



**2022**  
**CHINA PACIFIC INSURANCE**  
**SUSTAINABILITY REPORT**

## LEAD-IN

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# LEAD-IN

## About the Report

This annual report on sustainable development, a second of its kind, is issued by China Pacific Insurance (Group) Co., Ltd. (hereinafter referred to as “CPIC”) after the company has released corporate social responsibility reports for 13 consecutive years. It is focused on CPIC's practice of ESG concepts and the promotion of sustainable development.

### Scopes

#### ■ Organizational scope

The entity covered by this report is primarily CPIC, including various professional agencies affiliated with the company.

#### ■ Reporting period

The reporting period covered by this annual report started on January 1, 2022 and ended on December 31, 2022.

### Basis of Preparation

This report complies with the Guidelines of the Shanghai Stock Exchange for Self-disciplinary Supervision of Listed Companies No. 1—Operational Standardization, the Stock Exchange of Hong Kong's Guidelines for Environmental, Social and Governance Reporting (2022) and Guidance on Climate Disclosures, the guidelines of London Stock Exchange for ESG reporting, and China Banking and Insurance Regulatory Commission's Guiding Opinions on Strengthening the Development of Consumer Protection Systems and Mechanisms at Banking and Insurance Organizations and Green Finance Guidelines for the Banking and Insurance Industries.

This report is prepared with reference to Task Force on Climate-Related Financial Disclosure (TCFD), the United Nations' Sustainable Development Goals (SDGs), as well as to FTSE Russell's and MSCI's ESG rating standards and the GRI's standards (2021).

It also reflects the implementation of the United Nations' Principles for Responsible Investment (UNPRI), Principles for Sustainable Insurance (UNPSI) and Green Investment Principles (GIP).

### Principles of Reporting

- **Materiality principle:** This report has identified and responded to the important issues bearing on CPIC's sustainable development and, in detail, described the process and results of materiality analyses.
- **Quantitative principle:** This report has disclosed CPIC's key ESG performance in quantitative terms.
- **Balance principle:** By disclosing both positive and negative indicators, this report has given an objective view of relevant facts.
- **Consistency principle:** The indicators and calculation methods used for different reporting periods are kept consistent to the highest extent possible.

### Denomination Currency

Unless otherwise stated, this report uses Renminbi as the denomination currency for financial data.

### Languages

This report is written in simplified Chinese, but versions in traditional Chinese and English are also available.

### Formats

This report is made available in both electronic and printed versions, with the latter printed on environment-friendly recycled paper.

### Access

The electronic version of this report can be accessed at and downloaded from the official website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), of the Stock Exchange of Hong Kong ([www.hkex.com.hk](http://www.hkex.com.hk)), and of China Pacific Insurance (Group) Co., Ltd. ([www.cpic.com.cn](http://www.cpic.com.cn)).

### Note on Designations

For the sake of convenience, China Pacific Insurance (Group) Co., Ltd. is referred to as “CPIC”, “company”, “group” or “we” in this report.

## Board of Directors' Statement

Guided by the decisions of the Communist Party of China's 20th National Congress, as well as the 14th Five-year Plan and Vision 2035 of the People's Republic of China, CPIC's Board of Directors has carried out the regulatory and policy requirements for ESG affairs in a bid to improve the company's ESG performance, sharpen its sustainable development capabilities, and facilitate its high-quality development.

**Improving ESG Governance Structure:** The Board of Directors is the highest decision-making body for the management of ESG affairs at the company. In 2022, the company set up an ESG Committee and, at the same time, an ESG Office on the corporate level. Accordingly, the company's subsidiaries have gradually established their respective ESG organizational structures, including leading groups for ESG work and ESG offices, to advance ESG governance through special working groups. For example, CPIC Property and Casualty Insurance set up a center for sustainable development research to lead and execute green finance work; CPIC Life Insurance established an ESG office; CPIC Asset Management created an ESG investment and research group; and CPIC Changjiang Pension organized an ESG investment and product R&D group.

**Enhancing Strategic Guidance for ESG Work:** In 2022, we formulated an Environmental, Social and Governance Plan of the CPIC (2023–2025). This was a special plan under the company's overall strategic framework. It specified the vision, goals and paths for ESG development at the company. Therefore, it was a guiding document for the company's ESG work in the three years to come. The company's subsidiaries, too, have strengthened their strategic guidance for ESG affairs. For instance, CPIC Property and Casualty Insurance formulated a Strategic Plan and Implementing Measures for Green (Sustainable) Insurance (2022–2024).

**Identifying Key Themes on a Yearly Basis:** The Board of Directors supervised the conduct of surveys among stakeholders to identify ESG opportunities and risks in a timely manner and to specify important ESG themes for CPIC's sustainable development. According to the results of stakeholder surveys, the company further narrowed down to 20 key themes, including serving national strategies, furthering social wellbeing, assisting rural vitalization, supporting the real economy, and promoting green development.

**Integrating ESG into Practical Operations:** The Board of Directors further elaborated on the deployment of work in several fields, including sustainable insurance, responsible investment, ESG risk management, and green, low-carbon operations. In 2022, the company developed a Guidelines for

Sustainable (Green) Insurance Standards and a set of codes, implemented a carbon-inclusive action plan in the theme of “zero-carbon and zero-plastic CIE”, and developed nearly 45 innovative green insurance products. Bearing key ESG issues in mind, the company's subsidiaries also clarified their work measures and carried them out in an orderly manner. For example, to advance green finance and ESG investment, CPIC Asset Management laid out the Measures of CPIC Asset Management for the Management of Investment in Green Finance (trial edition), and CPIC Changjiang Pension drafted the Implementing Rules of CPIC Changjiang Pension for ESG Bond Investment (trial edition).

In detail, this report discloses CPIC's ESG management and practice as well as the progress of other issues concerned. It has been deliberated and approved by the company's Board of Directors in March 2023.



# Chairman's Statement

## Gathering Sustainable Forces to Be an All-New Industry Leader

The year 2022 saw a complex and changeable situation for our business. In this context, however, CPIC embarked on a new journey and worked diligently, resolutely and persistently as we did in the very beginning. Having overcome numerous difficulties and withstood various tests, we managed to **renew our amazing achievements. In the extremely important and extraordinary past year, therefore, we delivered a remarkable track record of performance.**

In the past year, CPIC worked hard for sustainable development and created a slate of noteworthy achievements, such as meeting deadlines despite shortened project cycles, meeting targets within specified window periods, and showing strength in dire circumstances. Just because of every achievement of this kind, we were able to score greater progress, change for the better, and make us an industry leader in the end.

In the past year, CPIC identified new orientations, deepened the concept of sustainable development, and improved governance for sustainable development, we also communicated the culture of sustainable development. As a result, we managed to achieve high-quality development during the period. In short, for the purpose of green and low-carbon development and on the basis of safety and compliance, we wrote a new chapter of sustainable development to the satisfaction of the people through tech innovation and service improvement.

### Integrating Ourselves into the Big Picture of National Development to Serve the Country

We took the initiative to integrate our business into national development and to accelerate the building of a new development pattern. More specifically, to assist with the opening-up drive, we provided services for China International Import Exposition (CIIE), China International Fair for Trade in Services (CIFTIS), and the Belt and Road Initiative, and deepened foreign exchange and cooperation. To promote rural vitalization, we improved the modes of assisting the rural areas, perfected the services of insurance for agriculture, rural areas and farmers, and renewed the methods of aiding, benefiting and empowering farmers. To facilitate regional development, we created integrated insurance services on a regional basis, made investment in key areas, and advanced integrated regional development. To fuel green development, we constructed a green finance service system to accelerate carbon peaking and carbon neutrality and promote harmonious co-existence between man and Nature.

### Putting the People at the Center of Our Business to Secure Their Life

Our starting point was to increase people's well-being and improve the quality of their life. Putting life in the first place, we built a safe haven for the people. Facing major disasters, in particular, we served as a pillar at one time or a ballast stone at another to secure the life and property of the people. Putting

livelihood in the first place, we deployed a health and wellness service system for the people. More specifically, we were concerned about the need for health and senior care, and participated in building a health and senior care system, to share our development with the general public. Putting customers in the first place, we developed our services into a well-known brand. Oriented to customer needs, we created an ecosystem of services, protected consumer rights and interests, and formed outstanding abilities to provide services.

In the past year, focusing on sustainable development, a key point and a key theme for us, CPIC went all out and wrote a new chapter of high-quality development in the new era. To that end, we developed harmonious stakeholder relationships, integrated social resources, and improved corporate governance. In addition, we shouldered greater social responsibility and bettered our accountability, leadership, motivation, collaboration and values for sustainable development. All these helped to pool our strength in the effort to facilitate high-quality, sustainable development and bring the company closer to the goal of becoming an all-new industry leader.

**Accountability laid a solid foundation for our sustainable development.** It is a mission for CPIC to serve the country, the people and the society at large. This is the basis on which CPIC strives for sustainable development. In terms of ecology and environment, by growing more than 130 hectares of public welfare forest at Sanjiangyuan, where the Yangtze River, Yellow River and Lancang River originate, we practiced the concept that lucid waters and lush mountains are invaluable assets. For the purpose of common prosperity, we ushered in new products to serve new citizen groups and, on a cumulative basis, disbursed RMB 36.5 trillion in benefits for anti-poverty insurance. With respect to vulnerable groups, CPIC Blue Foundation took care of senior citizens living with cognitive disorders and children with autistic disorders, showing love to more than 55,000 people. As a result, our social responsibility initiatives of CPIC Green, CPIC Blue, and CPIC Red figured more prominently.

**Leadership improved the quality of our sustainable development.** We took a crucial step forward in making the top-level design for our sustainable development. In particular, we prepared a three-year action plan, identified goals, and charted paths, for ESG. All these will help to lead CPIC forward. Today, we have more powerful organizations for ESG work. The ESG leading group on the corporate level, the sustainable development leading group on the subsidiary level, and the professional agencies like green finance committees are not only powerful "brains" that direct our work, but also important "hands" that execute our plans. Moreover, our ESG practices are richer, and the ESG concept has further integrated into our business operations, finding expression in our ecosystems, communities, employees, customers and partners.

**Motivation injected impetus into our sustainable development.** Internal motivation is an inexhaustible source of power for sustainable development at

CPIC. Corporate governance plays a leading role. Through party building, we made our directors more professional and better at leading the company on a strategic level. Tech innovation helps to stimulate vitality. We founded CPIC Technology to create an advanced system of smart digital services and to “respond to 100 million users in seconds and compute all data real-time”. Risk control helps us hold on to our bottom line. Our risk management system is increasingly sound, thus enabling us to conduct professional risk assessments and decision-making on the ESG insurance and investment sides and, in turn, helping the company to develop more steadily.

**Collaboration improved our performance in sustainable development.** We collaborate with stakeholders to help both the company and society achieve sustainable development. As a result, customer satisfaction with our services has improved. The company's net promoter scores (NPS) have also increased steadily, making our customers stickier than before. Our employees now have a stronger sense of gain, too. We have recruited high-level professionals, built a pool of young talents, and created a long-term mechanism for learning and growth. Moreover, our relationship with partners is closer than ever. The number of our strategic customers has increased to 802. On the other hand, we have forged a green supply chain with our suppliers, creating a model for cooperation and win-win relationships.

**Values made our sustainable development more distinctive.** Following the principles of sustainable insurance and responsible investment, we have added value to both the company and the society in general. Our green insurance offered protection for green development, covering more than RMB 8 trillion worth of insured objects in the fields of clean energy, pollution reduction, ecological protection, green transport, climate response and more. Our green investment financed the building of our homeland. We invested RMB 150 billion in energy development, environmental protection, water supply, and pollution prevention areas. Our green operations promoted ecological harmony. Our CPIC Home, data centers, back offices, routine operations and travel, among other things, have all complied with green standards to reduce energy consumption and improve performance.

Now, we have greeted yet another spring and are feeling a strong, vibrant force that pushes us to change for the better. Looking back, we are grateful to all that has helped us grow and are more practical and confident in doing our business. We value our past, for it makes us more passionate and determined in forging ahead. Now that we have welcomed the brand-new 2023, let's all cheer up, work hard and hold on to the path of sustainable development to make our company an all-new industry leader amid the high-quality development of the insurance sector in the new era. In this course, however, we need to always look to the concept of ecological civilization as a beacon on our way forward.



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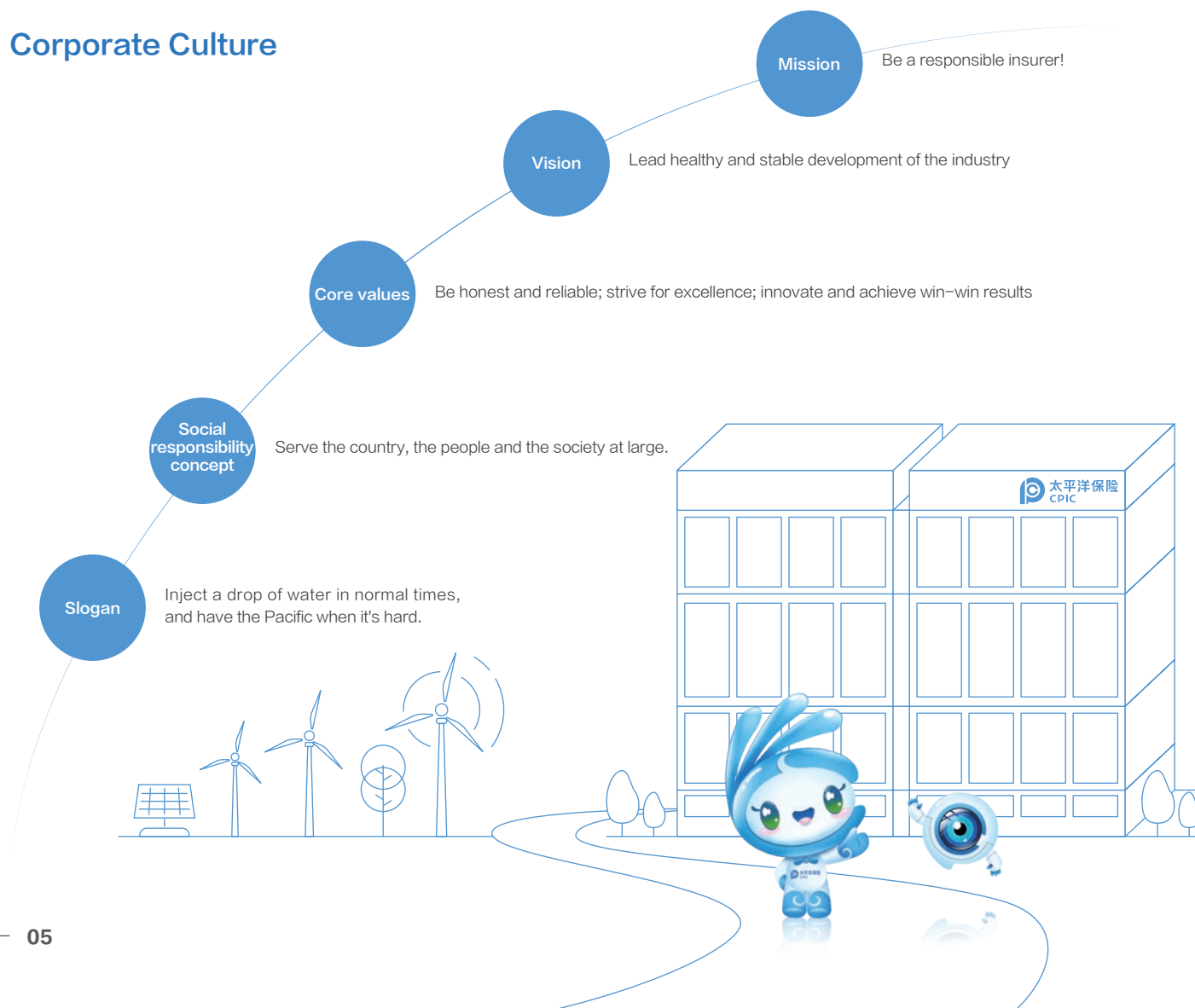
KONG Qingwei  
Chairman of the Board of Directors  
CPIC Group

## About CPIC

CPIC is an insurance group company founded on the basis of China Pacific Insurance Company, its predecessor incorporated on May 13, 1991. Based in Shanghai, the company is now a leading insurer providing comprehensive services in China. It is also the first Chinese insurer that successfully gets listed in Shanghai, Hong Kong and London.

CPIC has the license for dealing in all insurance business, including life, property and casualty, endowment, health, and agricultural insurance, as well as asset management. Therefore, it is able to provide clients with all-round insurance solutions, wealth management plans and asset management services.

## Corporate Culture





## Annual Performance Highlights

### Corporate Financial Performance

	2022	2021	2020
Operating revenue (RMB million)	455,372	440,643	422,182
Net assets (RMB million)	228,446	226,741	215,224
Number of clients (0'000)	17,053	16,839	14,894

### Corporate Environmental Performance

	2022	2021	2020
GHG emissions per capita (tons of carbon dioxide equivalent per capita)	0.75	0.93	0.98
Number of electronic policies (0'000)	58,103	61,444	43,524
Video/Teleconference (times)	37,322	25,906	20,125

### Corporate Social Performance

	2022	2021	2020
Number of employees	110,862	114,108	118,119
Ratio of female employees (%)	52.66	52.91	53.20
Total expenditure for employee training (RMB 0'000)	366	306	315
Donation for public welfare (RMB million)	50	78	41
Social contribution per share (RMB)	5.57	-	-

### Corporate Governance Performance

	2022	2021	2020
Board meetings (times)	7	6	10
Investor services (times)	678	650	-
Anti-embezzlement training (person-times)	102,161	17,131	12,691

Note: The number of anti-corruption training personnel in 2022 includes compliance training for new employees, training on the accountability system for violations, and anti money laundering training.

## Corporate Honors



CPIC has managed to get **on the Fortune Global 500 list** for **12 years** in a row.



BrandFinance  
The **5<sup>th</sup>** in the Insurance **100** 2022 ranking

## Social Responsibility

CPIC Blue Foundation was given the first **Shanghai Philanthropy Award**

CPIC was given **the honor of outstanding insurer with social responsibility by the Noah's Ark award 2022** of Securities Times

CPIC's sustainable development report 2022 was rated **an excellent social responsibility report of the year by the Golden Promise Award** of China Banking and Insurance News

CPIC Life Insurance was given **the EAA (Educational Achievement Award)** and **EIE (Excellence in Education) Award 2022** by LOMA



## Environmental Protection

CPIC's **"green and low-carbon" development cases** were included in the **Research Report on Corporate Social Responsibility of Local SASAC and Local State-owned Enterprises 2022** published by the State-owned Asset Supervision and Administration Commission (SASAC)

CPIC was enlisted the Forbes **China ESG 50 list 2022**

CPIC was given the **"Social Responsibility of the People's Enterprises-Green Development Award"** by people.cn

CPIC was given the title of **ESG Star Green Company** by China Investment Network

CPIC was given **the Annual Green Finance Award by the 2022 Top Finance list of The Paper**

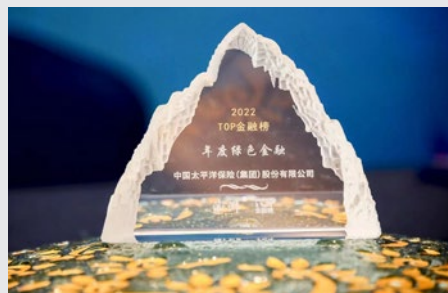
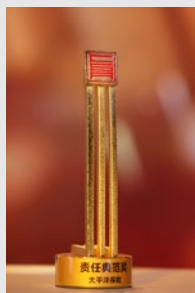
CPIC was given **the Carbon Neutrality Action Leadership-Outstanding Climate Communication Impact Award 2022** by Phoenix Satellite Television and World Wildlife Fund (WWF)

CPIC was given **the title of Green and Low-carbon Company** by the 21<sup>st</sup> Century Business Herald

CPIC was given **the role model award** by Yicai's **China Corporate Social Responsibility List 2022**

CPIC was given **the honor of best insurer with responsible investment by the ESG Golden Responsibility Award** for Chinese enterprises 2022

CPIC was given **the corporate ESG Impact Model Award and the Model Chinese Employer Award 2022** by 51job.com



## Corporate Governance

CPIC Secretary of the Party Committee and Chairman Kong Qingwei was given **the title of National Excellent Entrepreneur 2021–2022** by China Enterprise Confederation and China Enterprise Directors Association

CPIC was given **the 8th Investor Relations–Excellence Award** by HKMA

CPIC was given **the Best Annual Report Award** (for the red chips and H–shares, and design categories) by Hong Kong Management Association (HKMA)

## Tech Innovation

CPIC Technology's “Cat” series automatic testing platform and lean operation management system V2.0 for property and casualty insurance were included by Shanghai SASAC in the third batch of **“Demonstration Projects for Corporate Informationization”**

CPIC's information technology application and innovation case was given **the first prize by the urban digitalization “Masters” and “Champions”** selection event of Shanghai 2022

## CPIC Services

**CPIC Property and Casualty Insurance and CPIC Life Insurance continue to rank among the top in the "Insurance Service Quality Index"** publicly released by China Banking and Insurance Corporation

CPIC Health Insurance was given **the title of 3 · 15 Satisfactory Entity in Terms of Quality and Honesty** for 5 years running

CPIC Home was rated **a Top 10 Impactful Health and Wellness Brand in China in 2021**

CPIC Life Insurance's digital, smart service chip experiencing case was given **the 19<sup>th</sup> Premium Service Award by people.cn**

CPIC Changjiang Pension was given **the Best Achievement Award 2022** by Asia Asset Management

## Brand Communication

CPIC was rated **a model for financial brand impact and a model for financial brand innovation in China** by the Golden Promise Award 2022 of China Banking and Insurance News

CPIC was given **the 19<sup>th</sup> Premium Brand Award by people.cn**

CPIC was given **the Reputation Management Case of the Year Award** in the fourth China Finance Brand Case Contest



# 1

## Accountability for Sustainable Development

To serve the country, CPIC has taken the initiative to integrate into the big picture of national development. Putting the people at center stage, we try to secure the wonderful life of the general public. After all, responsibility is the cornerstone of sustainable development.

Furthering  
Opening-up  
and Deepening  
Exchange and  
Cooperation

Putting the  
People in the  
First Place and  
Increasing  
Social Welfare

Using Insurance  
for Designed  
Purposes and  
Serving the Real  
Economy

Addressing  
Climate  
Change to  
Advance Green  
Development

Improving  
Agricultural  
Insurance to  
Facilitate Rural  
Vitalization

Promoting  
Regional  
Coordination  
and Optimizing  
Development  
Mechanism







cooperated with  
the CIIE for  
**5 consecutive**  
years



provided  
**RMB 3.8 trillion**  
of insurance for CIIE  
cumulatively



provided  
**RMB 460 billion**  
of insurance for CIFTIS  
cumulatively

## Furthering Opening-up and Deepening Exchange and Cooperation

To help the country open up on a higher level, CPIC offered all-round risk protection for the CIIE, the CIFTIS and the Belt and Road Initiative.

### Serving International Exhibitions

#### CIIE

The five-year-old CIIE witnesses the opening-up and development of the Chinese market, as well as the growth of Chinese enterprises in the reform and opening-up drive. As a core supporter and designated insurer for the CIIE, CPIC integrated into and served the country's new development pattern on a voluntary basis. For five years in a row, we provided one-stop comprehensive insurance services, including property and casualty, life, and health, for the CIIE. The sum assured, on a cumulative basis, exceeded RMB 3.8 trillion.

In partnership with Huawei, CPIC hosted an international summit forum on the theme of "enabling sustainable development with technology and finance" at the CIIE in 2022. In addition, we founded the CPIC Yuanshen Rehabilitation Research Institute at the School of Medicine, Shanghai Jiao Tong University, and released its Chip vitality service brand.



## CIFTIS

As a global partner and designated insurer for the CIFTIS, CPIC upgraded its risk protection services for the exhibition in all respects. For three consecutive years, we afforded the CIFTIS comprehensive insurance services throughout the process of the client's business, ranging from trade financing, transportation, customs declaration, warehousing to after-sale

services. The sum assured added up to more than RMB 460 billion. Meanwhile, CPIC showcased its latest achievements in supporting the carbon peaking and carbon neutrality efforts, serving the rural vitalization campaign and other national strategies, securing risk management for clients, etc.

## Safeguarding the Belt and Road Initiative

### Supporting Enterprises to “Go Global”

Through export credit insurance products, CPIC helped private businesses secure their accounts receivable from export. By the end of 2022, we have underwritten RMB 64.6 billion worth of export for business clients and paid RMB 92.57 million in benefits for the credit export insurance. CPIC has offered 250,000 insurance policies for people sent abroad by their employers, involving over 1,000 enterprises.

### Building the Belt and Road Smart Cloud Platform

CPIC developed the first Belt and Road smart cloud platform that used “satellite and security” technologies to provide pre-alert, mid-monitoring and post-loss assessment services. Via the platform, we have thus far offered RMB one trillion worth of risk insurance for more than 100 Chinese enterprises doing business in more than 120 countries across Asia, Africa and Latin America, thus creating a new model for the insurance sector to serve the Belt and Road Initiative.



underwrote  
**RMB 64.6 billion**  
worth of export  
for business clients



paid  
**RMB 92.57 million**  
in benefits for the credit  
export insurance



more than  
**120 countries**



more than  
**100**  
Chinese enterprises



offered  
**RMB one trillion**  
worth of risk insurance

## Putting the People in the First Place and Increasing Social Welfare

CPIC implemented health strategies to help establish a multi-tiered health insurance system and deploy the senior care industry. We have so far developed the capabilities to offer services covering the life cycle of our clients.

### Reinforcing Health Protection

CPIC took an active part in developing the social security system in China, with a view to improving our capabilities to provide health-related insurance products and services.

#### Policy Insurance

As of the end of 2022, our medical insurance cooperation projects have covered 32 provinces/municipalities/autonomous regions, benefiting more than 160 million clients.

#### Huiminbao

As of the end of 2022, the Huiminbao program has found a presence across more than 90 cities in 15 provinces, with 53.0 million participants.

#### Critical Illness Insurance

By the end of 2022, we have implemented more than 60 critical illness insurance projects, benefiting 100 million clients.

#### Long-term Care Insurance

CPIC chained up the medical, and health and wellness industries to provide incapacitated older people with long-stay care in addition to medical insurance. By the end of 2022, our long-term care insurance as part of the property and casualty insurance business has had 43.50 million participants. In contrast, our long-term care insurance as part of the life insurance business has served 50 million people and paid more than RMB 2 billion pay-out to over 4.2 million people.



medical insurance cooperation projects benefitted more than  
**160 million**  
clients



Huiminbao program served  
**53.0 million**  
participants



critical illness insurance projects covered  
**100 million**  
people



long-term care insurance served  
**93.5 million**  
people



## Health Insurance Services

Taking advantage of technologies, we created such medical service brands as Taiyi Guanjia (an online medical service provider), CPIC Blue Passports (an integrated solution consisting of health services and medical insurance), and Yuanshen Rehabilitation (a professional convalescence brand).

### Taiyi Guanjia

Our Taiyi Guanjia platform has a team of nearly 1,000 “in-house doctors and outsourced experts”. On a 24/7 basis, it has provided more than 4 million users and their family members with family doctors and managed care services.

In 2022, in collaboration with CPIC Life Insurance, the platform trained and certified 8,870 Guangci health managers, thus deepening CPIC's health and wellness services consisting of “prevention, diagnosis, treatment and rehabilitation support”. In addition, the platform launched two family doctor products, named “Baisuilan care card” and “Baobeihao growth card”, respectively. Focusing on the health conditions of older people and the growth of children, it helped CPIC create a health insurance system covering both “the old and the young”.



Taiyi Guanjia platform has a team of nearly

**1,000** people



provided

more than **4 million** users and their family members

### CPIC Blue Passports

The CPIC Blue Passports platform is supported by experts from 3A hospitals in China. With outlets distributed across the country, it offers pre-, mid- and post-diagnosis health management and medical services. By the end of 2022, the platform has covered nearly 400 cities and over 2,800 public hospitals across the country. In 2022 alone, it served users 141,000 person-times, up 15% on a year-on-year basis.

### Yuanshen Rehabilitation

In 2022, we launched the professional “Yuanshen Rehabilitation” brand, the first of its kind at CPIC. In partnership with Shanghai Jiao Tong University School of Medicine, we deepened the cooperation between universities and enterprises in the field of rehabilitation medicine.



trained and certified

**8,870** Guangci health managers

### Lan Yi Bao

Lan Yi Bao, a medical insurance product, offers 20-year-long medical insurance against general conditions, particular diseases and critical illnesses. On a cumulative basis, the sum assured is as high as RMB 8 million.

### Jia An Xin

In 2022, we released the Jia An Xin million medical insurance, our first product covering non-standard people. The product filled a gap in insurance coverage for population groups with medical conditions. It extended its coverage to five types of specialized patients and more than 20 types of chronic patients.



the platform has covered

nearly **400** cities and over **2,800** public hospitals



CPIC Home has carried out **12 projects** in **11 cities** up to **13,000 beds** will be made available



## Improving Senior Care Services

### CPIC Home

As of the end of 2022, CPIC Home has carried out 12 projects in 11 cities across the country, thus initially completing the deployment of senior care services all over the country. More specifically, those in Chengdu, Dali and Hangzhou have been put in operation, while those in Wuhan, Qingdao, Beijing and Zhengzhou are still under construction. Overall, the projects will have a total floor area of 636,800 square meters

and 11,300 beds distributed in 6,700 senior care facilities. When all investment is put in place, up to 13,000 beds will be made available. So far, CPIC Home has created three lines of products, i.e., Yiyang Senior Care Community, Leyang Senior Care Community, and Kangyang Senior Care Community, to provide clients in all age brackets with all-round senior care services at any time.

### CPIC Home–Dali Leyang International Senior Care Community

The phase 1 project of Dali Leyang International Senior Care Community has more than 100 apartment rooms designed for travelers, with a floor area totaling 20,000 square meters. The community is comprised of 13 buildings, including

a reception center, an activity center, and a fitness and physical therapy center. It offers residents all-round, considerate, one-stop services ranging from lodging, catering, health assessment, physical therapy, entertainment to conference.



served the Meituan platform with a total of

**107 million** insured people



### Private Pension

In an effort to explore new types of commercial endowment insurance, CPIC deployed the private pension business. As one of the first six entities mandated to experiment with private pensions,

we launched the Yishengfu commercial endowment insurance to meet the needs of a variety of population groups.

## Innovating in the Services for New Citizens

To meet the new citizens' financial needs for entrepreneurship, employment, housing and education, we have developed insurance products covering the risks facing people dwelling in new citizens' housing, including comprehensive accident insurance that covers personal and property loss to dwellers as a result of major accidents or disasters, the unemployment insurance for people relocated for poverty relief purposes, the wages payment insurance for migrant workers and so on. In addition, we have continuously provided work injury insurance for the construction, logistics, and domestic service

industries. By the end of 2022, we have cumulatively paid RMB 15.02 million in benefits to 3,000 people relocated for poverty alleviation purposes. Since 2020, we have been serving the Meituan platform and developing multi scenario insurance, with a total of 107 million insured people covering 28 provinces, cities, and autonomous regions across the country.

Apart from those efforts, we organized publicity month events, both online and offline, in communities, schools and enterprises to increase the financial knowledge of new citizens.

## Using Insurance for Designed Purposes and Serving the Real Economy

CPIC served important national infrastructure projects, such as major infrastructure development, national economy quality and efficiency improvement, and urbanization projects.

### Advancing New Industrialization

#### Serving New Areas

In the integrated circuit (IC) area, we underwrote the construction projects of several top chip makers in China, covering all aspects of their business ranging from industry chain, export, personnel safety to liability. In the new energy vehicle (NEV) area, we expanded our services across the value

chain of the NEV industry. In the new era of “electric, smart and shared” NEVs, we implemented a new direct-sale model for our NEV insurance products.

#### Serving the Space Industry

In 2022, we underwrote insurance for the KZ-1A experimental satellite against the risks involving rockets, the third-party liability incurred in rocket launch and more. By the end of 2022, we have offered all-round insurance coverage for more than ten KZ-1A carrier rockets.



#### Empowering the Biomedicine Industry

We developed a series of insurance products for biomedicine enterprises, including insurance against liabilities for pre-marketing clinical trials, insurance against liabilities for post-marketing bioscience products, insurance for intellectual property (IP) enforcement, and insurance against loss from IP infringement. Furthermore, we created a holistic insurance system based on the ecosystem of the vaccine industries. With smart insurance, we facilitated the development of smart medicine and drug making, accelerated the application of biomedicine research outcomes from all over the world, and resolved all uncertain risks across the life cycle of new drugs from R&D to marketing.





helped

**400,000** micro  
and individually-owned business  
owners raise more than

**RMB 180 billion**  
from financial institutions



served around

**480,000** private  
businesses assured exceeding

**RMB 61.7 billion**



offered more than

**RMB 8 trillion** worth of  
green insurance

over **120** products  
including **45** innovative ones

## Promoting Inclusive Finance

To help address the difficulties in raising funds and seeking surety, CPIC continuously increased financial support to micro-enterprises, focusing on “increasing volume, expanding coverage, improving quality, and lowering cost” of the loans extended to them.

### Tai Xiang Dai Loan Facility

Tai Xiang Dai underwrites loans in a smart and automatic manner and therefore helps micro business owners and individuals get loans quickly from banks. As of the end of 2022, the loan facility has helped 400,000 micro and individually-owned business owners raise more than RMB 180 billion from financial institutions.

### Guarantee Insurance

CPIC Property and Casualty Insurance promoted the development of guarantee insurance designed to substitute deposits. Specifically, it developed various insurance products that cover risks relating to the bid for projects, the performance of construction contracts, the payment of contract prices, the quality of construction work, or the payment of wages to workers, with a view to reducing the financial burden on private builders. By the end of 2022, it has served around 480,000 private businesses, with the sum assured exceeding RMB 61.7 billion.

## Addressing Climate Change to Advance Green Development

CPIC took a raft of measures designed to address climate change and protect the ecological environment, such as green finance and low-carbon operation, to promote the harmonious co-existence between man and Nature.

## Developing Green Finance

CPIC participated in the innovation of systems and mechanisms for green finance to provide financing support for the country to transition toward a green economy.

### Green Insurance

CPIC launched green insurance services focused on clean energy promotion, pollution and consumption reduction, climate change response, ecological environment protection, green transportation, etc. With over 120 products, including 45 innovative ones, we have offered more than RMB 8 trillion worth of coverage in these areas. We developed the first insurances for the grassland carbon sink remote

sensing index, for the ecological value of carbon sink from the wetland, and for the carbon sink from single trees in China. By the end of 2022, we have offered risk coverage worth RMB 220 billion for about 23.33 million hectares of forest land, thus contributing to the healthy development of forestry and ecological civilization.



### Catastrophe Index Insurance

As of the end of 2022, CPIC has provided around **RMB 700 billion** worth of coverage for catastrophe risks. Specifically, we launched the An Hui Bao catastrophe insurance solution, which was the first national insurance product designed by the insurance industry to cover catastrophe risks within county territories.



### Clean Energy Insurance

By the end of 2022, CPIC's clean energy insurance projects have seen their total sum assured exceed **RMB 1.2 trillion**. In particular, we afforded more than **RMB 2 trillion** worth of coverage for **2.8 million** NEVs and underwrote insurance for more than one-third of the wind power installation vessels on the market.



### Environmental Pollution Liability Insurance

On a cumulative basis, we have provided more than **RMB 11 billion** worth of insurance coverage for environmental pollution liabilities for **7,000** enterprises or so. To deliver the services, we introduced third party environmental risk assessment agencies and technologies to analyze major sources of environmental hazards and geographic conditions of the water sources for our clients, evaluate the key factors that trigger environmental pollution events, and propose risk control measures accurately.

In 2022, we developed a Guidelines for Sustainable (Green) Insurance Standards and a set of codes, including those for green transition, for livelihood and welfare improvement, for real economy resilience, and for opening-up improvement. The **four categories** were further divided into **12 fields, 22 segments** and **47 business areas**. Moreover, we made full use of cutting-edge technologies, such as big data, artificial intelligence, and

## Green Investment

Through bond investment plans, equity investment plans, asset-backed plans, and industrial funds, we have directly invested in the development of green projects in the following areas: clean transportation, clean energy, resource conservation, circular use, pollution prevention and treatment,



### Ecological Carbon Sink Insurance

In the provinces of Inner Mongolia, Hainan and Zhejiang, as well as the cities of Xiamen and Ningbo, we have successfully launched insurance products covering the ecological carbon sink from the forest, grassland, wetland, or tea shrubs. By the end of 2022, we have offered **RMB 220 billion** worth of coverage for about **23.33 million hectares** of forest.



### Wildlife Liability Insurance

For more than a decade, we have offered public liability insurance against wildlife accidents in Xishuangbanna and Puer, where wild Asian elephants often invade human settlements. On a cumulative basis, we have disbursed more than **RMB 360 million** in pay-out benefits to more than **162,000** farmers.



cloud computing, to develop digital platforms for green Insurance, create analytic models for climatic and environmental risks, etc. Furthermore, we created the insurance industry's first insurance tech platform "Fengguang Wuxian" to help the energy industry to reduce and manage risks and those from new energy in particular.

ecological environment, infrastructure greening, and green services. By the end of 2022, the cumulative amount of our green investment has exceeded RMB 150 billion.



green investment has exceeded

**RMB 150 billion**



fund the reconstruction of shanty areas and the development of infrastructure

**RMB 10 billion**



completed the bond investment plan of Lushan Yuneng for

**RMB 5 billion**



offered the debt investment plan for the Jiayan water conservancy project for

**RMB 3 billion**

### New energy

To support the new energy economy, e.g., wind power, hydroelectric power and photovoltaic power generation, we invested in green bonds. In 2022, the amount of our investment in green-labeled, rural vitalization and carbon-neutral bonds added up to nearly **RMB 8.5 billion**.

### Clean energy

We invested in various sustainability-linked, blue, green and carbon neutrality bonds issued by, for example, Fujian Huadian Furui Energy Development Co., Ltd., GD Huanbao Co., Ltd., State Grid Corporation of China, Huaneng Power International, Inc., etc. In addition, we invested in several rounds of corporate bonds and medium-term notes (MTN) issued by China Energy Conservation and Environmental Protection Group (CECEP), helping the latter implement the CPIC-CECEP wind power infrastructure bond investment plan worth **RMB 2.4 billion**.

More, we complete the registration of **RMB 5 billion** in the bond investment plan of Lushan Yuneng. All the investment would be used to develop the Lushan Pumped Storage Power Station in Henan Province. After completion, the project was expected to reduce **140,000 tons** of standard coal consumed, **310,000 tons** of carbon dioxide, **4,004 tons** of sulfur dioxide, and **648 tons** of nitrogen oxides emitted.

Furthermore, we invested in the infrastructure debt investment plan of Shangrao Investment Holding Group to help the latter build the first photovoltaic power generation project in Shangrao City used for poverty alleviation purposes.

### Water Resources Protection

In this respect, we offered the debt investment plan for the Jiayan water conservancy project

co-financed by CPIC and Guizhou Water Conservancy Investment Group Co., Ltd. for RMB 3 billion to alleviate the water shortage in the economic and social development across the urban and rural areas in the northwest Guizhou Province. Moreover, we offered the debt investment plan for the development of environmental and resource infrastructure on the Han River in Xiangyang City, Hubei Province to help protect the local water environment. Furthermore, we offered the debt investment plan for Henan Water Conservancy Investment Group Co., Ltd.'s water ecosystem infrastructure development project in Luoyang City to help protect the local Luo River.

### Residential Environment

We expanded our inclusive finance business into the rural areas to help fund the reconstruction of shanty areas and the development of infrastructure. The balance of our bond investment plans in this area exceeded **RMB 10 billion**.

### Pollution Prevention and Treatment

The infrastructure debt investment plan of Zhongyuan Yuzi Investment Holding Group had a registered investment size of **RMB 2.2 billion**, which would be used for the PPP ecological environment treatment projects on the middle tributary to Shenshui River and on the downstream of Qingshui River in Zhengyang County, as well as for the PPP environmental treatment project at Sihou leisure area in Ningling County. The aim was to help restore the self-purification ability of local water bodies, improve the ecological environment of water systems, and promote the sustainable development of cities.

### ESG-themed Products

We launched three ESG-themed products, including the CPIC excellent carbon neutrality-themed product, the CPIC excellent low-carbon-themed product, and the CPIC select asset management product for excellent ESG bonds. Focused on carbon neutrality-related assets, they were designed to guide investors to practice the carbon neutrality concept and share the outcome of carbon-neutral development. CPIC Changjiang Pension's asset management product Golden Profit Increase No.6 is still operating. The product was designed to support the carbon neutrality cause of the Financial City at Lujiazui, Shanghai and the industrial development in the Yangtze River Delta area. Moreover, the CPIC subsidiary's other asset management product, i.e., Golden Profit Stabilization No.3, has re-formulated its ESG strategy.



	ESG Requirements in the Investment Process	Practice and Exploration
1	ESG considerations in the voting process of listed companies	Preliminarily formulate ESG active ownership strategies, and gradually incorporate resolution analyses, as part of the voting process, into the ESG analytic framework.
2	ESG considerations in equity investment in the emerging markets	Conduct ESG rating against the object of research, combine the analysis of ESG with that of the fundamentals, and include ESG factors into the equity investment and decision-making processes. Establish preliminary databases to quantitatively determine the ESG performance of the object of research. Risk management departments shall monitor ESG factors of portfolios, track the ESG performance of portfolios on a regular basis, and issue alerts against ESG risks to investment departments in a timely manner.
3	ESG considerations in fixed-income (non-corporate) investment	In fixed-income investment, ESG factors shall be taken into consideration; in formulating investment strategies and selecting the target of investment, ESG factors shall be given full consideration, too. For investment in standard debt assets, the company shall create an ESG investable pool according to, among other things, ESG ratings, and select the underlying investment according to ESG investment strategies. For investment in financial products, the company shall consider ESG factors in examining and evaluating the products to be invested in, track ESG risks of such products throughout their duration, and where necessary, take risk prevention measures. For fixed-income (corporate) investment, the credit rating framework shall take ESG factors into consideration and, more importantly, focus on the impact of ESG factors on the competitive edge and financial conditions, among other things, of the enterprises rated. On the basis of the investable pool made available by the credit rating department, the company shall single out and invest in entities with relatively higher ESG scores.
4	ESG considerations in fixed-income (corporate) investment	
5	ESG considerations in hedge fund and alternative investment	In alternative investment, the company actively practices the ESG concept. In practice, we focus our investment on green projects, show concerns for environmental and social impact, and in the process of project evaluation, consider the environmental impact and corporate governance of an underlying investment.
6	Policies for the company to vote in person or by proxy	Gradually include the analysis of corporate resolutions into the ESG analytic framework, and learn about third-party proxy advisory firms through investigations.

In addition, CPIC Asset Management formulated the Measures of CPIC Asset Management for the Management of Investment in Green Finance (trial edition). According to the measures, the asset manager would include ESG factors into the entire process of three types of investment, i.e., bond investment, financial product investment, and equity investment. More, it would, on a regular basis, collect ESG data and information of the entities to be or already invested in, including the environmental information disclosed, and in turn evaluate, track and manage ESG risks in all respects.

## Putting Green Operation in Practice

### Promoting Green Offices

#### Saving Electricity

Centrally controlled and optimized the lighting in public places, such as corridors, staircases and foyers. Used energy-saving LED lights, and made sure that “power is cut off whenever people leave their offices”. For areas less frequently used, adopted induction lights. Stipulated that the temperature

set for heating purposes in winter should not be higher than 20°C, whereas that for cooling purposes in summer not be lower than 26°C. Printers and copiers shall be subject to restrictions on the duration of the standby mode.



heating purposes  
in winter should

not be higher than **20°C**

cooling purposes  
in summer should

not be lower than **26°C**



subscription rate  
for electronic letters

reached **86.5%**

#### Saving Water

Checked and eliminated faucets and pipelines that did not comply with national standards, and installed infrared sensor switches, to build the company into a role model in water conservation.

#### Using Resources

Promoted and applied energy-saving products, and eliminated facilities or equipment with high energy consumption. The use of office supplies shall be subject to accounting to prevent waste. Advised employees not to use disposable dishware. Advised employees to clear their plates in order to save food.

#### Disposing of Waste

Created accounts for the generation, collection, transportation and disposal of waste. Categorized hazardous and non-hazardous waste for management purposes. Had kitchen waste collected and disposed of by entities designated by the environmental sanitation administrations.

#### Promoting Paperless Offices

The ability to provide all services online was continuously improved. CPIC Life Insurance rolled out paperless services through electronic endorsement, policies and letters. The subscription rate for electronic letters reached 86.5%.

#### Advancing Digitalization

Rolled out digital office systems, including the CPIC e-office, CPIC e-procurement, and CPIC e-travel systems, to do office routines, procurement approval and travel expense reimbursement online.



## Reducing the Emission of Greenhouse Gases

The headquarters and subsidiaries were all required to put the ESG concept into practice to cut back on energy consumption, take green actions, and reduce the emission of greenhouse gases. For example, CPIC Property and Casualty Insurance kicked off a project to develop a CL-01 low-carbon operation mechanism. As a result, it has designed and created the industry's first carbon management model integrating "physical objects, financial affairs and carbon emissions", thus enabling low-carbon operation at the subsidiary.

## Constructing Green Building

Advanced the construction of green buildings. The headquarters building in the Greater Bay Area has been certified with the WELL HSR and LEED-CS Platinum systems and created a "healthy and green" ECO-Office property service system. CPIC Chengdu Data Center was the first of its kind to be certified with LEED in China's mainland.

CPIC Home's senior care communities in Chengdu, Hangzhou, and Chongming District, Shanghai have been labeled three-star green buildings. Of them, the Chengdu community was the industry's first single project that was so labeled. In addition, the subsidiary's eight communities in Putuo District, Shanghai, Nanjing, Wuhan, Qingdao, and Xiamen have been pre-certified with the WELL healthy building standard.



## Advocating Green Life

In 2022, we launched the Tan Xian Jia platform that recorded the carbon footprint of employees' personal behaviors to encourage teleconferences, green commuting, online learning, low-carbon travel, paperless offices and so on. Today, the platform has more than 10,000 users. Using such incentive measures as redeeming benefits with bonus points, it guides users to complete green assignments on a regular basis, thereby reducing carbon emissions.

The mini-program CPIC Forest combined online planting with on-site "adoption" of trees at Sanjiangyuan, where the Yangtze River, Yellow River and Lancang River meet. By using electronic policies, letters and online post-sale to earn bonus points, users could then "adopt" trees in the public welfare forest at Sanjiangyuan.





donated

**RMB 33.3 million**



planted across an area of  
more than

**133.3 hectares**



planted  
more than

**120,000 trees**



zero-carbon and zero-plastic CIIE  
cut carbon emissions

from individuals **3,300 tons**

## Doing Green Public Welfare Activities

### Sanjiangyuan Public Welfare Forest

Since 2020, CPIC has been planning and growing a public welfare forest at Sanjiangyuan. Both the company and employees donated RMB 33.3 million to plant trees at Dejitian, the east gateway of Sanjiangyuan National Park in Gonghe County, Qinghai Province. So far, we have completed three phases of the project. Nearly 120,000 trees have been planted across an area of more than 133.3 hectares.

The public welfare forest brought “green hope” to local residents. To plant trees, the project used labor 110,000 person-times and paid more than RMB 11 million in remuneration. All laborers used were registered poor local people. Subsequent conservation of the public welfare forest will generate even more job opportunities.



In 2022, we put on an event in which “we donated on the condition that clients purchased our insurance products”. More specifically, every time a client purchased our long-term personal or motor vehicle insurance, we would donate RMB 0.3 to plant trees at Sanjiangyuan, advocating for green action.

At the CIIE 2022, we displayed the process of planting and conserving the Sanjiangyuan public welfare forest to audiences on site. Moreover, we released the first digital collectibles relating to the forest. On-site audiences could scan QR codes to receive the collectibles and adopt the trees at Sanjiangyuan.



### Case: Zero-carbon and Zero-plastic CIIE

In 2022, we implemented a carbon-inclusive action plan with the theme of “zero-carbon and zero-plastic CIIE”. Close to 60,000 people took part in it and cut 3,300 tons or so of carbon emissions from individuals.

## Improving Agricultural Insurance to Facilitate Rural Vitalization

In key areas, e.g., rural development, rural construction, and rural governance, we continued to deepen a regular, long-term rural vitalization mechanism with our own characteristics.

### Rural Assistance

#### Poverty Prevention Insurance

By the end of 2022, the poverty prevention insurance has expanded to 1,175 districts/counties across the country. On a cumulative basis, it has offered more than RMB 36.5 trillion worth of insurance coverage and disbursed RMB 2.034 billion in benefits to the insured.

#### Assistance via Donation

By the end of 2022, we have cumulatively donated more than RMB 19 million to increase our support for industrial development in more than 20 provinces. The support concentrated in regions where the eastern and western provinces paired up to develop the local economy. The purpose was to consolidate the outcome of the poverty alleviation campaign.

#### Assistance via Industry

We offered coverage for rural infrastructure and public service facilities, such as warehousing, refrigerating and cold chain logistics facilities for agricultural products, distribution centers for products directly sold at low temperatures in their places of origin, highways, water conservancy projects, etc. More specifically, we implemented inherent defect insurance (IDI) projects for high-standard farmland in 15 provinces/municipalities. In

### Agricultural Insurance

As of the end of 2022, CPIC has offered RMB 665.2 billion worth of agricultural insurance and paid nearly RMB 9.8 billion in benefits to farmers 30.32 million person-times. With more than 3,500 agricultural insurance products, we have covered agriculture, forestry, animal husbandry and fishery in their entirety. Moreover, we underwrote 180 "insurance + futures" projects, thus offering coverage for 1.5 million farmers. This also enabled a shift in agricultural insurance from insuring against the materialized cost to insuring against full cost and from insuring against production loss to insuring against price and income. Noteworthy was the maize income insurance project in

#### Cadres Stationed in Villages

In 2022, we sent 275 cadres, including 68 First Secretaries, to key regions where they worked and lived in the villages they served.

#### Assistance via Consumption

We combined rural vitalization with our efforts to improve employees' life. Therefore, we bought distinctive agricultural products, and in the meantime, mobilized trade unions and their members to do the same. As of the end of 2022, we have purchased RMB 2.65 million worth of such products, both online and offline.

In addition, we invested RMB 1 million to take a stake in developing a Mongolian horse-related cultural industrial park in the Huitengxile Grassland, Chayou Middle Banner, Inner Mongolia. Once completed, the project would sell more than RMB 8 million of serum and foals on a yearly basis, thus promoting the development of tertiary industries in its surrounding areas and increasing local people's income.

Wucheng County, Shandong Province. Combining "insurance and futures" to empower local agriculture, the project was included in the third global poverty alleviation cases. Furthermore, we have developed more than 50 meteorological index insurance products, with the sum assured totaling RMB 3.1 billion. Finally, we actively offered insurance products with local characteristics, covering "one or more characteristic agricultural products from each county". In 15 provinces, such as Inner Mongolia and Shandong, we put in place the central government's policy that "rewarded, rather than subsidized" the development of agricultural products.



poverty prevention insurance has expanded

to **1,175**  
districts/counties



offered insurance more than

**RMB 36.5 trillion**



disbursed benefits

**RMB 2.034 billion**



**275** cadres



donated more than

**RMB 19 million**





offered agricultural insurance

**RMB 665.2 billion**



paid nearly

**RMB 9.8 billion**



paid to farmers

**30.32 million**

person-times



developed

**3,500** agricultural  
insurance products



offered income insurance  
for three main grain crops  
more than

**RMB 67 billion**



built a grassroots service network  
based on more than

**3,800** business outlets

### Ensuring Food Security

In 13 key grain-growing areas, including Henan, Hebei and Shandong Provinces, we actively marketed our cost and income insurance for three main grain crops. By the end of 2022, we have offered more than RMB 67 billion worth of coverage for over 4.93 million hectares of farmland used by 8.62 million farmers to produce staple grains in more than 380 counties, thus securing the supply of food across the country.

### Improving the Quality and Efficiency of Agriculture

In Shanghai, we launched commercial income insurance for high-quality rice. It was estimated that insured farmers would increase their income at a rate of 10–15% per mu (1/15 of a hectare or so). In Hainan, we developed an insurance package for the supply of vegetables at fair prices to help stabilize the area of vegetables grown and secure the supply of affordable vegetables.

In Zhejiang Province, we offered nearly 2,000 farmers multi-tiered risk insurance covering the entire process of their growing and breeding activities ranging from production to marketing.

In Jiangsu Province, we debuted comprehensive family farm insurance to provide different types of farms with tailor-made insurance policies.

In Suzhou City, in particular, we offered insurance coverage for the entire farming process from seed to table.

### Using Digital Technology to Settle Claims for Agricultural Insurance

For e-agricultural insurance, we used the service model that combined remote sensing satellites, drones and on-site experts to monitor the growth and estimate the yield of insured crops. More specifically, satellites were used to grade the insured plot and forecast yield, whereas drones with “sharp eye” technologies were used to survey the land plot that suffered loss, with a view to gauging the loss accurately and settling claims efficiently.

### Building Outlets Serving Agriculture, Rural Areas and Farmers

By the end of 2022, we have built a grassroots service network based on more than 3,800 business outlets across the country that served agriculture, rural areas and farmers and were staffed by over 15,000 sales assistants.



## Promoting Regional Coordination and Optimizing Development Mechanism

CPIC took the initiative to carry out the important regional development strategies of the county by developing sound regional development systems or mechanisms and building new poles of growth in key regions.

### Guangdong–Hong Kong–Macao Greater Bay Area

We made a 3-year Special Action Plan for the Development of Guangdong, Hong Kong and Macao Greater Bay Area and set up a special organization to facilitate the implementation of our Greater Bay Area strategy and key projects. More, we made investments in key areas, promoted the integration of insurance products and services in Hong Kong and the mainland, and boosted regional integration via “insurance and tech”.

In addition, we strengthened cooperation with strategic clients across the Greater Bay Area and added 22 new clients to our accounts, including China Electronics Corporation (CEC) and ZTE. Finally, we propelled the innovation of products and services in the Greater Bay Area. By the end of 2022, we have cumulatively invested more than RMB 100 billion in this regard.

### Integration of the Yangtze River Delta Area

To promote green integration of the Yangtze River delta area, we implemented an “integrated claim settlement” system that allowed clients to conduct surveys, assess the loss and verify compensation in other places than where they purchased our policies. Further, we cooperated with Jinze Town and Zhujiajiao Town in all aspects of green insurance and launched an environmental pollution liability insurance. By the end of 2022, we have served 1,314 medium-to-small-sized tech businesses and caused RMB 7.325 billion of loans to be released to them. In collaboration with Guotai Junan Securities, SPD Bank, and Bank of Shanghai, among others, we released the comprehensive service brand Bao Zheng Yin for high-end clients, creating a new signature brand in terms of the regionwide integration of financial services.

### Coordinated Development of the Beijing–Tianjin–Hebei Area

We promoted coordinated development of the Beijing–Tianjin–Hebei area, and improved the quality of our integrated services. Also, we led the industry's efforts to revise and issue integrated claim settlement policies for motor vehicle insurance products in Beijing, Tianjin and Hebei Province. Moreover, we provided RMB 30.129 billion worth of risk insurance to help construct a comprehensive transportation system across the Beijing–Tianjin–Hebei area. We also underwrote insurance for the construction of Xiong'an New Area Hospital (Xuanwu Hospital), the headquarters building of China Satellite Network Group Co., Ltd. and so on, assisting Hebei Province in receiving the industries relocated from Beijing or Tianjin.



invested in the Greater Bay Area more than

**RMB 100 billion**



caused loans in the Yangtze River delta area

**RMB 7.325 billion**



provided risk insurance in the Beijing–Tianjin–Hebei Area

**RMB 30.129 billion**

# 2

## Leadership for Sustainable Development

We have taken a crucial step forward in making the top-level design for our sustainable development. As a result, our ESG plans are clearer; our ESG measures are more effective; and our ESG practices are richer.

Strategy for Sustainable Development

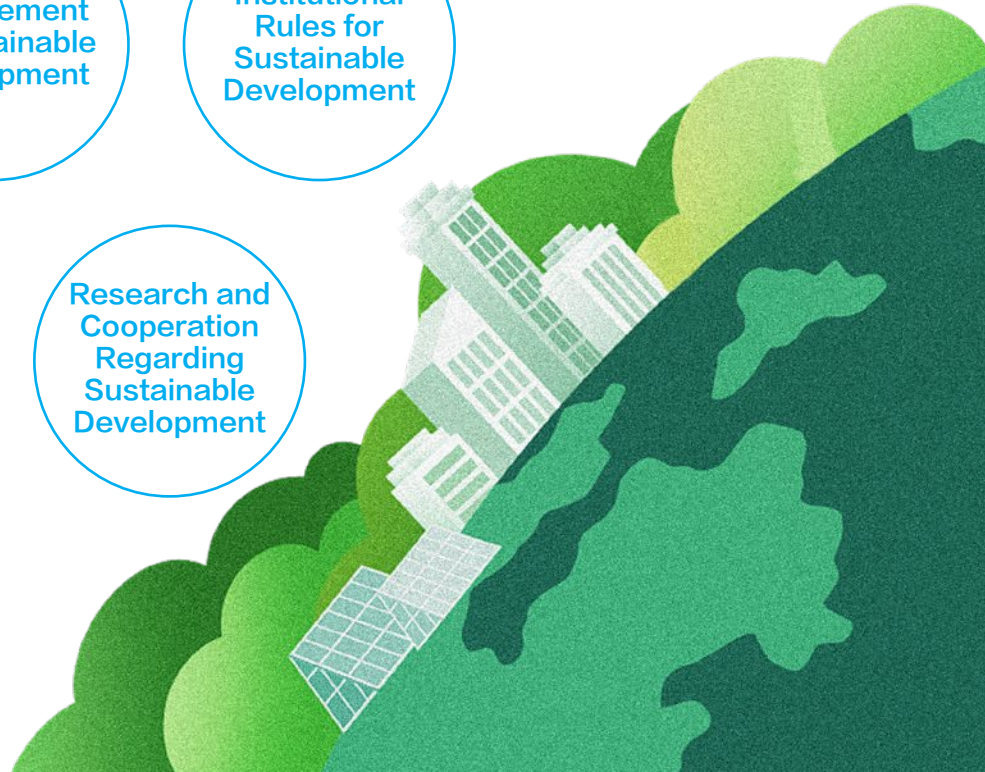
Management of Sustainable Development

Institutional Rules for Sustainable Development

Communication with Stakeholder

Materiality Analysis

Research and Cooperation Regarding Sustainable Development





## Strategy for Sustainable Development

In 2022, we formulated an Environmental, Social and Governance Plan of the CPIC (2023–2025) to specify our ESG development goals and paths.

To address climate change, build a resilient society, implement green operations, develop green finance, improve client management, and ensure the personal development of employees, we continued to enhance our corporate governance structure, create a sustainable development culture in all respects and improve our ESG performance. The purpose was to shape a development pattern where stakeholders of ecological environment and socio-economic development co-existed in harmony, benefited one another and achieved common success. A further purpose was to help the country achieve carbon peaking and carbon neutrality, and promote in all respects the Chinese style of modernization featuring the harmonious development between man and Nature.



## Management of Sustainable Development

We continued to improve our ESG governance framework by integrating relevant concepts into our corporate governance.

<b>Board of Directors</b>	The highest decision-making body for ESG work, responsible for supervising the formulation and implementation of ESG plans and for making decisions regarding the company's ESG strategies.
<b>Strategic and Investment Decision-making and ESG Committee</b>	Responsible for identifying ESG risks, formulating ESG plans, management policies, performance appraisal rules, etc., and supervising the implementation of ESG strategies
<b>Corporate ESG Committee</b>	Responsible for creating and improving corporate ESG management frameworks, management systems and work mechanisms, causing ESG to be integrated into the daily routines of various lines of business or functional departments of the company and subsidiaries, and coordinating the allocation of resources
<b>Corporate ESG Office</b>	Responsible for overseeing the implementation of ESG policies, work mechanisms, and guidelines across the company, and urging relevant entities to implement ESG key tasks and projects
<b>Corporate functional departments and subsidiaries' business lines</b>	Responsible for doing specific ESG work, preventing and controlling ESG risks, and ensuring that ESG management is effective

The performance-based compensation framework for executive directors and the management included indicators linked to the company's ESG performance.





CPIC's subsidiaries improved their ESG management framework. For example, CPIC Property and Casualty Insurance set up a sustainable development (ESG) leading group and tasked the group to lead its green finance work as part of its management. More, the leading group had a subordinate center for sustainable development research that served as an executive body of the

leading group. CPIC Life Insurance set up an ESG Office. CPIC Asset Management created a committee for securities investment decision-making. Under the committee, it set up an ESG investment research group. CPIC Changjiang Pension founded an ESG investment and product R&D project group.

## Institutional Rules for Sustainable Development

CPIC Property and Casualty Insurance crafted a Strategic Plan and Implementing Plan for Green (Sustainable) Insurance (2022-2024). In the document, the annual report on the development of green finance, as an item to be deliberated by the subsidiary's board of directors, was incorporated into the entity's plan for the "3 meetings" to be held in 2023.

CPIC Asset Management devised the Measures of CPIC Asset Management

for the Management of Investment in Green Finance (trial edition) and included ESG factors in its investment decision-making processes.

CPIC Changjiang Pension formulated the Implementing Rules of CPIC Changjiang Pension for ESG Bond Investment (trial edition) to specify the categories of and criteria for the ESG bond pools to be invested in by the subsidiary.

## Communication with Stakeholder

Stakeholders	Expectations of stakeholders	Means of communication
<b>Clients</b>	<ul style="list-style-type: none"> <li>High-quality products and services</li> <li>Data and privacy protection</li> <li>Consumer Protection</li> <li>Availability of communication mechanisms</li> <li>Improved access to financial services</li> </ul>	<ul style="list-style-type: none"> <li>Client needs survey</li> <li>NPS surveys and monitoring</li> <li>95500 hotline for client services</li> <li>Online service platform for clients</li> <li>Activities designed to show concern for clients</li> <li>Social media</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Fair and equitable recruitment</li> <li>Availability of communication channels</li> <li>Increased compensation and benefits</li> <li>Bright career prospect</li> <li>Improved professional competences</li> <li>Secured health and safety</li> <li>Better balance between work and life</li> </ul>	<ul style="list-style-type: none"> <li>Meeting of employees' representatives</li> <li>Complaint channels for employees</li> <li>Cross-departmental communications</li> <li>OA and instant messaging platforms</li> <li>Business supervision, training, and technical support</li> <li>Cultural and sports events, and activities designed to show concern, for employees</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Sound operational performance</li> <li>Improved corporate governance</li> <li>Transparent information disclosure</li> <li>Enhanced risk management</li> <li>Compliance and honesty</li> <li>Protection of medium and small shareholders' rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>General meeting of shareholders</li> <li>Regular reports and announcements</li> <li>Roadshows and reverse roadshows</li> <li>Open days for capital market</li> <li>Social media</li> <li>Online communications</li> </ul>

Stakeholders	Expectations of stakeholders	Means of communication
<b>Government and regulatory authorities</b>	Respond to national strategies Manage risk and compliance Pay taxes according to law and regulations Disclose compliance information Promote industry development	Participation in government meetings Visits and work reports Policy research Regular reports Thematic reports
<b>Suppliers</b>	Fair procurement Cooperation and win-win outcomes Green procurement	Procurement activities Suppliers management system Surveys among suppliers
<b>Partners</b>	Cooperation and win-win outcomes Innovation	Exchange and sharing of practical experience Project cooperation Meeting Industry-wide and cross-border cooperation
<b>Society</b>	Respond to emergencies or disasters Contribute to public welfare Address hotspot issues Popularize financial knowledge	Promotion of rural vitalization Public welfare events and voluntary services Support to sports and cultural events Dissemination of insurance knowledge Multi-media means of communication
<b>Environment</b>	Address climate change Protect biodiversity Prevent and treat pollution Improve the efficiency of resource use	Environment-friendly products and services Green buildings and green operations Green investment and green insurance Green public welfare activities

# Materiality Analysis

## Methods of Materiality Analysis

The annual materiality analysis was conducted by way of policy research, judgment by experts, and interview with departments. The basic issues analyzed pertained mainly to national policies, items subject to disclosure according to exchanges' ESG documents, external indicators for ESG rating, as well as industry development trends, concerns of responsible investors, and the United Nations' SDGs, among other things.

## Results of Materiality Analysis

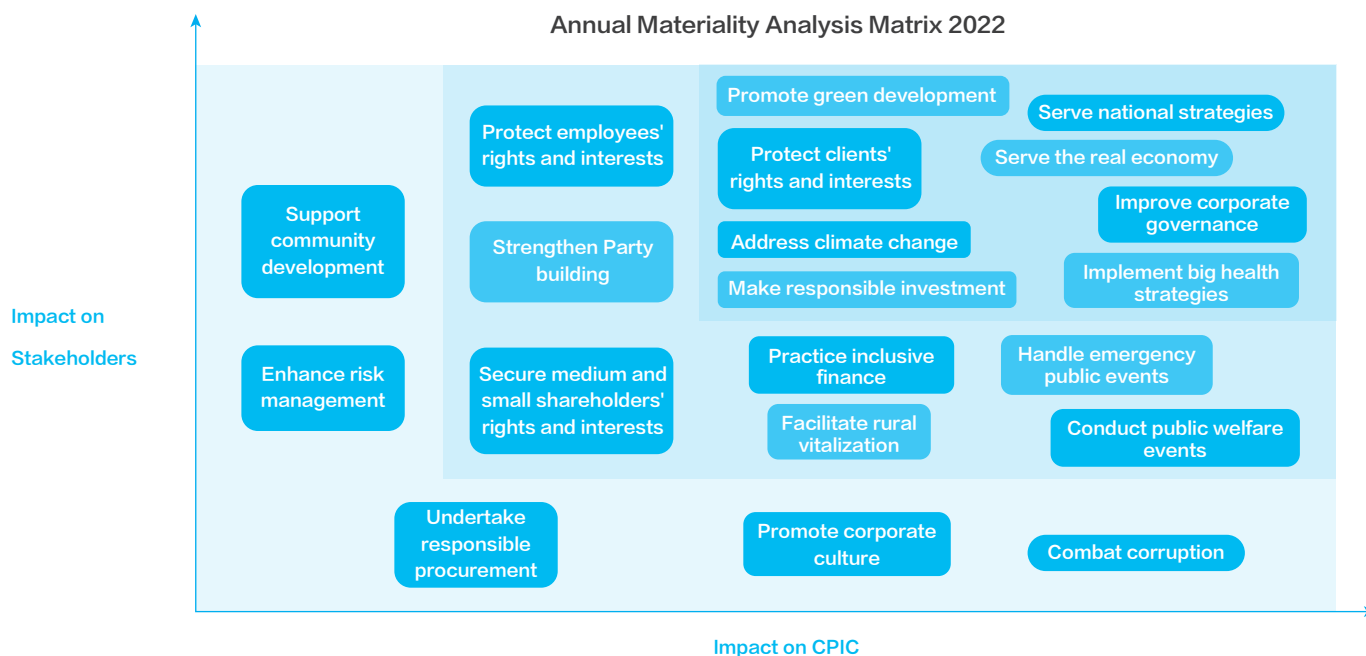
The materiality analysis was conducted from two points of view: internal materiality and external materiality.

The internal materiality analysis considered the key values, policies, strategies, operation and management systems, purposes and objectives, reputational risks and opportunities of CPIC, the extent to which relevant activities affect the environment or society, and the interests or expectations of stakeholders with investment or input in CPIC, etc. The analysis was primarily

In the end, we identified 20 material issues closely related to CPIC, including eight core issues, namely, implementing big health strategies, serving national strategies, improving corporate governance, promoting green development, serving the real economy, addressing climate change, making responsible investments, and protecting client rights and interests.

based on the feedback from the company's management and employees.

The external materiality analysis concerned the ESG issues and indicators proposed by stakeholders, the key issues and future challenges set forth by partners and competitors, and interested parties who were heavily affected by the activities, products or services of CPIC or whose actions might to some extent affect public expectations on CPIC, such as suppliers, government and regulatory bodies, shareholders and so on.



## Research and Cooperation Regarding Sustainable Development

### Research on Sustainable Development

CPIC's agricultural insurance project was included in a Survey Report of the Chinese Academy of Financial Inclusion (CAFI) as a typical case of innovation.

As a case of innovation, too, CPIC's Meteorological Index Insurance for Open-field Vegetables was included in CAFI's survey report entitled Developing Agricultural Meteorological Index Insurance to Optimize the Financial Service System in Rural Areas.

In addition, our green and low-carbon development project, entitled Taking Four Insurance Measures Simultaneously to Facilitate Carbon Peaking and Carbon Neutrality, was incorporated into the Research Report on Corporate

Social Responsibility of Local SASAC and Local State-owned Enterprises 2022 published by the State-owned Asset Supervision and Administration Commission. The project demonstrated our accomplishments in promoting sustainable development from four points of view, namely, green insurance, green investment, green operations, and green public welfare.

At the fifth CIIE, moreover, we published the industry's first white paper on green insurance, namely, Green Insurance Helps to Achieve Carbon Peaking and Carbon Neutrality, to display our achievements in practicing green insurance.

### Cooperation Regarding Sustainable Development

CPIC held a second ESG thematic summit meeting with Swiss RE to exchange our ideas on ESG practices on the operation, asset and liability sides and to explore ESG development trends and ESG practices in property and casualty, and life insurance across the globe. Also, CPIC held a high-level online meeting with the UNPRI to discuss the orientation of responsible investment, the issues of major concern to Chinese enterprises, etc.

Last year, the Ministry of Ecology and Environment and the People's Government of Guangxi Zhuang Autonomous Region co-hosted the China-ASEAN Dialogue on Addressing Climate Change and Ecological Environment and China-ASEAN Environmental Cooperation Forum 2022. On that occasion, CPIC delivered a keynote speech on the theme of "Supporting the Sustainable Development of Enterprises through Green Insurance in the

Context of Carbon Peaking and Carbon Neutrality".

As the only insurance partner of the 2020 UN Biodiversity Conference (COP15), CPIC participated in the conference's phase 2 event, that is, an image show that used languages understood by the international community to tell the story of the roaming Asian elephants in Yunnan Province and to illustrate our practice in protecting biodiversity and carrying forward cultural heritages.

Last but not least, we organized a high-level insurance forum with the theme of "smart connected finance: exploring new types of insurance tech" and released the outcomes of our innovation in science and technology in the areas of "digital and intelligent finance, green finance, and future finance".



# 3

## Motivation for Sustainable Development

A strong motivation is an inexhaustible source of power for sustainable development. To fuel motivation, CPIC strengthened corporate leadership through Party building, enhanced corporate governance, increased the application of technology, and defended the bottom line of risks.

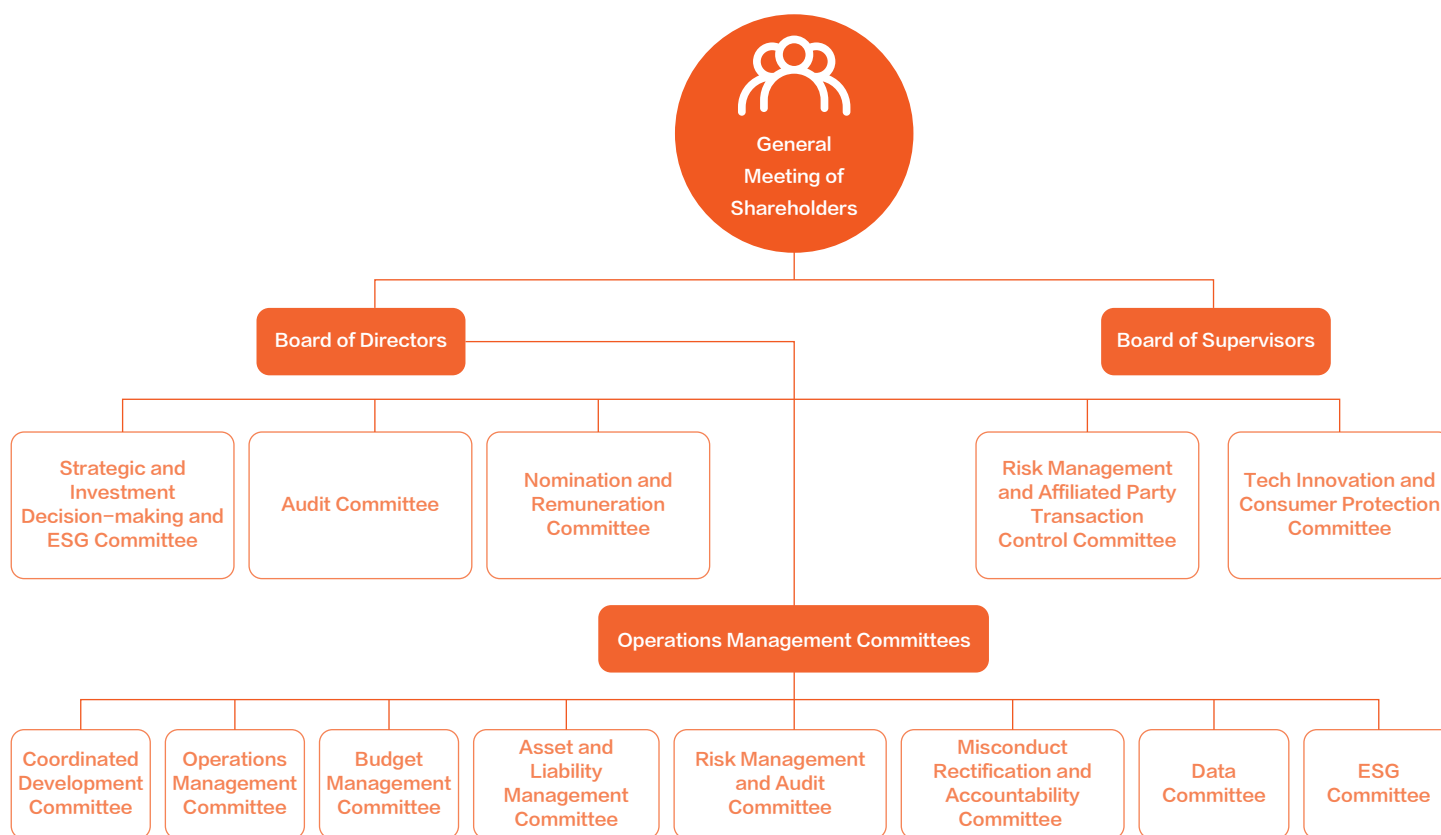




# Corporate Governance

## Improving Corporate Governance Framework

According to the requirements of relevant laws and regulations, including the Company Law of the People's Republic of China, Securities Law of the People's Republic of China and Insurance Law of the People's Republic of China, CPIC constructed a corporate governance framework consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the senior management. The purpose was to create an operating mechanism under which the power, decision-making, supervisory and executive organs cooperated and coordinated with one another on one hand, and checked and balanced one another on the other. By continuously improving the corporate governance structure, fully integrating internal resources, and strengthening communication with the capital market, we have developed a sound corporate governance framework.



held the General Meeting of Shareholders **once**

deliberating and adopting **13** resolutions

convened the Meeting of the Board of Directors **seven** times

adopted **69** resolutions



## Carrying out Diversity and Equality Policies

CPIC established diversity policies. The Board of Directors proposed that in examining the eligibility and credentials of candidate directors and making proposals to the Board, the Compensation Committee should consider the candidates' gender, age, culture, education, professional experience, skills and knowledge, length of service, etc. on one hand, and the structure, number of directors, and composition of the Board on the other hand.

At the end of 2022, the Board of Directors had 14 members. External directors

accounted for 85.7%, whereas female directors covered 21.4%, of the total directors. From their biographies, all directors were leaders in their respective areas. Generally speaking, they had rich professional experience and particularly experience working for international financial institutions. For example, they might be executives of the world's leading insurers, well-known economists, experts in capital operations, senior lawyers, management experts in the field of internet marketing, etc.



## Protecting Medium and Small Shareholders' Rights and Interests

Through institutional arrangements and procedural safeguards, we effectively protected the rights and interests of shareholders and small or medium-sized shareholders in particular. Regarding matters that concern the interest of small and medium shareholders, e.g., profit distribution plans, executives' compensation, and major related party transactions, all independent directors issued their opinions in an objective, impartial and independent manner. According to relevant regulatory requirements, voting in the general meeting of shareholders was conducted by shareholders either on the site or on the line.

When it came to voting for important matters that might adversely affect the interest of small or medium shareholders, the votes cast by such shareholders were counted separately and disclosed to the public. What's more, we gave small and medium shareholders the opportunity to attend earnings release conferences via video link and made it possible for them to raise questions in writing on the livestreaming platform. Notably, all questions were answered on the day of the conferences being held.

## Disclosing Information According to Laws and Regulations

As a company concurrently listed in Shanghai, Hong Kong and London, we complied in all respects with the Securities Law of the People's Republic of China and relevant regulatory requirements, as well as information disclosure regulations. To improve the quality of information disclosures, moreover, we disclosed all information in a timely and fair manner through statutory media outlets to give a true, accurate and complete view of the information disclosed and to display our development strategies, operations and management to all investors, domestic or foreign. **For the year 2021-2022, our performance in information disclosure was rated "A" by the Shanghai Stock Exchange.**

According to laws and regulations, we prepared regular reports and made the information disclosed in them more pertinent, meaningful and abundant. Thus far, we have finalized the annual report 2021, the semi-annual (interim) report 2022 and quarterly reports. Last but not least, we fully disclosed interim announcements in a timely manner and took both domestic and foreign regulatory requirements into consideration to ensure that the information disclosure practices in Shanghai, Hong Kong and London were compliant and concurrent.

## Communicating with Investors through Multiple Channels

We took advantage of crucial moments, such as the issuance of important regulatory policies and the release of regular reports, to communicate with the market in a timely and active manner. Via video link and teleconferencing, we successfully held a thematic teleconference on the phase 2 rules of the solvency regulatory policy version 2.0, as well as a press conference and global roadshow on our performance for the financial year of 2021. In 2022, we had 62 sessions of engagement with investors, analysts or visitors on our premises, and participated in 30 investment strategy discussions, forums or summits, to communicate our development strategies and operating performance to the capital market in a timely and effective manner. We had people answer the calls coming in through the investor relations hotline and respond to the questions raised by investors on Shanghai Stock Exchange's e-platform <http://sns.sseinfo.com/>. The aim was to convey market information in an objective and thorough manner and assist investors in reasonably understanding the value of CPIC as a target of investment.



we had **62** sessions of engagement with investors



participated in **30** investment strategy discussions

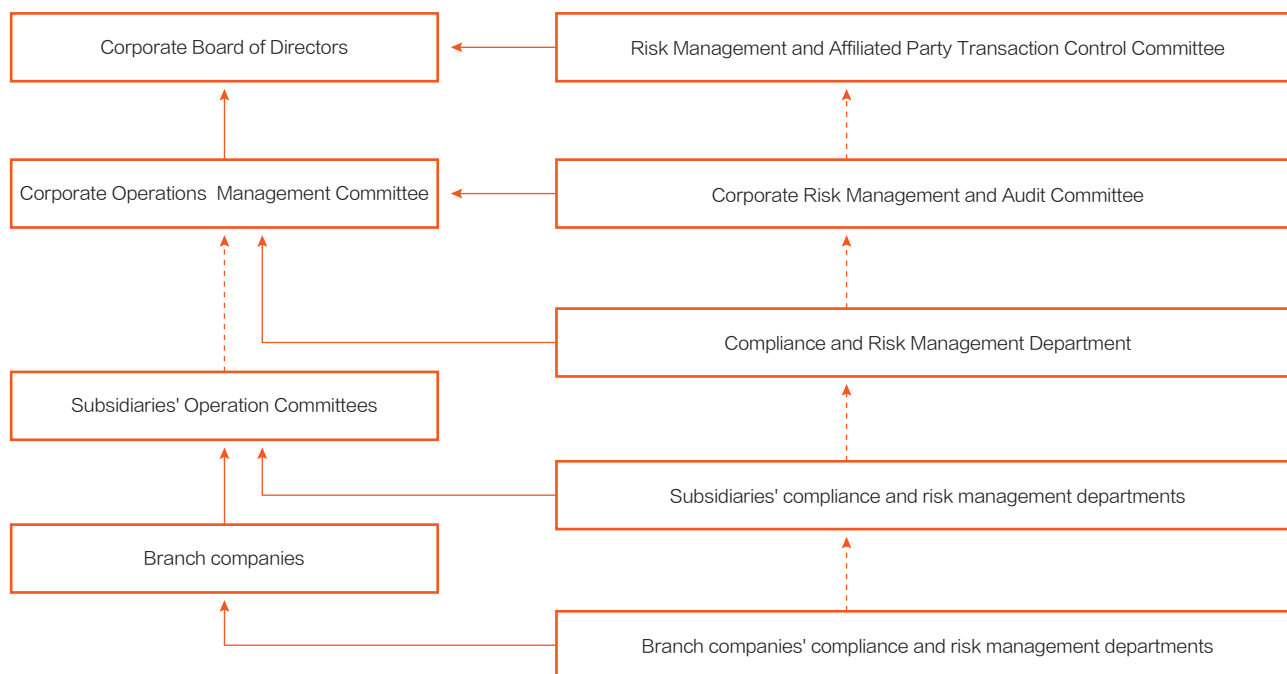
## Internal Control of Risks

### Risk Management Systems

We created a risk management framework in which the Board of Directors took ultimate responsibility, the management assumed leadership, the risk management departments played a key role, relevant functional departments cooperated, and all organizations and posts were involved, with respect to risk management. The Boards of Directors of the company and its subsidiaries were the highest organs of power for their respective organizations in risk management terms and were ultimately responsible for their risk management systems and risk situations.

CPIC's headquarters, as well as the company's insurance and asset management subsidiaries, all had their relatively independent risk management departments. The functional departments and branch companies of the company were the primary departments responsible for risk management.

### CPIC's Organizational Structure for Risk Management



### Improving Risk Management Systems

We created a risk management system consisting of three elements, i.e., risk governance, risk strategies, and risk management by category. In particular, we enhanced business rules according to the requirements of risk management and strengthened the closed-loop risk management mechanism. Also, we tightened the control of risks unique to CPIC, improved our stress and stress measurement systems, and made the risk limits management system more widely practiced and more effective.



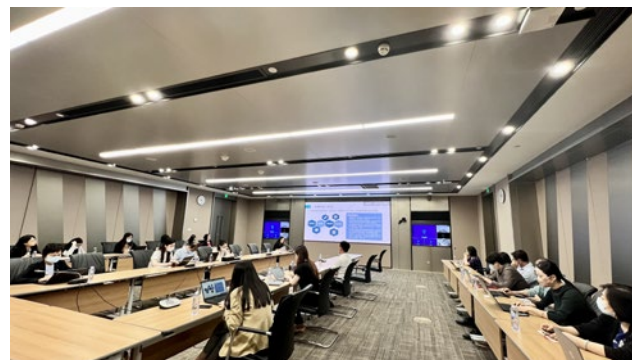
### Enhancing Risk Control and Prevention in Key Areas

In respect of investment risks, we improved our credit rating and management systems, created credit risk grey and black lists and asset disposal and optimization mechanisms, and enhanced the categorization and grading of credit risks, to sharpen our ability to identify and dispose of overall investment risks.

In respect of tech risks, we placed emphasis on data security and the protection of personal information. In the meantime, we enhanced the enabling role of science and technology, the governance of data, and the dynamic monitoring of risks. Also, we promoted the application of smart risk control technologies and upgraded the means and tools of risk management. As a result of all these efforts, we created an all-round security protection system.

### Internal Training and Publicity

After the phase 2 rules of the solvency regulatory policy version 2.0 were issued, we conducted special communication and training sessions on risk management throughout the company to raise the risk awareness of people on all levels and foster a sound risk culture. The sessions covered risks unique to CPIC, including risk management policies, risk appetites, risk contagion, concentration risks, structural opaqueness risks, non-insurance risks and so forth.



The headquarters offered special training for part-time risk and compliance managers.

## Combating Money Laundering

In strict accordance with the Anti-money Laundering Law of the People's Republic of China, among other laws and regulations, we formulated the Measures for the Management of Money Laundering Risks. According to the measures, we established a money laundering risk management framework featuring sound organizations, complete structure and clear roles and responsibilities. Further, we incorporated the money laundering, terrorist financing and proliferation financing risks into our holistic risk management system. Following a risk-based approach, moreover, we created and implemented money laundering risk management strategies. Considering the characteristics of their business, all subsidiaries of CPIC established and implemented sound client identification systems, and formulated and executed clear client acceptance policies and procedures.

We stepped up efforts to develop a suite of rules and regulations for money laundering risk management and adjusted internal institutions according to changes in regulatory rules to ensure that external rules were internalized in a timely manner. At the same time, to make sure that internal rules were optimized, we reviewed and improved internal institutions according to the dynamics of

corporate development. In 2019, for the first time ever, we subjected money laundering risks to the Risk Management Policies as one of the major categories of risks faced by the company. This meant that money laundering risks were incorporated into our holistic risk management system. Accordingly, we set goals and requirements that were consistent across the company for the management of money laundering risks. In 2022, according to new solvency regulatory policies, we further detailed the principles to be followed in managing money laundering risks by category in order to improve the management of the risks as a whole.

In 2022, we, including both CPIC and its subsidiaries, strictly performed the legal obligations to combat money laundering in a regulation-oriented manner, focusing our efforts on the key areas of risk management. We further improved our internal control systems, shored up our weak spots through self-risk assessment, regulatory inspection, internal review, etc., and made the systematic monitoring of risks more efficient and the management of risks smarter. As a result, we cultivated a corporate culture in favor of the efforts to combat money laundering.

## Combating Corruption

We carried out the central authorities' important instructions on combating corruption in state-owned enterprises and, particularly, enhanced the control and prevention of integrity risks, to safeguard state-owned assets. According to laws, regulations and regulatory policies, we laid down a slate of rules and regulations to combat corruption, including the Misconduct Rectification and Accountability Policy, the Anti-fraud Work Provisional Rules, the Accountability Measures for Misconduct Cases, the Accountability Measures for Misconduct in Operations and Investments, the Accountability Measures for Employees' Misconduct, etc. Through these documents, we specified the key violations to be combated, the roles and responsibilities of relevant organizations, and standardized the procedures to report, investigate, dispose of, and hold violations to account. Further, we formulated the Rules for Managing Violation Reports to standardize the procedures to accept and dispose of violation reports, hold violators to account, and tighten the supervision and management of violations in the end. What's more, led by the headquarters, we continued to optimize the accountability system with a view to putting in place an accountability mechanism led by the Party Committee and the Board of Directors and furnished with sound organizations and clear roles and responsibilities. In addition, we strengthened communication and coordination with external regulators and discipline inspection

and supervision organizations to create synergy and forestall corruption risks.

We strictly carried out the Rules for Discipline Inspection and Supervision Organs to Handle Whistleblowing and Accusations to offer whistleblowers better protection. The company would keep strictly confidential the names and addresses of the whistleblowers, as well as the subject matter of their accusations. We would verify the facts concerned on condition that the identity of the whistleblowers would not be revealed and would offer the whistleblowers and their close relatives personal and property protection in a timely manner according to law. More, according to laws, regulations and disciplinary rules, we would take seriously the retaliatory acts committed by the accused to harm the person, property or reputation of the whistleblowers.

To improve the quality and efficiency of discipline inspection and supervision training, we developed a learning platform named Qingfeng Taibao. The platform aimed to sharpen the professional competencies of more than 1,000 full- and part-time discipline inspection and supervision cadres through all-round data management. Thus far, it has been able to manage the training sessions in a closed loop comprising such links as "course design, learning, assessment, and iterative improvement".

## Compliance Publicity

Through the corporate WeChat account, we regularly communicated compliance requirements and the requirements to combat fraud, money laundering, organized crimes and illegal fund-raising in particular. At the CPIC Learning and Innovation Center (<https://university.cpic.com.cn/>), we created the Zhiyu Xuetao platform that publicized compliance culture through multiple channels and in a

scenario-specific manner. Via knowledge training, special training, explanatory training for the Provisional Measures for Off-site Supervision of Insurance Companies, Shanghai Corporate Legal Skills Competition, and the publicity of the country's Constitution, we fostered a compliance culture and conveyed the compliance concept.

## Tech Innovation

### Improving Tech Deployment to Secure Business

In 2022, we founded CPIC Technology. Meanwhile, we started to create our data governance system and, for the first time ever, channel the entire business data of our company into a data lake. We put Luoqing Data Center in operation and gained the capability to "respond to hundreds of millions of users in seconds and compute all data real-time". Moreover, we began to deploy tech capabilities in several regions by unveiling a tech innovation center in the Greater Bay Area and advancing the development of an R&D center in Wuhan. As a result of our efforts, we developed a matrix of digital products, including Hegui Zhida, a smart consulting system; a smart contract examination and approval system; Jiaren customer data platform, a client data platform; and an open AI platform. For this reason, we were granted 15 copyrights by the National Copyright Administration and more than 20 domestic or foreign awards.



be granted **15** copyrights  
more than **20**  
domestic or foreign awards



### “Smart Connected Finance: Exploring New Types of Insurance Tech”

During the World Artificial Intelligence Conference held in 2022, we organized a high-level insurance forum with the theme of “smart connected finance: exploring new types of insurance tech” and released the outcomes of our innovation in science and technology in the areas of “digital and intelligent finance, green finance, and future finance”.

#### Metadata Governance

more than **500** business systems  
**1.8 million** forms  
**38 million** items of metadata

**95.3%**  
at the end of 2022

the pass rate for our metadata governance has increased from

**13.7%**  
at the beginning of 2022

### Applying Digital and Smart Technologies to Improve Efficiency

#### Metadata Governance

To carry out our digitalization strategy and create a sound data governance system across the company, we formulated a 3-year Plan for Corporate Data Governance (2022–2024). 2022 was the start year of the plan and also “the Year of Metadata Governance” for the company. Having operated and adopted information technology for over 30 years, CPIC has gathered a vast sea of data. The metadata governance, therefore, involved more than 500 business systems, 1.8 million forms, and 38 million items of metadata. To conduct metadata governance effectively, the company laid down several data management rules, including the Corporate Data Management Policy, and the Corporate Metadata Management Measures. More, we crafted a detailed implementing plan for metadata governance. Through scientific planning and multiple measures, the pass rate for our metadata governance has increased from 13.7% at the beginning of 2022 to 95.3% at the end of the year.

#### Moving AI Capabilities forward to Middle Offices

CPIC tried to create AI-enabled middle offices. Our aim was to build in the insurance industry a leading smart tech support system featuring (1) stability and efficiency, (2) the integration of business with intelligence, (3) intensiveness and uniformity, and (4) autonomy and controllability, and to improve our ability to back business with smart technology. Specifically, we developed a computing resources pool to share and reuse computing capacities, a negative feedback system to make the effects of smart business straightforward, and a vertical tech platform that efficiently assembled various AI capabilities to get rid of the silo tech architecture. Moreover, we developed 100 atomic AI capabilities and therefore created our own core technologies.



developed **100**  
atomic AI capabilities

## Empowerment through Big Data

We created the Jiaren client data platform and Nanshan big health data platform to provide the company and its subsidiaries with various data services, including client information governance, client profiling, client relationship diagrams, at-risk client lists, client health archives, medical data services, business data boards, etc.

## Providing Efficient Services through Smart Operations

We completed the distributed deployment of core business systems so that they could “respond to hundreds of millions of users in seconds” with respect to regular underwriting operations. On the basis of a sea of claim settlement data and state-of-the-art AI image identification technologies, we created the industry’s leading, smart loss assessment product Tai-AI for motor vehicle insurance. As a result, the overall accuracy of loss assessment for vehicle

insurance increased to 90%. Accordingly, vehicle loss was assessed in seconds and paid out level by level. Also, we developed “dark factories” with RPA technologies to automatically process standardized operations in batches. Having handled more than a million cases, the dark factories significantly improved the efficiency of our daily operations.



the overall accuracy of loss assessment for vehicle insurance increased to

**90%**



the dark factories handled more than

**1,000,000**

cases

## Data Security

### Management Framework

The leading group for network security and IT use was CPIC's agency in charge of data security. The head of the group was the person responsible for the company's data security and for the protection of personal

information. For various legal persons affiliated to the company, the chief persons responsible for network security were those responsible for data security and the protection of personal information.

### Management Measures

Previously in 2021, we formulated Provisional Measures of CPIC for Data Security Management. On that basis, and with reference to the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Regulations on Security Protection of Critical Information Infrastructure, among others, we improved our data security systems by revising the Implementing Rules of CPIC for Categorization and Classification of Data for Security Purposes, the Measures of CPIC for Prevention of Data Leaks and so on. In doing so, we further specified the rules and regulations governing the supervision and management of the activities of collecting, storing, processing, transmitting, utilizing and destroying data through networks within the territory of the PRC,

as well as those governing the protection of data generated from the foregoing activities. Also, we clarified the company's standards for categorizing and classifying data. All these aimed to manage the channels through which confidential electronic data might be leaked and to ensure that our data security practices complied with regulatory requirements. In addition to the above, we updated the Measures of CPIC for Management of Information Security of Application Systems. In this document, we incorporated data security requirements into the life cycle management of application systems to protect data from the system's point of view and lower the risk of data leaks. Furthermore, we crafted emergency response plans for data leaks and conducted drills on a regular basis.

### Capacity Building

CPIC adopted technical security measures covering the life cycle of data from collection, storage, processing, transmission, sharing to destruction so as to sharpen our ability to ensure data security. In 2022, our security capability development project, namely, digital transition 2.0 (ITDP2.0 T02-4), was successfully brought to its end. In the project, we continuously optimized our data security strategies, promoted existing data security platforms, and provided safeguards for the security of internal data. Moreover, we introduced advanced data security protection technologies to strengthen our ability to ensure data security across cycles and scenarios and to meet various regulatory requirements.

We, including both CPIC and its subsidiaries, have managed to pass the annual inspection of the ISO27001 information security management system and the ISO29151 personal data and privacy protection system on a yearly basis. This meant that we have created a personal information security protection system complying with international standards and are capable of providing clients with the good personal information protection experiences.

Throughout 2022, we were never punished by regulatory bodies for the reason of violating rules governing the management of client information.

### Data Security Initiatives

Data Collection	Whenever we collected information from users, we would explicitly inform them of the collection by issuing advisories. What's more, we collected the personal information of citizens according to the principles of legality, legitimacy and necessity. We did not collect data or personal information unrelated to the services we provided.
Data Storage	All data were stored at our data centers. No data were stored overseas. If client data needed to be removed from the data center, they must be desensitized in the first place.
Data Transmission	We adopted SSL encryption technology to transmit crucial data generated by internet-based application systems to ensure the security of sensitive information transmitted.
Data Use	We resorted to tightened access control and two-factor (bastion host and privileged account authorization) authentication technologies to ensure security control for our core databases. In addition, we deployed anti-leak data management platforms to classify, control and audit the copying, printing, or external distribution of sensitive data.
Data Destruction	We destroyed data securely by demagnetizing media or soft-wiping discs.



## Intellectual Property

### Intellectual Property Protection in Operations Management

Following the Copyright Law of the People's Republic of China and its Implementing Regulations, the Trademark Law of the People's Republic of China, the Anti-unfair Competition Law of the People's Republic of China, and the Patent Law of the People's Republic of China, we laid down and put in place the Measures for Comprehensive Management of Intellectual Properties, the Measures for Trademark Management, and the Emergency Response Plan for

Comprehensive Management of Intellectual Properties, among others. In operating activities, we fully respected the intellectual property of other parties by, for example, purchasing original software and using authorized pictures.

By the end of 2022, we have had 725 registered trademarks, 6 patents and 219 copyrights.

### Intellectual Property Protection in Business Development

Our services covered all types of intellectual properties, including patents, trademarks, copyrights, geographical indications of agricultural products, layout design of integrated circuits, and so forth. By the end of 2022, we have offered RMB 878.6 billion worth of coverage for 36,529 tech businesses.



**36,529**  
tech businesses



offered  
**RMB 878.6 billion**  
insurance



**725**  
registered trademarks



**6**  
patents



**219**  
copyrights

# 4

## Collaboration for Sustainable Development

CPIC collaborated with stakeholders to help both the company and society achieve sustainable development. As a result, our clients reported higher satisfaction; our employees had a greater sense of gain; and our friends were closer to us.

Creating  
Development  
Platforms for  
Employees

Optimizing  
Insurance  
Services  
for Clients

Partnering  
with Suppliers  
to Practice  
Responsible  
Procurement

Engaging  
in Win-win  
Cooperation to  
Create a  
Prosperous  
Future

Staging  
Cultural and  
Sports Events  
to Create  
Wonderful Life

Conducting  
Public Welfare  
Activities to  
Practice Social  
Responsibility





## Creating Development Platforms for Employees

### Protection of Basic Rights and Interests

CPIC complied with the Labor Law, the Labor Contract Law, the Trade Union Law, and the Collective Agreement Regulation, of the PRC to secure employees' basic rights and interests. On a regular basis, moreover, we signed Collective Agreements for employees and Collective Agreement on the Special Protection of Female Employees with trade unions. We resolutely resisted the use of forced labor and refused to use child labor. In addition, we forbade all sorts of discrimination on the ground of race, geographic region, gender, disability and nationality, among other things. With respect to violations of the rules governing labor use, we held to account and punished the violators in strict accordance with CPIC Accountability Measures for Employees' Misconduct.

By the end of 2022, we had a workforce made up of 110,900 people. Of them, 104,500 people were hired through labor contracts, which covered 100% of the people so hired.

There were no major disputes involving employee rights or interests.

workforce made up of

**110,900** people

labor contracts covered

**100%** of the people



On an ongoing basis, we improved the general meeting system for employee representatives to ensure employees' democratic rights, stimulate their enthusiasm to participate in corporate operations and management, and make our corporate management more democratic.

<p><b>Work Compensation Policies</b></p>	<p>We laid down such rules as the Compensation Management Measures. For employees, we made contributions to the endowment, medical, unemployment, work injury and maternity insurance schemes and the housing provident fund, as well as commercial insurance plans. In addition, we established the Plan of Enterprise Annuity Funds, and 85% of the employees participated in the plan.</p>
<p><b>Performance Appraisal Policies</b></p>	<p>We formulated Provisional Measures for the Management of Work Hours and Attendance Check. The selection of performance appraisal indicators was oriented toward the company's development strategies, gave prominence to key indicators, and reflected the situation of both the market and the company. We emphasized linking compensation to performance and therefore improved the recourse and deduction mechanism for performance-based compensation. Also, we created a closed-loop management system for incentives and constraints and enforced a long-term, transparent performance management system.</p> <p>Moreover, the company provided mentoring for performance appraisal and feedback on a regular basis. The feedback for performance appraisal included the following items: evaluating annual work, making feedback on the results of performance and competence appraisal, analyzing key strengths and weaknesses, discussing concrete measures and methods to improve performance, specifying the performance targets for the next year and the paths to the target performance, etc. The feedback and mentoring helped to achieve corporate goals and improve employees' performance and competences.</p>
<p><b>Vacation Policies</b></p>	<p>We drafted Provisional Measures for the Management of Paid Leave. According to the measures, we offered employees paid annual leave, which was required by law, and paid leave as corporate benefits. More, we made vacation plans for employees on a regular basis to ensure their right to leave.</p>
<p><b>Fringe Benefits Policies</b></p>	<p>We offered all employees medium-to-long-term benefits, e.g., additional endowment and medical insurance coverage, to create a comprehensive social security mechanism for them and raise their post-retirement standard of living.</p>
<p><b>Complaint and Reporting Procedures</b></p>	<p>We crafted Measures for the Complaint and Mediation of Labor Disputes to properly handle such issues. The trade unions on all levels were designated as the organizations to accept complaints from employees. The complaints could be lodged through visits, letters, phones or emails.</p>
<p><b>Employee Satisfaction Surveys</b></p>	<p>CPIC Property and Casualty Insurance's "employee recognition assessment" platform would, on an irregular basis, investigate employees' recognition of the corporate management, work compensation, and work atmosphere at the subsidiary. The investigation covered 63% of the total employees. The latest investigation indicated that 83.7% of the employees recognized the corporate culture.</p>
<p><b>Protection of Women's Rights and Interests</b></p>	<p>In accordance with the Law on the Protection of Women's Rights and Interests, and the Special Rules on the Labor Protection of Female Employees, among other laws and regulations, we formulated a Collective Agreement on the Special Protection of Female Employees to put in place the maternity and breastfeeding leave for females and provide them with "parental leave" .</p>

## Recruitment and Promotion

### Employee Recruitment

CPIC carried out the State Council's decisions to “stabilize” and “secure” employment. According to the Labor Law and the Labor Contract Law, among other laws and regulations, we established sound recruitment systems and conducted recruitment activities in a fair, just and open manner. During recruitment, we followed ESG principles and the social principle in particular to recruit talents from all over the world and irrespective of gender differences. We paid attention to the employee turnover rate, too.

In practice, we optimized the processes and avenues of recruitment, identified our demand, created posts according to needs, and hunted people according to

posts. By open recruitment, internal and external referral, and job rotation, we introduced talents who were more pertinent and better suited to our needs and channeled them into our teams in key fields. Under the Taimeng Qihang fresh graduates recruitment plan, we inked strategic cooperation agreements with Ningbo University, Shanghai Jiao Tong University School of Medicine and so on to widen our avenue of recruitment. In doing so, we put in place the plan to help fresh graduates of higher learning institutions to get employed, provided them with internship opportunities, and recruited management trainees who served as our standby cadres.

### Personal Development of Young Talents

We constantly ushered in high-level professionals in the areas of tech, health, senior care, investment, etc. to create an increasingly young workforce. Thus far, we have created a pool of nearly 500 young talents covering all levels and fields of expertise. We organized the second young talent training camp, and

advanced the personnel training projects at subsidiaries, e.g., the trainee supervisor and management trainee projects, to build long-term learning and growth mechanisms for young people.

## Development and Training

### Career Path

We drafted talent development strategies to enable cross-agency, cross-line and cross-departmental flow of employees. We also managed posts by series to create various hierarchical career development paths for people from different ethnic groups. Putting the “2+2+5” talent development system center stage, we enhanced the “trainee supervisor” and “excellent talent development plan”

projects, which were two paths for management personnel to climb the career ladder. In addition, we developed a systematic capacity-building framework consisting of four elements, i.e., professional certification, in-house lectures, course systems, and institutional platforms, to enrich the content of capacity building.

### Case: Marketing Colleagues' Festival- “616 Partnership Day”

“616 Partnership Day” is the first festival created by CPIC in the insurance industry for marketing personnel within the company. In 2022, **more than 2,000** affiliations of CPIC Life Insurance put on an on-site event to have their office and field workers make “pinky swear” and enter into partnerships. On that occasion, both executives and the forefront employees, and both office workers and their field counterparts, pledged to cooperate with one another in their work.



## On-the-job Training

We formulated the Measures for the Management of CPIC for On-the-job Employee Training and the Measures of CPIC for the Management of Employees Taking the China Association of Actuaries (CAA) Examination, among others, to provide employees with a rich array of on-the-job training, encourage them to take out academic degrees or professional certificates and reimburse their training and examination expenditure.

We created two online learning platforms, namely, CPIC Learning and CPIC Livestreaming, and provided more than 6,500 courses for over 550,000 users. What's more, 62 branch schools were put on the CPIC Learning platform to serve a variety of learners from the head offices of both the corporate and its subsidiaries, the branch companies, and all lines of business. On the learning platforms, we managed more than 250 on-site training sessions, offered over 2,700 tests, and livestreamed more than 1,600 events. The use of the platforms quadrupled on a year-on-year basis.

The corporate provided leadership training, too, to improve leadership and managerial capabilities through a variety of scientific methods and means.



### Case: CPIC Life Insurance Talent Development and Training

To build a stronger workforce, CPIC Life Insurance joined hands with CPIC's southern training center to develop the CPICETS personnel training system. CPIC Life Insurance divided employees into seven levels, i.e., new entrants, ordinary employees, key employees, junior management personnel, department heads, division managers, and general manager, and charted pertinent training and development road maps for them all. Moreover, it put in place a cadre capacity model consisting of four elements, namely, work philosophy, time management, management skills, and leadership, to foster cadres who "were ambitious and capable of getting things done through teamwork" and to hone employees' leadership skills. Throughout 2022, CPIC Life Insurance's operational training projects covered 5,500+ employees and lasted 120+ days. Trainees learnt 70,000+ hours and handed in 20,000+ learning reports. The projects included several management training sessions, including the training for newly appointed division managers of branch companies, the first online training camp for senior managers from the head office's departments and offices, the first online training camp for junior directors, the training for newly appointed general managers of branch companies, and the online training camp for general managers of central branches. All these helped to lay a solid foundation for the subsidiary's sustainable development.



online learning platforms provided more than

**6,500** courses

over

**550,000** users



offered over

**2,700** tests

livestreamed more than

**1,600** events

## Health and Safety

CPIC organized physical checks, workplace exercises, sports and fitness activities, and psychological counseling for employees on a regular basis. We organized lectures on the prevention and treatment of common diseases and those with a high incidence of occurrence, too. Through the Taiyi Guanjia health management platform, we offered employees and their family members a variety of services, including family doctor, remote diagnosis via video link, health management, appointment for outpatient visits, etc.

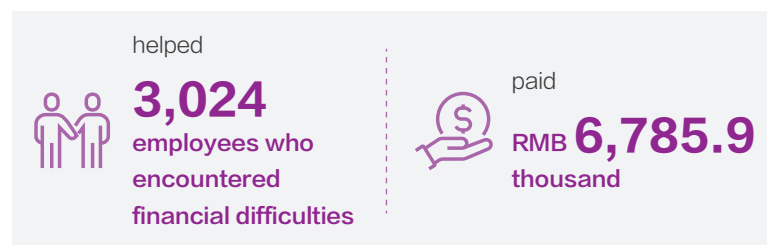
We laid down a pipeline of health and safety management measures, including the Measures for Workplace Management, the Rules on the Smoking Ban (trial edition), the Emergency Response Plan for Terrorist Attacks, the Self-prevention and Self-rescue Plan for Major Disasters, the Measures for Management of the Production Safety Responsibility System, etc. To put production safety

responsibilities in place, we had various departments and entities sign a Letter of Commitment to Production Safety respectively. In practice, we conducted safety inspections on a regular basis to get rid of safety risks in a timely manner.

Through mini-classes and corporate WeChat accounts, we provided safety training on how to prevent disasters and losses, how to offer first aid, or how to take out safety certificates. The purpose was to disseminate knowledge of production safety and enhance the exchange of safety work experience. On a regular basis, we also conducted emergency response exercises and fire safety drills in particular.

## Employee Care

In 2022, we paid RMB 6,785.9 thousand in solatia to 3,024 employees who encountered financial difficulties due to critical illnesses, natural disasters, emergencies or child education to relieve them of their financial pressure. More, we provided critical illness, supplementary medical, and accidental injury insurance for employees to show our care for them. Last but not least, we launched a special employee care plan based on our health insurance and Taiyi Guanjia health management platforms.





## Optimizing Insurance Services for Clients

In a customer-centric manner, we built a “CPIC service” brand featuring “responsibility, intelligence and warmth”.

### Smart Tech-enabled Services

We engaged in smart tech innovation to refine our services and promote service innovation on an ongoing basis.


For example, we renewed the “scenario customization” service to accurately judge clients' needs, push differentiated services to different clients, and offer a package of service solutions. In the case of service disruption, we voluntarily informed clients of the portal to our after-sale services to advise them of the causes and solutions. By the end of 2022, we have customized eight service scenarios and served more than 800,000 people. The smart response rate stood at 93%.

We developed the “factory” model of claim settlement. Seven physical “factories” offered us the ability to settle claims on a large scale in the case of major disasters. The “factories” focused their attention on low-risk, small-amount claims, which accounted for 60% of all cases, and handled 40% of the workload with only 20% of the workforce. As they could reach clients instantly via video link and mobilize 400 people within 30 minutes, they managed to handle 12,000 cases on a daily basis.




Furthermore, we continued to put brick-and-mortar stores on the line. For example, we launched cloud store mini-programs in Suzhou City and Yunnan Province to offer individualized, differentiated and refined services. So far, the cloud stores have had 333,000 registered users and processed more than 2,177 thousand cases.

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**2,177**  
 thousand cases

## Developing Elderly-oriented Services

We created a service system combining “online and offline” services for the older population groups. We improved our “light tech” apps so that clients older than 60 could access human services with just one click. We also improved human services at traditional counters for older people and provided them with dedicated

passages. Where necessary, we set up “service windows for the elderly only” and arranged dedicated staff to serve them. Moreover, we made it possible for senior citizens to make appointments for door-to-door services.

## Using NPS to Improve the Quality of Services

The performance of our NPS improved steadily. Through questionnaire surveys, we learnt about clients' appeals, identified the pain points of our services, and made improvement plans accordingly. As a result, our clients were increasingly sticky. In 2022, we collected more than 2.3 million pieces of feedback on customer service. On that basis, we formulated targeted measures to improve our services in terms of professionalism of sales staff, standardization of claim settlement procedures and so on. Accordingly, our client experiences improved steadily, and so did the NPS for critical user journeys.



collected more than

**2.3 million**  
pieces of feedback



have responded to

**44 significant**  
natural disasters



paid RMB

**1.47 billion**

## Actively Settling Claims in Major Disasters

In major natural disasters, such as the mountain torrents in Datong County, Qinghai Province and the 6.8 magnitude earthquake in Luding County, Sichuan Province, we offered clients multiple means of reporting the loss, including through the official website of the company, the national service hotline 95500, the CPIC insurance app, the WeChat service accounts of CPIC Property and

Casualty Insurance and CPIC Life Insurance, etc. The aim was to help clients stay away from disasters and loss, offer them a hand in dangerous situations, and settle their claims for compensation in a timely manner. As of the end of 2022, we have responded to 44 significant natural disasters and paid RMB 1.47 billion in benefits to the insured.

### Case: Supporting Regions Affected by the Earthquake in Luding County, Ganzi Prefecture, Sichuan Province

In the wake of the 6.8 magnitude earthquake in Luding County, Sichuan Province, CPIC immediately sent two teams to Shimian County, Yaan City and Moxi Town, Luding County to help settle claims. In the first time, the teams adopted eight measures to respond to the disaster, including accepting reports 24/7, taking the initiative to identify clients, simplifying claim settlement documents, and providing humanistic care.



## Protection of Consumer Rights and Interests

To carry out regulatory policies, e.g., the Guiding Opinions of China Banking and Insurance Regulatory Commission on Strengthening the Development of Consumer Protection Systems and Mechanisms for Banking and Insurance Institutions and the Measures for Management and Disposal of Consumer Complaints in Banking and Insurance Industries, we worked out Corporate Policies for the Management of Consumer Protection and the Key Items of the Consumer Protection Work Agenda 2022. By “strengthening organizations, optimizing

mechanisms, improving efficacy and creating culture”, we built a new pattern of “big consumer protection” and got the industry’s best comments from regulators. Moreover, we issued a Declaration of CPIC on Service Integrity, founded a think tank of consumer protection experts, and laid a solid foundation for the corporate culture that “consumer protection is everyone’s business”. Finally, we developed a corporate consumer protection management system to systematically monitor key quantitative metrics and issue alerts to major complaint risks.



In 2022, we held a themed conference on the protection of consumer rights and interests.

### Disposal of Client Complaints

We laid down a pipeline of rules on complaint disposal, including the Measures for Quality Management of Complaint Disposal, the Guidelines for Response to and Disposal of Complaints Involving “Insurance Surrender through Agents (trial edition)”, and the Emergency Response Plan for Major Consumer Complaints. We announced or disclosed information on complaints via our official websites, official WeChat accounts, CPIC insurance apps, offline business outlets, etc. Apart from the above, we disclosed our products and services, and informed clients of the hesitation period for insurance and the loss from the surrender of insurance.

### Privacy Protection

In strict accordance with laws and regulations, such as the Data Security Law and the Personal Information Protection Law, we worked out and put in place the Implementing Rules for Categorization and Classification of Data for Security Purposes to regulate the processing of personal information. According to the Measures of CPIC for Management of Information Security of Application Systems, we required our organizations and employees on all levels to not leak, tamper with, or destroy personal information collected by us, not provide personal information for any other persons without the consent of the persons providing the information for us, and not sell or provide personal information to any other persons in violation of the law.

### Financial Education

We disseminated financial knowledge to consumers by conducting the 3/15 education week, the 7/8 insurance public communication day, and the September financial knowledge communication month activities.

## Partnering with Suppliers to Practice Responsible Procurement

CPIC formulated Measures for the Management of Suppliers to establish a suppliers management mechanism and optimize the processes used to manage procurement and suppliers. Apart from these, we implemented supplier entry and rating management systems. Gradually, we promoted the digitalized management of suppliers by developing a suppliers management system integrating the entry, rating and use of suppliers. In entry terms, we solicited suppliers openly, through internal or external referral, or self-referral of suppliers themselves. All suppliers intending to bid for the company's procurement projects must register with our procurement departments and sign a letter of commitment to ESG.

**In the supplier selection process**, we complied with national, corporate and internal rules and regulations, adopted legal and rules-based selection mechanisms, and followed the principles of openness, fairness, impartiality, competition and benefits, while giving due consideration to the reality of procurement projects. We banned the practice of giving suppliers differentiated or discriminatory treatment on the basis of unreasonable conditions. A supplier with proven misconduct might be prohibited from bidding for CPIC's procurement projects. A supplier with ESG qualification, however, might be given priority.

**In signing contracts**, we, according to the principle of honesty, meted out punishment to suppliers who violated relevant laws, regulations or CPIC's rules, including by disrupting the normal order of procurement, seeking undue advantage through such sharp practices as cheating and fraud, or refusing to perform contracts without due causes. The violations were categorized into ordinary misconduct, fairly severe misconduct and severe misconduct. The Anti-commercial Bribery Agreement was included as an integral part of the procurement contracts signed with suppliers. What's more, suppliers were required to sign a Statement of Suppliers to ensure that the procurement activities were well-regulated and of integrity.

To ensure that our supply chain operated stably, we adhered to the principle of managing supply chains in a sustainable manner. We attached importance to identifying and mitigating environmental and social risks. Therefore, for the same type of goods or services to be procured, we had three or more suppliers available to ensure the overall stability of the supply chain. In 2022, we had 528 suppliers for centralized procurement. None of them rejected cooperation due to ESG issues.



had

**528** suppliers

for centralized procurement



## Engaging in Win-win Cooperation to Create a Prosperous Future

CPIC deepened cooperation with the ministries, provincial-level governments, industry leaders, top local businesses, etc., thus creating an exemplary model for conducting cooperation for common success. In 2022, to serve national strategies such as securing people's livelihood, promoting rural vitalization, advancing green development and so on, we increased cooperation with ministerial or provincial government organizations and clients of strategic

importance. As a result, we added 802 strategic clients, including 61 central government-owned enterprises and 124 clients who signed strategic cooperation agreements with us. What's more, we have signed agreements with up to 77% of the provincial-level governments, including those of provinces, autonomous regions, municipalities, and cities with independent planning status under national social and economic development programs.

- We signed strategic cooperation agreements with, among others, the People's Government of Pudong New Area, Shanghai, the municipal government of Dalian City, the Committee on Science and Technology of Huangpu District, Shanghai and so on. These agreements were designed to assist the development of micro-, small- and medium-sized enterprises and emerging industries and advance cooperation in big health, macro livelihood, and industrial-urban development integration projects.
- We signed a strategic cooperation agreement with Shanghai University of Sport as well to co-build a college on sport and health that promote modern industries and a center for promoting the health of youths.
- We also helped Alibaba Group to better take care of its employees and bring them higher quality service experiences.
- In partnership with DAS-Security, we released a White Paper on the Evaluation of Network Security Risks and the Use of Insurance for Important Sports Events.

## Staging Cultural and Sports Events to Create Wonderful Life

### Safeguarding the Asian Games

For the Asian Games to be held in Hangzhou, we made a risk management plan and a package of insurance service plans. In doing so, we created a new business model integrating “sports insurance, health and services”. To put the model in place, we set up a “1+1+2” professional risk management team, sorted out over 700 points of risk, and formulated 247 emergency response plans. What's more, we completed two rounds of risk assessment for 56 competitive venues with an area of 2.53 million square meters or so and formed a system of emergency response plans for such facilities.

We communicated the culture of Asian Games in all respects to create an environment in favor of the sports event. To that end, various activities, including naming high-speed trains after the games, communicating the culture of the same, and calling for contributions on dreams, were conducted to make the sports pageantry popular across the country.



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**124** clients who signed strategic cooperation agreements



### 服务杭州亚运会



formulated

**247** emergency response plans



completed risk assessment for

**56** competitive venues



risk assessment area is

**2.53** million square meters

## Promoting the Spirit of the Chinese Women's Volleyball Team

As an official partner of the Chinese women's volleyball team, we provided an insurance solution and special health services for them to participate in the FIVB Volleyball Women's World Championship. With the theme of members of the team, we designed the first limited edition of digital collectibles. In partnership with the Organizing Committee for the Asian Games in Hangzhou, we hosted an event in the name of "the Chinese women's volleyball team, you and torch bearers". The event was exposed to 43.78 million people, and viewed by 1.16 million netizens. Nearly 370,000 people took part in it.



Members of the Chinese women's volleyball team who were champions of the Olympic Games attended one of our client meetings in Yunnan Province and witnessed the founding of "a dream team of coaches" under the auspices of CPIC.

the event was exposed to  
 **43.78**  
 million people

viewed by  
 **1.16**  
 million netizens

nearly  
 **370,000** people  
 took part in the event

## Facilitating Shanghai International Marathon



As an official sponsor and designated insurer for the Shanghai International Marathon 2022, we provided full insurance coverage, including personal accident and accidental medical insurance, for over 18,000 participants and workers. In addition, we mobilized our clients, employees, partners and the general public to take part, thus creating a healthy and vibrant atmosphere for it.

 provided full insurance for over  
**18,000** participants and workers

## Supporting the Shanghai Games

We supported the Shanghai Games 2022 as a naming sponsor. As a professional insurer, we offered all participants and workers of the sports event accidental injury and accidental medical insurance, and in the meantime, provided risk survey and assessment services for all competition venues. Giving full play

to our advantage in health management, we provided professional first aid training and emergency rescue services for sports games through the newly founded center for promoting the health of youths, assisting in the success of the event.

## Conducting Public Welfare Activities to Practice Social Responsibility

From the very beginning of our existence, we have been collaborating with all walks of life. For public welfare, we donated generously to charities, thus creating a rich array of charitable brands, including CPIC Green, CPIC Blue, and CPIC Red. In 2022 alone, we donated a total of RMB 50.08 million for public welfare purposes.

### CPIC Blue Philanthropy

#### “Love Ambassadors Help to Retain Memory” –Certified Public Welfare Project

In 2021, CPIC Blue Foundation initiated a large-scale, three-year public welfare project with the theme of “protecting the memory of us all”. Over two years, the foundation has completed the first-time screening of cognitive disorder for 50,766 people and the second-time screening for 1,503 people. Apart from that, it has built the first “CPIC Blue brain health promotion classroom” and trained 500 people who could serve people with cognitive disorder. In addition, it has set up “CPIC Blue volunteer service stations”, where 438 volunteers have thus far provided more than 1,485 hours of services on a cumulative basis. The project also supported Shanghai Mental Health Center to develop the country’s first VR video on cognitive disorder, release a white paper on early screening of the disease, compile the first scenario-based cognitive disorder nursing textbook in China, and issue e-maps for cognitive impairment, etc.

#### CPIC Blue Foundation's Xing An Xin Autism Fund

CPIC Blue Foundation donated RMB 2 million to create a fund Xing An Xin dedicated to children living with autism. The fund provided autistic children with screening, assessment and rehabilitation services, which were premium medical resources otherwise unavailable to them.

### “Responsibility Brings a Bright Future” – Volunteer Teaching

In 2022, we have conducted two livestreaming activities with the theme that “I have a promise to keep with the Asian Games”. The activities reached more than 2,000 students from 37 Hope Schools. We also donated teaching materials to the hope schools in Gonghe County, Qinghai Province. For 27 years running, we gave Shanghai Children's Home money to build living facilities.



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more than

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# 5

## Values for Sustainable Development

Following the Principle of Sustainable Insurance and Principle of Responsible Investment, CPIC added value to both the company and society in general.

Implementation  
of the  
Sustainable  
Insurance  
Principle

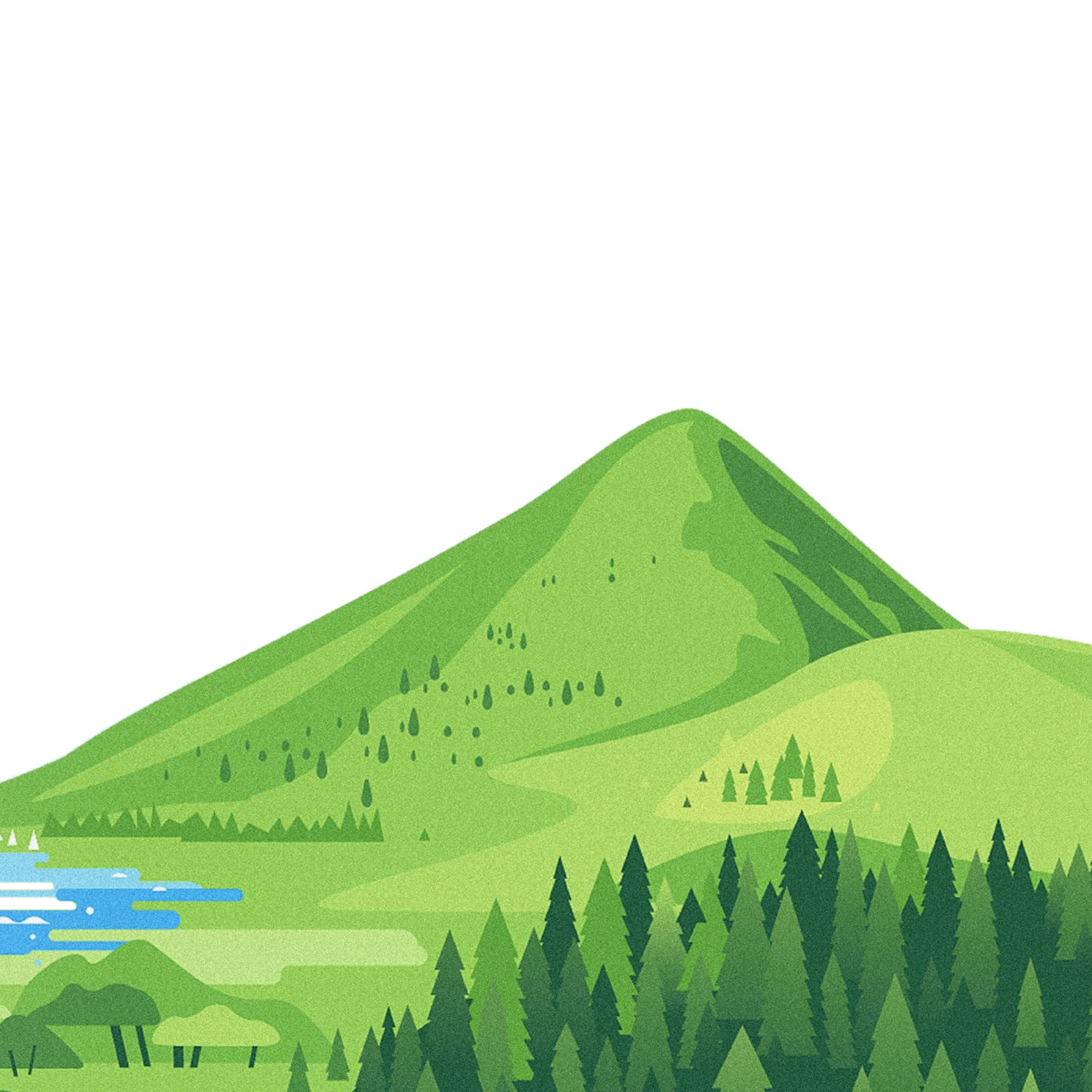
Implementation  
of the  
Responsible  
Investment  
Principle

Implementation  
of the  
Green  
Investment  
Principles

Reference  
to the UN  
SDGs







## Implementation of the Sustainable Insurance Principle

### Principle of Sustainable Insurance

Embed environmental, social and governance issues relevant to our insurance business in our decision-making.

Work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

### Our actions

- ◆ Specified the primary responsibility of the Board of Directors and designated specialized committees to take charge of green finance.
- ◆ CPIC Property and Casualty Insurance established a green insurance organizational guarantee system covering the entire jurisdiction, established a sustainable development leadership group and leading execution department at the headquarters, clarified the responsible persons for green insurance at the branch offices, and formulated a green insurance work plan for the branch.
- ◆ Formulated a Strategic Plan and Implementing Measures for Green (Sustainable) Insurance (2022–2024) to promote the green, sustainable development of insurance from a strategic point of view.
- ◆ Developed Guidelines for Sustainable (Green) Insurance Standards and a set of codes to create a system of standardized products and services for promotion purposes.
- ◆ Launched green insurance services focused on clean energy promotion, pollution and consumption reduction, climate change response, ecological environment protection, green transportation, etc. With more than 120 products, including nearly 45 innovative ones, we offered more than RMB 8 trillion worth of coverage in these areas.
- ◆ In 2022, at the fifth CIIE, we published the industry's first white paper on green insurance, namely, Green Insurance Helps to Achieve Carbon Peaking and Carbon Neutrality, to display our achievements in practicing green insurance.
- ◆ Participate in the development of ESG related standards and policies led by the Insurance Industry Association.
- ◆ Reference to the proposed framework of the Task Force on Climate Related Financial Disclosure (TCFD) of the G20 Financial Stability Council, we have released the "CPIC 2022 Climate Change Response Report", showcasing the company's management system and innovative practices in green insurance.

## Implementation of the Responsible Investment Principle

Principle of Responsible Investment	Our actions
<p>Incorporate ESG issues into investment analysis and decision-making processes.</p>	<ul style="list-style-type: none"> <li>◆ Collected ESG data and information of the entity already or to be invested in on a regular basis, and evaluated, tracked and managed ESG risks in all respects, to support investment decision-making.</li> </ul>
<p>Be active owners and incorporate ESG issues into our ownership policies and practices.</p>	<ul style="list-style-type: none"> <li>◆ Worked out Measures for the Management of Investment in Green Finance and Implementing Rules for ESG Bond Investment to cover investment in bonds, financial products and equities and include ESG factors into the entire investment processes.</li> </ul>
<p>Seek appropriate disclosure on ESG issues by the entities in which we invest.</p>	<ul style="list-style-type: none"> <li>◆ In the investment process, we considered the environmental information disclosed by the entities in which we would invest and referred to the score for environmental performance given by cs.com.cn in ESG rating. In addition, we took into consideration the carbon emissions data released by the entities themselves, and the situation of the punishment imposed on them by the Ministry of Ecology and Environment, among other authorities, for environmental pollution.</li> </ul>
<p>Promote acceptance and implementation of the principles within the investment industry.</p>	<ul style="list-style-type: none"> <li>◆ Paid heed to the ESG rating of the entities in which we would invest, and singled out those with a bad track record, to urge the entities to practice ESG concepts.</li> </ul>
<p>Work together to enhance our effectiveness in implementing the principles.</p>	<ul style="list-style-type: none"> <li>◆ Attached great importance to the trends of and regulatory requirements for ESG investment, and took the initiative to improve internal control systems according to the standards of sustainable investment, in order to comply with the ESG investment framework. Conducted several rounds of thematic research and investigations for ESG investment, and cooperated with Chinabond.com.cn, among other external parties, to improve relevant investment and valuation systems.</li> </ul>
<p>Report on our activities and progress towards implementing the principles.</p>	<ul style="list-style-type: none"> <li>◆ Actively responded to regulatory policies in capital use and paid attention to the opportunities of investing in green, low-carbon and circular economy. In 2022, we added RMB 526 million worth of green investment assets.</li> </ul>






## Implementation of the Green Investment Principles

We signed the Green Investment Principles(GIP) to create a higher-level platform for the exchange of experience in providing green insurance services. In 2022, we held a thematic conference with the GIP to share our experience and outcomes in offering green insurance.

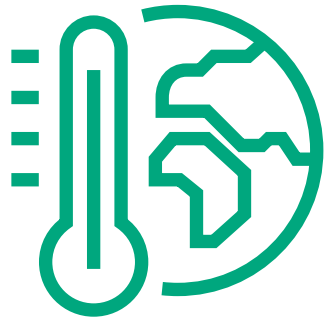
In August 2022, the GEP wetland ecological value insurance jointly developed by CPIC Property and Casualty Insurance and Swiss RE was included in the cases of green financial products compiled by the GIP. In April 2022, our GEP insurance project was put in place in Ningbo City, Zhejiang Province. Using an index tool, it insured Hangzhou Bay Wetland Park against any loss in ecosystem products due to typhoons or droughts.



## Reference to the UN SDGs

SDGs	Our Actions
	<ul style="list-style-type: none"> <li>The “poverty prevention insurance” was expanded to 1,175 districts/counties across the country. On a cumulative basis, it has offered more than RMB 36.5 trillion worth of coverage and disbursed RMB 2.034 billion in benefits to the insured.</li> </ul>
	<ul style="list-style-type: none"> <li>Offered more than RMB 67 billion worth of coverage for over 4.93 million hectares of farmland used by 8.62 million farmers to produce staple grains in 380+ counties.</li> </ul>
	<ul style="list-style-type: none"> <li>CPIC Home implemented 12 projects in 11 cities across the country.</li> <li>Various medical insurance cooperation projects covered 32 provinces/municipalities/autonomous regions. Specifically, our life insurance services have had 160 million policyholders, and property and casualty insurance 195 million.</li> <li>Created such medical service brands as Taiyi Guanjia (an online medical service provider), CPIC Blue Passports (an integrated solution consisting of health services and medical insurance), and Yuanshen Rehabilitation (a professional convalescence brand).</li> </ul>
	<ul style="list-style-type: none"> <li>Donated money to fund education, in the belief that “responsibility brings a bright future”.</li> </ul>
	<ul style="list-style-type: none"> <li>Banned all types of discrimination on the ground of gender in recruitment, training, compensation, career development, promotion, etc.</li> </ul>

SDGs	Our Actions
	<ul style="list-style-type: none"> <li>Offered a debt investment plan for the Jiayan water conservancy project co-financed by CPIC and Guizhou Water Conservancy Investment Group Co., Ltd.</li> </ul>
	<ul style="list-style-type: none"> <li>Our clean energy insurance projects have seen their total sum assured exceed RMB 1.2 trillion.</li> <li>Afforded more than RMB 2 trillion worth of coverage for 2.8 million NEVs and underwrote insurance for more than one-third of the wind power installation vessels on the market.</li> </ul>
	<ul style="list-style-type: none"> <li>Through the Taiyi Guanjia health management platform, we offered employees and their family members a variety of services including family doctor, remote diagnosis via video link, health management, appointment for outpatient visits, etc.</li> <li>Paid RMB 6.7859 million in solatia to 3,024 employees who encountered financial difficulties.</li> </ul>
	<ul style="list-style-type: none"> <li>Facilitated high-quality development of the real economy across the country through bond investment, equity investment, and asset-backed plans.</li> <li>Invested more than RMB 10 billion in bonds to help fund the reconstruction of shanty areas and the development of infrastructure.</li> </ul>
	<ul style="list-style-type: none"> <li>Cumulatively donated RMB 19 million to increase our support for industrial development in 20+ provinces and regions where the eastern and western provinces paired up to develop the local economy.</li> <li>Took a stake in developing a Mongolian horse-related cultural industrial park in the Huitengxile Grassland, Chayou Middle Banner, Inner Mongolia to promote the development of the tertiary industry in surrounding areas.</li> </ul>
	<ul style="list-style-type: none"> <li>The Huiminbao program has covered more than 90 cities in 15 provinces, with 53 million participants.</li> <li>Provided around RMB 700 billion worth of coverage for catastrophe risks.</li> </ul>
	<ul style="list-style-type: none"> <li>Formulated Measures for the Management of Suppliers to establish a suppliers management mechanism and optimize the processes used to manage procurement and suppliers.</li> </ul>
	<ul style="list-style-type: none"> <li>Implemented a carbon-inclusive action plan with the theme of “zero-carbon and zero-plastic CIIE” . Close to 60,000 people took part in it and cut 3,300 tons or so of carbon emissions from individuals.</li> <li>Launched the Tan Xian Jia platform that recorded the carbon footprint of employees' personal behaviors to encourage low-carbon life.</li> </ul>
	<ul style="list-style-type: none"> <li>Completed three phases of the public welfare forest project at Sanjiangyuan. As a result, more than 120,000 trees have been planted across an area of over 133.3 hectares.</li> <li>Offered the world's first public liability insurance against wildlife accidents and disbursed more than RMB 360 million pay-out in insurance benefits to 162,000+ farmers.</li> </ul>
	<ul style="list-style-type: none"> <li>Incorporated the money laundering, terrorist financing and proliferation financing risks into our holistic risk management system.</li> <li>Enhanced the control and prevention of integrity risks to forestall corruption risks.</li> <li>Regularly communicated compliance requirements, as well as the requirements to combat fraud, money Laundering, organized crimes, illegal fund-raising, etc.</li> </ul>
	<ul style="list-style-type: none"> <li>Conducted cooperation in sustainable development, and share research outcomes in respect of technology, climate change, biodiversity, etc.</li> <li>Endorsed international principles, such as the UN PSI, the UN PRI, and the GIP.</li> </ul>



# Climate-related Financial Disclosures

CPIC renewed its operation and management models, and accelerated decarbonization, to make it a leading low-carbon insurer and to improve its ability to adapt to climate change.

Governance

Strategies

Risk  
Management

Metrics  
and Targets



## Governance

The Strategic and Investment Decision-making and ESG Committee under the corporate Board of Directors was responsible for making climate change policies and goals and for supervising the efforts to address climate change. Based on their roles and responsibilities, several functional departments of the company also engaged in climate change responses. To improve climate-related

information disclosure, we issued the first Report of CPIC on Addressing Climate Change 2022 in February 2023 to detail our actions, achievements and future plans in respect of climate change. In short, we took concerted actions on all levels to enhance our ability to cope with climate change through a raft of mitigation and adaptation measures.

## Strategies

According to the requirements of national policies such as the carbon peaking and carbon neutrality strategies, we went to great lengths to carry out, among others, the Guiding Opinions on Building a Green Financial System and the Green Finance Guidelines for the Banking and Insurance Industries. For example, we formulated the Environmental, Social and Governance Plan of the CPIC (2023-2025), in which we gave high priority to climate change response. We identified climate and environmental risks, made response strategies, optimized operating mechanisms, and urged various functional departments to incorporate relevant metrics and requirements into their daily routines. More, we

deepened research into government policies and market trends on climate change response, and conducted climate risk and opportunity analyses, to form corporate strategies and action plans addressing climate change. Taking advantage of our insurance and investment business, we pushed the economy and society at large to transition toward green, low-carbon development, mitigate the impact of climate change, sharpen the ability to adapt to climate change and make the upstream and downstream players across the industrial chain more climate-resilient. All in all, we aimed to become a leader in sustainable development in the insurance industry.





# Risk Management

## Addressing Climate Risks

### Identification and Assessment of Climate Risks

Climate risks—physical risks	Key impact of risks	Duration of impact	Level of impact	Analysis of the impact on CPIC
Extreme weather risks	<p><b>Liability side:</b> As climate change worsened, extreme weather conditions and natural disasters significantly increased. Accordingly, property loss increased for motor vehicles, non-motor vehicles, and agricultural insurance. In consequence, the risk for insurers grew.</p> <p><b>Asset side:</b> Extreme weather events might deal significant impacts on the investment of insurers in infrastructure and real estate areas and, in turn, impair the value of the investment portfolios.</p> <p><b>Operation side:</b> Frequent extreme weather events might pose more threats to the normal operation of business outlets and facilities, as well as to the health and safety of employees.</p>	Short, medium or long term	High	<p>With years of experience in developing catastrophe insurance plans, we created scientific models to assess catastrophe risks, resorted to such technical tools as risk radar systems, and included climate change in the risk assessment and pricing for our insurance products. We conducted risk surveys to help clients avoid or reduce losses from disasters. To ensure that service distribution and pricing gave full consideration to climate factors, we conducted in-depth climate scenario analyses and stress tests. We also planned to make more research on the impact of long-term temperature rise on health and lifespan, with a view to providing a reference for our life and health insurance business.</p>
Long-term risks	<p><b>Liability side:</b> In the long run, climate change might result in the occurrence of irreversible risks, such as rising sea levels, increasing average air temperature, frequent heat waves, etc. In consequence, the clients of insurers might face more complex impacts from climate. Aside from the property and casualty insurance business, which might face the risk of increased pay-out, the life and health insurance business was likely to meet more challenges, too. Climate change might affect human health in various ways, including by interfering with the food system, increasing zoonosis, food-, water- or other vector-borne diseases, and leading to more deaths and diseases as a result of mental health problems.</p> <p><b>Asset side:</b> Likewise, investment projects might sustain loss from the irreversible impact of climate change, see their operating cost increase, and in turn, affect the value of insurers' investment portfolios.</p>	Long term	Medium to high	<p>Moreover, we tried to incorporate ESG factors into our investment research and decision-making and establish methods to screen investment projects in the theme of ESG or green development, in order to gradually deepen our understanding of the risks relating to climate.</p> <p>The likelihood that we should face large-scale business disruptions due to extreme weather conditions or other natural disasters was rather low. Nevertheless, we made the Emergency Response Plan for Major Natural Disasters or for Severe Fire, Production and Traffic Accidents to proactively address severe natural disasters like floods, typhoons and earthquakes.</p>

Climate Risk – Type of Transition Risk	Key impact of risks	Duration of impact	Level of impact	Analysis of the impact on CPIC
Policy and legal risks	<p><b>Liability and asset sides:</b> As climate-related policies and legal requirements became increasingly strict, traditional industries faced quite grim challenges in the low-carbon transition. This might exert impacts on some clients and investment projects of insurers and in turn transmit relevant risks to the latter. For example, in the low-carbon transition, the clients of insurers might give rise to new problems and lead to a higher probability of pay-out from the insurers. For another example, if the insurers concentrated their investment in high carbon emission industries, their assets might devalue as stricter restrictions on carbon emission are enacted.</p> <p><b>Operation side:</b> As the government was promoting the development of green buildings and green data centers, insurers were likely to be subject to more requirements for low-carbon operations, and accordingly, see their management cost increase in the future.</p>	Short, medium or long term	Medium	<p>CPIC developed new climate-related products, optimized and adjusted actuarial models in practice, and built up insurance experience in the low-carbon transition. We formulated Guidelines for Sustainable (Green) Insurance Standards, developed green insurance, and enhanced capacity building to provide professional support for clients to prevent disasters and loss.</p> <p>We included the reduction of carbon emissions of asset portfolios as one of the core ESG targets, formulated measures for the management of green investment, conducted green investment on an ongoing basis, and imposed greater restrictions on the investment in high carbon emission industries, to progressively lower the level of the carbon intensity of investment portfolios.</p> <p>We regarded green offices, green data centers and green buildings as an important part of the efforts to perform social responsibility so as to improve the performance in green operations. As of the end of 2022, 11 CPIC Homes have been certified with green or healthy building systems, and have generated significant benefits in energy conservation. CPIC's data centers have seen their energy efficiency improve continuously, too.</p>
Technical and market risks	<p><b>Liability side:</b> Traditional technologies were eliminated more quickly as a result of the rapid development of clean energy technologies, the elevated standards for energy use in various industries, and the growing demand for green products and services. Owing to a lack of experience in pay-out, how to accurately price the insurance services for new technologies might end up as a challenge.</p> <p><b>Asset side:</b> Tech advancement and business restructuring might deal an effect on the operating cost and competitive edge of some investment projects. It was even likely that some projects should fail in their green transition. All these might cause asset impairment risks to insurers.</p>	Medium-long term	Medium to high	<p>CPIC built a professional team of insurance experts who were highly experienced in surveying, assessing and managing risks in various industries. We stepped up cooperation with third party professional organizations, and followed up on the developments of low-carbon new technologies, to work out precision risk control plans and product pricing mechanisms.</p> <p>Gradually, we incorporated ESG factors into investment research and decision-making, improved risk identification and management for high carbon emission projects, and constantly increased the share of green investment in the total. We also geared up the development of ESG rating systems and advanced the low-carbon transition of asset allocation.</p>
Reputational risk	Climate change response became one of the most noted sustainability issues at home and abroad. Corporate climate actions captured the attention of all stakeholders, including investors. The intensity and efficacy of climate actions were included as a key dimension rated by mainstream ESG rating systems. Businesses that had not yet taken climate actions on a voluntary basis were more susceptible to the questioning of stakeholders and therefore to negative impacts on the image and reputation of their brands.	Short-medium term	Low	Oriented to national development strategies, CPIC has been actively performing social responsibility since its inception to promote win-win-win results for the economy, society and environment. When ESG and climate change responses were of great concern to the public, we enhanced capacity building with a view to contributing to sustainable development through sound management and practice. We vigorously built green brands, intensively communicated with stakeholders, and actively advocated green, low-carbon initiatives.

## Climate Risk Management

We improved our holistic risk management systems. To address risks from climate change, such as those from typhoons, we included the “share of the sum assured of property and casualty insurance in typhoon-prone areas” into the company's risk limits system. On a regular basis, we monitored the insurance data of geographic areas vulnerable to climate disasters to prevent concentrated pay-out risks from such catastrophes as a typhoon.

### Insurance Side

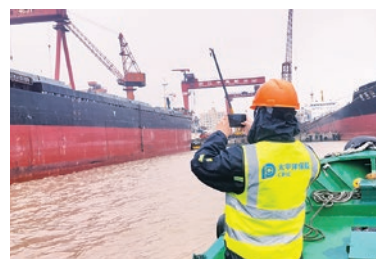
We continuously increased research and investment in climate change and catastrophe insurance and got ourselves acquainted with advanced catastrophe risk assessment techniques and tools in a timely manner. One after another, we developed different types of catastrophe insurance plans, including livelihood assistance, innovation and index-based types. In product development, moreover, we included analyses of the extreme weather events' impacts on the amount of pay-out for traditional crops, innovative agricultural price index, and income index insurances.

We developed our own smart risk control platform, i.e., “Risk Radar” . Using a string of key technologies, e.g., numerical weather prediction, geographic information system, and quantitative risk assessment, we created uniform and visualized risk maps integrating information on underwriting, claim settlement, risk assessment and natural disasters. For 11 types of natural disasters, including typhoons, storms, lightning, hail and blizzard, we were able to provide more than 130 disaster hazard assessment maps for every grid in the size of 1km × 1km.

In addition to the above, we piloted an internet of things (IoT) aimed to prevent disasters. Based on professional teams' risk assessment, we installed IoT-based alarms, e.g., flood and electric leakage alarms, on the premises of clients, so that in the case of an accident, we can come to their rescue in a timely


manner and minimize their loss to the highest extent possible.

Through reinsurance, we improved the management of catastrophe risks arising out of climate change and effectively ameliorated the impact on our operating results of large amounts of pay-out induced by major natural disasters like typhoons and storms.



 **11 types**  
of natural  
disasters

 grid accuracy  
is **1 km**

 **130**  
disaster hazard  
assessment  
maps

### Investment Side

In response to climate change, CPIC Asset Management stepped up its risk management efforts throughout the pre-, mid- and post-investment stages. On the basis of outsourced data, the subsidiary established its own scoring systems to rate its investment portfolios. In respect of environmental and climate change risks, it assigned scores to a portfolio on the ground of multiple dimensions,

including industry, management and asset. The subsidiary also set up feedback mechanisms for its risk management and investment research departments to ensure that the performance of an investment portfolio in terms of environmental and climate change risks was consistent with its overarching goals.

#### Pre-investment

Bearing the goals of clients in mind, we tried to identify their risk appetites, as well as relevant policies, threshold values, and management goals. Furthermore, we assisted the investment research line in creating a white list of investments and improving the practice of scoring environmental and climate performance on the basis of industry and management, among other dimensions.

#### Mid-investment

We systematically managed the threshold values of environmental and climate change risks. Also taken into consideration were the use of the credit limit on the part of the counterparty and the subject of credit, and the management of concentration risks in the industries as the focus of attention (e.g., coal, heavy industry, etc.).

#### Post-investment

We tracked negative public opinions on environmental and climate change risks to offer timely reminders and alerts.

## Embracing Climate Opportunities

Types of opportunities	Analysis of key opportunities	Duration of impact	Level of impact	Analysis of the impact on CPIC
Products, services and markets	<p>Liability side: Low-carbon transition gave rise to a rich array of demands for green insurance products and services. On the basis of their risk management expertise, insurers could assist insured businesses to conduct climate risk assessments, monitoring and alert, and provide the latter with risk reduction services.</p> <p>Asset side: Since the carbon peaking and carbon neutrality goals were set, the green financial market of China embarked on a fast track of growth. The demand for green finance grew continuously, and insurers enjoyed a huge room for growth in the size of green investment.</p>	Short, medium or long term	High	<p>CPIC launched several products pertaining to climate change, such as climate insurance and catastrophe insurance. In the fields of low-carbon tech, carbon market, ecological carbon sink, green transportation and so on, we actively renewed our products and services to enrich our green product pool. Our clients were found everywhere in the green and strategic emerging industries, such as power generation from renewable energy, and new energy vehicles. Through climate risk surveys, we provided clients with professional, in-depth risk management plans.</p> <p>We directly invested in the development of green projects via bond investment plans, equity investment plans, asset-backed plans, and industrial funds to increase the share of green investment. Moreover, we launched several asset management products on the theme of ESG or carbon neutrality.</p>
Efficiency and sources of energy	<p>Operation side: Increasing the efficiency of resource use and the utilization of clean energy was an important measure to reduce the emission of greenhouse gases. It helped businesses to lower their operating cost in the medium-to-long term and therefore become pacesetters for actions addressing climate change.</p>	Medium-long term	High	<p>CPIC did a great deal of work to reduce the consumption of energy and resources in general, including making low-carbon operating policies, enforcing energy conservation and carbon reduction measures, accelerating the roll-out of digital systems, and urging employees to make the habit of protecting the environment. Gradually, we increased the share of NEVs in our fleet. In the future, we will more systematically advance the carbon neutrality of our operations.</p>

## Metrics and Targets

In gauging climate-related risks and opportunities, CPIC adopted two categories of metrics: business and management. For a long, we have been tracking such business metrics as the coverage for catastrophe risks (RMB 100 million), the coverage for environmental pollution risks (RMB 100 million), and the investment in green-labeled bonds, rural vitalization bonds and carbon-neutral bonds (RMB 100 million). In 2022, according to requirements of the Statistical System for Green Insurance Business issued by the China Banking and Insurance Regulatory Commission, CPIC further tightened the management of relevant business metrics. In this regard, we focused on the emission of greenhouse gases in scope 1, scope 2 and scope 3 (mainly relating to business travel). For our greenhouse gas emissions in 2022, please refer to the ESG performance report attached to this report.

Insurance funds tend to be large-sized, have a long-term and seek stable yields. This perfectly matches the capital demand of the green industries, for they require long-term, large-amount investment. Through bond investment plans, equity investment plans, asset-backed plans, and industrial funds, we directly invested in the development of green projects in the following areas: clean transportation, new energy, resource conservation, circular use, pollution

prevention and treatment. Meanwhile, we stepped up the innovation of asset management products, launched insurance asset management products in the theme of ESG or carbon neutrality, and explored the opportunities for investment in sustainable development.

In daily operations, we fully practiced the concept of environmental protection. Specifically, we ratcheted up the efforts to save energy, reduce emissions, and increase paperless operations, increased the efficiency of energy use at data centers, and tried to make CPIC Home green communities for the elderly. Every effort aimed to reduce the carbon footprint of our operations.

Additionally, we advanced the public welfare forest project at Sanjiangyuan, applied our expertise in green finance and tech to implement the zero-carbon ICCE initiative, and created digital platforms to offer bonus points for personal carbon reduction. In doing so, we communicated the concept of green development and promoted green public welfare projects.

For more climate-related information, please refer to the Report of CPIC on Addressing Climate Change 2022.



# ESG Performance

Environmental  
Performance

Social  
Performance





## Environmental Performance

### Emissions

Emission of Waste Gas	2022	2021	2020
NOx emissions (kg)	17,862	19,219	21,196
SO <sub>2</sub> emissions (kg)	114	160	303
Particulate emissions (kg)	1,643	1,818	2,023
NOx emission density (kg/RMB 100 million)	3.92	4.36	5.02
SO <sub>2</sub> emission density (kg/RMB 100 million)	0.03	0.04	0.07
Particulate emission density (kg/RMB 100 million)	0.36	0.41	0.48

### Emission of Greenhouse Gases (GHG)

GHG emission	2022	2021	2020
GHG emissions (scope 1) (tons of carbon dioxide equivalent)	5,027	5,931	4,255
GHG emissions (scope 2) (tons of carbon dioxide equivalent)	77,739	99,993	102,556
GHG emissions density (scope 1) (tons of carbon dioxide equivalent/RMB 100 million)	1.10	1.35	1.01
GHG emissions density (scope 2) (tons of carbon dioxide equivalent/RMB 100 million)	17.07	22.69	24.69

Notes: 1. GHG gases include carbon dioxide, methane, nitrous oxide, HFCs, PFCs and SF<sub>6</sub>.

2. The GHG gas emissions (scope 1) refer to the emissions caused by the use of fixed energy sources, while the GHG gas emissions (scope 2) refer to those caused by outsourced electricity.

3. The GHG gas emissions in 2021 were calculated according to the Accounting Methods and Reporting Guidance for GHG Emissions by Enterprises—Power Generation Facilities (revised in 2021) by the Ministry of Ecology and Environment and 2006 IPCC Guidelines for National Greenhouse Gas Inventory by the IPCC.



## Discharge of Waste

Discharge of waste	2022	2021	2020
<b>Hazardous waste</b>			
Lead acid storage battery (kg)	11,626	9,449	-
Carbon powder (kg)	1,051	2,980	-
Toner cartridges (kg)	8,523	105,801	-
Ink cartridges (kg)	600	1,489	-
Ribbons (kg)	476	1,235	-
Waste lamp tubes (kg)	21,706	13,837	-
<b>Non-hazardous waste</b>			
Domestic garbage (kg)	8,259,856	8,064,328	-

## Resources and Energy Use

Resources use	2022	2021	2020
Consumption of natural gas (m <sup>3</sup> )	1,563,189	1,914,525	1,943,781
Efficiency of natural gas consumption (m <sup>3</sup> /RMB 100 million)	343.28	434.48	460.41
Consumption of electricity (kWh)	131,307,453	168,742,558	102,864,519
Efficiency of electricity consumption (kWh/RMB 100 million)	28,835.21	38,294.62	24,364.97

Notes: 1. The main energy consumed was natural gas and outsourced electricity.

2. The consumption of energy was calculated according to the consumption of electricity and fuel as well as to the conversion factor stipulated in the General Principle for the Calculation of Total Production Energy Consumption (GB/T2589-2008).

Water resources	2022	2021	2020
Total consumption of water (ton)	2,071,132	2,375,863	1,418,710
Efficiency of water consumption (ton/RMB 100 million)	454.82	539.18	336.04

Resources use at data centers	2022	2021	2020
PUE of Chengdu Data Center	1.49	1.54	1.55
PUE of Luoqing Data Center	1.49	1.55	1.60
Electricity consumption at Tianlin Data Center (10,000kWh)	555	2,395	2,880
Electricity consumption at Chengdu Data Center (10,000kWh)	3,351	3,623	3,371
Electricity consumption at Luoqing Data Center (10,000kWh)	2,750	2,140	1,280

Note: PUE = total energy consumption of a data center/energy consumption of IT equipment

Paper use	2022	2021	2020
Paper use in offices (kg)	337,329	494,722	357,769

## Digitalization

Digitalization performance	2022	2021	2020
Annual number of electronic policies (10,000)	58,103	61,444	43,524
Ratio of CPIC Life Insurance's mobile post-sale (%)	92	87	85
Number of electronic invoices (10,000)	1,706	3,218	4,248
Volume of business solicited through mobile phones (10,000 policies)	4,620	4,419	4,959
Number of electronic endorsements (10,000)	5,840	3,552	3,363
Number of electronic letters (10,000)	23,261	32,645	29,677
Number of SMS notices (10,000)	171,707	220,770	232,184
Number of electronic signatures (10,000)	9,160	20,262	17,027
Number of mobile claim settlement (10,000 policies)	668	863	729
Number of teleconference (times)	85	436	732
Number of video conference (times)	37,237	25,470	19,393

Notes: 1. Number of teleconference: Video conference was generally used.

2. Number of electronic invoices: Due to adjustments to business models, some invoices were not issued automatically. Consolidated invoices were promoted.

## Social Performance

### Anti-corruption

Anti-embezzlement training	2022	2021	2020
Number of people trained	102,161	17,131	12,691
Length of training (hour)	51,906	12,843	9,515

Note: The number of people trained in 2022 anti-embezzlement training included those trained in compliance training for new employees, training sessions on misconduct accountability rules, anti-money laundering training, etc.

### Employment

Employees	2022	2021	2020
Total number of employees	110,862	114,108	118,119
Number of newly added employees	10,180	12,823	14,558
Number of foreign employees	14	33	73
Number of disabled employees	203	137	139
<b>Per gender</b>			
Number of male employees	52,480	53,733	55,282
Number of female employees	58,382	60,375	62,837
<b>Per the type of employment</b>			
Number of employees under labor contracts	104,502	107,000	110,940
Number of employees under labor dispatch	6,148	6,815	6,796
Number of employees hired post-retirement	212	293	383
<b>Per age</b>			
Number of employees at or under age 30	27,998	33,088	39,360
Number of employees in the age bracket of 31–40	52,853	52,042	50,242
Number of employees in the age bracket of 41–50	21,869	21,240	21,447
Number of employees at or over age 51	8,142	7,738	7,070

## Employment

Employees	2022	2021	2020
<b>Per region</b>			
North China	11,805	12,306	17,171
Northeast China	6,406	6,327	6,890
East China	42,104	44,525	44,649
Central China	14,709	15,229	13,543
South China	16,803	15,894	15,007
Southwest China	12,718	13,164	13,954
Northwest China	6,317	6,663	6,905
<b>Per ethnicity</b>			
Number of Han employees	105,052	108,097	112,103
Number of ethnic minority employees	5,796	5,978	5,943

Employee turnover rate (%)	2022	2021	2020
Total employee turnover rate (%)	13.80	14.54	12.59
<b>Per gender</b>			
Male employee turnover rate	15.67	15.49	14.48
Female employee turnover rate	11.65	13.74	10.93
<b>Per age</b>			
Number of employees at or under age 30	29.57	26.69	19.95
Number of employees in the age bracket of 31–40	10.82	13.21	10.00
Number of employees in the age bracket of 41–50	4.11	4.45	3.56
Number of employees at or over age 51	2.82	2.28	3.73
<b>Per region</b>			
North China	6.63	9.47	6.53
Northeast China	6.00	12.57	29.27
East China	13.09	15.74	10.30
Central China	15.15	14.06	11.31
South China	20.40	20.15	19.32
Southwest China	19.28	16.10	16.02
Northwest China	8.55	13.08	11.01

## Employee Health and Safety

Workplace casualties of employees	2022	2021	2020
Number of deaths from workplace accidents	0	0	0
Ratio of deaths from workplace accidents (%)	0	0	0
Number of working days lost to work injury (day)	3,247	2,011	1,994

## Employees Training

Training of employees	2022	2021	2020
Total expenditure for employee training (RMB 10,000)	366	306	315
<b>Per gender</b>			
Ratio of male employees trained (%)	47.7	48.0	–
Average length of training for male employees (hour)	13.7	93.9	38.2
Ratio of female employees trained (%)	52.3	52.0	–
Average length of training for female employees (hour)	13.7	101.7	37.4
<b>Per the type of employees</b>			
Ratio of senior executives trained (%)	0.1	0.7	–
Average length of training for senior executives (hour)	13.4	100.8	92.2
Ratio of mid-level management trained (%)	0.8	5.0	–
Average length of training for mid-level Management (hour)	13.0	93.9	55.6
Ratio of ordinary employees trained (%)	99.1	94.3	–
Average length of training for ordinary employees (hour)	14.6	98.7	36.4

Note: The statistical caliber of employee training data in 2020 and 2021 is the group headquarters, and the statistical caliber will be adjusted to all internal employee in 2022.

## Suppliers

Number of suppliers per region	2022	2021	2020
Northeast China	2	3	2
North China	130	130	138
East China	323	363	386
Central China	6	11	10
South China	51	53	44
Southwest China	13	12	15
Northwest China	1	1	–
Overseas	1	3	5

## Consumer Complaints

Consumer complaints in 2022	CPIC Property and Casualty Insurance	CPIC Life Insurance	CPIC Health Insurance
Number of complaints received	225,004	194,859	791
Number of complaint referrals from regulators	2,275	6,520	16
Number of complaints per RMB 100 million premium	1.35	2.93	1.84
Number of complaints per 10,000 policies	0.002	0.30	0.26
Number of complaints per 10,000 persons	N/A	0.04	0.05
Ratio of complaints handled and closed in a timely manner (%)	100	100	100
Ratio of complaints about vehicle insurance (%)	65.2	N/A	N/A
Ratio of complaints about non-vehicle insurance (%)	34.8	N/A	N/A
Ratio of sales disputes (%)	9.5	67.5	6.3
Ratio of claim disputes (%)	69.8	5.6	31.2
Ratio of other disputes (%)	20.7	26.9	62.5
<b>Per region</b>			
East China (%)	49.1	30.4	18.8
North China (%)	14.8	18.1	18.8
Northeast China (%)	4.3	16.3	-
Central China (%)	6.4	16.5	-
South China (%)	13.4	4.9	56.2
Southwest China (%)	5.7	8.2	6.2
Northwest China (%)	6.3	5.6	-

Response to complaints about CPIC P&C Insurance	2022	2021	2020
<b>Metrics for call center services</b>			
Call completion rate (%)	98.29	98.62	99.28
IVR satisfaction for 95500 call services (%)	99.99	99.99	99.98
<b>Metrics for efficiency of claim settlement</b>			
Average claim settlement cycle time of current year (motor vehicle insurance) (day)	10.3	8.8	10.1
Average claim settlement cycle time for cases involving less than RMB 10,000 (motor vehicle insurance) (day)	10.2	8.7	8.6
<b>Metrics for efficiency of complaints</b>			
Ratio of P&C insurance complaints handled in a timely manner (%)	100	100	100
Ratio of P&C insurance complaints resolved all at once (%)	93.53	95	96

Response to complaints about CPIC Life Insurance	2022	2021	2020
<b>Call completion rate (%)</b>	99.65	99.51	99.76
Ratio of calls answered in 20 seconds (%)	99.55	99.48	99.60
Satisfaction of incoming call services	98.21	96.48	96.29
<b>Metrics for efficiency of claim settlement</b>			
Average settlement cycle time for small-amount claims (day)	0.17	0.16	0.21
Ratio of small-amount pay-out settled in 5 days (%)	99	99	99
<b>Efficiency of complaint handling</b>			
Ratio of major life insurance complaints closed (%)	100	100	100
Ratio of minor life insurance complaints closed (%)	100	100	100
Ratio of life insurance complaints handled in a timely manner (%)	100	100	100
Average complaint disposal cycle time for life insurance (day)	7.19	5.45	5.44



Satisfaction metrics	2022	2021	2020
Satisfaction about CPIC Changjiang Pension's client service hotline (%)	99.5	98.8	99.2
Satisfaction about CPIC Health Insurance's client service hotline (%)	99.61	99.7	99.7

Punishment received for violating marketing and underwriting laws	2022	2021	2020
CPIC Property and Casualty Insurance			
Times of punishment	18	31	29
Total amount of penalty (RMB 10,000)	407	604	481
Times of warning	3	4	2
CPIC Life Insurance			
Times of punishment	4	20	24
Total amount of penalty (RMB 10,000)	306	304	297
Times of warning	2	7	1

# Appendixes

## Appendix 1 Guidelines of the Shanghai Stock Exchange for Self-disciplinary Supervision of Listed Companies No. 1-Operational Standardization

Shanghai Stock Exchange's requirements for disclosure	CPIC's response
<p>Development and implementation of social responsibility systems involving employee protection, environmental pollution, product quality, and community relationship</p>	<ul style="list-style-type: none"> <li>◆ For the development and implementation of the employee protection system, please refer to the Creating Development Platforms for Employees section in the Collaboration for Sustainable Development part of this report.</li> <li>◆ For the development and implementation of the environmental pollution system, please refer to the Addressing Climate Change to Advance Green Development section in the Accountability for Sustainable Development part of this report.</li> <li>◆ For the development and implementation of the product quality system, please refer to the Optimizing Insurance Services for Clients section in the Collaboration for Sustainable Development part of this report.</li> <li>◆ For the development and implementation of the community relationship system, please refer to the Conducting Public Welfare Activities to Practice Social Responsibility section in the Collaboration for Sustainable Development part of this report.</li> </ul>
<p>Problems and inadequacies concerning the performance of social responsibilities, the gap with the requirements stated in these guidelines and the causes</p>	<ul style="list-style-type: none"> <li>◆ While seeking economic benefits and protecting shareholders' interest, CPIC actively protected the legal rights and interests of its creditors and employees, honestly dealt with its suppliers, clients and consumers, practiced the concept of green development, and undertook public welfare activities such as environmental protection and community development. As a result, we promoted coordinated, harmonious development between the company and society at large.</li> <li>◆ In operating activities, we followed the principles of voluntariness, fairness, compensation for equal value, and honesty, observed social and commercial ethics, and accepted the supervision of the government and general public.</li> <li>◆ CPIC has made ESG plans and established relevant working mechanisms. The ESG plans contained the following items: commercial ethics, employee protection plans and career development support plans, technical input and R&amp;D plans of reasonably using resources and effectively protecting the environment, social development funding plans, institutional arrangements aimed to implement, manage and supervise social responsibility plans, etc.</li> <li>◆ CPIC has disclosed its social contribution per share in this report.</li> <li>◆ CPIC's performance in social responsibility is disclosed not only in its annual report but also in its Sustainable Development Report, a publication dedicated to CSR disclosure.</li> <li>◆ The Sustainable Development Report has been approved by CPIC's Board of Directors and disclosed on the official website of the Shanghai Stock Exchange.</li> </ul>
<p>Improvement measures and schedules</p>	<ul style="list-style-type: none"> <li>◆ According to the Guidelines of the Shanghai Stock Exchange for Self-disciplinary Supervision of Listed Companies No. 1-Operational Standardization, CPIC has performed corporate social responsibility in all respects. To that end, it has created plans, mechanisms and systems, taken a series of concrete actions, and produced significant outcomes.</li> <li>◆ On the basis of existing work, CPIC will continue to follow the latest regulatory policies and developments at home and abroad to improve the quality and effectiveness of its social responsibility work.</li> </ul>

## Appendix 2 HKEX ESG Reporting Guide

Aspects, General Disclosures and KPIs	Description	Sections
<b>A1: Emissions</b>		
General Disclosure <sup>1</sup>	Relating to air <sup>2</sup> and greenhouse gas emissions <sup>3</sup> , discharges into water and land, and generation of hazardous and non-hazardous waste <sup>4</sup> . (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P21–P23
A1.1	Types of emissions and emissions data	P77
A1.2	GHG emissions and density (Scopel and Scopell)	P77
A1.3	Total hazardous waste amount and density	P78
A1.4	Non-hazardous waste amount and density	P78
A1.5	Emissions targets and paths	P21–P22
A1.6	Waste treatment volume, waste reduction targets and paths	P21–P22
<b>A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resource <sup>5</sup> , including energy, water and other raw materials	P21
A2.1	Energy consumption amount and density	P78
A2.2	Water consumption and density	P78
A2.3	Energy use efficiency goals and paths	P21
A2.4	Water use goals and paths	P21
A2.5 <sup>6</sup>	Packaging materials	-
<b>A3: The Environment and Natural Resources</b>		
General Disclosure <sup>7</sup>	Identification and response to major climate policies that may exert impacts on the issuer	P17–P23
A3.1	Negative environmental impacts of the business and actions taken	P17–P23
<b>A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	P69
A4.1	Identification and response of significant climate events that may exert impacts on the issuer and the response actions	P70–P74

Notes: 1. CPIC Stipulated that the temperature set for heating purposes in winter should not be higher than 20°C, whereas that for cooling purposes in summer not be lower than 26°C. This regulation helps to reduce greenhouse gas emissions and meets the requirements of the "Notice of the General Office of the Shanghai Municipal People's Government on Deepening the National Energy Conservation Action in this City" issued on October 12, 2008.

2. Air emissions include nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations.

3. Greenhouse gases (GHG) include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

4. Hazardous waste refers to those defined by national regulations.

5. Resources can be used for production, storage, transportation, buildings, electronic equipment, and others.

6. CPIC belongs to the financial industry and does not apply this indicator.

7. CPIC promoted green insurance, participated in green project investment and construction, responded to climate change from the insurance and investment sides, protected the ecological environment and natural resources.

Aspects, General Disclosures and KPIs	Description	Sections
<b>Employment and Labor Practices</b>		
<b>B1: Employment</b>		
General Disclosure	Information on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. (a) the policies; and (b) relevant laws and regulations	P49–P50
B1.1	Total workforce by gender, employment type (full time or part time), age group and geographical region	P80–P81
B1.2	Employee turnover rate by gender, age group and geographical region	P82
<b>B2: Health and Safety</b>		
General Disclosure <sup>8</sup>	Relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) relevant laws and regulations	P53
B2.1	The number and ratio of people who died from work in the past three years (including the reporting year)	P82
B2.2	Lost days due to work injury	P82
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P53
<b>B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for fulfilling duties at work. Description of training activities <sup>9</sup>	P51–P52
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management)	P83
B3.2	The average training hours completed per employee by gender and employee category	P83
<b>B4: Labor Standards</b>		
General Disclosure	Relating to preventing child labor or forced labor: (a) the policies; and (b) relevant laws and regulations	P49
B4.1	Description of measures to review employment practices to avoid child labor and forced labor	P49
B4.2	Description of steps taken to eliminate relevant practices when discovered	P49
<b>Operating Practices</b>		
<b>B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	P57
B5.1	Number of suppliers by region	P83

Note: 8. CPIC has formulated the "Comprehensive Smoking Ban Management Regulations of the Company (Trial)" to provide employees with a safe working environment, that is, to comply with the Shanghai Public Places Smoking Control Regulations implemented from March 1, 2017.

9. Training refers to vocational training and may include internal and external courses paid for by the employer.

Aspects, General Disclosures and KPIs	Description	Sections
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P57
B5.3	Description of practices to identify environmental and social risks at each link of supply chain, and corresponding execution and supervision methods	P57
B5.4	Description of practices of urging selected suppliers to use more environmental products, and corresponding execution and supervision methods	P57
<b>B6: Product Responsibility</b>		
General Disclosure	Information on health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) relevant laws and regulations	P56
B6.1 <sup>10</sup>	Percentage of total products sold or shipped subject to recalls for safety and health reasons	–
B6.2	Number of products and service related complaints received and how they are dealt with	P56; P84–P85
B6.3	Description of practices relating to observing and protecting intellectual property rights	P46
B6.4	Description of quality assurance process and recall procedures	–
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	P45; P56
<b>B7: Anti-corruption</b>		
General Disclosure	Relating to prevention of bribery, extortion, fraud and money laundering (a) the policies; and (b) relevant laws and regulations	P42
B7.1 <sup>11</sup>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	P42
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P42
B7.3	Description of anti-corruption trainings for Board of Directors and employees	P42; P80
<b>Community</b>		
<b>B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P58–P60
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sports)	P58–P60
B8.2	Resources contributed (e.g., money or time) to the focus area	P58–P60

Note: 10. CPIC belongs to the financial industry and does not apply this indicator.

11. During the reporting period, there were no corruption lawsuits.

## Appendix 3 GRI Standards Index

GRI Standard	Disclosure	Location
<b>GRI 2 General Disclosure 2021</b>		
<b>The Organizations and Its Reporting Practices</b>		
2-1	Organization details	P05
2-2	Entities included in the organization's sustainability reporting	P01
2-3	Reporting period, frequency and contact point	P01
2-4	Restatements of information	Not involving restatement
2-5	External assurance	-
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	P05
2-7	Employees	P80-P81
2-8	Workers who are not employees	P80
<b>Governance</b>		
2-9	Governance structure and composition	P29-P30; P38
2-10	Nomination and selection of the highest governance body	-
2-11	Chair of the highest governance body	-
2-12	Role of the highest governance body in overseeing the management of impacts	-
2-13	of responsibility for managing impacts	-
2-14	Role of the highest governance body in sustainability reporting	P29-P30
2-15	Conflicts of interest	-
2-16	Communication of critical concerns	P31-P32
2-17	Collective knowledge of the highest governance body	-
2-18	Evaluation of the performance of the highest governance body	-
2-19	Remuneration policy	P50
2-20	Process to determine remuneration	-
2-21	Annual total compensation ratio	-

GRI Standard	Disclosure	Location
<b>Strategy, Policy and Practices</b>		
2-22	Statement on sustainable development strategy	P02
2-23	Policy commitments	P30
2-24	Embedding policy commitments	P30
2-25	Processes to remediate negative impacts	P56
2-26	Mechanism for seeking advice and raising concerns	P31-P32
2-27	Compliance with laws and regulations	P42; P45; P46; P49 ; P56
2-28	Membership associations	P63-P65
<b>Stakeholder Involvement</b>		
2-29	Approach to stakeholder engagement	P31-P32
2-30	Collective bargaining agreements	-
<b>GRI3 Material Topics 2021</b>		
3-1	Process to determine material topics	P33
3-2	List of material topics	P33
3-3	Management of material topics	P29
<b>GRI 201 Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	P06
201-2	Financial implications and other risks and opportunities due to climate change	P70-P71
201-3	Defined benefit plan obligations and other retirement plans	-
201-4	Financial assistance received from government	-
<b>GRI 202 Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-
202-2	Proportion of senior management hired from the local community	-
<b>GRI203: Indirect Economic Impact 2016</b>		
203-1	Infrastructure investments and services supported	P26
203-2	Significant indirect economic impacts	-

GRI Standard	Disclosure	Location
<b>GRI204 Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	-
<b>GRI205 Anti-Corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	P42
205-2	Communication and training about anti-corruption policies and procedures	P42
205-3	Confirmed incidents of corruption and actions taken	P42
<b>GRI206 Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-
<b>GRI207 Tax 2019</b>		
207-1	Approach to tax	-
207-2	Tax governance, control and risk management	-
207-3	Stakeholder engagement and management of concerns related to tax	-
207-4	Country-by-country reporting	-
<b>GRI301 Materials 2016</b>		
301-1	Materials used by weight or volume	-
301-2	Recycled input materials used	-
301-3	Reclaimed products and their packaging materials	-
<b>GRI 302 Energy 2016</b>		
302-1	Energy consumption within the organization	P78
302-2	Energy consumption outside the organization	-
302-3	Energy intensity	P78
302-4	Reduction of energy consumption	-
302-5	Reductions in energy requirements of products and services	-
<b>GRI 303 Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	-
303-2	Management of water discharge- related impacts	-



GRI Standard	Disclosure	Location
303-3	Water withdrawal	-
303-4	Water discharge	-
303-5	Water consumption	P78
<b>GRI 304 Biodiversity 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-
304-2	Significant impacts of activities, products and services on biodiversity	-
304-3	Habitats protected or restored	-
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
<b>GRI 305 Emission 2016</b>		
305-1	Direct (Scope 1) GHG emissions	P77
305-2	Energy indirect (Scope 2) GHG emissions	P77
205-3	Other indirect (Scope 3) GHG emissions	-
205-4	GHG emissions intensity	P77
205-5	Reduction of GHG emissions	-
205-6	Emissions of ozone-depleting substances (ODS)	-
205-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P77
<b>GRI 306 Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	-
306-2	Management of significant waste-related impacts	-
306-3	Waste generated	P78
306-4	Waste diverted from disposal	-
306-5	Waste directed to disposal	-
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	-
308-2	Negative environmental impacts in the supply chain and actions taken	-

GRI Standard	Disclosure	Location
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	P82; P82
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	P49-P50
401-3	Parental leave	-
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	-
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	-
403-2	Hazard identification, risk assessment and incident investigation	-
403-3	Occupational health services	-
403-4	Worker participation, consultation, and communication on occupational health and safety	-
403-5	Worker training on occupational health and safety	-
403-6	Promotion of worker health	P53
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-
403-8	Workers covered by an occupational health and safety management system	-
403-9	Work-related injuries	P82
403-10	Work-related ill health	-
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	P83
404-2	Programs for upgrading employee skills and transition assistance programs	-
404-3	Percentage of employees receiving regular performance and career development reviews	-
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	P80-P81
405-2	Ratio of basic salary and remuneration of women to men	-
<b>GRI 406: Non-Discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	P49

GRI Standard	Disclosure	Location
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>GRI 408: Child Labor 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	-
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
<b>GRI 410: Security Practices 2016</b>		
410-1	Security personnel trained in human rights policies or procedures	-
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		
411-1	Incidents of violations involving rights of indigenous peoples	-
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessment, and development plans	-
413-2	Operations with significant actual and potential negative impacts on local communities	-
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	-
414-2	Negative social impacts in the supply chain and actions taken	-
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	-
<b>GRI 416: Customer Health and Safety 2016</b>		
416-1	Assessment of health and safety impacts of product and service categories	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-
<b>GRI 417: Marketing and Labeling 2016</b>		
417-1	Requirements for product and service information and Labeling	-
417-2	Incidents of non-compliance concerning product and service information and labeling	-
417-3	Incidents of non-compliance concerning marketing communications	-
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P45

## Appendix 4 TCFD Index

TCFD Framework	Recommended disclosure	Disclosures
Governance	Describe the board's oversight of climate-related risks and opportunities.	P69
	Describe management's role in assessing and managing climate related risks and opportunities.	P69
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	P70-71; P73
	b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	P69
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	P69
Risk Management	a) Describe the organisation's process for identifying and assessing climate-related risks.	P70-P71
	b) Describe the organisation's processes for managing climate related risks.	P72
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	P73
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	P74
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	P74
	c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	P74

## Appendix 5 ESG Rating and Index Performance

Name of ESG index	Notes
Hang Seng (China A) Corporate Sustainability Benchmark Index (HSCASUSB)	Incorporated
Shanghai and Shenzhen 300 ESG Leading Index	Incorporated
Shanghai and Shenzhen 300 ESG Benchmark Index	Incorporated
Beautiful China ESG 100 Index	Incorporated
MSCI ESG rating	Incorporated
FTSE Russell ESG rating	Incorporated
Social responsibility of local SOEs-Vanguard 100 Index	The 20 <sup>th</sup> place

## Appendix 6 Contact Us

Dear readers,

Thank you for sparing time to read the China Pacific Insurance 2022 Sustainability Report. In order to better meet your needs and provide you with more valuable information, as well as to facilitate our continuous improvement of sustainability performance, we earnestly hope that you can provide valuable comments on the reports by giving us feedback through the following means.

Address: No.1, South Zhongshan Road, Shanghai

Zip code: 200010

Department: China Pacific Insurance (Group) Co., Ltd. Brand Department

Thanks!

China Pacific Insurance (Group) Co., Ltd.

March 2023



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