Nanjing Expressway.



▲ The staff of PICC Property & Casualty Insurance Company in Quzhou City, Zhejiang Province acted as volunteers in the Zhonglou Community of Fushan Street, providing registration services for vehicles and residents entering and exiting.



▲ Young volunteers from the PICC P&C Zhejiang Nanhu Branch responded to the government's call and worked hard to repack masks to ensure they could be delivered on time for online mask purchases within the city.



▲ The staff of PICC Property & Casualty Insurance stepped up the inventory of various fire-damaged goods of a tool manufacturing company. They assisted the company with cleaning up wreckage, registering property, repairing equipment, ground cleaning, and more in order to ensure that the company could resume work and production.

Defending the heroes on the front line and gathering the strength to combat risks

We rapidly formulated emergency plans for insurance protection, and provided comprehensive protection services for all customer groups suffering from COVID-19. The most important thing in the world is implementation. At the beginning of the outbreak, PICC's party committees at all levels took the initiative, with all party members and cadres at the forefront. The majority of employees across the system actively lent a hand towards group prevention and control, and were united in their efforts to support epidemic prevention and control. On the front line, we acted as a strong support for the fight against the epidemic. We took the protection of people's lives as our own responsibility, actively investigated customer risk information, opened a green channel for claim settlement, and simplified claim settlement procedures so that all claims that should have been compensated were not only compensated, but that it was done as quickly as possible. We cooperated with professional institutions to provide customers with 24/7 online consultation, video chats with doctors, professional secondary consultations, and other health management services.

We donated money, supplies, and insurance to maximize protection resources and fully support heroes on the front line in the fight against the epidemic. We donated RMB 10 million to Wuhan as soon as possible to provide insurance protection for all disease control and medical staff and their families involved in the prevention and control of the epidemic. We initiated the establishment of a medical complication aid fund totaling RMB 30 million for patients that had recovered from COVID-19, which provided rehabilitation assistance for medical workers on the front line who had been infected with COVID-19 to alleviate their concerns. In 2020, we donated more than RMB 35 million in epidemic prevention funds, donated RMB 878.43 billion in insurance protection, and provided RMB 58.5 million in compensation for the insured, including front-line medical staff in Hubei.

Epidemic prevention fund donations in excess of



Insurance protection donations in excess of



▲ The 95518 Customer Service Center of the PICC P&C Sichuan Branch supported Hubei to ensure that the hotline service always remained open.



▲ The staff of the PICC P&C Jiaying Branch in Zhejiang Province signed up to participate in community epidemic prevention efforts as soon as possible. Starting from the first day of the new year, they have been fighting for 20 days nonstop without rest.

Facilitating the resumption of business activities and recovery of industries Ensuring stability in 6 key areas and effectively meeting 6 priorities

By focusing on the need for epidemic prevention and ensure stability in 6 key areas and effectively meeting 6 priorities, we adjusted and optimized our operational focus and strengthened the supply of insurance products. The Company launched 10 measures having to do with production safety liability insurance, developed Comprehensive Liability Insurance for Ensuring stability in 6 key areas and effectively meeting 6 priorities, Business Interruption Insurance, the "Small and Micro Enterprise Guard" policy, and other anti-epidemic exclusive insurance products. At the same time, we pioneered public health assistance insurance to promote the construction of the catastrophe insurance mechanism for public health emergencies, assisted enterprises in coordinating work safety and epidemic prevention and control, and assisted enterprises in resuming work and production in a stable and orderly manner. As of the end of 2020, a public health emergency insurance protection system including overall coverage, local pilots, and enterprises and institutions has taken shape, providing over RMB 800 billion in protection for various groups of people and enterprises.

Provided protection for various groups of people and enterprises in excess of



Launched insurance for public health emergencies



On December 28, 2020, PICC issued public health emergency insurance in Ningbo City, Zhejiang Province, and promoted the establishment of a long-term risk protection mechanism for public health emergencies on the local pilot, enterprise and institutional level. Overall coverage was also promoted, thus helping enhance the ability to respond to public health emergencies and improving the public health emergency management system. As of the end of 2020, pilot public health emergency assistance insurance coverage launched by PICC has covered 78.6 million people. Commercial insurance for public health emergencies developed at the enterprise and institutional level has covered 42,698 enterprises and institutions and provided RMB 795.3 billion in risks protection.

Developing innovative products and ensuring employment and livelihood



Takeaway delivery, stall economy, online ride-hailing... they are the lifeblood of a city, and the livelihood for thousands of people who have started their own businesses. They are also the group with the weakest risk protection. PICC has provided accident and health protection to more than 50 million food delivery drivers and 1.3 million online ride-hailing drivers. We pioneered portfolio packages for "stall insurance", allowing individual merchants to sell their wares, and customers to buy them, with ease of mind.



We provided insurance protection for the stable production and supply of "Rice Bags" and "Vegetable Baskets", and minimized the impact of the epidemic on agricultural production. We took the initiative in coordinating government work plans at all levels to stabilize the production and supply of agricultural products. We also quickly developed specialty agricultural insurance products during the prevention and control period of the COVID-19 by focusing on vegetables, meat, eggs, milk, grains, forest fruits, and other agricultural products that were closely related to the people, had suffered from large price fluctuations, and had strong daily demand in the prevention and control of the epidemic. We aided various branches in increasing the effective supply of agricultural insurance products, and ensured the normal production and supply of agricultural products both during and after the epidemic. In 2020, we underwrote leaf vegetable price index insurance for 1.36 million mu across the country, providing RMB 3.547 billion in risk protection and paying RMB 87.37 million in compensation.

"Cloud signing" olive oil to solve the sales problem regarding agricultural products



Yunyang District in Shiyan City, Hubei Province is the core water source of the central route of the South-to-North Water Diversion Project, and a gold mine in terms of olive oil production. Due to the epidemic, olive oil sales have suffered greatly. In April 2020, PICC and Hubei Xinlanyuan Olive Technology Co., Ltd. successfully "cloud signed" a purchase and sale agreement for more than 100 tons of olive oil and other agricultural and sideline products (with a total value of more than RMB 20 million) at the Consumer Poverty Alleviation Product Experience Hall in Yunyang District through remote video. In one fell swoop, we solved the sales problem regarding olive oil and other agricultural products, and did Hubei a favor by giving them a helping hand in this difficult period.



Protecting the people's "Rice Bags" and "Vegetable Baskets"



Since the outbreak of the COVID-19, many agricultural companies and growers have grown concerned that vegetable prices will fall in the later stages of the epidemic. In response to this, the PICC P&C Zhejiang Branch, with the support of local governments and agricultural departments, quickly launched leafy vegetable price index insurance to guarantee compensation when the price of vegetables was lower than the agreed price at the time of vegetables marketed.

Adapting to the normality of epidemic prevention and guaranteeing service quality

We strictly observed the bottom line when it came to epidemic prevention and safety, and made numerous efforts in the normalization of epidemic prevention and control. We coordinated epidemic prevention and control as well as precision services, formulated and issued the Guidelines for Business Operation Management under the Normalization of Epidemic Prevention and Control, and provided multiple anti-epidemic guarantees such as temperature detectors, epidemic prevention stations, disinfection points, and safety elevators in workplaces and business halls of units at all levels. We also ensured that customers were provided with safe, convenient, and heart-warming service, thereby giving both employees and customers' peace of mind.

We increased the flexibility of our business and operation, and fully guaranteed service quality during the epidemic prevention and control period. In order to meet the epidemic prevention requirements that mandated the reduction of face-to-face contact, we extensively used mobile tools such as official WeChat accounts, the PICC app, thumb claim settlement applet to provide claim settlement services such as remote surveying and remote loss assessment. As a result, claim settlement procedures were simplified, the claim settlement period shortened, and data ran more while customers ran less. Since the normalization of the epidemic, the PICC app and our comprehensive e-commerce portal have launched 177 new insurance products online. Key service functions such as policy inquiry, online claim settlement, and insurance renewal have been clicked on more than 26 million times. PICC P&C has launched 25 products online, and handled a total of 1,564,700 online cases. PICC Life has launched 38 products online, and handled a total of 137,300 online cases. PICC Health and Alipay jointly customized Haoyibao long-term medical care insurance, Haoyibao life-long cancer medical insurance, Jiankangfu critical illness insurance, and other online products, and also handled a total of 440,000 online cases.

New online insurance products



The total number of service function clicks exceeded



▲ PICC's business outlets strictly disinfected workplaces, and counter staff wore masks to work safely throughout the day.

HELPING THE THREE RURALS PROVIDING IN-DEPTH POVERTY ALLEVIATION

2020 was the final year to decisively win the battle against poverty. We maintained a strong sense of duty, responsibility, and urgency, devoted ourselves to the cause of poverty alleviation and assistance, and served the Three Rurals (agriculture, rural areas and farmers). We continued to increase capital resources and strengthen our dispatching assistance capabilities. We actively explored the "insurance + poverty alleviation" model, focused on the pain points and difficulties of poor areas from the aspects of industry, health, and the people's livelihood, activated the internal driving force behind the prosperity and development of poor areas, and built a stable, effective, and long-term poverty alleviation mechanism.

Consolidating the responsibilities of fixed-point poverty alleviation

Since 2002, PICC has been helping the four counties of Ji'an and Le'an in Jiangxi Province, Huachuan in Heilongjiang, and Liuba in Shaanxi. We have continuously worked to strengthen various assistance measures, and helped the four counties achieve high-quality poverty alleviation 483 days ahead of schedule. In 2020, we continued to consolidate the results of poverty alleviation, assisted the four counties in building a dense poverty alleviation security network, fighting the epidemic, preventing poverty, and ushering in a prosperous society.

We improved the implementation of the letter of responsibility, and pushed for completing the main targets in the fixed point poverty alleviation letter of responsibility ahead of schedule. In 2020, PICC invested RMB 44.9 million into assistance funds in four designated poverty alleviation counties, introduced RMB 17.984 million in assistance funds, trained 2,996 grassroots cadres, and trained 7,911 technical personnel. We directly purchased RMB 62,060,400 in agricultural products from poor areas and helped purchase RMB 9,451,100 worth of agricultural products.

PICC has been awarded the highest ranking of "Best" in the appraisal and evaluation of the effectiveness of fixed point poverty alleviation by central units for two consecutive years. Our experience in poverty alleviation was selected as part of the State Council Poverty Reduction Office's 50 Superior Comprehensive China Enterprise Precision Poverty Reduction Cases and Financial Precision Poverty Reduction Policy Summary and Evaluation Study for China. The practice of poverty alleviation via consumption was selected as a model national case organized by the National Development and Reform Commission (NDRC). In the National Poverty Alleviation Summary and Commendation Conference, two advanced collectives and one advanced individual from our Group were commended.

Helped the four counties achieve high-quality poverty alleviation



in advance

Invested assistance funds totaling



to four counties



▲ From September 15 to 17, 2020, Luo Xi, Secretary of the Party Committee and Chairman of the Group, went to Jiangxi to investigate and supervise PICC's fixed-point poverty alleviation and insurance assistance efforts in Jiangxi, where he visited and comforted impoverished local households.

A decisive battle, and a decisive victory over poverty alleviation

We continually advocated for industrial poverty alleviation and established a stable long-term poverty alleviation mechanism. We focused on promoting the development of the agricultural industry. In regards to policy-based agricultural insurance, on the basis of insuring all that should be insured, we have developed special agricultural insurance to provide insurance for meat, eggs, milk, poultry, tea, mushrooms, fruits, and vegetables. We have made innovations to income insurance, weather index insurance, "insurance + futures" and other new agricultural insurance products in consideration of the development needs of characteristic industries in various regions. At the same time, we focused on solving the problems of financing constraints for industrial development in poverty-stricken areas, pioneered a new financing model for insurance funds to support agriculture, and remained steadfast in our support of agriculture and small business. As of the end of 2020, finances regarding the supporting of the Three Rurals had issued a total of RMB 31.06 billion, and served 382,000 customers from the Three Rurals as well as small and micro enterprises. Fresh life was injected into the industrial development of poverty-stricken areas as well.

We participated in the construction of a multi-level medical security system, and strove to solve the issue of people either becoming impoverished or falling back into poverty due to illness. At the level of the "Generalized System of Preferences", we launched the New Cooperative Medical System (NCMS), and basic medical insurance handling and management services for urban residents. For the poor who participated in critical illness insurance, the policy of "One Decrease and Two Increases" was implemented to effectively reduce the burden upon those who were impoverished. At the preference system level, we specifically designed and provided critical illness supplementary medical insurance, medical assistance insurance, and other insurance protection services for those in need, and promoted one-stop settlement of medical assistance and critical illness insurance to makes the lives of those in need more convenient. In 2020, we undertook 578 medical assistance insurance projects for poverty alleviation in 24 provinces, covering a population of approximately 30.86 million.

Financial operations regarding the supporting of agriculture and small businesses provided loans totaling

RMB **31.06** billion

Customers served from the Three Rurals and small and micro enterprises exceeded

382,000

households

PICC Life developing small-amount agricultural insurance products



Case

PICC Life actively promoted more than 10 different products, including small personal accident insurance, in rural areas to provide inclusive insurance protection for low-income groups such as farmers, poor households, and migrant workers. 24 provinces, autonomous regions, and municipalities across the country were covered, totaling more than 1.2 million people. This helped to solve the problem of the impoverished falling back into poverty due to various risks such as accidents, critical illnesses, etc.



Note: "One Decrease" refers to the lowering of the deductible line, either by reducing the deductible line by half or canceling it altogether. "Two Increases" refers to the increasing of the reimbursement ratio and insurance amount. The reimbursement ratio is generally increased by 5-10%, and the capping line of the insurance amount is generally increased by more than RMB 100,000.

We were precise in meeting the diversified needs regarding the improvement of people's livelihood. We also provided bottom-line support for their livelihood, and production therein, in times of difficulty. We actively undertook government projects concerning people's livelihood, pioneered the exclusive "Fangpin insurance" product for poverty alleviation, undertook more than 4,000 projects meant to combat falling back into poverty across the country, and worked hard to provide comprehensive protection for people in poverty-stricken areas. By the end of 2020, we had provided RMB 2 trillion in risk protection for registered poverty-stricken households and specific people groups across 31 provinces. We continued to increase our support for deeply impoverished areas in the Three Sections and Three Regions. As of the end of 2020, we have launched a total of 139 poverty alleviation products in these areas, thereby covering all the extreme-poverty stricken areas. The outlets served 135 counties in the deeply impoverished areas of the Three Sections and Three Regions, with a coverage rate of 100%.



Three Sections and Three Regions

Launched **139** exclusive products for poverty alleviation, covering all poverty-deeply stricken areas

Served **135** counties from the outlets of the Three Sections and Three Regions, with a coverage rate of **100%**

Fastening the "safety belt" for the Three Sections and Three Regions to stabilize poverty alleviation



Case

PICC vigorously promoted exclusive poverty alleviation products, focused on ensuring housing, medical care, education, and drinking water safety for poor households in the Three Sections and Three Regions, and implemented poverty alleviation in order to completely solve the problem of accidental risk protection for low-income groups. When it came to poverty alleviation, PICC took the bull by the horns. In 2020, exclusive products for poverty alleviation provided approximately RMB 132.3 billion in protection for the Three Sections and Three Regions. This secured and stabilized the "safety belt" for the unstable and marginalized households which were prone to falling back into poverty.



Promoting rural revitalization

We continually promoted the high-quality development of agricultural insurance. Focusing on the goal of the high-quality development of agricultural insurance, we steadily expanded the insurance coverage of bulk agricultural products that were related to the national economy, people's livelihood, and national food security by fully using the central subsidy policy in addition to vigorously promoting the implementation of catastrophe insurance, full cost coverage, and income insurance pilot projects for three major crops. At the same time, we promoted the development of new types of agricultural insurance, and accelerated the establishment of a multi-level agricultural insurance system using the expansion of areas, increase of products, and improvement in standards of a foundation. In 2020, we underwrote 430 million mu of three major crops, 170 million live pigs, 1.1 billion mu of forest, and provided a total of RMB 2.4 trillion in risk protection for 86.07 million households. The breadth and depth of services continued to increase.

We constructed and improved the rural network service system that covered rural areas. We continued to carry out the construction of "Two Stations, Two Members" services, optimized the layout of police and insurance cooperation sites in rural areas, promoted the integration of police and insurance cooperation teams in rural areas, and enriched the functions of rural network agencies. As of the end of 2020, the number of "Two Stations" under the jurisdiction of the rural network has reached more than 9,600, and the number of "Two Members" has reached 13,000. At the same time, we actively explored the use of the Internet, satellite remote sensing, remote video, and other technological means to carry out online underwriting and claim settlements. We improved the standards of digital and intelligent operation regarding agricultural insurance, and advanced the construction of a multi-level, wide-coverage rural service network. As of the end of 2020, we have established a total of 6,891 rural network institutions (teams) as well as 27,600 insurance service stations and 153,300 insurance service points for the Three Rurals.

Agricultural insurance protected



Risk protection provided



Police and insurance cooperation in livestock protection operations



Case

In October 2020, the PICC P&C Xinjiang Altay Regional Branch organized for various county branches and agricultural service outlets within its jurisdiction to cooperate with the police in livestock protection operations in various counties and towns. Members were grouped into villages to hand out reflectors for herders, reducing the herders' property losses and casualties due to collisions between livestock and vehicles during transfers and night trips.



Note: "Two Stations and Two Members" services, i.e. those relying on the rural outlets and insurers of PICC P&C, set up car driving management service stations and traffic safety persuasion stations at the entrance of villages. These members acted as traffic safety administrators and advisors to assist in the development of spreading traffic safety knowledge, car driving management business agencies, traffic accident compensation, insurance agencies, and other efforts. By leveraging the advantages of insurance, we lowered the bar of entry for traffic management in rural areas, and promoted the "dual improvement" of the level of rural road traffic safety and insurance protection.

Red PICC in the rice fields



Case

In October 2020, affected by the rainy weather, autumn rice that had not yet been harvested in some villages and towns in Liping County, Qiandongnan Prefecture, Guizhou Province, faced potential risk of blisters and mildew. All party members and key personnel of the PICC P&C Liping Branch went to Xindong Village, Yandong Town, Liping County to carry party day activities under the theme of "Grabbing the Autumn Harvest, Cherishing the Grain, and Alleviating People's Worries", thereby helping the masses harvest six mu of rice that weighed more than 2500 kilograms in total.



We made every effort to provide efficient and convenient claim settlement services for agricultural insurance. In the flood season of 2020, the Poyang Lake and Chaohu Lake Basins in the middle and lower reaches of the Yangtze River experienced once-in-a-century flooding. Many lakes and rivers continued to exceed their warning levels, which flooded farmlands alongside them. Typhoon disasters such as Hagupit, Bavi, Maysak, Haishen, and Nangka frequently hit the regions, which had a major impact on agricultural production in many areas. The Company immediately launched an emergency plan for major disasters and organized a system to do their utmost in on-site investigation and damage assessment in order to ensure the stable and orderly development of agricultural production. In 2020, we paid RMB 24.9 billion in agricultural insurance, including compensation for 52.768 million mu of three major crops, 15.891 million live pigs, and 5.242 million mu of forest.

The area of the three major crops compensated



The number of live pigs compensated



The area of forest compensated



We fully dealt with the three successive typhoons in Jilin Province



Case

In September 2020, Jilin Province was hit by Typhoons Bavi, Maysak, and Haishen in quick succession. The PICC P&C headquarters and branches at the provincial, municipal, and county levels all joined together to quickly formulate a work plan for flood prevention and disaster relief. Wasting no time, they quickly launched the procedures for typhoon claim settlement, disaster prevention, and loss prevention, and were ready to deal with the challenges presented by these three successive typhoons in Jilin Province.



BENEFITING THE COUNTRY BOOSTING ECONOMIC GROWTH

PICC insisted that what the country needs is what PICC wants, and sought development opportunities while employing the strategy of serving the country. We fully utilized the functional role and capital characteristics of insurance, integrated financial and service technology innovation along the real economy, public health, regional development, and opening up to the outside world. We supported and served a series of major projects and key projects, continuously improved service quality and efficiency to boost economic growth at China's new development stage.

Facilitating technological innovation and serving the real economy

We developed "insurance +" services and aided in the development of new industries and technologies. In the field of emerging industries, we have developed and launched comprehensive insurance series for the first set of key technical equipment, comprehensive liability insurance for the first batch of key new materials, and life science product completion liability insurance in the high-tech areas that were emphatically supported by the country. In some emerging areas of technology, we actively responded to the accelerated development and application of new technologies such as autonomous driving, robots, biometrics, drones, and the need for risk prevention. We introduced insurance products such as "Shuangchuang Insurance" and "Jinfu Insurance" to provide technology companies with a comprehensive risk and financial solution package. We developed aerospace insurance, ship insurance, construction engineering insurance, and other products and services. We actively provided guarantees for the construction of major national projects. In 2020, our insurance for the first set of key technical equipment provided RMB 51.3 billion in risk protection. Insurance for the first batch of key new materials provided RMB 19 billion in risk protection, and technology insurance provided more than RMB 363.5 billion in risk protection for 2,155 companies.

Technology insurance provided risk protection totaling

RMB **363.5** billion

Aiding innovation and creation with "Jiebang Insurance" technology reward system insurance



Case

In May 2020, the Jinhua Municipal Government launched the technology reward system, using the "global brain" to resolve development problems in Jinhua. In June, the PICC P&C Jinhua Branch launched "Jiebang Insurance", and signed the country's first order with China Pioneer Technology Co., Ltd., thereby providing a certain amount of compensation for the loss of R&D expenses and the labor costs of technical specialists incurred by the Company due to the failure of scientific research projects. With "Jiebang Insurance", China Pioneer Technology Co., Ltd. can enjoy insurance compensation with a maximum insurance coverage of approximately RMB 500,000, which alleviates R&D and innovation-related concerns.



Providing guarantee for the national aerospace industry



Case

In 2020, PICC underwrote major engineering projects such as the "Tianwen-1" Mars Probe, the Asia-Pacific 6D satellite, the "Kunlong" AG600 large amphibious aircraft, and the "China Sky Eye" FAST radio telescope, providing guarantee for the continuous development of the national aerospace industry along.



We continued to increase our investment in science and technology innovation, and focused on supporting the development of technology enterprises. We strengthened the overall coordination of innovation capital investment, established multi-level innovation support funds, and built a long-term institutional innovation investment mechanism. In March 2020, we established the PICC Shanghai Science and Technology Innovation Fund, which focused on investment in biomedicine, next-generation information technology, integrated circuits, high-end equipment, new materials, new energy, energy conservation, environmental protection, and other scientific and technological innovation fields. By doing this, we supported the development of scientific and technological enterprises in the Yangtze River Delta region. In June 2020, we invested in the National Small and Medium-sized Enterprise Development Fund to provide support for small and medium-sized enterprises in their seed and start-up stages. We also reduced the financing costs of technology companies, and effectively encouraged entrepreneurship and innovation. In November 2020, we established the first domestic insurance technology innovation alliance, the Insurance and Innovation Alliance, to create a closed innovation incubation loop of "Professional incubation + industrial resources + venture capital".

We continuously improved the intellectual property insurance product system and fully supported the protection of intellectual property rights. We strengthened the development of new intellectual property insurance products, and established an intellectual property insurance product system that included 16 innovative products, covering the entire creation, protection, and utilization process for intellectual property. We signed the Strategic Cooperation Agreement on Intellectual Property Insurance with the State Intellectual Property Office to continue our exclusive strategic cooperation in the field of intellectual property insurance. In 2020, IP insurance provided more than 20.6 billion in risk protection for 7,580 patents, trademarks, and geographical indications in 4,295 enterprises.

We innovated business models and helped private as well as small and micro enterprises improve their anti-risk capabilities. We took the provision of comprehensive financial services for the private economy as the main thread, made simultaneous efforts both on the insurance side and investment side, fully utilized the advantages of insurance protection and insurance funds, and actively met the financial insurance needs formed by the transformation and upgrading of private enterprises. We launched an innovative loan guarantee insurance business model combining governments and banks along with insurance. We jointly supported the development of small, medium, micro, and private enterprises through the establishment of a three-party risk sharing mechanism for the governments, banks and insurance. In 2020, our "Government, Bank and Insurance" loan guarantee insurance helped 6,396 small, medium, and micro enterprises obtain RMB 9.362 billion in financing support.

Enterprises protected by intellectual property insurance

4,295 enterprises

Enterprises served by the "Government, Bank and Insurance" loan guarantee insurance

6,396 enterprises

Serving "Healthy China", and improving the people's health and public welfare

We actively undertook various types of policy-based health insurance and extensively participated in the construction of the national multi-level medical security system. On the basis of serving public health, we insisted on benefiting the people and carried out widespread major disease insurance, supplementary medical insurance, poverty relief medical assistance, supplementary work injury insurance, and other types of policy health insurance in order to aid the construction of a multi-level social security system in China. In 2020, we undertook 1,857 policy-based health insurance projects, which covered 863 million people. Among them, we undertook 369 critical illness insurance projects which covered 527 million people.

We built a professional health management service system and provided health management services throughout the life cycle. Through self-construction and third party cooperation, we continued to improve our cooperation with the medical care, medicine, maintenance, and nursing health industry chain to achieve a wide distribution of national medical and health management resources. As of the end of 2020, PICC Health has cooperated with over 10,000 hospitals, 166,000 pharmacies, 2,000 contracted family doctors, 650 medical specialists, and 100,000 online consultation doctors. We strengthened the construction of online service platforms and offline service teams, and both developed and provided health services such as seeking medical attention through green channels, health consultations, health checkups, dental services, psychological consultations, chronic disease management, etc. We accurately met the diverse health service needs of people. In 2020, PICC Health served 158,000 people and carried out 687 health-related activities.

Undertaking various policy-based health insurance projects, thereby covering



Deeply participating in the construction of the medical health service system in the Guangdong-Hong Kong-Macao Greater Bay Area Case

The PICC P&C Guangdong Branch was deeply involved in the construction of the basic medical health service system in the Guangdong-Hong Kong-Macao Greater Bay Area. The Guangdong Branch actively explored the development of innovative cross-border medical insurance products, and provided convenient insurance services for cross-border customers. In 2020, we undertook 33 projects consisting of major illness insurance, supplementary medical insurance, medical assistance insurance, long-term care insurance, and entrusted service. These projects covered more than 52 million individuals and provided more than RMB 14 trillion in risk protection. The inclusive "Citizen Insurance" supplementary medical insurance has been introduced into 11 cities since its launch in August 2020.



Using Remote Medical Consultation Centers to help family doctors upgrade their services Case

Relying on its leading medical resources and professional service capabilities, the PICC Health Jiangxi Branch successfully signed the Xinyu City Family Doctor Service Project, becoming the first commercial insurance institution in China to participate extensively in the management of family doctor contracted services. Through the establishment and continuous expansion of coverage provided by remote consultation centers, the Company provided convenient and quick order-based remote consultation solutions for citizens.



We deeply engaged in the construction of the national "Three Pillars" pension system, continuously expanded the coverage of old-age insurance, and raised the standard of old-age security. By getting involved in the in-depth management of basic pension insurance funds, we vigorously expanded corporate (occupational) annuities. By the end of 2020, PICC Pension has managed an asset scale of RMB 249.18 billion, a year-on-year increase of 106.9%. We have been actively developing commercial endowment insurance products. As of the end of 2020, PICC Life has launched individual tax-deferred commercial pension insurance in the three pilot areas of Shanghai, Fujian (including Xiamen), and Suzhou Industrial Park. PICC Life has launched housing reverse mortgage endowment insurance in 29 cities, built and operated the PICC Life Dalian Yiyuan Pension Community in Dalian, and focused on building a health care ecosystem integrating insurance and medical care, old age services, and tours.

Year-on-year growth of assets under management of PICC Pension



Long-term care insurance projects undertaken



We actively participated in the promotion of long-term care insurance, and made every effort to protect the essential rights of the disabled. We set up a special leading group and technical support group for long-term care insurance to coordinate and promote the development of our long-term care insurance and enhance our professionalization, this group played an important role in policy design, standard formulation, disability assessment, system construction, and nursing institution management. In 2020, we undertook 96 long-term care insurance projects, covering 41.79 million people.

Caring for the empty-nesters, and making them not alone Case

In October 2020, the long-term care insurance evaluation team of the PICC Health Qingdao Branch launched the "Caring for the Empty-Nesters" activities. The evaluators provided one-on-one assistance and actively asked the elderly if they had any needs in their daily life, then proceeded to do their utmost in helping the elderly resolve any difficulties they were experiencing.



Promoting regional development and escorting the “Belt and Road”

Guided by the national strategy of major regional development, we promoted the regional development. We integrated our Group service resources, optimized regional resource allocation, underwrote and invested in many major regional projects, including property insurance for the Beijing Daxing International Airport, Operation Period Insurance for the Hong Kong-Zhuhai-Macao Bridge, the Chengdu Rail Transit Line 27 Phase I Project, and the engineering insurance project for Jiangsu Shenghong that involved 16 million tons of refining and chemical integration, etc. We initiated the establishment of investment projects such as the PICC Yuexiu Guangdong-Hong Kong-Macao Greater Bay Area Industrial Investment Fund and PICC Assets-China Railway Construction Debt Investment Plan to fully support and advance the implementation of major national regional strategies such as the coordinated development of Beijing, Tianjin, and Hebei, as well as the development of the Yangtze River Economic Belt and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area.

We closely focused on the overseas security needs of Chinese-funded enterprises and personnel, and provided comprehensive security support for the construction of the Belt and Road. We actively met the various protection needs encountered during construction of the Belt and Road, continued to innovate insurance products, improved the service system, actively participated in the Belt and Road reinsurance community, and provided personalized and localized insurance services for the external risk management of the Belt and Road. By the end of 2020, we have sent overseas working groups to a total of 10 countries and cooperated with 62 overseas insurance institutions and 311 claim settlement inspection agencies to provide an insurance claim settlement service network covering 186 countries and regions around the world. We underwrote a number of iconic projects such as the Pakistan HUBCO Coal Fired Power Station, the Patuakhalı 2×660MW Coal-Fired Power Station in Bangladesh, and the Nadi Airport Road Project in Fiji, and became the first mover in serving the “Belt and Road” .

Facilitating the integrated development of the Yangtze River Delta



As a professional operation platform for the alternative investment field of PICC, PICC Capital has issued 27 products and invested nearly RMB 50 billion in major infrastructure construction, urban renewal, Internet finance, and technological innovation across three provinces and one municipality in the Yangtze River Delta region. Among them, the launch of transportation projects such as Suzhou Rail, Shaoxing Communications Investment, Ningbo Communications Investment, and Junma Communications Investment has accelerated the construction of the transportation trunk network in the Yangtze River Delta region. The establishment of the Suzhou Science and Technology Innovation Fund has effectively solved the financing needs of small and micro technology-based enterprises.



Chief underwriter for the HUBCO Coal Fired Power Station project in Pakistan



The HUBCO Coal Fired Power Station project in Pakistan is a priority project of the China-Pakistan Economic Corridor, with a total investment of USD 1.5 billion. PICC made full use of the linkage between the headquarters/three-level branches and the Pakistani overseas working group, underwrote the project as a chief insurer, and provided customers with multiple guarantees including property all risks insurance, business interruption insurance, machinery damage insurance, cargo transportation insurance, public liability insurance, political violence insurance, etc.



BENEFITING THE PEOPLE AND DEDICATION TO HEART-WARMING PROJECT

In order to extensively implement the "people-centered" development philosophy of General Secretary Xi Jinping and shoulder the mission of PICC with high standard, compassion, strength, and precision in the new era, PICC launched a series of activities entitled the Heart-Warming Project in 2020. We focused on the pain points and difficulties of customers, strove to improve our service quality, ability, standard, and efficiency, and took practical actions to let customers feel PICC's compassion. The first phase of the activities in the Heart-Warming Project completed 9,801 items that made customers and those grassroots units gain an increased sense of compassion.

Developing innovative products to meet customer needs

We stayed close to customers and listened to them. The Group actively raised service awareness, changed the service concept, and actively got close to customers. We put customers in the first place, studied them, and ensured they were satisfied by practical actions. Many PICC P&C branches have carried out in-depth E-Bike Safe Cycling Month activities to encourage and support the use of safety helmets and to improve safety and security awareness amongst the majority of cyclists. The PICC Life Hubei Branch organized a customer activity entitled "Warm home", and visited a total of 57,000 customers during the National Day holiday. 21 health management centers of PICC Health invited customers to experience our services offline, making customers truly feel the professionalism and service capabilities of PICC.

We established a sound product innovation mechanism, and further promoted the innovative supply of products. We continuously strengthened awareness regarding product innovation improved the innovation reward system, strengthened innovative cost support, motivated all employees to participate in product innovation, and ensured that products were more adapted to customer needs. We underwrote more than 3,700 agricultural insurance products nationwide, providing both bulk insurance and feature insurance that allowed farmers to truly experience stable production and supply. We continuously upgraded a series of personal insurance products such as "Haoyi bao", "Ankang", and "Wuyou" that were favored by customers, providing people with considerate health protection. We also developed insurance products such as "Fugong Insurance" and "Anyixing" for small and micro business, so that independent innovation enterprises could also experience the positive feeling that comes with risk protection.



Scan the QR code to watch the annual video in tribute of PICC's compassion

Health checks in communities



Case

In October 2020, the PICC Health Hebei Branch took advantage of the double holiday to carry out "Warm community" activities such as measuring the weight and blood pressure of community residents and promoting health awareness amongst community members.



Guarding safety with "One Helmet and One Belt"



Case



In September 2020, the PICC P&C Zhejiang Branch launched various activities of the "Heart-warming project" Program and actively participated in the "One Helmet and One Belt" safety protection program promoted by traffic police. The Zhejiang Branch delivered safety helmets to electric bicycle riders, and distributed publicity materials on traffic safety knowledge to the public to increase traffic safety awareness.

Promoting technological empowerment and optimizing the customer experience

We accelerated online transformation and met customer automation and self-service demands. We focused on solving customer concerns such as the cumbersome underwriting process and inconvenient online and offline services, sorted out the key journeys of customers, carried out the online transformation of offline operation service processes, and promoted the transformation of the customer service model from a traditional offline service model based on counters, telephones, and third-party institutions, to an online service model based on apps, official WeChat accounts, official websites, etc. In 2020, 88.98% of PICC P&C auto insurance customers were online customers, and the issuance rate of auto insurance electronic insurance policies had reached 84.1%. The mobile order issuance rates of PICC Life and PICC Health reached 99.7% and 99.61% respectively, and the PICC app provided 24.82 million core services for customers.

We promoted the intelligent upgrading of business processes, and strove to improve customer response speed. We accelerated the use of artificial intelligence, big data, cloud computing, and other technologies, and promoted smart product design, sales, underwriting, claim settlement, customer service, risk control, investment, and other applications to achieve efficient smart operations. We significantly reduced the time needed for service processes such as customer consultations and claim settlements, which greatly improved the customer satisfaction. RPA process optimization technology has been applied in nearly 10 scenarios including underwriting entry, claim settlement, customer service, and financial review. The energy efficiency of the related processes has increased by more than 50%, with some having reached more than 100%.

The PICC app provided customers with

24.82 million

core services

Using "Xin Ji Xian" to speed up processing and claim settlement in one stop



By taking tools, technology, data, and services as the core, the "Xin Ji Xian" smart claim settlement products provided customers with one-click reporting, online claim settlement, intelligent liability determination, intelligent loss assessment, and smart repair and other full-process online claim settlement services through the innovative application of artificial intelligence, deep learning, and other emerging technologies. The average processing time for small cases was within five minutes. The product won the 2019 Beijing Financial Innovation Incentive Award, and was selected as one of the Top 10 Fintech Innovation Cases by the China Financial Forty Person Forum in 2020.



Remote visualized loss assessment service platform



By offering 24/7 uninterrupted remote monitoring and cutting time in half for customers versus traditional methods, the PICC P&C Liaoning Branch launched a remote visualized loss assessment service platform, bringing new changes to customer claim settlement services. In the future, the project will also be equipped with an online independent monitoring function, enabling customers to view the vehicle maintenance process in real time on the app and official accounts, thereby achieving "transparent maintenance".



Strengthening service capabilities and improving customer satisfaction

We strengthened the construction of the service system and continually improved service quality. By establishing and improving the customer service evaluation management system, enriching and improving process management measures, strengthening the assessment, supervision, and rectification of key areas, and promoting the coordination and linkage of claim settlement and customer service, we have kept incoming call manual connection rates, customer service representative service satisfaction, and incoming call manual service satisfaction rates high and stable. The annual call-through rate and satisfaction rate of customer service representatives on the 95518 smart customer service platform reached 99.87% and 99.99%, respectively. The intelligent customer service robot service achieved full coverage of the system, with intelligent voice navigation reaching an accuracy of 96%, and the one-time resolution rate of customer appeals reached 83%.

We continuously strengthened the service team and helped customers resolve practical issues. By creating institutions, equipping hardware, and strengthening management, we strove to increase the level of compassion seen at the counter, so that customers who came to the counter could enjoy safe, heart-warming, and thoughtful service. We helped customers resolve all manner of practical issues with what we termed "one call, one comforting phrase, one explanation, one confirmation, and one return visit". We strengthened service innovation, extended service boundaries, and did our utmost to try and do more for our customers. For example, we set up Committed Service Stations on important holidays to solve the pain points and difficulties of customers' and their holiday travels. This allowed customers to not have to worry about traffic jams or accidents while driving and instead concentrate on enjoying our heartwarming service.

95518 warmhearted service



The 95518 Customer Service Center of the PICC P&C Hebei Branch sorted out 34 service scenarios by analyzing incoming calls, official accounts, and app big data. It further standardized unified operations, and provided customers with warmhearted prompts and guidance, such as customer reminders, difficult consultations, complaints, etc. Our customers' concerns were our own, and we thought about what our customers thought about. This allowed us to enhance the customer experience. In 2020, the one-time problem solving rate increased by two percentage points.



"Committed Service" activities



We set out to create committed service, and claim settlement processes from the heart which use chips. This allowed us to provide more heart-warming service and simplify the claims settlement process. We set up 906 Committed Service Stations nationwide, invested in 21,641 claim settlement personnel, and served 156,981 customers (including 41,936 non-PICC customers). We handled 334,990 claim settlement cases, of which 107,626 were handled online, and provided consulting services for 51,234 car owners.





03 RESPONSIBLE CORPORATE CITIZEN

Co-Governance with shareholders 34

Sharing with customers 40

Win-win with partners 43

Progress with employees 45

Symbiosis with the environment 50

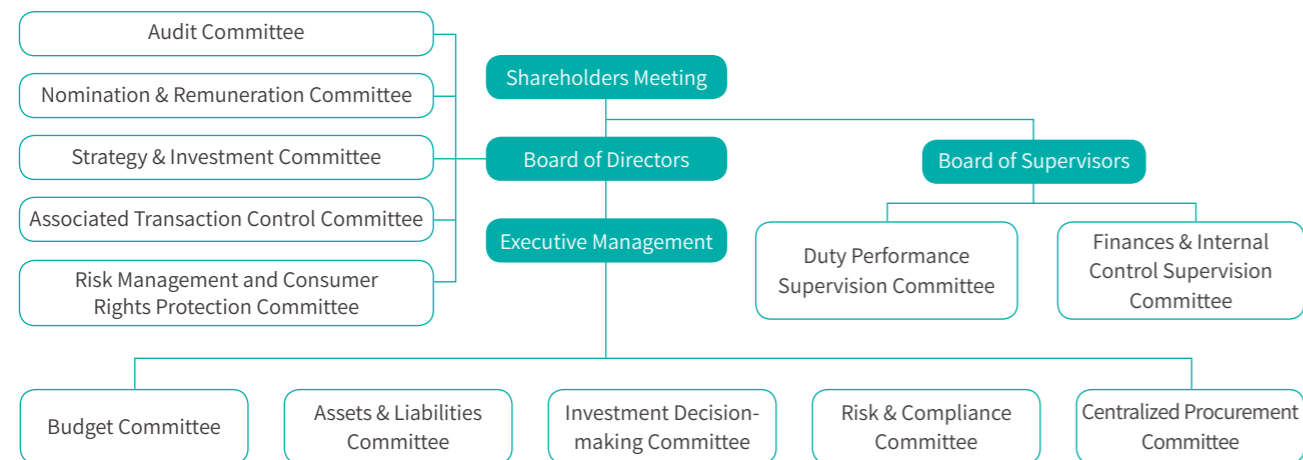
Co-Building with society 56

CO-GOVERNANCE WITH SHAREHOLDERS

PICC continuously strengthened corporate governance, continuously improved governance structure and governance mechanisms, enhanced corporate governance capabilities, disclosed corporate operations and information in compliance with laws and regulations, improved risk management, and created more value for shareholder.

Strengthening corporate governance

We attached great importance to corporate governance, and strictly abided by the Company Law of the People's Republic of China and the Insurance Law of the People's Republic of China. In accordance with the relevant regulatory requirements of the China Banking and Insurance Regulatory Commission (CBIRC), the latest listing rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, our own Articles of Association, etc.. We continuously consolidated the foundation of our governance operation and optimized the supervision and operation mechanism while in practice.

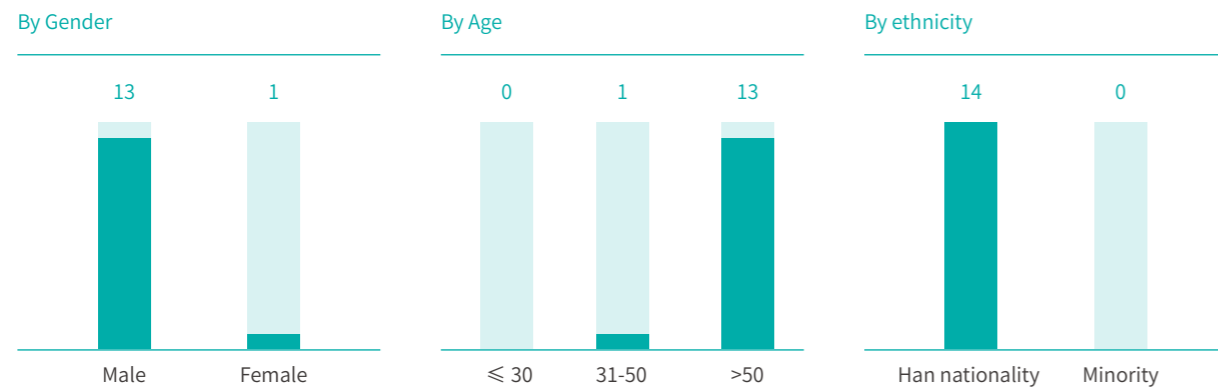


The general meeting of shareholders, the board of directors, the board of supervisors, and top management independently perform their rights and obligations in accordance with the Company's Articles of Association and make decisions in accordance with the law and operate in compliance with regulations.

- As the highest authority of the Company, the general meeting of shareholders exercises shareholder rights and fulfills shareholder obligations. It convenes an annual general meeting of shareholders every year and convenes temporary meetings as needed.
- As the Company's decision-making body, the board of directors is responsible to the general meeting of shareholders, implements the resolutions of the general meeting of shareholders, and convenes at least four regular meetings a year in accordance with the Articles of Association and convenes temporary meetings as needed. The board of directors consists of five professional committees, namely the Audit Committee, Nomination & Remuneration Committee, Strategy & Investment Committee, Associated Transaction Control Committee, and Risk Management and Consumer Rights Protection Committee. Each committee expresses opinions and suggestions to the board of directors on issues within the scope of their respective responsibilities. At the same time, each committee has its own working regulations that specify relevant responsibilities and operation procedures.
- As the Company's supervisory body, the board of supervisors is responsible to the general meeting of shareholders, and supervises the performance of the duties of directors and senior management in accordance with the Company's Articles of Association. It holds regular meetings at least once every six months and convenes temporary meetings as needed. Through the two professional committees thereunder, it supervises the performance of duties and the due diligence of directors and senior managers, as well as the Company's finances, internal control, and major risks.
- According to the decisions made by the board of directors, senior management conducts business in compliance with laws and regulations and accepts supervision through the subordinate professional committees.

In strict accordance with the regulatory requirements of A+H listed companies and relevant regulations of the Ministry of Finance and the CBIRC, we promoted the efficient operation of various corporate governance tasks in compliance with laws and regulations and ensured the smooth decision-making regarding major issues related to the Company. In 2020, the Company organized three general meetings of shareholders to deliberate and review 22 proposals. Seven board meetings were organized to deliberate and review 80 proposals, whereas 24 professional committee meetings were organized to study and discuss 90 proposals. The board of supervisors convened six meetings, reviewed 22 proposals, and 31 reports.

2020 Formation of the Board of Directors



▲ In September 2020, the Group's equity directors in the Company went to Shanghai and Zhejiang to investigate the Company's services relating to health and elderly care as well as the Company's participation in social governance.

Standardizing information disclosure

We disclosed information in compliance with laws and regulations. We formulated the *Administrative Measures for Information Disclosure*, the *Administrative Measures for Internal Reporting of Major Information*, the *Administrative Measures for Suspension and Exemption of Information Disclosure*, the *Administrative Measures for Registration and Filing of Insiders of Inside Information*, the *Interim Measures for Investigating Responsibility for Major Errors in Information Disclosure in Annual Reports*, and other regulations related to information disclosure. We strictly followed the A+H information disclosure principle of “more rather than less, strict rather than loose, and early rather than late” and formed a major information internal report management process as well as information disclosure procedures for regular reports and temporary reports. We clarified a variety of matters, including the main content of information disclosure, the responsibilities of all parties, registration and filing and disclosure procedures, disciplinary requirements, and more. We established a standardized management process and related work mechanisms for information disclosure, disclosed relevant information to shareholders in compliance with laws and regulations, and continuously improved the transparency and timeliness of said information disclosure. In 2020, our work towards information disclosure received an A-level (excellent) in our annual evaluation from the Shanghai Stock Exchange.

We continually strengthened communication with investors. We actively strengthened communication with domestic and foreign investors and promoted our To Be Prominent Insurance Strategy so that investors could have a deep understanding of our investment value. In 2020, the Company successfully completed all performance releases and roadshows for 2019 as well as the first, second, and third quarters of 2020. While doing our utmost in the prevention and control of the epidemic, we fully considered the convenience of investors’ participation in the conference, adopted all online methods to prepare for the 2019 annual performance conference, and prepared the 2020 Interim Results Conference by having it operate as a “Beijing live conference + online conference”. We held two quarterly performance earnings releases in the form of teleconferences, which helped achieve a wider range of coverage and participation, allowing more investors to keep abreast of our development results. More than 80 people dialed in by phone in Chinese or English. 3,925 people clicked on the Chinese live broadcast, and 458 people clicked on the English live broadcast. 125 investors and analysts participated in the semi-annual conference, of which 38 were media outlets. 104 investors dialed in by phone in English, 2,430 clicked on the Chinese live broadcast, and 358 clicked on the English live broadcast.

Our information disclosure work garnered an **A-level (Excellent)** annual evaluation from the Shanghai Stock Exchange.



▲ On August 24, 2020, PICC Group and PICC P&C jointly held a 2020 interim results conference in Beijing.

Strengthening risk prevention and control

We intensified comprehensive risk management. We strictly abided by the *Insurance Law of the People's Republic of China*, *Anti-Money Laundering Law of the People's Republic of China*, *Administrative Measures for Anti-Money Laundering in the Insurance Industry*, *Administrative Measures for Insurance Group Companies (Trial)*, *Guidelines for Risk Management of Insurance Companies (Trial)*, second-generation solvency regulatory rules, *Basic Guidelines for Internal Controls of Insurance Companies* and the listing rules of both the Shanghai Stock Exchange and the Hong Kong Stock Exchange as well as other regulatory requirements. We continued to thoroughly implement the relevant requirements for the prevention and resolution of major financial risks, and upheld the bottom line of preventing systematic risk. We have established a comprehensive risk management system based on the *PICC Comprehensive Risk Management System* which is supplemented by various special risk management methods. We also integrated upper and lower-stream cooperation and formed a comprehensive risk management system with the Risk Compliance Committee as the main body. We built a risk management architecture that integrated vertical and horizontal functions. Vertically, the architecture involved the board of directors, management, and operating departments, and covered PICC’s business segments and branches at all levels. Horizontally, it strengthened the risk management of the “three lines of defense” in accordance to the division of responsibilities and the coordination of each of their functions in order to form a complete closed management loop.

Improving the foundation construction of risk control. We fully launched the “Risk Control and Compliance Year” foundation construction activity, focused on strengthening the long-term risk prevention and control mechanism, continuously improved the risk control system, organizational system, and technical system, and consolidated the foundation for risk prevention and control management. We promoted the construction of an intelligent risk control platform, established a unified audit center, promoted full coverage of economic responsibility audits, and enhanced the effectiveness of internal audit supervision. We upgraded and improved our risk appetite system, regularly carried out risk monitoring, early warning, evaluation and reporting, strengthened daily management and control of major risks, and strove to improve risk identification and disposal capabilities.

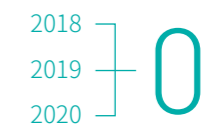
- Formulated and issued the *Punishment Measures for Employee Violations of PICC* and its regulations regarding implementation to build a solid internal line of defense for operating in compliance with laws and regulations
- Formulated and issued the *Guiding Opinions on Strengthening the Administration of Patents and Software Copyrights*, established a resource database of intellectual property agencies, and strengthened the protection of proprietary intellectual property rights
- Formulated and issued the *PICC Implementation Plan for Preventing Financial Violations and Crimes of Practitioners*, strengthened the prevention of financial illegal and criminal acts in key areas, strengthened the construction of long-term internal control mechanisms, and effectively prevented and controlled violation risks
- Completed data procurement for anti-money laundering and anti-terrorist financing blacklists as well as foreign politicians and international sanctions lists with external data providers. Strictly implemented relevant anti-money laundering obligations and improved anti-money laundering management.
- Arranged for the whole system to carry out multi-level compliance training and associated transaction special training, as well as carry out diversified compliance culture promotion
- Actively unveiled education pertaining to the Party’s working style and governing integrity.

PICC anti-corruption training and related cases

Ratio of employees who attended anti-corruption training



Number of criminal cases related to money laundering (cases)



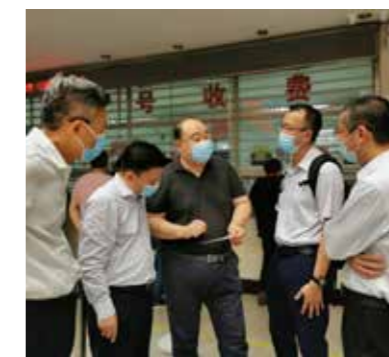
Party building-led development

We adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 19th National Congress of the Communist Party of China and the 2nd, 3rd, 4th, and 5th Plenary Sessions of the 19th Central Committee. We fully implemented the general requirements stipulated for party building in the new era and the organizational line of the party in the new era, were unwavering in our strengthening of the party's overall leadership, and provided a strong political guarantee for the promotion of the Company's high-quality development.

Under the leadership of political construction, we continually promoted comprehensive and strict governance of the party and ensured that the major decisions and deployments of the Party Central Committee were implemented in their proper place.

We thoroughly studied, implemented, and integrated Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the spirit of important meetings held by the Central Committee, and the vital decisions and deployments of the Party Central Committee into the business operations of PICC. In 2020, our Party Committee Theoretical Learning Center Group conducted 12 intensive study seminars and held one reading class. They systematically sorted out the latest speeches given by General Secretary Xi Jinping every two weeks, and subsequently arranged for the prompt study of said speeches.

We continually strengthened party building actions in the Group, firmly implemented the principle of "all-encompassing unity", and organically integrated the party's leadership into corporate governance. We strengthened the management of the Group's dispatch of directors and supervisors, optimized the proposal review mechanism for subsidiaries, and strengthened the interconnection of the Group's governance mechanism by employing two levels of legal persons. We explored ways in which to establish regional working committees, set up the first batch of pilot projects in 10 regions such as Shanghai, and integrated regional system development using the vertical leadership advantages of the party. We built a new governance pattern that integrated institutions across all levels from top to bottom, and horizontally coordinated under the leadership of the party committee. We comprehensively strengthened the construction of grassroots organizations. Party committee members universally established contact points for grassroots party branches, consolidated and deepened thematic education, and promoted the formation of an atmosphere in the system that adhered to the original mission and dared to act.



	2		
	3		
1	4	5	6
	7	8	9

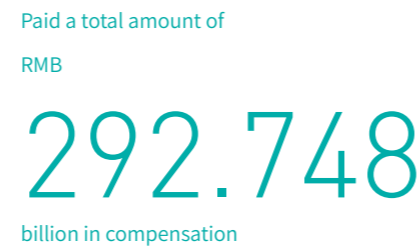
1. On November 24, 2020, Luo Xi, Secretary of the Party Committee and Chairman of the Group, visited the grassroots party building site to investigate and give guidance on the work there.
2. From November 30 to December 2, 2020, Wang Tingke, Deputy Secretary of the Party Committee and President of the Group, visited the grassroots employees of Guangxi Branch of PICC P&C.
3. On October 14, 2020, Huang Liangbo, Deputy Secretary of the Party Committee and Chairman of the Supervisory Committee of the Group, investigated the Wufangqiao Electronic Claim Settlement Center of Beijing Branch of PICC P&C.
4. On August 7, 2020, Xie Yiqun, member of the Party Committee and Vice President of the Group, went to Xiamen Branch of PICC P&C for investigation.
5. On October 27, 2020, Shi Qingfeng, member of the Party Committee of the Group and leader of the discipline inspection group of the Central Commission for Discipline Inspection of the CPC in the Group, visited Dongchuan Branch of PICC P&C in Kunming, Yunnan Province for investigation.
6. In November 2020, Li Zhuoyong, member of the Party Committee and Vice President of the Group, inspected the 95518 customer service line at Ningxia Branch of PICC P&C.
7. On December 17, 2020, Xiao Jianyou, member of the Party Committee and Vice President of the Group, investigated the implementation of the Panshi plan at Shenzhen Branch of PICC Life.
8. On August 25, 2020, Yu Ze, member of the Party Committee and Vice President of the Group, investigated the card swiping online settlement system of Tianjin Branch of PICC Healthcare in Jinghai District Hospital.
9. On March 3, 2021, Cai Zhiwei, member of the Party Committee and Vice President of the Group, investigated Shanghai Branch of PICC P&C.

SHARING WITH CUSTOMERS

PICC shared numerous things with customers, including its value, shared resources, and the Company's growth and development dividends. PICC excelled when it came to customer claim settlement services, strengthened consumer rights protection, customer information security and privacy protection, and spared no effort in protecting the legitimate customer rights and interests.

Making every effort to provide claim settlement services

We strengthened professional service capabilities so that customers could receive compensation with peace of mind. Following our principle of compensating all claims that should be compensated and speeding up processing and claim settlement, we simplified the claim settlement process, coordinated rescue agency resources, and strengthened technology to enable accurate and rapid loss assessment. We also opened green claim settlement channels, thus providing customers with high-quality and comprehensive claim settlement services. In 2020, we provided more than RMB 1446 trillion in risk protection and paid RMB 292.748 billion in compensation.



▲ On August 18, 2020, faced with severe floods unlike any seen in nearly a century, the PICC P&C Sichuan Branch assembled itself as a vast "claim settlement army", and charged forward to go up against the flood and protect the safety of people's lives and property.

We continually upgraded service measures and continuously improved the efficiency of claim settlement. We upgraded the PICC app, unified the comprehensive e-commerce portal website to provide unified policy management services, and supported one-stop self-assisted claim settlement for multiple insurance types, thereby greatly reducing the issue of customers having to repeatedly submit claim settlement information. In 2020, 93.15% of PICC P&C claim settlements were done online, with PICC Health reaching a similar 90.06%. PICC Life reduced the payment time limit for claim settlement application and time limit for small-amount claim settlement service by 27.65% and 44.44% respectively compared to 2019.

Safeguarding customer rights

We did our utmost to protect consumer rights and interests. In terms of customer management, we always started with the protection of the legitimate rights and interests of consumers, and considered it as our goal. We built a protection system and conducted a series of protection efforts for consumers' rights and interests such as consumer protection review, consumer protection information disclosure, consumer dispute resolution, consumer education and publicity, internal consumer protection training, and internal consumer protection assessment and audits. We pushed for the Company to pay more attention to the protection of consumers' legitimate rights and interests in product design, marketing publicity, claim settlement services, and management of cooperative institutions, and continuously improved the standardization and effectiveness of consumer protection. In response to chaotic factors in the market over recent years such as fake insurance policies and withdrawal from black industry chains, we implemented the requirements of the CBIRC, strengthened internal control and compliance management, and effectively prevented damage risks to customer funds as well as fraud and personal information leakage. We protected the legitimate rights and interests of consumers in a practical manner.

Properly dealing with customer complaints. The Group issued the PICC Interim Administrative Measures for Insurance Consumer Complaints, which provided specific instructions for the handling of customer complaints during insurance consumption activities, the time limit for handling complaints, and handling results. This ensured customer complaints were handled properly.

<p>Working mechanism</p>	<p>With the establishment of internal communication and coordination, information sharing, and collaborative handling of complaints as the main thread, we initiated traceability and rectification projects in key complaint fields, and also formulated implementation plans for the classification and management of complaints in key fields.</p>
<p>Complaint analysis</p>	<p>We sorted and summarized complaint data in accordance with actual business conditions, extracted and integrated effective information, and analyzed complaint data in-depth. We formed a pain point analysis mechanism for complaint services in key fields, processes, and links where complaints occurred, and both promoted and implemented rectification and reform from where complaints had originated.</p>
<p>Special governance</p>	<p>Seeing things from the consumer's prospective, the Company pushed risk tips to the business front end based on information gathered from consumer complaints. Underwriting, sales, and claim settlements were also pushed to the front end. We clarified complaint governance responsibilities, promoted the implementation of complaint issues from their source, and both tracked and monitored the effectiveness of rectification.</p>

PICC P&C customer complaint handling mechanism



In 2020, based on the standardization of customer complaint handling procedures, PICC P&C carried out pre-complaint prevention transformation, deepened traceability rectification, strengthened complaint governance in key areas, and promoted the standardization of business operations. The first course of action was to analyze data gathered from complains, extract and integrate any valuable information, form a pain point analysis mechanism, and then promote the implementation of rectification from this source. Second was to select outstanding and high-risk complaints to carry out traceability rectification, and formulate a special rectification governance work plan. Third was to establish working groups for traceability and rectification projects in key complaint fields, establish a linkage working mechanism, clarify responsibilities, and track and monitor the effectiveness of rectification.

Number of insurance consumer complaints

Item	Complaints per RMB 100 million premiums (Unit: case/RMB 100 million)			Complaints per 10,000 policies (Unit: case/10,000 policies)		
	2020	2019	2018	2020	2019	2018
Year						
PICC P&C	4.16	2.26	2.41	0.01	0.005	0.03
Industry ranking	52	65	68	68	75	68
Median in the P&C insurance industry	6.22	5.86	4.14	0.5	0.57	0.02
PICC Life	2.96	1.18	1.84	0.14	0.35	0.73
Industry ranking	35	46	30	56	60	30
PICC Health	15.93	6.46	11.14	0.12	0.31	0.73
Industry ranking	2	3	2	62	61	31
Median in the life insurance industry	2.29	1.41	1.52	0.25	0.62	0.36

Notes:

- The data on the number of complaints in the first three quarters of 2019 in the 2019 Corporate Social Responsibility Report has been revised here, and updated to fit the annual data.
- The 2020 data shown in the table was taken from the Announcement of Consumer Protection Bureau of China Banking and Insurance Regulatory Commission on Insurance Consumer Complaints in the third quarter of 2020 (Y.B.J.X.B.F (2020) No.12).

Protecting information security and customer privacy

We built an information security line of defense. In our thinking, we adhered to the bottom line, strengthened the construction of management systems, and strictly implemented information security related laws, regulations, and regulatory requirements. PICC P&C and PICC Life obtained and continued to hold ISO27001 international certification in 2012 and 2018, respectively.



We prevented the leakage and illegal use of customer information. In accordance with our principal of having whoever is in charge of and using others information also being the one responsible for that information, we placed a strict emphasis on system implementation and built an effective line of defense to protect the interests of the company and customers. There were no incidents of customer privacy leakage in 2020.

WIN-WIN WITH PARTNERS

PICC continually strengthened interactive communication and resource integration with government departments, various institutions, and business partners. PICC conducted comprehensive, diverse, and in-depth cooperation across all fields, actively explored innovative cooperation models, and continually strengthened strategic partnerships.

Some of the industry organizations that PICC has partaken in (in no particular order)

Association	Membership
Geneva Association (GA)	Directors
Asian Financial Cooperation Association (AFCA)	Standing council member
International Union of Marine Insurance (IUMI)	Member
The International Credit Insurance & Surety Association (ICISA)	Member
The International Union of Credit & Investment Insurers (BERNE)	Member
Association of Corporate Counsel (ACC)	Member
Federation of Afro-Asian Insurers and Reinsurers (FAIR)	Member
International Union of Aerospace Insurers (IUAL)	Member
International Health Insurance Association	Member
Green Finance Committee of the China Finance Association	Standing council member
China Financial Standardization Technical Committee	Member
The Insurance Association of China	Honorary President
Securities Association of China	Member
The Insurance Society of China	Vice chairman
China Association of Actuaries	Member
Insurance Asset Management Association of China	Standing director, vice chairman
China Association for Disaster Prevention	Initiating unit, vice chairman
China Maritime Law Association	Rotating President Unit
National Debt Association of China	Standing council member
China Institute of Internal Audit	Standing council member
National Association of Financial Market Institutional Investors	Qualifications of trustee for debt financing instruments of non-financial enterprises
China "belt and road "Reinsurance Community	Chairman of the Council
Shanghai Insurance Exchange Co., Ltd.	Member
China International Contractors Association	Member
China Auto Dealers Chamber of Commerce	Distinguished Vice President
The Hong Kong Chinese Enterprises Association	Board member unit
The Hong Kong Chinese Insurance Association	Board member unit

Strengthening cooperation and exchange

We actively promoted strategic cooperation with local governments and large enterprise groups. In 2020, the Company successively signed cooperation agreements with eight strategic customers: Shenzhen, Xinjiang Production and Construction Corps, Jiangsu Province, China Guangfa Bank, China Construction Bank, China Electronics Corporation, China Development and Investment Group, and China Merchants Group.

We actively implemented industry exchanges, broadened the scope of cooperation, and established stellar partnerships. We strengthened our in-depth cooperation with industry societies and research institutes, and promoted the transformation and development of diversified channels through joint innovation. We participated in a number of industry organizations both at home and abroad to track the development trends and policy trends of the global insurance industry, and actively participated in industry research and standard formulation. We strengthened our academic cooperation with research institutes, and carried out special research on supply-side reforms and catastrophe risks that are of general concern to society. The risk management and insurance report prepared by PICC P&C, *Dao*, concentrated on helping society apply insurance tools to carry out risk management. In 2020, PICC P&C published the *2019 Summary of Disasters and Accidents and Safety Production Liability Risks and Insurance*.

Optimizing supplier management

We strengthened supplier management to prevent procurement risks. In the process of hiring suppliers, we strengthened the review of supplier qualifications as well as their business reputation, financial and accounting systems, taxation status, and any potential violations of laws and regulations. We rigidly examined the shortlists to prevent procurement risks from the source. At the same time, we continually strengthened supplier performance management. In 2020, we organized supplier assessment efforts to evaluate suppliers in multiple dimensions of compliance in terms of code of conduct, contract performance, service level, service quality, integrity and credit, and more. We strengthened supplier supervision responsibilities, and did our utmost when it came to process control. In 2020, the Company evaluated 62 suppliers, of which 58 were ranked as excellent, accounting for 93.5%. Three suppliers were ranked as good, accounting for 4.8%, and one supplier was unqualified, which accounted for 1.6%. Suppliers who were assessed as unqualified were prohibited from participating in new procurement activities for the proceeding three years. In accordance with the *PICC Service Supplier Management Rules*, we replaced the suppliers of seven continuity projects to prevent benefit binding as well as potential supplier-related risks.

We continuously improved the social responsibility requirements of the supply chain. In accordance with the requirements of the *Law of the People's Republic of China on Tenders and Bids* and the *Interim Provisions on the Administration of Centralized Procurement of State-owned Financial Enterprises*, we launched a plan to update and improve the centralized procurement management system in 2020, further improved the centralized procurement management mechanism, and formulated, revised, and improved 10 centralized procurement system documents. In order to further strengthen supplier management, we included the performance of suppliers in terms of corporate social responsibilities into the scope of the annual assessment through the *PICC Supplier Management Measures* in the new procurement management system. Suppliers who were newly added to the inventory each year had to submit a Letter of Commitment regarding supplier code of conduct. Signing this letter signified them making a promise that they would abide by relevant environmental protection laws and regulations, comply with all national and local pollution prevention and energy saving policies as well as all laws and regulations regarding applicable working hours, wages and benefits, working conditions, occupational health and safety, and labor relations. It also meant they were to abide by business ethics and oppose corruption as well as prioritize environmentally friendly products and services. The suppliers who trade with us must continuously submit a Letter of Commitment regarding supplier code of conduct once every contract cycle. In the future, we will use the procurement system platform to strengthen the hierarchical and classified management of all inventory suppliers, and strengthen risk prevention through continuous data analysis.

Proportion of suppliers ranked as excellent



93.5%

PROGRESS WITH EMPLOYEES

PICC strictly abided by relevant laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, and the Law of the People's Republic of China on the Protection of Rights and Interests of Women. We established a complete human resource management system including recruitment, education and training, performance appraisal, salary and benefits, and more. We resolutely eliminated any discrimination due to race, place of origin, gender, disability, nationality, etc., and prohibited the use of child labor and all other forms of forced labor to create a healthy, safe, harmonious, and happy working environment where employees were treated well and provided with equal opportunities.

Number of employees (Unit: Person)

Type	2020	2019	2018
On-the-job employees	193494	198951	198457
Dispatched employees	15751	17616	18636
Sales employees	751739	870032	818256

Note: "On the job employees" are employees who have directly signed labor contracts with the Group or subsidiaries.

Gender composition of on-the-job employees (Unit: Person)

Gender	2020	2019	2018
Male	100127	101322	100081
Female	93367	97629	98376

Age composition of on-the-job employees (Unit: Person)

Age	2020	2019	2018
<31	51108	61884	67220
31-50	121719	117112	112174
> 50	20667	19955	19063

Academic degree composition of on-the-job employees (Unit: Person)

Academic degree	2020	2019	2018
Masters degree and above	9514	9338	8720
Bachelors degree	112794	112254	107961
College diploma	58951	63989	66658
Other	12235	13370	15118

Change in the number of on-the-job employees (Unit: Person)

Type	2020	2019	2018
Newly recruited	8820	17242	27942
Resigned	8351	12109	12976
Dismissed	426	516	347
Retired	2394	2120	2065
Other	2990	2007	1785

Employment and turnover rate

	2020	2019	2018
Employment rate	4.56%	8.67%	14.08%
Turn-over rate	5.77%	7.41%	7.75%

Notes:

1. Employment rate = newly recruited employee number divided by the number of contracted employees on December 31 of the current year
2. Turnover rate = number of lost employees divided by the number of contracted employees on December 31 of the current year. Number of employees lost = numbers of resigned + dismissed + retired employees

Creating a harmonious workplace

We built harmonious labor relations. We have formulated a complete process for employee recruitment and entry, and established an integrated recruitment system that is coordinated by the Group. A complete employee welfare system has been formulated to provide employees with comprehensive service guarantees. The human resources management system has been strictly implemented, employees have been provided with equal opportunities, and we pursued the concept of equal pay for equal work. We continuously optimized the labor contract and holiday management workflow, prevented labor disputes, and maintained cordial labor relations. During the reporting period, there were no incidents of child labor. The minimum notice period in the current policies and the employment contract was consistent with the relevant requirements contained within the *Labor Contract Law of the People's Republic of China*.

We protected the rights and interests of employees. In accordance with the *Trade Union Law of the People's Republic of China*, *Constitution of the Chinese Trade Unions*, and *Provisions on the Work of Enterprise Trade Unions*, we have achieved full coverage of trade union organizations. All subsidiaries and institutions in the provinces, cities, districts, and counties have established trade union organizations. We have established an enterprise democratic system based on the worker's congress system, actively promoted the construction of workers congresses, and continuously improved a system where the workers congress covers all levels within the institution. Workers congresses at all levels have become important institutional guarantees for employees' right to know, right to express, right to participate and right to supervise. We actively promoted the establishment of a collective contract system, and were steadfast in advocating the establishment of a collective negotiation system for qualified institutions. The collective contracts that have been signed covered special protection for female employees and occupational health and safety protection for employees.

We motivated employees to love and respect their work. We advocated the spirit of model workers, work spirit, and craftsmanship, and carefully organized a series of skill-based competitions with the theme of "Mastering One's Skills and Contributing to a New Era" to set the stage for grassroots employees and give them an opportunity for professional success. These competitions allowed them to push themselves further, offered them forms of self-expression, and motivated them into having a passion for self-growth. PICC Life implemented the "Rock Plan", and strove to build an entrepreneurial agent team to fully adapt to customer needs. In 2020, the Group won two National Financial May 1st Labor Awards, eight National Financial May 1st Labor Medals, and one National Financial Pioneer Collective.

National Financial May 1st Labor Awards won by the Group



2

National Financial May 1st Labor Medals



8

National Financial Pioneer Collective



1

Strengthening team building

We increased the intensity of training and exercises. We formulated employee education and training management methods, established new employee recruitment training, leadership training, reserve cadre growth training, various professional ability training, and other training systems that covered the full life and career cycle of employees. We extensively used internal and external training resources as well as online and offline platform tools to conduct training and to improve the quality of employees.

We smoothed out channels for the flow of cadres. We have established mechanisms for the multi-channel growth and promotion of employees, practical cadre training, post and appointment exchanges, and temporary transfers in local governments. We have opened up normal communication channels between headquarters and system cadres, highlighted the orientation of actual performance and practical work efforts, and improved the quality of cadre exchanges, thereby creating a wider space for cadre growth.

We improved the quality of cadres. We adhered to the party's organizational line and formulated provisions on group cadre selection and appointment as well as management provisions on appointing qualified management personnel. A normalized work mechanism for discovery, training, and selection was established. We also selected and appointed leading cadres in accordance with cadre qualifications, standardized the tenure of senior management personnel, and enhanced the talent team building process.

Average training hours for employees in 2020 (Unit: Hour)

	By gender		By employee type				
	Male	Female	Company leaders	Company-level executives	Department-level managers	Division-level managers	Personnel from basic job sequence
PICC Group	116	116	132	132	124	112	115
PICC P&C	122.6	121.9	145.14	139.1	112.75	129.7	119.9
PICC AMC	173.7	183.76	80.11	113.45	157.41	207.01	174.39
PICC Life	120	120	85.5	75	85	85	85
PICC Health	83.1	83.1	120	120	120	120	110
PICC Investment Holding	57	45	108	108	97	50	56
PICC Capital	30	30	40	-	40	30	30
PICC Financial Services	92	93	93	-	93	93	92
PICC Reinsurance	60	60	105	105	105	49	49
PICC Pension	80	80	100	-	90	80	70
PICC Hong Kong	21.7	21.7	24.37	21.7	21.7	21.7	21.7

Notes:

1. The data covers the headquarters of PICC and the head offices of subsidiaries
2. "-" means there is no relevant employee type

Percentage of employees trained in 2020

By gender		By employee type				
Male	Female	Company leaders	Company-level executives	Department-level managers	Division-level managers	Personnel from basic job sequence
100%	100%	100%	100%	100%	100%	100%

Note: The data covers the headquarters of PICC and the head offices of subsidiaries.

The second "Navigation Project" class to guide cadres was held successfully



Case

In mid-September and late November, 2020, the second "Navigation Project" class to guide cadres was held successfully in Beijing. The training, which was comprised of two 10-day intensive study programs, had 37 trainees from the headquarters of subsidiaries and the provincial branches of PICC P&C, PICC Life, and PICC Health participate.



Caring for employees

We provided comprehensive welfare protection. We paid the "Five Social Insurances and One Housing Fund" on time to our employees, applied for commercial supplementary medical insurance, implemented enterprise annuity plans, and formulated attendance and vacation systems that complied with national regulations. We cared for our female employees. In 2020, we reported to the National Committee of Chinese Financial Workers' Union to co-build 22 care rooms for female employees and also co-built 44 care rooms with the system unions. We provided protection for retirees, implemented life welfare benefits, and wasted no time in visiting and comforting the Company's retired employees, widows and widowers, empty nesters, and other members of the elderly who were going through difficult times.

Number of employers who took childcare leave in 2020

Total number of employees entitled to childcare leave	4734
Total number of employees who took parental leave this year	264
Total number of employees who returned from childcare leave during the reporting period	229
Total number of employees who should have returned from childcare leave during the reporting period	229
Total number of employees who should have been on the job 12 months after returning from childcare leave	250
Total number of employees on the job 12 months after returning from childcare leave	246
Percentage of employees who returned after childcare leave (%)	100
Retention rate of employees after childcare leave (%)	98.4

Notes:

1. The data covers the headquarters of PICC and the head offices of subsidiaries
2. Return rate after childcare leave = Total number of employees who returned from childcare leave during the reporting period divided by the total number of employees who should have returned from childcare leave
3. Retention rate of employees who enjoyed childcare leave = Total number of employees on the job 12 months after returning from childcare leave divided by the total number of employees who should have been on the job 12 months after returning from childcare leave.

We created a healthy and safe working environment. There were no occupational health hazards during Company operation. At the same time, we provided employees with various safeguard measures and service items including national statutory labor insurance, supplementary labor insurance from the Company, and more. We also provided services such as health monitoring, health guidance, Chinese medicine diagnosis and treatment, and workplace disease diagnosis and treatment. During the epidemic prevention and control period, we set a goal of zero infections and ensured epidemic prevention materials were obtained as soon as possible, thereby providing employees with the necessary epidemic prevention measures. In 2020, no one in the Company was infected with the COVID-19.

We continuously cared for employees and their families who were in need. We continued to organize the PICC Employee Appreciation Day. In 2020, with the theme of "Hands Joined in Compassion, Sharing a Vision of Kindness", we organized donations to the Group's headquarter employee care fund in Beijing. Since the establishment of the first PICC Employee Appreciation Day in 2007, it has received over RMB 30 million in donations and provided approximately RMB 13.5 million in assistance funds to thousands of employees.



▲ On October 20, 2020, the Group's labor union arranged for employees from headquarters to hold a PICC Employee Appreciation Day donation drive.

PICC P&C work-related injury data

	2020	2019	2018
Number of work-related deaths (persons)	9	11	8
Percentage of work-related deaths	0.0048%	0.0059%	0.0045%
Number of work-related injuries (person)	113	/	/
Working days lost due to work-related injuries (days)	5774.5	/	/

Notes:

1. The scope of data statistics covers the entire PICC P&C system, including regular employees and dispatched employees
2. Death rate due to work-related injuries = death toll divided by original number

SYMBIOSIS WITH THE ENVIRONMENT

PICC actively responded to the national "carbon neutral" target goals, promoted green financial innovation, established a complete green insurance product system, supported the green transformation and green development of traditional industries, adhered to the concept of responsible investment, and advocated for the development of a low-carbon economy. At the same time, we actively promoted environmental risk management and control from office operations to business processes, formulated environmental protection policies to achieve green operation, and advocated for the construction of an ecological civilization.

Developing green insurance

We facilitated green development and provided various risk protection products and services. We leveraged our advantages in risk management, strengthened top-level design and overall planning, improved the green insurance product system, and developed a total of more than 100 insurance products. In 2020, quality assurance insurance for wind power equipment products provided RMB 110.8 billion in risk protection, long-term quality and power assurance insurance for solar photovoltaic modules provided RMB 12 billion in risk protection, and environmental pollution liability insurance provided 14.7 billion in risk protection for 7716 companies to help eliminate the risk of environmental damage.

We conducted in-depth research and shared our knowledge with green development. We actively participated in the basic research of green insurance, and provided case materials of green insurance technology to the Center for Finance and Development from the Tsinghua University National Institute of Financial Research, and the Paulson Institute's Green Finance Center. The Company's remote loss assessment system case of catastrophe insurance was selected for the joint release of the Financial Technology Promotes China's Green Finance Development report by the two institutions. Along with the Research Institute for Environmental Innovation (Suzhou), Tsinghua released the industry's first White Paper on Green Insurance and Safety and Environmental Risks in Chemical Parks, and organized a package risk solution conference on chemical parks in Suzhou.

The group has developed more than



green insurance products

Environmental pollution liability insurance provided risk protection



Launching the country's first "insurance + service + credit" green building performance insurance



Case

PICC P&C pioneered the "insurance + service + technology + credit" model of green building performance insurance in Huzhou City, Zhejiang Province, and played a mechanism-like role by providing services such as financial subsidies, credit concessions, and premium leverage to provide construction companies with comprehensive credit enhancement guarantees before the event. In addition, risk control services were provided during events, and compensation for losses was provided after events. On November 30, 2020, this model was deemed the 2020 Huzhou Green Finance Innovation Case issued by the Financial Work Office of Huzhou Municipal Government.



Promoting responsible investment

We actively played the role of supply-side reform in financial services, and practiced the new development concepts of innovation, coordination, green, openness, and sharing. We continuously explored new paths for green investment, innovated green investment methods with insurance characteristics, utilized insurance funds to their full advantage, and provided financing support for the country's economic transition to green facing projects in the fields of environmental protection, new energy, energy conservation, etc. As of the end of 2020, the Group has initiated the establishment of 10 green financial products, with a total product scale of RMB 20.512 billion. Among them, there are nine debt investment plans with a product scale of RMB 16.012 billion, as well as one equity investment plan with a product scale of RMB 4.5 billion.

The group has established



green financial products

Persisting in green operation

We strictly abided by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Conserving Energy, and other relevant laws and regulations, fulfilled the requirements of national energy conservation and environmental protection policies, and strove to reduce energy consumption.

The Company's resource consumption mainly came from the water, electricity, and natural gas used in the offices. Gasoline and diesel used by vehicles in the course of business development did not have a significant impact on natural resources or the environment. We worked hard to overcome the pressure of energy consumption caused by epidemic prevention and control, actively constructed energy-saving facilities, and made energy-saving renovations. By removing high-energy-consuming light sources and using LED energy-saving lamps, we reduced energy consumption and achieved our green operation goals.

PICC Southern Information Center won the 2020 Data Center Technology Achievement Award



Case

In recent years, with safety as the premise, PICC has continuously innovated and actively promoted the construction of green data centers, formulated management requirements and standards which are in accordance with the relevant planning and arrangements stipulated by the Ministry of Industry and Information Technology of the People's Republic of China, and has gradually reduced the data center's Power Usage Effectiveness (PUE) value from 2.3 to around 1.8. In 2020, the Company's Southern Information Center was successfully enlisted as one of 60 national green data centers, and the Company's Data Center Infrastructure Intelligent O&M Technology placed third in the 2020 Data Center Technology Achievement Awards.



The Company's water source is the municipal water pipe network. We used energy-saving and water-saving equipment, and strengthened equipment integrity management during use to ensure that water was properly conserved. We used reclaimed water in some office spaces to reduce resource consumption. In 2020, PICC building used 8,815 tons of water, PICC P&C used 16,628 tons, and PICC Life used 7,362 tons. All the domestic sewage generated from daily operations was discharged into the sewage treatment system.

Energy structure and use in some of the offices

	Year	Group headquarters	PICC P&C	PICC Health	PICC Life	PICC Financial Services	PICC Hong Kong
Electricity consumption (kWh)	2018	4082981	5128340	471803	1765696	95747	96339
	2019	3598689	5278456	577921	1717196	129411	111275
	2020	4488406	5687145	707781	1585461	91808	107750
Natural gas (cubic meters)	2018	63833	63036	0	26708	0	0
	2019	61064	54438	0	33425	0	0
	2020	47478	50945	15293	22316	0	0
Electricity consumption per capita (kWh/person)	2018	3035.67	4231.30	1084.61	2838.74	1063.86	1606
	2019	3110.36	4107.75	1275.76	2442.67	1294.11	1766
	2020	3849.40	4418.91	1601.31	2067.09	1162.13	1633
Natural gas consumption per capita (cubic meters/person)	2018	47.46	52.01	0	42.94	0	0
	2019	52.78	42.36	0	47.55	0	0
	2020	40.72	39.58	34.60	29.09	0	0

Notes:

1 "Headquarters of PICC" indicates the total energy consumption of offices in the headquarter buildings of PICC, including the Group companies and its subsidiaries that work in the headquarters building (such as the PICC Asset Management's office in Beijing, PICC Investment Holding, PICC Capital Investment, PICC Reinsurance, and PICC Pension).

2. The total power consumption of PICC P&C refers to the power consumption of all electrical equipment in the PICC P&C building except for the tenant's office area. The total natural gas energy consumption of PICC P&C does not include the energy consumption of the tenant in the leased area of the building.

3. The data for PICC Life Insurance includes the data of the office area of the PICC Life Building and public areas.

4. The office address of PICC Hong Kong is on floors 13 and 15 of the Guangdong Investment Building. The statistical data is based on power consumption for floors 13 and 15.

Official vehicle gasoline consumption in some of the Company headquarters (Unit: Liter)

Year	PICC P&C	PICC Life	PICC Health
2018	29964	20168	32392
2019	26602	20011	27562
2020	19080	15193	15973

Water consumption of some of the office premises

	Year	Group headquarters	PICC P&C	PICC Life	PICC Health
Water consumption (ton)	2018	12260	22371	4739	908
	2019	11664	21375	5878	3660
	2020	14346	16574	7483	6634
Water consumption per capita (ton/person)	2018	9.12	18.46	7.62	2.09
	2019	10.08	16.63	8.36	8.08
	2020	12.30	6.44	9.75	15.01

Notes:

1. In recent years, we have been improving the statistics on energy to gradually expand the scope of collection and disclosure. "-" in the 2018-2020 data indicates that no data was available.

2. "The Group headquarters" data includes the Group companies and its subsidiaries that work in the headquarters building (such as the PICC Asset Management's office in Beijing, PICC Investment Holding, PICC Capital Investment, PICC Reinsurance, and PICC Pension).

3. The 2020 data of PICC P&C included leased areas and personnel

Reducing waste discharge

We strictly abided by the related requirements of the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the National Catalogue Of Hazardous Wastes Explanatory, and more to actively explore and implement ideal practices for the reduction of pollutant emissions. We encouraged such practices within the Group and its subsidiaries, and spread the concept of green environmental protection to our stakeholders.

Solid waste

The primary source of hazardous waste generated by the Company came from hazardous waste generated in buildings such as used batteries, used lamps, and electronic equipment waste generated in office premises. On the premise of meeting the requirements of office operations, we continued to reduce the amount of solid waste, which has become a management goal of ours. In 2020, in order to reduce the amount of hazardous waste, the Company controlled the purchase of hazardous materials to a reasonable extent, set up special areas to store hazardous waste, strictly classified garbage, and subsequently entrusted qualified suppliers for their disposal in accordance with regulations.

The new version of the *Regulations on the Management of Domestic Waste in Beijing* came into effect on May 1, 2020, and the management regulations put forward greater requirements for the classification of domestic waste. In strict accordance with these management regulation requirements, we formulated the *PICC Building Garbage Classification Plan*, and were diligent in our classification of garbage. We uniformly equipped the entire building with classified garbage containers, and posted eye-catching signs and promotional materials. At the same time, in order to reduce the amount of domestic waste, we advocated reducing the use of paper cups, actively promoted paperless office practices, and encouraged customers to download electronic insurance policies to reduce the consumption of resources.

In order to be proactive in doing our part for the "Clean Plate" Campaign, we launched a campaign focusing on "cherishing the food on the plate, and rejecting unreasonable waste". This campaign advocated for green dining in order to create reasonable meal portions that effectively controlled the amount of kitchen waste generated.

Downloads of electronic policies of some of the subsidiaries (unit: 10,000 policies)

Company name	Year	Downloads of electronic policies
PICC P&C	2018	3801
	2019	12553
	2020	19748
PICC Life	2018	1926
	2019	2294
	2020	1344
PICC Health	2018	1157
	2019	2417
	2020	3478

Notes:

The statistics of PICC P&C is the sum of the downloads from the Elife electronic policy system and the amount generated by the electronic document management system

The statistics of PICC Life is the sum of the amount of insurance policies from e-commerce online sales and the data of remote, direct sales, and E-mobile China

The statistics of PICC Health is the number of the electronic policies provided

Amount of solid waste generated by the Group building

	Year	Total amount generated (tons)	Amount generated per capita (kg/person)
Kitchen waste	2018	55.44	41.22
	2019	55.44	47.92
	2020	39.6	33.96
Recyclables	2018	10.95	8.14
	2019	11.68	10.1
	2020	12.41	10.64
Other waste	2018	73	54.28
	2019	76	65.69
	2020	77	66.04
Hazardous waste	2018	0	0
	2019	0.2	0.18
	2020	0.1	0.09

Exhaust gas and greenhouse gas emissions

The exhaust gas generated during the Company's operation primarily came from the exhaust emissions of official vehicles and the cooking fumes generated by the cafeteria. We appointed up-to-standard emissions as a management goal, and installed kitchen oil fume purification devices in accordance with relevant requirements. In compliance with the relevant provisions of the Notice on Further Regulating Emissions Inspection and Strengthening the Supervision and Management of Motor Vehicles issued by the Ministry of Environmental Protection, we regularly maintained and monitored corporate business vehicles and vehicles used for claim settlement for emissions to ensure that gas emissions complied with the national standards on vehicle emission and other laws and regulations. We encouraged the use of video and telephone conferences for work exchanges to reduce carbon emissions caused by official business trips.

Greenhouse gas emissions of some of the offices

	Year	2020	2019	2018
Green house gas emissions				
Electricity emissions (tCO ₂ e)		7728.96	6963.04	7102.12
Natural gas emissions (tCO ₂ e)		294.13	322.01	332.06
Gasoline consumption and emissions (tCO ₂ e)		110.07	162.49	180.78
Total emissions (tCO ₂ e)		8133.16	7447.54	7614.96
Per capita emissions (tCO ₂ e)		2.07	2.04	2.15

Notes:

1. The greenhouse gas emissions included direct emission (scope 1) and indirect emission of energy (scope 2). Other indirect emissions were excluded from the disclosure of greenhouse gas emission in this report.
2. According to the National Development and Reform Commission's Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions by Public Building Operators (Enterprises) (Trial) and the IPCC 2006 release coefficient, greenhouse gases to be verified include CO₂, CH₄, and N₂O
3. The emission factor corresponding to electricity adopts the 2015 national grid average emission factor of 0.6101tCO₂/MWh
4. For calculation of greenhouse gases, please refer to the CO₂ Accounting and Reporting Guidelines for the Enterprises (Units) in Beijing
5. The calculation scope of total emissions includes the Group headquarters, PICC P&C, PICC Health, PICC Life, PICC Financial, and PICC Hong Kong
6. The calculation scope of per capita emissions is PICC P&C, PICC Life, and PICC Health

CO-BUILDING WITH SOCIETY

PICC focused on the pain points in government governance, utilized its advantages in commercial insurance, innovated social service methods, and focused on the development of comprehensive governance insurance, production safety liability insurance, and other governance insurance. We actively handled catastrophe claim settlement, promoted the improvement of catastrophe insurance mechanisms, and enriched catastrophe insurance products, making insurance become an effective means for government departments when dealing with risk prevention, response, and management. This thereby improved the risk prevention capabilities of the entirety of society.

Participating in social governance

We innovated products and services and helped modernize national governance standards and governance capabilities. In the field of public interest, we deployed comprehensive security insurance in a comprehensive manner, and fully embodied the positive role that insurance can play in resolving conflicts and disputes as well as maintaining social harmony. We integrated risk management service resources, innovated and served the social governance model, further promoted the "Coordinated Actions between the Police and Insurance Company", continuously expanded coverage, enriched service content, and helped solve the issue of traffic congestion management. As of the end of 2020, the "Coordinated Actions between the Police and Insurance Company" has covered more than 330 cities and served more than 4.67 million people.

We assisted in safety governance and put a "safety lock" on the national economy and people's livelihood. We paid close attention to the needs of enterprises, and on the basis of providing insurance protection, we introduced innovative value-added services such as safety production risk assessment, risk prevention, process management, and hidden danger rectification. We helped enterprises improve their risk prevention capabilities and safety management standards, and explored various practices including the "Jiaxing Safe Factory", "Safety liability insurance Foshan model", "Hunan 'smart construction site' model" and other typical empirical practices. As of the end of 2020, production safety liability insurance has covered nearly 60,000 companies, provided RMB 4 trillion in risk protection, and uncovered nearly 300,000 hidden risks. We introduced technical means to solve the issue of elevator maintenance quality, and both explored and formed new elevator insurance business models such as the Ningbo model, Hangzhou model, Xiamen model, and Chengdu model. At present, we have set up a total of seven elevator safety risk laboratories in Zhejiang, Ningbo, Sichuan, Xiamen, Tianjin, Liaoning, and other locations.

Health, Safety, and Environment (HSE) integrated comprehensive insurance project



Case

PICC P&C adopted the "insurance + technology + service" commercial model to launch an HSE integrated comprehensive insurance project in Jiaying, Zhejiang. One insurance policy integrated the four insurance responsibilities of safety production, occupational health, public fires, and environmental pollution, and adopted a full-field online management model to collect environmental data of enterprises from when they enter sites to when they leave. This was accomplished through data collection and monitoring. The policy also monitored occupational health indicators of personnel from when they entered the enterprise to when they left, managed the usage of equipment from operation to elimination, and helped enterprises establish full life cycle risk files.



The "Coordinated Actions between the Police and Insurance Company" has covered more than 330 cities and served more than



Safe production liability insurance has covered nearly



Smart city risk management platform



Case

The PICC P&C Jiangsu Changzhou Branch has continuously improved technology application standards for the smart city risk management platform. The Branch has explored pilot remote sensing monitoring, driving monitoring, and other new technologies, as well as integrated 18 risk control functions in six sections. More than 300 new flooding monitoring points, 200 smoke alarm devices, and nearly 100 on-board early warning devices were added throughout the year, and over 100,000 follow-ups were conducted for various risks such as flooding, electrical, smoke, and road safety.



Elevator comprehensive insurance project



Case

On December 23, 2020, the elevator comprehensive insurance project team of the PICC P&C Ningbo Branch carried out major inspections of elevator safety for a group of old resettlement communities that would commonly encounter elevator failures due to poor infrastructure. The Branch focused on the safety inspection of elevators with severe influent problems due to burst water pipes caused by cold waves, then proceeded to contact the maintenance unit for rectification.



Serving disaster prevention and loss reduction

We dealt with global climate change and participated in-depth in building disaster prevention and alleviation capabilities. We have extensively cooperated with governments, enterprises, scientific research institutions, and more for disaster prevention and alleviation, fully integrated into the local emergency rescue system, and actively cooperated in responding to various extreme weather events and disaster-related accidents. Along with a number of units, we initiated the establishment of the Disaster Risk Assurance Branch of the China Disaster Prevention Association, focused on conducting research into the disaster risk assurance system under the overall requirements of "comprehensive emergencies for all disaster types", and helped to build a national disaster risk assurance system. Since the establishment of the Disaster Research Fund in 2011, PICC P&C has funded more than 70 domestic universities and scientific research institutions, and has formed nearly 300 research reports and academic papers. The results involved many industry risk fields and various risk management technologies. The fund has played a unique role in serving the government, serving people's livelihood, and supporting academics.

Formed more than



research reports and academic papers

We helped improve risk early warning and disposal capabilities. We actively carried out pre-risk warning and risk response, relied on the empowerment of technology to provide customers with value-added services such as risk reduction management, and improved our comprehensive risk prevention capabilities. For example, we explored technology such as the Internet of Things (IoT), and advanced "Human prevention + technical prevention". In response to crucial risks such as floods and fires, we installed IoT monitoring and early warning equipment for customers to monitor risks in real-time. Through the reasonable application and customized development of waterlogging monitoring and early warning data, we provided real-time early warning for urban waterlogging sections, communities, and key enterprises based on various types of urban waterlogging monitoring equipment, thus reducing the occurrence of accidents. In 2020, the Company used its self-developed mobile risk control app to provide over 50,000 customers with on-site flood and fire risk investigation services, effectively improving customers' disaster prevention capabilities.

Provided over



customers with on-site flood and fire risk investigation services



◀ On April 20, 2020, the Hulunbuir region of Inner Mongolia suffered from the sudden arrival of a severe cold wave, strong winds, and heavy snowfall. The PICC P&C Inner Mongolia Hulunbuir Branch quickly launched an emergency plan to assist the traffic police department in maintaining order on the roads and helping rescue those who had been trapped.

On August 6, 2020, when Typhoon Hagupit crossed the border, the catastrophe investigators of the Ningbo Branch of PICC P&C entered the village to investigate.



Committed to charity

We used the PICC Charity Foundation as a professional charity operation platform, and continually increased charity donations in various fields such as poverty alleviation funding, medical health, and anti-epidemic rescue. This affected and drove hundreds of thousands of employees both in the system and the whole of society to be mindful of disadvantaged groups and participate in voluntary assistance activities together to build a harmonious community. In 2020, PICC donations totaled RMB 97 million.

We focused on health donations and improving public health. In 2020, we donated "Mothers Health Express" to 20 hospitals in Lhasa, Tibet, and Bijie City, Guizhou Province, and offered tailor-made high-chassis, strong-powered monitoring ambulances that could deal with the plateaus characteristic of the region. These ambulances were equipped with fetal monitors, B-ultrasounds, and other convenient on-board medical equipment. We donated four medical ambulances to Langmusi Town, Shuangcha Town, Gahai Town and Ala Township in Luqu County, Gannan Prefecture, solving the county's Tibetan hospital prior issue of only having one ambulance. We used the Mothers Health Express as a way to carry out activities such as free consultations, lectures, training sessions, and home visits, thereby helping raise health awareness amongst the local people and ensuring more ideal medical and health conditions for women and children. As of the end of 2020, a total of 121 Mothers' Health Expresses have been donated to Xinjiang, Gansu, Yunnan, Tibet, and Guizhou as part of Kind-Hearted Patrol Medical Service Week, with donations exceeding RMB 21 million.

Donated a total of



Mothers' Health Express

We continually recruited volunteers and actively conducted voluntary services. We actively organized and encouraged volunteers to carry out voluntary service activities such as educational aid, poverty alleviation, community construction, ecological environmental protection, and more. We continuously enhanced the influence, appeal, and attractiveness of PICC's voluntary services, and devoted ourselves to helping disadvantaged groups in any way we could. During the implementation of the Heart-warming Project in 2020, we organized and mobilized our Communist Youth Leagues to carry out various youth voluntary service activities, actively spreading the compassion of PICC, and promoting positive energy amongst the youth.



▲ A woman from Nayong County came with her eight-month-old child on her back and took one of the free health handbooks from the staff. Ignoring the heavy rainfall pouring upon her, she looked up each and every piece of information regarding women and children's health. From from time to time, she would inquire about children's health, a smile on her face all the while.



▲ For Kind-Hearted Patrol Medical Service Week, a team of specialists from the PICC Mothers Health Express went to the Central Primary School of Anlexi Township, Hezhang County to carry out eye health screening and popular science activities.

PICC P&C volunteer activities for public welfare

	2020	2019	2018
Number of participants (persons)	26866	28475	18701
Service time (hours)	163225.5	67485.5	29747
Number of beneficiaries (persons)	925746	440999	279620

Note: The data is statistical data of the volunteer teams of the League Committee of PICC P&C system



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SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM

Social responsibility management system

PICC has always adhered to the concept of sustainable development, attached great importance to the demands of stakeholders, and comprehensively integrated environmental, social, and governance (ESG) elements into the group's development strategy, business practice, and corporate governance. It has done this by continuously improving the construction of the social responsibility management system and strengthening responsibility management to better realize the coordinated and sustainable development of both the Company and stakeholders.

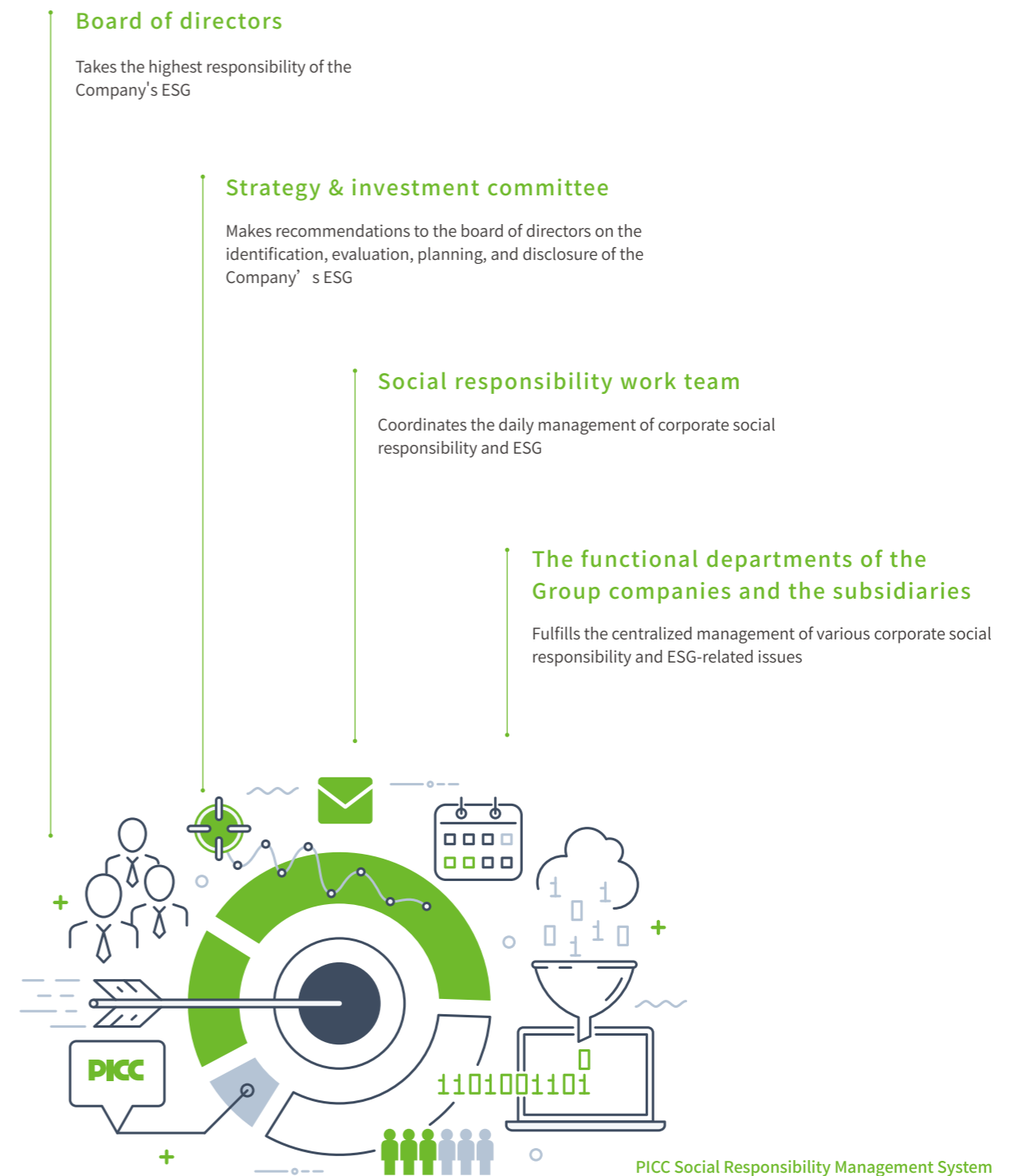
In 2020, the Company established a corporate social responsibility management system with complete responsibilities and clear division of labor.

The Company revised and refined the working rules of the Strategy and Investment Committee under the board of directors, thereby clarifying its responsibilities regarding the environment, society and governance. In the process of decision-making, our board of directors took full account of the report and recommendations of the Strategy and Investment Committee on the Company's environmental, societal, and governance responsibilities. The board regularly reviewed achievements made in ESG, proposed directional and strategic arrangements to strengthen ESG management further, guided the Group's functional departments and subsidiaries to implement ESG concepts and management methods into business practices, and systematically improved the Company's sustainable development capabilities.

According to the Work Rules of the Strategy and Investment Committee under the Board of Directors, the Strategy and Investment Committee undertook the following policy-based responsibilities regarding corporate social responsibilities such as environment, society, and governance:

- Formulating the construction plan of the ESG management system, including governance policies, strategies, assessment, priority ranking, and management of important ESG-related (including business risks) processes, etc.
- Studying and evaluating the ESG-related factors that may affect the Company's development
- Reviewing the planning and implementation of the Company's ESG efforts
- Disclosing corporate social responsibility information in ESG








Under the new system, the Group's Board of Directors was responsible for overseeing the implementation of the strategic planning, goal setting, and action plans included as part of the Company's social responsibilities. The board of directors gradually incorporated the related ESG into the Company's business operations and long-term development plans, and regularly reviewed any issues related to social responsibility during board meetings. The Group established a corporate social responsibility work team to coordinate the daily management of corporate social responsibility and ESG. This included the preparation of ESG reports, collection of social responsibility indicators, collection and sharing of outstanding cases, and organization of training and publicity. The functional departments of the Company and subsidiaries were responsible for the centralized management of various social responsibility issues, and regularly submitted relevant management measures, performance indicators, and excellent cases.



STAKEHOLDER ENGAGEMENT

Adequate communication is an important channel for PICC in obtaining the appeals of stakeholders. We fully recognize the vital role all stakeholders play in our social responsibility efforts. We attach great importance to our communication with stakeholders, and have improved the convenience and timeliness of communication through the continuous improvement and enhancement of communication and dialogue mechanisms. We employed various methods to keep stakeholders in the loop regarding corporate governance and operations to help them obtain the information needed for decision-making. We actively collected opinions and suggestions from stakeholders, assessed how substantive they were, and then incorporated them into the scope of management and control in order to continuously improve corporate social responsibility and ESG performance. In terms of our communication methods with stakeholders, we used new media such as our official website and official WeChat account to introduce products and provide consulting platforms. We also used earning release conferences, customer festivals, and other opportunities to demonstrate our performance capabilities to shareholders and customers, after which we would obtain their feedback.

List of shareholders

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

DEFINING MATERIAL TOPICS

The analysis of substantive issues is the foundation and basis of PICC's social responsibility efforts. We comprehensively analyzed the two dimensions of "influential importance to stakeholders' evaluation and decision-making" and "influential importance to the economy, environment and society", prioritized and grasped the points of integration, and determined the focus and direction of social responsibility efforts. Through communication and exchanges at different levels and perspectives, we analyzed the influential importance to stakeholders' evaluation and decision-making, as well as towards the economy, environment and society by consulting external professionals to understand and determine the internal and external impacts generated by the existing business models and operating environment in an objective manner.

List of concrete topics



HONORS

PICC

- Ranked the 121th in the List of Fortune Global
- Ranked the 30th in the list of Top 500 Enterprises of China
- China Top 100 Enterprises Award
- Best Insurance Company Award for Responsible Investment
- Top 100 of comprehensive strength and best valuable investment
- "Golden quality" for social responsibility of listed company
- Evergreen Award 2020 • Sustainable Development Award
- 2020 Ark Award for Chinese Insurers with High-quality Development
- 2020 Ark Award for Anti-epidemic Advanced Deeds in China Insurance Industry
- 2020 Ark Award for Poverty Alleviation in the China Insurance Industry
- Awarded the highest ranking of "Best" in the appraisal and evaluation of the effectiveness of fixed point poverty alleviation by central units for two consecutive years
- In the National Poverty Alleviation Summary and Commendation Conference, two advanced collectives and one advanced individual of our Group were commended
- Best Insurance Service Innovation Award

PICC P&C

- 2020 Best P&C Insurer of Asia
- 2019-2020 Gold Medal Service Organization
- 2020 Outstanding P&C Insurer
- 2020 Insurtech Innovation Award
- 2020 Outstanding Unit of Digital Transformation Achievement in the Insurance Industry
- Most trusted insurance company by customers

PICC AMC

- 2020 Best Insurance Asset Management Company of the Year
- 2020 Golden Tripod Award for China Wealth Management Agency
- 2020 Outstanding Yield Performance Insurance Asset Management Company

- 2020 "Jinlicai" Annual Outstanding Asset Management Award
- 2020 Outstanding Technical Product Innovation Contribution Award in the Financial Industry

PICC Life

- 2020 Excellence in Communication of Social Responsibility
- 2019-2020 Worthy of Entrusted Life Insurance Institution
- 2020 Ark Award for Gold Insurance Service
- Ranked on the overall competitiveness list of the 2020 Top 10 Chinese Life Insurance Companies
- Pioneer Organization for Targeted Poverty Alleviation

PICC Health

- Model Cases of "Innovative Practice", "Contribution and Dedication" and "Excellent Organization" in the Insurance Poverty Alleviation Project
- Demonstration case of technological innovation service

PICC Capital

- Special Contribution Organization Award for fixed point poverty alleviation in the insurance asset management industry
- The PICC Capital-Shandong High Speed Development Equity Investment Plan won the Best Innovative Product Promotion Award from the Insurance Asset Management Association of China (IAMAC)
- The PICC Equity-PICC Shanghai Science and Technology Innovation Fund won the Supporting the Construction of Two New and One Key Award, and the Excellent Promotion Award from the Insurance Asset Management Association of China (IAMAC)

PICC Financial Services

- 2020 Ark Award for Innovation in China Insurance Industry
- Bangbang Auto Service won the Innovative Service Platform Award
- Aibao Technology won the 2020 Global Insurance Technology Outstanding Enterprise Award



ASSURANCE STATEMENT

SGS' REPORT ON SUSTAINABILITY ACTIVITIES IN THE SOCIAL RESPONSIBILITY REPORT OF PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED FOR 2020

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter as "SGS") was commissioned by the People's Insurance Company (Group) of China Limited (thereafter as "PICC") to conduct an independent assurance of the Chinese version of PICC's Sustainability Report for 2019 (hereinafter called "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report of PICC. Other disclosed data and information are not within the scope of assurance. We conducted on-site assurance for the data and the information which contained in the Report about the PICC head-office located at PICC Building, No. 88, West Chang'an Street, Xicheng District, Beijing, P.R. China, PICC Reinsurance Company Limited and PICC Pension Company Limited.

The information in the Report of is the sole responsibility of its management and relevant functional departments. SGS did not involve in the preparation for 2020 Social Responsibility Report of PICC.

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

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the GRI STANDARDS for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

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

- evaluation of content veracity;
- evaluation of the report against the core option of GRI STANDARDS

The assurance comprised a combination of pre-assurance research, interviews with relevant employees; documentation and record review and validation with external bodies and/or stakeholders where relevant.

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification with a global service network. SGS affirms our independence from PICC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised of CSR Lead Assuror, CCAA Registered ISO 9001 auditor, ISO 14001 auditor, ISO 45001 auditor and ISO 50001 Verifier.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the Report verified is accurate, reliable and provides a fair and balanced representation of PICC's sustainability activities in 2020.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders.

We believe that the organisation has chosen an appropriate option for the reporting.

GRI STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion the Report is presented in accordance with the core option for GRI STANDARDS and fulfills all the required content and quality criteria.

PRINCIPLES

Stakeholder Engagement

PICC identified its stakeholders relevant to its activities and considered the reasonable expectations and interests, establishes channels and platforms for Stakeholder inclusiveness and takes various ways to communicate and interact with stakeholders.

Sustainability Context

PICC present its efforts to the sustainable development in economic, environment and social aspects. The performance was presented in the sustainable context.

Materiality

Based on the topics concerned by the stakeholders, on the basic, PICC has considered reasonably disclosing issues and indicators with materiality, which substantively influencing the assessments and decisions of stakeholders, to reflect the organization's significant economic, environmental and social impacts.

Completeness

The Report covered the identified material aspects and their boundaries and relatively completely reflected the significant impacts on economy, environment and society, so that the stakeholders could assess the performance of PICC in the reporting period.

Balance

The Report disclosed the positive and non-positive information, complying with the balance principle.

Comparability

The Report disclosed performance indicators of PICC in 2020, some performance indicators were disclosed for the past three years for comparison.

Accuracy

The information in the Report was accurate, which could disclose more qualitative and quantitative information on performance for stakeholders.

Timeliness

The data and information in the Report was on a regular schedule and available in time. PICC will report on a regular schedule with one year to assure the good timeliness.

Clarity

The Report used various expression ways such as words, charts, graphs, photos and combination with the case analysis, it was easily understood by stakeholders.

Reliability

PICC has established the management process about the sustainability report, and it was timely collected, recorded and analyzed the information and data which disclosed in the report. The information and data disclosed in the report are realistic and reliable.

Management Approach

The Report discloses the management approach of determined material topics.

General Disclosure

The general disclosures were presented in accordance with the core option of GRI Standards.

Topic-Specific Disclosures

PICC's Topic-Specific disclosures related to the material topics in economic, environmental, and social areas were in accordance with the core option of GRI Standards.

Findings and recommendations

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

Limitations of Assurance

The onsite visits were only at the PICC head-office, PICC Reinsurance Company Limited and PICC Pension Company Limited. Relevant data and information traceability were only focused on the group level and two sampling subsidiary companies.

Signed:



For and on behalf of SGS-CSTC

David Xin

Director, Knowledge

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22nd, Mar, 2021

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