



2024

Sustainability Report

Report Preparation Overview

The People's Insurance Company (Group) of China Limited (also known as "PICC", "the Group", "the Company", or "We/our") publishes the sustainability report annually through the exchanges' platform and the Company's official website. We hope to disclose the sustainability initiatives of the Group and our subsidiaries (consistent with the scope of our annual report) during the reporting period on a regular basis.

This annual report is prepared in accordance with the disclosure requirements of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, the *Guidelines No. 1 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange—Standardized Operation, the Environmental, Social, and Governance Reporting Code (HKEX ESG)* released by the Stock Exchange of Hong Kong Limited, the *GRI Sustainability Reporting Standards (GRI Standards)* issued by the Global Sustainability Standards Board (GSSB), and the *Guide No. 4 for Self-Regulatory Supervision on Listed Companies of Shanghai Stock Exchange — Compilation of Sustainable Development Reports*.

This report will present the economic, environmental, and social performance of PICC and its subsidiaries from January 1 to December 31, 2024. The financial information in this report is quoted from the *2024 Annual Report of People's Insurance Company (Group) of China Limited* that was prepared based on *China Accounting Standards for Business Enterprises* (audited by Ernst & Young Hua Ming LLP). Unless otherwise noted, all monetary figures in this report are presented in RMB (yuan).

Our Board of Directors develops and implements regulatory processes for the sustainability initiatives. The Board hereby confirms that this report is free of any misrepresentation, misleading statements, or major omissions, and assures the authenticity of all information. We entrust SGS to conduct the independent third-party assurance to confirm the accuracy and reliability of information and data.

This report is released in both print and digital formats, with the latter available for view and download through our website: <http://www.picc.com>.

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Scan the QR code to view our report online.

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Chairman's Address



The year 2024 marked PICC's 75th anniversary, a milestone in our journey of growth alongside the nation. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we strengthened technology finance, green finance, inclusive finance, pension finance, and digital finance, aligning with global sustainable development. Through scientific business operations, performance evaluation, and risk management, we accelerated high-quality transformation, reinforcing our role in serving the real economy, rural revitalization, healthcare, elderly care, and social governance as a key player in China's financial sector.

Fulfilling our responsibilities as a state-owned financial institution within the national development agenda. We embedded our development within the national agenda, positioning ourselves within China's financial strength-building strategy. Implementing the Group's *Work Guidelines for Advancing Technology Finance, Green Finance, Inclusive Finance, Pension Finance, and Digital Finance*, we drove supply-side, operational, and institutional innovations through reform-driven, pragmatic approaches. In 2024, PICC provided 3,175 trillion yuan in insurance coverage and paid 448.5 billion yuan in claims. Supporting rural revitalization, we provided risk protection of RMB 2.1 trillion for 55.42 million farming households. To foster technological self-reliance, we developed a flagship portfolio of sci-tech insurance products, continuously launching innovative solutions such as "Zhongshi Bao" (Pilot Testing Insurance) and "Dikong Bao" (Low-Altitude Economy Insurance). These efforts accelerated new quality productive forces, increasing sci-tech insurance risk protection to 31.2 trillion yuan, a 21.6% year-over-year increase. We also played a pivotal role in supporting the Belt and Road Initiative, providing 1.9 trillion yuan in risk protection for overseas investments and infrastructure projects, expanding our international business footprint to over 140 countries and regions.

Enhancing citizens' well-being by addressing their daily concerns. Employment, healthcare, and elderly care are fundamental concerns for every household, and PICC is dedicated to addressing these key areas. To support financial inclusion for new citizens, we launched the *Special Work Plan to Promote New Citizen Insurance (2024–2026)*, creating a comprehensive, multi-tiered product system. In 2024, our services covered 18.18 million new citizens, with risk protection exceeding 400 trillion yuan. We also introduced "Care for Stars" project, filling an industry gap in long-term risk protection for families with children with intellectual disabilities. Participating in the construction of a multi-level social security system, we managed 1,442 government-sponsored health insurance programs, including critical illness insurance, long-term care insurance, and outpatient chronic disease insurance, benefiting nearly 1 billion people. To enhance elderly care services, we broadened retirement financial solutions and strengthened elderly care infrastructure. Through our "Warm Heart Companion" program, we partnered with elderly care institutions across 14 provinces, with more than 20,000 beds available.

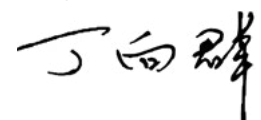
Strengthening social governance with insurance solutions.

Insurance serves as a bridge between efficient markets and proactive governance, playing an increasingly crucial role in modern social risk management. Promoting the upgrade of the supply side of catastrophe insurance, we actively carried out pilot practices of local catastrophe insurance, and launched China's first province-wide, all-risk, long-term catastrophe insurance policy in Hebei, covering the entire province under one insurance policy. As of 2024, our regional catastrophe insurance extended to 20 provinces and 118 cities, covering over 400 million people. Strengthening risk prevention, we shifted from post-disaster compensation to full-process risk management, issuing 50 million+ risk alerts, eliminating 1.03 million+ potential hazards, and activating emergency disaster response 255 times, completing over 1.11 million claims services. Additionally, we expanded liability insurance, leveraging market-based mechanisms to mitigate social governance risks, with safety responsibility and quality insurance serving 330,000+ corporate clients.

Leading the transition to a green economy. PICC is committed to harmonious coexistence with nature, actively driving green finance and insurance to foster a sustainable future. As a pioneer in green finance standards, we drove the China Belt and Road Reinsurance Pool in releasing the *Green Investment Principles for the Belt and Road*, setting industry benchmarks. We also innovated green insurance products, launching China's first Photovoltaic Power Sales Credit Compensation Insurance, Energy Storage System Long-Term Quality and Performance Guarantee Insurance, and Comprehensive Vegetation Carbon Sink Value Insurance, undertaking 184 trillion yuan of risk guarantee throughout the year. Strengthening green operations, we enhanced energy efficiency and emission reduction, promoted digitalized underwriting, built green data centers, and adopted green procurement practices. In Xiamen's Jimei District, we established China's first carbon-neutral insurance outlet, setting a new industry standard for sustainable operations.

As we forge ahead into 2025, a pivotal year for concluding the 14th Five-Year Plan and shaping the 15th Five-Year Plan, PICC remains dedicated follow the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, striving to become a world-class insurance and financial group characterized by strong functionality, operational excellence, distinctive core business, modern governance, and global competitiveness. With unwavering dedication, we will continue to drive China's development and national rejuvenation, empowering the future with the strength of PICC.

Secretary of the Party Committee and Chairman
The People's Insurance Company (Group) of China Limited



President's Address



In 2024, PICC fully, accurately, and comprehensively implemented the new development philosophy, staying true to its founding mission of "People's Insurance for the People." We remained committed to sustainable development, enhancing financial accessibility, compliance governance, and information disclosure. Through these efforts, we are committed to fulfilling the role of insurance in economic, social, and environmental sustainability.

Upholding green development and building an integrated work system. We embed green and sustainable development into corporate governance and business operations, established a Green Finance Committee at the management level to drive green finance and ESG initiatives. We enhanced our green finance and ESG policies, issuing the *Green Finance Management Measures*, the Green Finance Development Plan (2024–2027), and formulating 22 green finance and ESG annual key tasks. In order to develop an innovative Green Finance and ESG Information Management System, we have formed nearly 200 green finance and ESG management indicators formed, and became the first in the industry to establish a unified green insurance statistical system and an ESG risk assessment framework for insurance clients. These advancements significantly strengthened our resilience in sustainable operations.

Prioritizing customer service to deliver smart and convenient experiences. With a customer-centric approach, we leveraged technology to make services smarter and more efficient, ensuring that data does the work so customers don't have to. We digitalized and automated insurance underwriting and claims processing, enabling 20.23 million self-service transactions and automated reviews. In auto insurance claims, we provided over 10,000 intelligent vehicle damage detection services, achieving nearly 90% automated dispatching across various motor insurance scenarios. In personal injury claims mediation, we delivered 210,000 online services, significantly enhancing efficiency and the overall customer experience. Adhering to the principle of "full compensation, prompt compensation, and reasonable advance compensation", we have formulated the "30 Fast-Track Measures for Disaster Claims Pre-Payment" and the "19 Measures to Accelerate Claims Settlement", which reinforced our reputation as a trusted and dependable insurance provider. Additionally, we strengthened customer privacy and cybersecurity protection, upgrading our information security management systems. In 2024, PICC's Information Security Management System earned ISO/IEC 27001 certification, ensuring the highest level of customer data protection.

Fostering win-win partnerships through coordination and shared growth. We worked closely with stakeholders,

fostering a stronger, more integrated community for shared development. Maintaining open communication with investors, we responded promptly to stakeholder concerns and achieved a 100% response rate on the Shanghai Stock Exchange E-Interactive platform, ranking first among state-owned listed financial enterprises. To grow alongside our employees, we optimized human resource management, enhanced comprehensive employee training programs, and organized cultural and sports activities to ensure our high-quality development benefits all employees. We also actively engaged in global sustainability initiatives, signing the United Nations *Principles for Sustainable Insurance (PSI)* and promoting the adoption of sustainable finance frameworks, encouraging sustainability practice across society.

Upholding modern governance and consolidating the foundation for compliant operations. We remained committed to advancing risk management and corporate governance, reinforcing a robust compliance framework across the organization. In 2024, we launched the core system of the "Data-Driven Smart Risk Management Decision-Making" framework, significantly improving risk monitoring and early-warning capabilities. Fostering a strong corporate culture of compliance, we conducted regular integrity and anti-corruption training for employees and marketing personnel. In 2024, over 170,000 employees participated in anti-corruption training, strengthening ethical awareness at all levels. To ensure responsible supply chain management, we improved suppliers' contract performance efficiency while promoting ESG values throughout procurement. In 2024, the *Supplier Integrity Commitment* achieved a 100% signing rate.

As we move forward into 2025, PICC remains committed to a financial development path with Chinese characteristics, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We will further refine our sustainability governance mechanisms, enhance financial services, and continue delivering superior performance to shareholders, employees, and society. With unwavering determination, we are set to embark on a new chapter in PICC's high-quality development.

Deputy Secretary of the Party Committee, Vice Chairman
and President, The People's Insurance Company (Group) of
China Limited

About Us

Company Profile

The People's Insurance Company (Group) of China Limited was evolved from the People's Insurance Company, which grew together with the People's Republic of China (PRC). Established on October 20, 1949, we're the pioneer and founder of the insurance business of the PRC. Over 70 years of development, PICC has grown into a comprehensive insurance and financial group in China, with subsidiaries and member companies including PICC P&C, PICC Life, PICC AMC, CCT, PICC Health, PICC Pension, PICC Investment Holding, PICC Capital, PICC Reinsurance, PICC Hong Kong, and PICC Technology. Our business scope covers property insurance, life insurance, reinsurance, asset management, and other fields.

PICC has always upheld the Party leadership. By integrating the Party leadership and Party building across the process of operation and management, we have effectively transformed the political and organizational strengths of the Party into the advantages of development and governance effectiveness. Committed to the mission of "People's Insurance for the People" and bearing in mind "the Top Priorities of the Country", we, as a central state-owned financial enterprise, leverage our leading role in the industry to strive for high-quality development, implement the new development philosophy, and seek progress while maintaining stability. We work to build a new business model that integrates insurance, service and technology, and redouble our efforts to serve the real economy, social stability and people's well-being, so as to achieve high-quality development while supporting China's modernization.



PICC reaches

AA in MSCI ESG ratings,
attaining globally leading status.

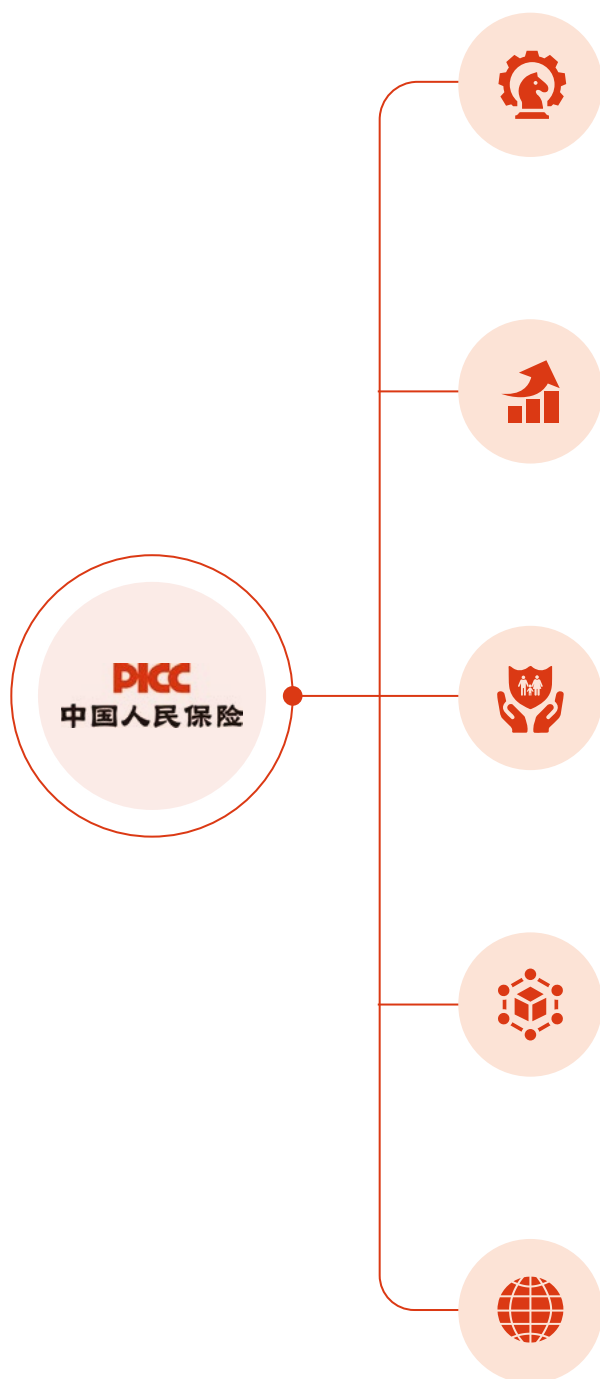
In 2024, PICC was honored to make
its debut on the Fortune China ESG
Impact List.

PICC climbed to the 31st position
in the China's 500 most valuable
brand ranking released by Brand
Finance.

31st

Vision and Goals

PICC remains committed to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle. We diligently advance technology finance, green finance, inclusive finance, pension finance and digital finance, staying true to our founding mission of "People's Insurance for the People". Leveraging insurance as both an economic stabilizer and a social safety net, we strive to be an industry leader in safeguarding people's well-being, a front-runner in social governance, and a pillar of support for the real economy. With unwavering commitment to financial development with Chinese characteristics, we aim to become a world-class insurance and financial group distinguished by outstanding functionality, operational efficiency, a clear business focus, modern governance, and strong international competitiveness.



Outstanding functionality

We enhance our role in economic security, social protection, and disaster prevention through continued structural supply-side reform. Strengthening our market influence to match China's vast economic scale, we set industry benchmarks and provide world-class insurance protection.

High operational efficiency

We prioritize value and profitability, striving for higher quality, superior quality, optimized structures, and cutting-edge technology. Our goal is to lead in value creation and achieve world-class business performance.

Clear business focus

Centered on three core segments—property insurance, life insurance, and investments—we reinforce our leadership in property insurance, enhance our competitiveness in life insurance, and expand the role of investments in driving business growth and profitability. By strengthening our overall capabilities, we deliver first-class integrated services.

Modern governance

Upholding the "Two Consistencies"—ensuring the Party's leadership in state-owned enterprises remains unwavering while simultaneously adhering to the modernization of corporate governance as the foundation for reform, we advance corporate governance modernization, optimize our business portfolio, and enhance resource allocation. These efforts ensure sustainable growth and world-class governance capabilities.

Global competitiveness

Embracing an open mindset, we expand overseas business prudently, compete in global markets, and establish a world-class international presence, particularly in countries along the Belt and Road.

KPIs

Fulfilling our mission as a state-owned financial enterprise



- Provided **3,175 trillion** yuan in risk protection coverage
- Paid out **448.5 billion** yuan in claims



Social

Social contributions

- Achieved the highest rating in the central units' paired assistance assessment for the sixth consecutive year.
- Provided services to **18.18 million** new citizens.
- Directly contributed **60.1 million** yuan in unconditional assistance funds and insurance donations.

Customer service

- PICC Health received ISO 9001 certification for consumer rights protection quality management.
- the Net Promoter Score (NPS) of PICC P&C, PICC Life, and PICC Health increased significantly year on year.

Supplier management

- Achieved a **100%** signing rate for the *Supplier Integrity Commitment*.

Employee development

- Employed **175,000 people**.
- **One unit** received the National May Day Labor Award, and **two units** were honored with the National Worker Pioneer Title.

Technological innovation

- Invested **6.05 billion** yuan in IT development, a **34.2%** year-on-year increase.
- Five tech projects won the People's Bank of China **Fintech Development Award**.
- The Group's information and cybersecurity management system obtained **ISO/IEC 27001 certification**.

External cooperation

- Engaged in multi-level cooperation with **14 provincial governments**, achieving full coverage in formulating service lists for **37 provincial governments** and municipalities specifically designated in the state plan.



Environment

Green insurance

- Provided **184 trillion yuan** in risk protection for green insurance
- Signed the UN *Principles for Sustainable Insurance (PSI)*
- Released the *Green Investment Principles for the Belt and Road*

Green investment

- Invested **100.4 billion yuan** to support green development
- Integrated ESG factors into the Group's credit rating framework

Green operations

- Achieved **1.87 tCO₂e per capita** carbon emissions at two headquarters levels (Group and subsidiary levels)
- PICC P&C's Xiamen Jimei branch became the first carbon-neutral insurance branch in China.

Climate change response

- Embedded risk reduction measures across five key stages: pre-insurance, during insurance, pre-disaster, disaster response, and post-disaster recovery.
- Provided regional catastrophe insurance coverage for **400 million+** people.
- Activated **255** major disaster emergency response events, handling **1.11 million+** claims.



Governance

Sustainability governance framework

- Established a Green Finance Committee and built a comprehensive
- "Board-Management-Operation" structure for sustainable governance.
- Formulated and issued *Green Finance Management Measures and a Development Plan*.
- Developed and launched the Group's Green Finance and ESG Information Management System.
- Received a Grade **A** rating for information disclosure from the Shanghai Stock Exchange.

Business Conduct Standards

- Provided anti-corruption training to over **170,000** participants across the Group.
- Achieved **100%** participation in anti-corruption training.

Materiality Assessment

Guided by *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* (hereinafter referred to as the Guidelines) and the *Guidelines No. 4 for Self-Regulatory Supervision on Listed Companies of Shanghai Stock Exchange — Compilation of Sustainable Development Reports: No.1: General Requirements and Disclosure Framework* (hereinafter referred to as the Framework)—PICC conducted a double materiality analysis. This assessment identifies the Company’s impact on the environment and society while recognizing the financial risks and opportunities associated with sustainability issues.

Double Materiality Assessment

Considering industry characteristics and our business operations, we have established an initial double materiality assessment process this year, revisiting and updating our material topics. Moving forward, we will further refine our methodology by engaging internal employees, external experts, and industry research institutions to assess impact and financial materiality thresholds, scoring logic, and other key factors, ultimately improving PICC’s double materiality assessment framework.

Materiality Assessment Criteria

| Materiality Dimension | Definition of "Significant Impact" |
|-----------------------|---|
| Impact Materiality | The extent to which the Company's performance on a given topic has a real or potential impact on the economy, society, or environment. |
| Financial Materiality | The extent to which a topic is expected to have a short-, medium-, or long-term and material impact on the Company's business model, operations, strategy, financial performance, cash flow, and financing costs/methods. |

Source: *Guidelines*, Shanghai Stock Exchange

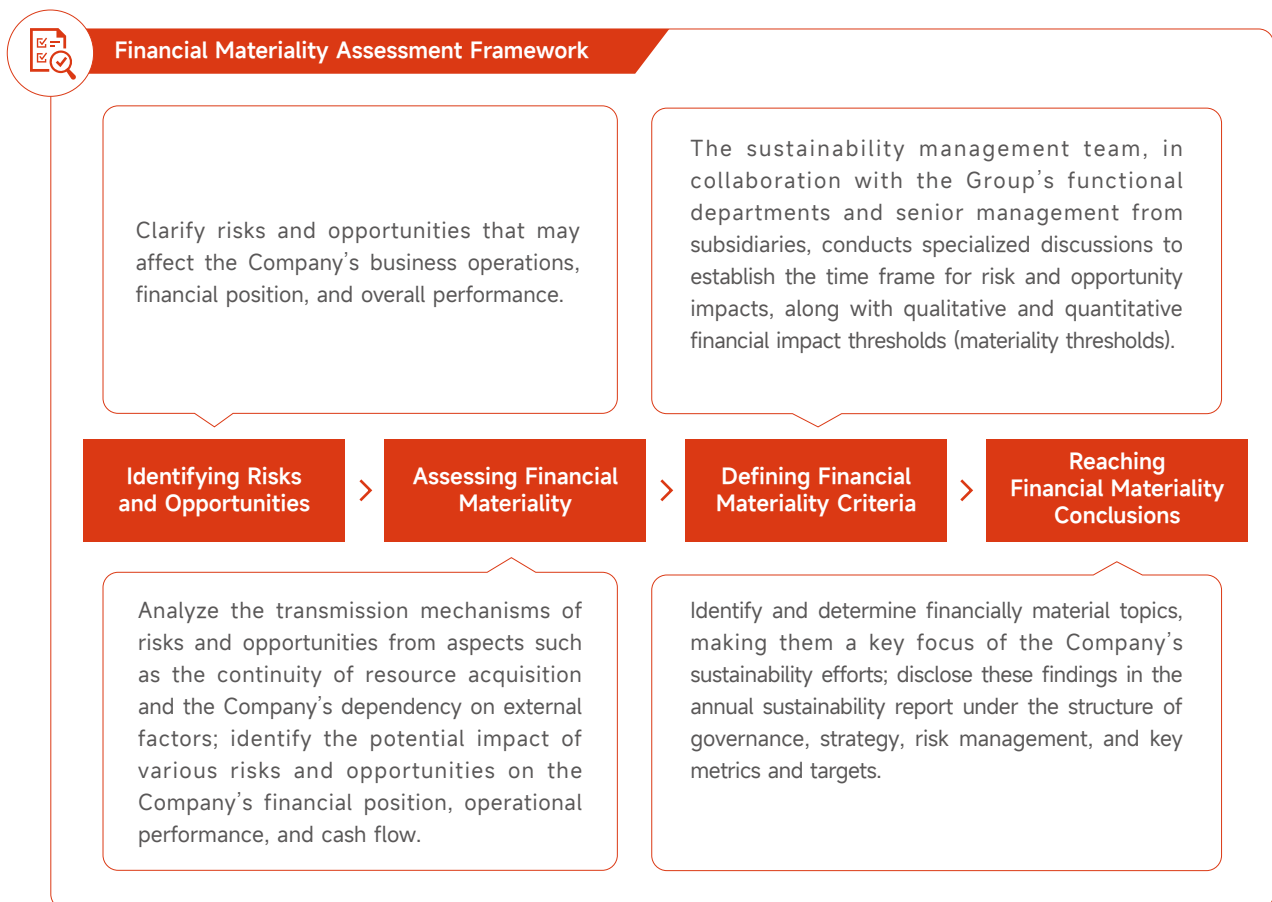
Establishment of a topic list

Based on the 21 topics outlined in the *Guidelines*, we refined our 2023 material topics by analyzing PICC’s business model, industry trends, peer practices, regulatory policies, and leading ESG rating indicators. As a result, we expanded our 2024 list to 28 topics.

Materiality assessment

Impact materiality. We have established an initial impact materiality assessment process and conducted stakeholder communication and specialized surveys to evaluate how the Company's sustainability performance affects society and the environment, considering both actual and potential impacts, as well as positive and negative effects. In addition, we have identified these impacts and assessed their significance using questionnaires and focus group discussions, etc.

Financial materiality. We have referred to the Guidelines and considered the Group's operational and management realities to explore the establishment of a financial materiality assessment framework. Based on this framework, we have conducted preliminary research and analysis on the transmission mechanisms of risks and opportunities across various topics, evaluating their financial significance.



Information disclosure

In line with the *Guidelines*, we adopt a differentiated disclosure approach based on the assessed impact materiality and financial materiality of each topic.

2024 List of Material Topics

| PICC 2024 List of Material Topics | Stakeholders | | | | | |
|--|----------------------------|---------------------------|-------------------------|-----------|----------|----------------------------|
| | Shareholders and investors | Government and regulators | Customers and consumers | Employees | Partners | Communities and the public |
| Climate change response | • | • | | | | • |
| Environmental compliance management | | • | | | | • |
| Pollutant emissions | | • | | • | | • |
| Waste disposal | | • | | • | | • |
| Energy use | | • | | • | | • |
| Water resource utilization | | • | | • | | • |
| Circular economy | | | | • | | • |
| Ecosystem & biodiversity conservation | • | • | | | | • |
| Supporting rural vitalization | | • | | | | • |
| Charity | | | | | | • |
| Innovation-driven development | • | | • | • | • | |
| Responsible procurement | | | | | • | |
| Fair treatment of small and medium-sized enterprises | | | | | • | |
| Customer experience & service quality | • | | • | | | |
| Data security & customer privacy protection | | | • | | | |
| Competitive compensation and benefits | | | | • | | |
| Employee career development | | | | • | | |
| Employee health and safety | | | | • | | |
| Due diligence | • | | | | • | |
| Stakeholder communication | • | • | • | • | • | • |
| Business ethics | • | • | • | • | • | |
| Compliant operation | • | | | • | | |
| Green insurance | • | | • | | | |
| Inclusive finance | • | • | • | | | |
| Green investment | • | | • | | | |
| Healthy and elderly care services | | • | • | | | |
| Response to large-scale environmental disasters | | • | • | | | • |
| External cooperation | • | • | | | • | |
| Industry standard development | | | | / | | |
| Paying taxes according to the law | | | | / | | |
| Value creation | | | | / | | |

Changes from 2023

No change.

The original "Green Operations" has been split into more specific topics to better reflect the Company's areas of focus and make it easier for stakeholders to identify relevant information.

A new topic to demonstrate the Company's forward-looking approach to industry trends and evolving societal demands for insurance products.

No change.

The original topics "public welfare activities" and "supporting local community development" have been merged. While ensuring full coverage of key initiatives, this also broadens the scope of the topic.

A new topic to highlight the critical role of technological innovation in driving the Company's development.

No change.

A new topic to align with new regulatory requirements.

The original topics "service quality" and "customer complaint handling" have been merged, expanding the topic's scope.

The original topics "data security & management" and "privacy & information security" have been merged to ensure clear topic boundaries and streamline the topic list.

No change.

No change.

No change.

A new topic to align with new regulatory requirements.

A new topic to align with new regulatory requirements.

The original "anti-corruption" topic is expanded to include anti-money laundering, anti-unfair competition, discrimination & harassment, and whistleblower protection, broadening the scope.

No change.

No change.

No change.

No change.

The original "support for the healthy China initiative" topic has been expanded to include elderly care services, broadening the topic's scope.

No change.

A new topic to reflect the Company's external collaboration efforts and internationalization strategy.

The topic is removed and its components have been reassigned to "innovation-driven development," "customer experience & service quality," and "social contributions."

The topic is removed as tax compliance is a fundamental corporate responsibility and regulatory obligation.

The topic is removed as the Company integrates value creation across the 28 identified material topics.

Stakeholder Communication

We continuously enhance our stakeholder communication mechanisms, maintaining open, sincere, and two-way dialogues through results announcements, investor open days, customer days, and other engagement initiatives. By actively understanding stakeholder concerns and striving to meet their expectations, we build trust and strengthen relationships.



PICC Investor Open Day on November 8, 2024

In 2024, we received a Grade A rating for information disclosure from the Shanghai Stock Exchange. We won "Best Practice in 2023 Annual Report Earnings Conference" and "Best Board Practice for Listed Companies 2024" awarded by the China Association for Public Companies.

Response rate to inquiries on the Shanghai Stock Exchange E-Interactive platform achieved
100%

Online and offline roadshows held
317 times

Organized an Investor Open Day focused on the **high-quality development of new energy vehicle insurance**

Communicate with
1,765 investors

Conducted investor roadshows in Beijing, Shanghai, Shenzhen, Guangzhou, Hong Kong, Singapore, Tokyo, London, and Paris
60+ times

Paid visits to
80+ institutional investors

| Stakeholders | Expectations of stakeholders | Participation and communication methods |
|---|--|---|
|  Shareholders and investors | <ul style="list-style-type: none"> • Sound financial management • Refined corporate governance and operation • Clean business environment • Comprehensive risk management system • ESG rating results • Transparent information disclosure | Stakeholders' Meeting Annual report and announcements Results announcements Investor Open Day "ESG Policy and Practice" column on the official website Response to ESG rating agencies |
|  Government and regulators | <ul style="list-style-type: none"> • Response to national strategic guidelines • Compliant operation • Contributing to industrial development and communication | Attending government meetings Submitting regulatory information Participating in major topics and policy discussions in the industry |
|  Customers and consumers | <ul style="list-style-type: none"> • Diversified insurance products • Quality and convenient services • Protection of customer rights and interests • Personal information security and privacy protection • Accessibility of financial services | Customer Day Symposiums and return visits Special customer satisfaction investigations Media such as official Weibo and WeChat accounts Telephone hotline Company website and e-shop |
|  Employees | <ul style="list-style-type: none"> • Training and career development opportunities • Right to democratic participation • Occupational health and safety • Harmonious and healthy workplace • Favorable benefits and compensation system | Workers' Congress and the labor union Employee seminars Career development plan Performance management Face-to-face and online training |
|  Partners | <ul style="list-style-type: none"> • Clean business environment • Mutually beneficial partnership • Fair treatment of diverse partners | Strategic cooperation agreements Supplier evaluations Joining the industry associations |
|  Communities and public | <ul style="list-style-type: none"> • Improving people's livelihoods • Advancing social governance • Charitable activities | Inclusive finance Charitable donation Volunteer activities |
|  Natural environment | <ul style="list-style-type: none"> • Ecological environment protection • Climate change • Green operation | Sustainable Insurance Responsible Investment Energy saving and emission reduction |

Analysis Results

Impact materiality. Through conducting a questionnaire survey, combined with regulatory policies, industry hotspots, peer attention, etc., a preliminary qualitative analysis of the impact materiality of the topic is carried out. They are prioritized based on "very important", "moderately important", and "generally important", and the identification results are as follows.

| Importance level | Topics | |
|----------------------|---|--|
| Very important | Climate change response | Customer experience and service quality |
| | Green insurance | Data security and customer privacy protection |
| | Green investment | Innovation-driven development |
| | Inclusive finance | Compliant operation |
| | Supporting rural revitalization | Business ethics |
| | Health and elderly care services | |
| Moderately important | External cooperation | Employee health and safety |
| | Employee career development | Stakeholder communication |
| | Competitive compensation and benefits | Due diligence |
| Generally important | Responsible procurement | Circular economy |
| | Equal treatment of small and medium-sized enterprises | Energy use |
| | Charity | Response to large-scale environmental damage incidents |
| | Environmental compliance management | Water resource utilization |
| | Pollution emissions | Ecosystem and biodiversity conservation |
| | Waste disposal | |
| | | |

Financial materiality. In 2024, in response to regulatory requirements and stakeholder concerns, we conducted an initial financial materiality assessment with a focus on climate change response. Drawing on domestic and international leading research as well as internal and external expert insights, we explored the financial implications of climate change. Moving forward, we will conduct a systematic financial materiality assessment based on an established framework. This includes developing financial quantitative thresholds to further assess the impact of material topics on financial statements, thereby deepening and solidifying financial materiality assessment across all key areas.



Financial Materiality Assessment of Climate Change Response

The Sixth Assessment Report (2023) of the Intergovernmental Panel on Climate Change (IPCC) highlights that global surface temperature has increased faster since 1970 than in any other 50-year period over at least the last 2000 years, leading to greater climate system instability. Climate change has become a major global challenge, exerting significant pressure on the insurance market across the entire value chain, including primary insurance, reinsurance, and insurance-linked securities. Both property and life insurance businesses are directly affected, making it essential to assess how climate change impacts PICC's operational resilience.

From a risk and loss perspective, climate change has increased the frequency and intensity of extreme weather events, leading to higher catastrophe-related payouts. These rising claims pose growing challenges to insurers' financial sustainability and balance sheet stability.

From a business structure perspective, climate change affects not only property insurance but also life insurance. The *2024 Lancet Countdown on Health and Climate Change Report* warns that rapid climate shifts are posing record-breaking threats to human well-being, health, and survival. Among the 15 key climate-health assessment indicators, 10 have reached new record highs, directly influencing pricing models and actuarial adjustments in life insurance. Climate change also affects insurance asset management, increasing investment risk exposure for insurers.

From an operating model perspective, climate change is driving a fundamental shift in traditional insurance business practices. For example, extreme climate variability challenges the reliability of risk assessment models; the rise of new energy industries affects insurers' ability to collect risk data on emerging assets and price new insurance products; managing climate risk is becoming more complex, pushing insurers to leverage big data, artificial intelligence, and capital markets to enhance risk management and diversification strategies.

Based on the above assessment, PICC has identified "climate change response" as a financially material topic. Accordingly, we have structured our disclosure on this topic around four key elements—governance, strategy, risk management, and metrics & targets (see Section **Climate Change Response** for details).

Environmental Sustainability

- Green Insurance
- Green Investment
- Green Operation
- Climate Change Response





Green Insurance

PICC continuously improves the institutional framework for green insurance top-level design and business development, integrating ESG factors into insurance operations, including product development, underwriting, claims settlement, and risk management. These efforts enhance green insurance services and strengthen operational capabilities.

Enhancing green insurance operation management

We incorporate ESG factors into green insurance management, reinforcing top-level design, data governance, ESG risk identification, specialized research, and actuarial assessment to drive the high-quality development of green insurance.

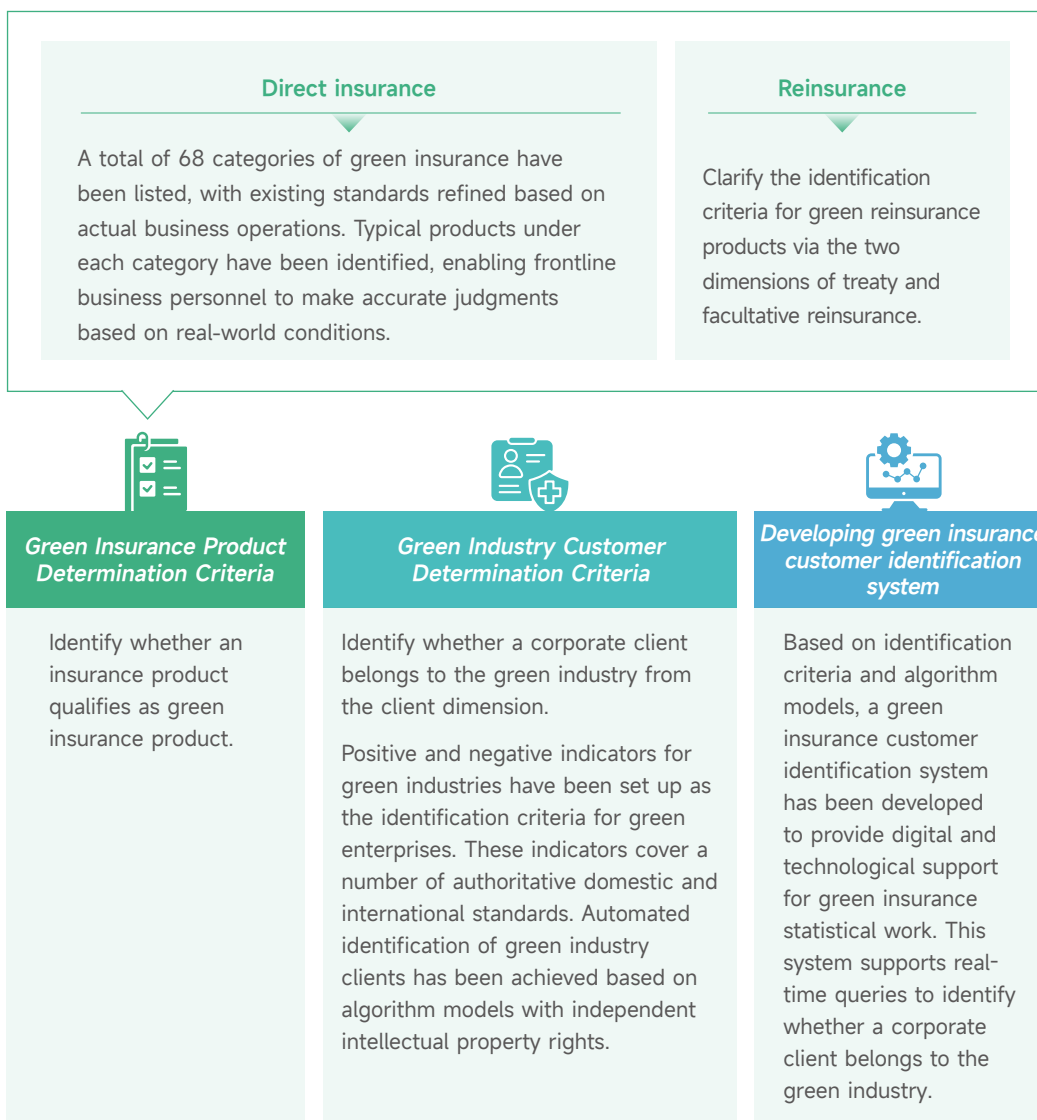
Strengthening green insurance top-level design. We execute the *Implementation Plan of PICC for Promoting Green Insurance Development* and follow up quarterly key tasks and key performance indicators. By guiding subsidiaries in innovating green insurance products in areas such as clean energy, energy-saving retrofits, green technology, and ecological carbon sinks, we work to expand product offerings and steadily grow the green industry client base to ensure the sustainable development of green insurance.

Intensifying ESG risk identification. We are the first in the industry to establish a unified green insurance statistical system and an ESG risk assessment system for insurance clients. With an ESG risk factor algorithm model and an assessment indicator system, we optimize the underwriting decisions based on ESG evaluations. We also study the correlation between ESG risk assessments and underwriting risks, formulating risk-specific underwriting guidelines to enhance green insurance risk control. By linking ESG risk assessment results to underwriting decisions, we encourage insured companies to raise risk awareness, strengthen ESG risk management, and adopt more sustainable business practices, reducing their environmental and social impact.

Improving the green insurance statistical system. We have improved the green insurance statistical system by issuing two institutional documents: the *PICC Green Insurance Product Determination Criteria* and the *PICC Green Industry Customer Determination Criteria* to standardize green insurance statistical criteria across subsidiaries. We also have developed a dedicated business statistical system to support digital green insurance data management.

Integrating ESG into actuarial management. We survey climate risk actuarial assessments of non-life insurance subsidiaries in areas such as assumption models, actuarial assessment, and risk pricing. PICC P&C, PICC Reinsurance and PICC Hong Kong have incorporated climate risks into actuarial pricing and risk assessments. PICC P&C has further factored climate risks into budget preparation, calculating catastrophic loss ratios separately and applying add-ons to the expected claims ratio.

Establishing the green insurance assessment and evaluation system. PICC P&C integrates green finance and ESG-related requirements into headquarters performance assessment. Green insurance is included into the budget and performance evaluation framework for both headquarters and branches, focusing on business scale, growth rate, and innovation in green insurance products and services. These efforts aim to enhance the quality and efficiency of green insurance development.



This project is the first Group-led green insurance standard system, with the first complete coverage of green insurance statistics across all insurance subsidiaries.

Promoting the development of green insurance

We incorporate green development into the Group's strategic service planning, continuously improving its green insurance product and service system. We work to develop industry-leading green insurance models that support "carbon reduction, pollution reduction, green expansion, and sustainable growth" through professional risk protection. In 2024, PICC provided 184 trillion yuan in risk protection through green insurance, supporting an economy-wide green transition.

Serving carbon reduction in energy consumption, and promoting low-carbon energy transition. We support the stable operation of new energy projects by actively partnering with Power China, Energy China and other major electric power construction groups, as well as expanding coverage for hydropower, wind power, photovoltaic power, pumped storage, and other clean energy projects. In 2024, PICC provided 4 trillion yuan in risk protection for clean energy initiatives. To further support energy conservation and emission reduction, PICC has developed a closed-loop insurance protection system covering the entire process from "carbon capture" to "carbon utilization" and ultimately "carbon storage", offering specialized risk protection for carbon reduction technologies.



In 2024, PICC provided risk protection through green insurance of

184 trillion yuan

Case

First "Photovoltaic Power Sales Credit Compensation Insurance" in China

In March 2024, PICC P&C issued China's first-ever "Photovoltaic Power Sales Credit Compensation Insurance" in Jiangsu, providing credit risk management for unpaid electricity bills. This policy effectively controlled and reduced bad debt losses, ensuring stable enterprise operations. It marked China's first insurance solution for recovering receivable electricity bills in the new energy sector.



Serving pollution reduction in industrial transformation, and supporting ecological and environmental protection. PICC has advanced the efforts by promoting the national pilot program for compulsory environmental pollution liability insurance and expanding the "environmental liability insurance + environmental risk monitoring" model. In 2024, we offered over 19.7 billion yuan in risk protection for environmental pollution and about 10.9 trillion yuan to mitigate vessel pollution risks.

Case

PICC P&C signs the *Memorandum of Cooperation on Building the Chinese Green Shipping Insurance Community*



In June 2024, the People's Government of Pudong New Area in Shanghai, China State Shipbuilding Corporation, and nine insurance institutions, including PICC P&C, jointly signed the *Memorandum of Cooperation on Building the Chinese Green Shipping Insurance Community*. This initiative aimed to enhance the green and low-carbon level of full lifecycle shipping through multi-party collaboration, build a high-quality, efficient modern green shipping system, and provide comprehensive risk protection for China's green shipping industry.



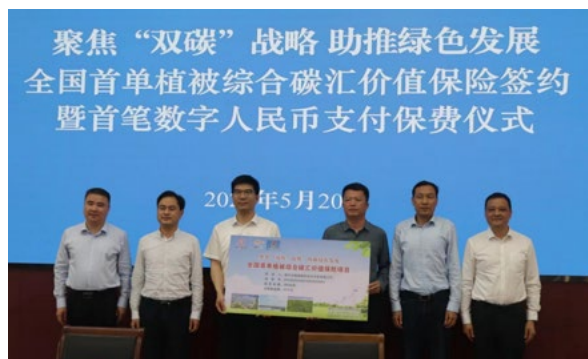
In 2024, we underwrote forestry area

over **1.1** billion mu

Expanding green development, and improving carbon sequestration. PICC has advanced carbon sink insurance by developing comprehensive mangrove insurance and bamboo forest carbon sink values insurance. We explored the "carbon sink + insurance" model, integrating forest insurance with carbon sink valuation, pledges, and financing. In 2024, we underwrote over 1.1 billion mu of forestry area, significantly contributing to forest stock growth and carbon sequestration capacity.

Case

First "Comprehensive Vegetation Carbon Sink Value Insurance" in China



In May 2024, PICC P&C launched China's first-ever "Comprehensive Vegetation Carbon Sink Value Insurance" in Nanjing, Jiangsu Province. Based on remote sensing carbon sink observation and measurement technology, this innovative agricultural carbon sink insurance compensated for carbon sink losses caused by damage to vegetation, arable land, and other ecological resources. The initiative filled a gap in carbon sink insurance for terrestrial vegetation, farmland, and soil.

Serving the growth of green economy, and supporting the development of green industries. PICC accelerates support for new energy vehicles, organizing industry cooperation forums themed "Serving the Real Economy and Assisting in the Old-for-New Campaign". We also have launched the *Initiative for the Insurance Industry to Support the Old-for-New Car Consumption*. In 2024, the Company underwrote over 11.59 million new energy vehicles, with a year-on-year increase of 57.3%. Meanwhile, we offer services to service export enterprises in dealing with carbon tariffs, collaborate with banks to tailor financing solutions for green enterprises, and advance projects like "Green Loan Guarantee" and "Carbon Loan Guarantee," aiming to provide financial support for new energy enterprises to expand overseas and enhance international competitiveness.



In 2024, we underwrote
new energy vehicles

over **11.59** million

Case **First "Carbon Tariff Insurance" in the Yangtze River Delta region**

In January 2024, PICC P&C launched the first "Carbon Tariff Insurance" in the Yangtze River Delta region in Ningbo, in collaboration with Ningbo Zhedong Environment and Energy Exchange Co., Ltd. We introduced an "insurance + service institution" model to enhance "carbon tariff" insurance coverage, mitigating risks and uncertainties in carbon emissions data reporting for export-oriented enterprises, facilitating their global go-green expansion.



Green Investment

PICC adopts a diversified investment strategy, aligning with insurance fund utilization requirements, business characteristics, and various asset classes. The Company increases financial support for green, low-carbon, and circular economy, gradually expanding green industry asset allocation while maintaining risk control and commercial sustainability. We also uphold the concept of responsible investment by embedding ESG factors into investment decision-making, aiming to generate both economic returns and positive environmental and social impacts.

Promoting the building of a green investment system

We advance our green investment management framework for establishing unified green investment statistical standards, refining investment strategies, and enhancing professional investment capabilities.

Improving the green investment system. We have issued the *Guidelines for Green Investment Work*, outlining investment structure, key focus areas, and operational requirements for green (ESG) investment. To ensure effective implementation, we differentiate investment strategies based on sector-specific characteristics and market conditions. Under this comprehensive framework, our investment subsidiaries are required to develop their own green investment guidelines, create positive and negative lists, and define precise green investment strategies. Additionally, we expand our ESG investment team, assigning specialized professionals from the Group's investment department and investment subsidiaries to lead ESG investment initiatives.

Developing green investment classification criteria. To strengthen reporting and oversight, we have developed a standardized classification system for green investments, improving data collection, monthly monitoring, and process control. We guide subsidiaries in both developing green investment projects and managing green investment processes. Furthermore, we incorporate green investment performance indicators into subsidiary business assessments, ensuring alignment with national green development strategies and establishing internal evaluation mechanisms.

Surveying the carbon accounting of investment portfolios. We recognize investment portfolio carbon accounting as a foundational step for green investment transformation. We systematically review regulatory policies and measurement standards, conduct industry benchmarking and peer research, collaborate with market-leading institutions, and perform simulation-based carbon emission assessments for our entire investment portfolio. All these efforts lay a solid ground for the carbon accounting of investment portfolios.

Intensifying green investment management

We fully integrate green finance and ESG factors into the entire process management of investment and financing, strengthening due diligence, compliance reviews, investment approvals, and post-investment management.

Including green investment requirements into the whole process management of investment.

Insurance subsidiaries, acting as principals, have formulated annual investment guidelines to standardize trustee investment practices and ensure alignment with ESG investment policies. Investment subsidiaries, serving as trustees, are required to translate these policies into actionable ESG investment strategies in day-to-day operations.

| Key Procedure | Benchmark Assets | Alternative Assets |
|-----------------|--|--|
| Pre-investment | We develop an ESG evaluation system to assess ESG risks faced by counterparts, with a focus on formulating risk control strategies for negative factors and integrating ESG negative screening strategies into the rigid control system. | To admit alternative investment products, we establish an ESG compliance due diligence checklist and a prudent transaction checklist to evaluate the sustainability of companies and projects. |
| Post-investment | We continue monitoring ESG risks associated with financing entities, enhancing ESG risk monitoring. | To further mitigate risks, we formulated ESG risk mitigation measures and urged stakeholders to reinforce ESG risk management. |

Incorporating ESG factors into the credit rating framework. We adopt a unified credit rating model across the Group. Key ESG risk factors influencing the final credit rating are included in the "negative adjustment" section of relevant rating models, covering aspects such as natural disasters, adverse records, reputation risk events, control disputes, and severe litigation involvement. Analysts are able to adjust rating results based on these ESG risk factors. Relevant subsidiaries also integrate ESG evaluations throughout the entire credit rating process. During due diligence, we collect ESG risk data, assessing ESG performance based on public sources and third-party ESG rating agencies. We then incorporate ESG assessments and their impact on credit ratings into credit rating reports. In post-investment tracking, we continue to monitor ESG risk factors to ensure ongoing risk assessment.

Optimizing the application of ESG investment strategies by assets class. Investment subsidiaries within the Group integrate various ESG investment strategies, implementing systematic investment management to enhance ESG-driven decision-making.

Actively employing shareholder engagement strategies. We have established systems for the appointment of directors and supervisors and for reviewing proposals related to the Group's major equity investment, ensuring clear responsibilities and structured procedures. We also lead the review of major equity investment proposals for invested companies.

| Invested Assets Class | ESG Investment Strategy | Application of ESG Investment Strategies | Invested Amount |
|----------------------------|---|--|--|
| Fixed income investment | Negative screening ESG integration Thematic investments for sustainable development | We incorporate ESG metrics into our credit rating workflow, ensuring full coverage of ESG analysis for benchmark bonds. In internal rating reports, we analyze ESG-related risks and opportunities, along with their impact on rating results, using third-party ESG databases. We also conduct regular ESG rating distributions for held bonds to mitigate ESG risks. We prioritize investments in government special bonds supporting green infrastructure and bonds issued by enterprises in batteries, electric motors, power grid equipment, wind power equipment, photovoltaic equipment, and green electricity sectors. | As of the end of 2024, we invested approximately 76.1 billion yuan in bonds via our insurance funds "serving green development," maintaining stability compared to the previous year. |
| Stock investment | Negative screening | We evaluate the ESG performance of investment targets as a key factor in adjusting the investment pool. Potential targets undergo clear ESG assessments before inclusion. Stocks that do not meet internal ESG standards are excluded, based on third-party ESG ratings. We regularly review ESG score changes in the investment pool and make dynamic adjustments. We also expand our reserve of green investment targets, focusing on clean energy, green transportation, and wastewater treatment. | As of the end of 2024, we invested approximately 4.2 billion yuan in equity via insurance funds "serving green development", which increased by 179% compared to the end of the previous year. |
| Alternative investment | Thematic investments for sustainable development Corporate engagement and shareholder action | We vigorously support the green and low-carbon development of the economy, pollution prevention and control, environmental remediation, and ecological protection and restoration. We focus on investments in areas like clean and low-carbon energy systems, low-carbon green ecology, and green infrastructure construction, and actively develop and invest in alternative investment projects concerning green development. | As of the end of 2024, we invested approximately 20 billion yuan in alternative products via insurance funds "serving green development". |
| Asset management portfolio | — | We developed a green investment portfolio, offering diverse strategies and investment categories to direct capital toward environmentally responsible enterprises. | In 2024, PICC AMC launched a CSI 800 ESG Index product based on the issuance of multiple ESG asset management products. |



Actively employing the "shareholder engagement" strategy

Our investment subsidiaries play an active role in the ESG practices of invested companies. In 2024, PICC AMC participated in the governance decision-making of several listed companies and voted on multiple proposals. For example, in an equity investment project involving a petrochemical product sales company, by participating in the board of directors and the strategy and investment committee of the company, we promoted the deep integration of the investee company's ESG strategy with its overall corporate governance framework, encouraging investee to formulate and implement strategies, goals, and annual plans covering various ESG issues. Additionally, we urged the investee company to fulfill its social responsibilities, exercised shareholder rights, and supervised its engagement in livelihood protection, production safety, and public welfare initiatives. Aligning with the investee company's traditional energy transition strategy, we supported the development of charging and swapping stations, hydrogen energy, and the expansion of wind and photovoltaic power projects.

Intensifying support for green investment

With ESG-oriented insurance asset management products around carbon finance, green bond index and green industry, we have enhanced cooperation with green enterprises and projects. We provide long-term and stable financial support for low-carbon and energy-saving industries, clean energy, and renewable energy sectors. In 2024, the scale of the Group's investment in serving green development reached 100.4 billion yuan.



In 2024, the Group's investment in serving green development reached

100.4 billion yuan

Case

PICC AMC issues its first quantitative ESG index asset management product

In October 2024, PICC AMC issued the "PICC AMC CSI 800 ESG Index Asset Management Product", employing a quantitative ESG index strategy. The product tracked and optimized the CSI 800 ESG Index, applying ESG quantitative investment methodologies to enhance portfolio management.



Case

PICC Capital-CGN Infrastructure Debt Investment Plan

In 2023, PICC Capital launched the "PICC Capital-CGN Infrastructure Debt Investment Plan (Phase III, IV)", funding Phase I of CGN's Zhejiang San'ao Nuclear Power Project. This initiative supported Zhejiang Province's efforts to meet the goals for "carbon peaking and carbon neutrality" under the 14th Five-Year Plan period, reinforcing China's national strategy for carbon peaking and carbon neutrality with notable environmental benefits. In 2024, this investment was recognized as a "Product Recommendation for Supporting Major National Strategies" at the Sixth Insurance Asset Management Product Promotion Event.



Green Operation

PICC vigorously promotes green operation by optimizing the management of energy and office supplies in the workplace and using energy-saving equipment and intelligent control systems to reduce energy consumption. We also strengthen energy conservation and environmental protection promotion and encourage employees to live a low-carbon life through green travel and green consumption.

Consolidating management system and institutional construction for energy conservation and emission reduction

The Group implements the concept of green development, strictly abides by environmental protection laws and regulations, and vigorously promotes exploration and innovation in the field of green operations. Through promoting paperless offices, building green data centers and green buildings, we have embedded energy conservation and emission reduction efforts into all aspects of corporate operations to effectively reduce environmental impact. In 2024, we carried out a two-level headquarters carbon inventory to measure carbon emissions at the operational level, and organized a pilot project of carbon neutral business outlets. PICC P&C Jimei Branch in Xiamen became the first "carbon-neutral outlet" in China's insurance industry.

Case

China's first "carbon-neutral" insurance outlet in Jimei, Xiamen

In May 2024, PICC P&C Jimei Branch, under the Group's overall work planning for green finance, launched the pilot practices for carbon neutrality. It obtained the *Carbon Neutrality Certificate* through a series of energy-saving and emission-reduction measures. It was the first "carbon-neutral" insurance outlet of PICC and in China.

Implementing green operation

We have installed 399.73 m² of photovoltaic panels on the office building's rooftop, with an estimated annual power generation capacity of 97,082.7 kW·h. This was expected to reduce carbon dioxide emissions by 68.3 tons and provide "green power" for daily operations. We also add charging stations to the parking lot as a support for "green travel".


Encouraging green life

We have established a carbon footprint system covering all employees of the branch company to track low-carbon and green activities at the company and in their daily lives. Besides, we introduce an application mechanism of "carbon credits" to create a platform for the collection, conversion, and exchange of carbon credits, achieving its full lifecycle management.




Conserving resource usage

We reinforce our refined management of administrative operations and maintenance to reduce cost and increase efficiency. Based on a quota-based printing paper allocation system at the Group’s headquarters building, we have saved 53,000 sheets of paper since September, 2024. We optimize the services provided by the travel suppliers, strengthen employee travel management, and encourage low-carbon travel methods.



Energy conservation and emission reduction measures for the Group’s headquarters building

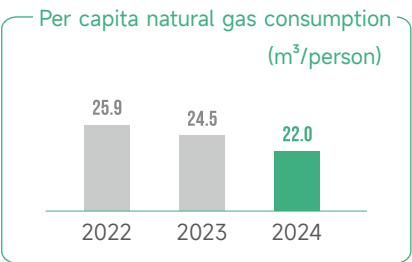
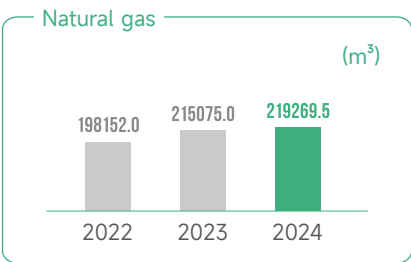
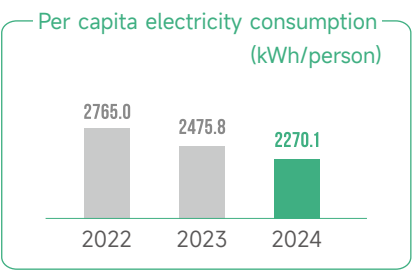
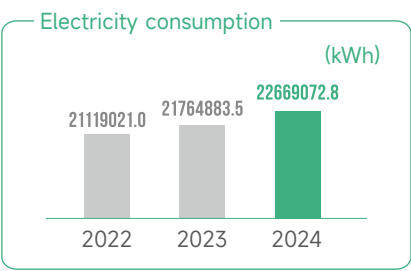
We analyze the monthly statistics of water and electricity usage, and conduct prompt and targeted inspections in areas with abnormal water and electricity consumption. These efforts are made to eliminate any forms of waste, remove water and electricity safety hazards, and control water and electricity losses. We also formulate reasonable energy control measures and plans for the following moth. We cooperate with energy audit companies to conduct discussions, analyses, and on-site investigations on the building’s energy audit, laying a solid foundation for energy audit and energy conservation transformation in 2025. In 2025, we will strengthen the management of electricity consumption in the building, striving to keep the total electricity consumption within the 2024 total, despite an increase in the leased area.



Energy conservation and emission reduction of the South Information Center and the North Information Center

As for the South Information Center, its power usage effectiveness (PUE)¹ value was 1.79 in 2024, with a year-on-year decrease of 8.2%. In the case of the North Information Center, its annual average PUE value dropped from 4.17 in the first operational year to 1.92 in 2024, and its cooling system fully utilizes natural cold sources in winter, reducing equipment electricity consumption by approximately 467,700 kWh.

Electricity and Natural Gas Consumption

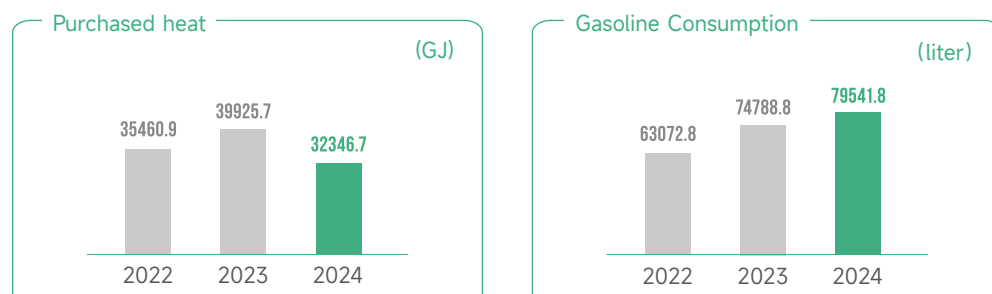


Notes:

1. The statistical caliber is the headquarters building of the Group and its subsidiaries.
2. The electricity consumption of the data center in 2024 was 84,560,480 kWh (only the electricity consumption of the computer room was counted).

1. PUE (Power Usage Effectiveness) = Total energy consumption of data center/ energy consumption of IT equipment. The closer the value is to 1, the lower the energy consumption of non-IT equipment, indicating better energy efficiency.

Purchased Heat and Gasoline Consumption of Official Vehicles

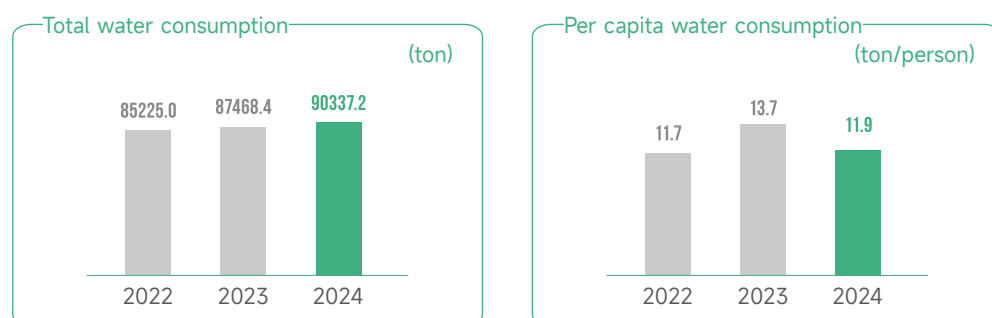


Notes:

1. The statistical caliber of purchased heat data is the headquarters building of the Group and its subsidiaries.
2. The data scope of gasoline data in 2022 and 2023 is Group Company, PICC P&C Headquarters, PICC Life Headquarters, PICC AMC, PICC Health Headquarters, PICC Investment Holdings, PICC Capital, PICC Reinsurance, PICC Hong Kong, and PICC Technology. In 2024, we strengthened the management of energy consumption for official vehicles and expanded the data scope to the headquarters of the Group and its subsidiaries.

Conserving water resources. Our daily office and production water mainly comes from municipal water supply. In strict accordance with the *Law of the People's Republic of China on Prevention and Control of Water Pollution* and local water conservation management regulations, we save water by using water-saving equipment and strengthening the integrity management of the equipment to ensure water-saving effect. Reclaimed water is used in some of the office premises, and all domestic sewage generated in the course of daily operation is incorporated into the municipal pipeline network system.

Water Consumption



Notes:

1. The total water consumption is the tap water consumption, and the water consumption per employee is adjusted for the years 2022 and 2023. The statistical caliber is the headquarters building of the Group and its subsidiaries (excluding PICC Hong Kong, PICC Financial Services, and PICC Technology).
2. The data center only calculates the water consumption of the computer room, and the tap water consumed in 2024 was 104,929 tons.
3. According to the *Handbook of Generation and Discharge Coefficients for Domestic Pollutant Sources* issued by the Ministry of Ecology and Environment of China, we use the production and discharge coefficient method to calculate the domestic sewage discharge, which was 80% of the tap water consumption, approximately 72,000 tons.

Reducing emissions of solid waste and exhaust gas

We strictly abide by the requirements of relevant laws and regulations to minimize the emissions of pollutants such as waste gases and solid waste.

Hazardous waste generated by the Group's headquarters building mainly comes from used batteries, used light tubes, and electronic equipment waste generated in office spaces. The waste is transported by qualified companies to professional waste treatment centers, with no sudden environmental risks involved. In 2024, the Group had no environmental incident penalties.

The exhaust gas generated during the operation of the Group's headquarters building mainly comes from the tailpipe emissions of official vehicles and kitchen fumes from the canteen. We advocate green travel, strictly examine and approve applications for official vehicles, avoid unnecessary vehicle use, and strive to achieve an overall reduction in petrol consumption by official vehicles. By regularly cleaning fume extraction ducts and exhaust gas treatment devices, we reduce the impact of exhaust gas on the environment and ensure compliance with emission standards.



Classified waste management for the Group's headquarters building



Domestic waste (recyclables and other wastes)

Domestic waste includes newspapers, discarded papers (non-confidential documents), and other recyclable waste. Employees are required to sort and dispose of these items into classified containers according to waste classification requirements. Cleaning staff also conduct daily patrols and inspections to ensure strict sorting of wastes. Ultimately, cleaning personnel from the garbage room collect and transport sorted wastes for centralized disposal to achieve resource recycling.



Kitchen waste

Kitchen waste is placed in designated kitchen waste containers. The cafeteria is required to sort the waste according to kitchen waste classification requirements before transportation. Specific personnel will transport the waste to a designated location. Subsequently, a third-party company will transport the waste to a government-designated disposal site for proper treatment.



Hazardous waste

Hazardous waste includes used button batteries and used light tubes. They shall be placed in designated containers for toxic and hazardous wastes, and handled and disposed of by professional organizations under the uniform coordination of the property management unit to prevent harm to the environment and human health.



Construction waste

Construction waste is cleared by the renovation and construction parties as it is generated. A small amount of construction waste generated by the engineering department of the building's property management unit is handled by the building's waste disposal service provider.



Environmental assessment for the Group's headquarters building

1. Entrust qualified and specialized companies to reduce the risk of environmental incidents in waste transportation.
2. Establish and improve environmental management regulations, and clarify responsibilities and authorities, to ensure the effective implementation of environmental protection efforts.
3. Use corresponding safety equipment and take protective measures based on the characteristics of environmental risks, such as safety warning signs and environmental protection promotion posters, so as to ensure the effective control of environmental risks.
4. Organize training and education activities on environmental risk prevention for relevant personnel to enhance employees' environmental awareness and emergency response capabilities, enabling them to properly address environmental risks and incidents.
5. Sort out domestic waste, kitchen waste, hazardous waste, and construction waste generated within the building that might produce environmental pollution, and store them in classified containers at the initial stage of collection. Waste transportation and disposal are handled by professionally qualified companies to reduce various environmental risks.

Waste Generated

| | Year | Total amount generated (ton) | Per capita amount generated (kg/person) |
|---------------------|------|------------------------------|---|
| Non-hazardous waste | 2022 | 47.65 | 18.92 |
| | 2023 | 49.73 | 23.02 |
| | 2024 | 47.85 | 21.75 |
| Hazardous waste | 2022 | 0.03 | 0.00 |
| | 2023 | 0.84 | 0.39 |
| | 2024 | 0.22 | 0.10 |

Notes:

1. Non-hazardous waste is classified as household waste.
2. Hazardous waste is defined in accordance with the *National Hazardous Waste List (2021)*.
3. The statistical caliber of the data is the headquarters building of the Group.
4. Starting from 2024, we had strengthened the management of non-hazardous waste, with the inclusion of kitchen waste statistics. A total of 220 tons of kitchen waste was generated.



In 2024, PICC P&C checked restaurant fume exhaust and conducted related work at the headquarters. In accordance with the Emission Standards of Air Pollutants (DB11/1488-2018), checks were conducted after the fume purifier in the staff canteen functioned. The results showed that the concentration of particulate matter was 1.8 mg/m³, that of catering fume was 0.44 mg/m³, and that of nonmethane hydrocarbons was 4.53 mg/m³, all of which met the emission standards.

GHG Emissions from Some Office Spaces

| | 2022 | 2023 | 2024 |
|---|-----------|-----------|-----------|
| Total emissions (tCO ₂ e) | 17,823.74 | 18,528.30 | 18,649.25 |
| Per capita emissions (tCO ₂ e/person) | 2.33 | 2.11 | 1.87 |
| Scope 1 | | | |
| Natural gas combustion emissions (tCO ₂ e) | 428.76 | 465.48 | 474.49 |
| Gasoline consumption emissions (tCO ₂ e) | 141.78 | 169.67 | 175.27 |
| Scope 2 | | | |
| Electricity consumption emissions (tCO ₂ e) | 13,128.65 | 12,929.94 | 13,356.76 |
| Heat emissions (tCO ₂ e) | 3,900.70 | 4,391.83 | 3,558.14 |
| Scope 3 | | | |
| Employee travel (train and airplane) emissions (tCO ₂ e) | 223.85 | 571.38 | 1,084.59 |

Notes:

1. The Company's GHG emissions include direct (Scope 1) and indirect emissions (Scope 2 and Scope 3), of which the verified greenhouse gas for the new heat emissions in Scope 2 is CO₂ and the other indirect emissions are excluded from the disclosure scope of GHG emissions in this report.
2. When calculating greenhouse gases emitted by natural gas and gasoline consumption, the Company refers to the *Carbon Dioxide Emission Accounting and Reporting Requirements for Service Industry* (DB11/T 1785-2020) and *Guidelines for Greenhouse Gas Emission Accounting and Reporting in Shanghai (Trial)*, of which 389.31 GJ/10,000 Nm³ is used for natural gas in Beijing, 389.30 GJ/10,000 Nm³ is used in Shanghai, and 44.8 GJ/ton is used for gasoline.
3. In Scope 2, entities headquartered in Beijing chose the emission factor as 0.604 tCO₂/MWh as per the *Carbon Dioxide Emission Accounting and Reporting Requirements for the Service Industry* (DB11/T 1785-2020), and entities headquartered in Shanghai chose the emission factor as 0.42 tCO₂/MWh as per the *Notice on Adjusting the Accounting Methods for Carbon Emissions of Green Power in the Purchased Electricity of Carbon Trading Enterprises in Shanghai* (H.H.Q.H. [2023] No. 89) promulgated by Shanghai Municipal Bureau of Ecology and Environment. PICC Hong Kong chose CLP Power Hong Kong's emission factor of 0.59 tCO₂/MWh stipulated in the *Guide for Organizations to Quantify and Report Greenhouse Gas Emissions*. The calculation of greenhouse gases emitted from purchased heat consumption refers to the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Public Building Operating Enterprises (Trial)*, and the emission factor of 0.11 tCO₂/GJ was selected.
4. The statistic scope of natural gas, electricity, and heat covers the headquarters buildings of the Group and its subsidiaries. The statistical caliber of gasoline data in 2022 and 2023 covers the Group, PICC P&C Headquarters, PICC Life Headquarters, PICC AMC, PICC Health Headquarters, PICC Investment Holdings, PICC Capital, PICC Reinsurance, PICC Hong Kong, and PICC Technology. In 2024, we strengthened the energy consumption management of official vehicles and expanded the scope of data to the headquarters of the Group and its subsidiaries.
5. For the employee travel (train and airplane) emissions in Scope 3, the scope for years 2022 and 2023 is the Group and in 2024, the scope was expanded to include the PICC Life Headquarters and PICC Reinsurance.
6. The total emissions of data center which was included in the total emissions in 2024, were 69,723.78 tCO₂e, with a per capita emission of 6.98 tCO₂e/person.

Implementing digital operation

We actively promote green operation by accelerating the application of online technologies in insurance operations, developing online insurance application tools, and reinforcing the promotion of electronic policies. In 2024, PICC P&C electronic policies were downloaded more than 920 million times, with the electronic policy issuance rate for auto insurance reaching 95.3%. We improve online and intelligent claim processing to facilitate automated scenario applications. Customers independently uploaded more than 79.32 million photos, with a year-on-year increase of over 79%. Customers signed auto claim documents more than 2.78 million times, with a year-on-year increase of over 92%. We apply auto insurance technology claim tools to provide customers with over ten thousand intelligent inspection services. We also promote low-carbon repair technologies for auto insurance claims, reducing the replacement of over 2.56 million spare parts, and contributing to the reduction in greenhouse gas emissions.



Customers signed auto claim documents more than

2.78 million times



Promoted low-carbon repair technologies for auto insurance claims, reducing the replacement of over

2.56 million spare parts



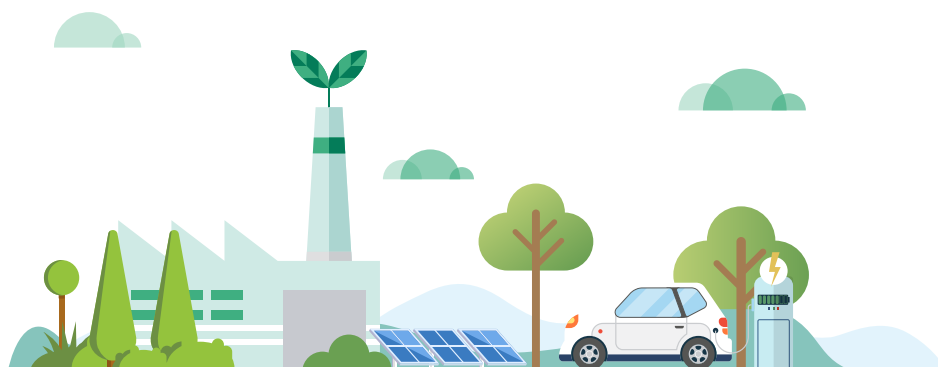
Electronic policy issuance rate for auto insurance reached

95.3 %



Applied auto insurance technology claim tools to provide customers with over

10,000 intelligent inspection services



Climate Change Response

As the global climate change becomes increasingly severe, PICC profoundly recognizes the urgency and importance of addressing climate change. The Group actively responds to the risks and opportunities brought by climate change, and comprehensively identifies and assesses climate risks and opportunities, promoting green development and sustainable operation.

Governance

Establishing a complete sustainable governance structure of "board of directors – management – operation." We clarify the management responsibilities at each level (specific responsibilities refer to Section "Sustainability Governance Structure"), and effectively integrate risks and opportunities related to climate change management into the Company's top-down management process, to ensure that climate change response work is vigorously promoted in the Company's business management practices.

Strengthening the construction of the Group's overall green finance and ESG system. We have formulated specialized development plans and annual key tasks, incorporating addressing climate change as a key focus. A closed-loop management that integrates target setting, process supervision, and work evaluation has been formed.

Building a multi-departmental collaborative working method. We organize regular discussions and meetings on key areas such as climate change response, green insurance, green investment, and carbon finance to explore and develop implementation plans. We have enhanced ESG professional skills and business capabilities of relevant personnel through diversified approaches such as internal training, lectures given by invited industry experts, and case studies.

Launching the Group's green finance and ESG information management system online. This system incorporates climate change-related indicators into the system's indicator framework and iterates its functions. With such an efficient management tool for the responsible departments and related subsidiaries, this system enables timely tracking and assessment of the Group's progress and achievements in addressing climate change.

Actively engaging in cooperation and exchanges with research institutions, consulting firms, and advanced peers around topics such as response to climate change, sustainable information disclosure, and green finance development. We cooperate with the *Green Finance Committee of China Society for Finance and Banking* in the preparation of the *2024 Green Finance Innovation Research Report*. As the chair of the China Belt and Road Reinsurance Pool, we contribute to the release of the *Green Insurance Principle (GIP) for the Belt and Road*. As the executive body of the China Urban and Rural Residential Catastrophe Insurance Community, we accelerate the issuance of the *Work Plan for Urban and Rural Residential Catastrophe Insurance in Sichuan Province* through enhanced communication and coordination with relevant departments of the People's Government of Sichuan Province.

Enhancing professional research on climate change response. The Risk Research and Development Center of PICC P&C regularly analyzes national natural disaster situation and risk alerts each month based on the opinions of relevant departments including the China National Commission for Disaster Reduction and the Ministry of Emergency Management on the national natural disaster risk situation, followed by the monthly release of Risk Research Briefs. Furthermore, we have published the *Research Report on Climate Risk in China* based on specialized research on climate risks.

Strategy

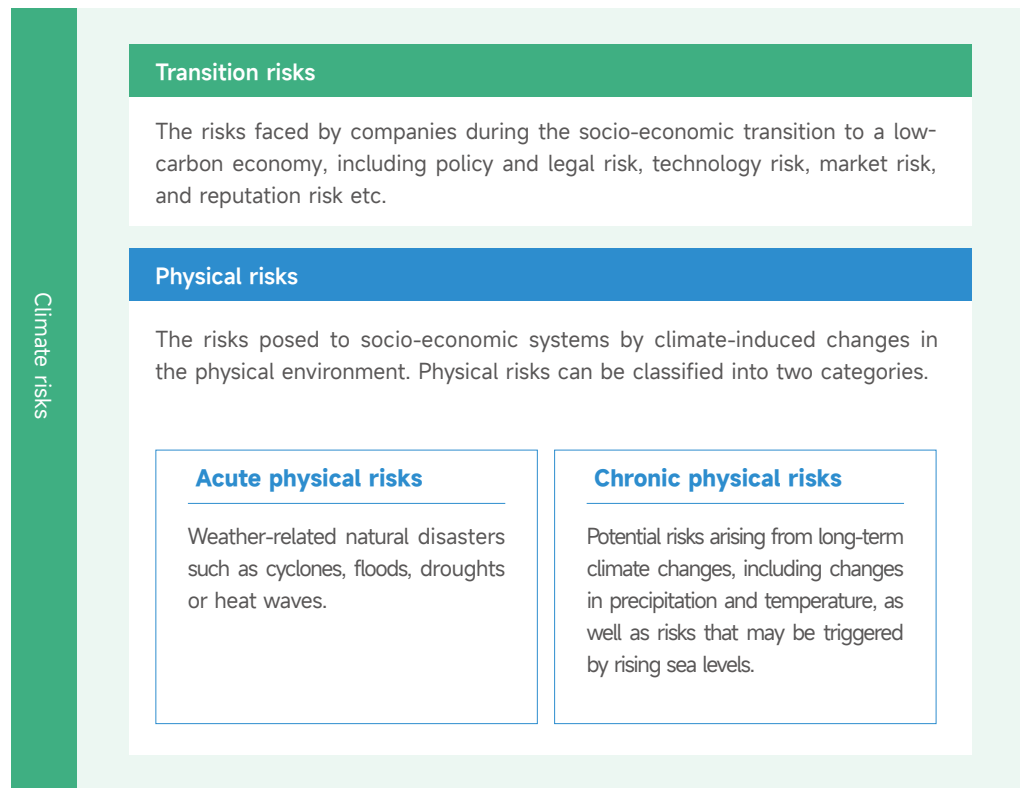
We assess the potential impact of climate change on demand for insurance products, balance sheet matching and investment portfolios through internal analysis and external consulting.

On the liabilities side, physical risks may lead to an increase in the claims ratio of property insurance, affecting related operating results. Transition risks may bring new insurance demands, contributing to increased insurance business revenue. On the investment side, asset repricing due to climate change may affect the performance of investment portfolios. On the operation side, tackling climate risks may require green and low-carbon operations in the workplace and the data centers, increasing our operational costs.

We define "short-term," "medium-term," and "long-term" time frames in the research based on the actual situations of the industry and the Company:



Climate risk identification, assessment and countermeasures



Physical risks

| | Major Risk Identification and Assessment | Time Frame | Degree of Impact | Countermeasures |
|------------------------|--|---------------------------|------------------|---|
| Acute physical risks | <p>Insurance side: As climate change intensifies and the frequency of extreme weather and natural disaster events increases significantly, underwriting risks in areas like motor and agricultural insurance have risen accordingly. This may also cause a rise in reinsurance prices and increase the Company's liability costs.</p> <p>Investment side: Extreme weather events may cause catastrophic impacts on insurance institutions' investment targets in infrastructure, real estate, and other areas, thereby affecting the asset value of investment portfolio.</p> <p>Operation side: Extreme weather events may affect the functioning of the Company's operational workplace and data center.</p> | Short-medium to long-term | High | <p>Insurance side: (1) With many years of experience in catastrophe insurance, we have established and upgraded catastrophe risk assessment models to incorporate climate change factors into insurance risk assessment and pricing.</p> <p>(2) We emphasize risk investigation and play an important role in helping customers avoid or reduce disaster losses. We conduct climate scenario analysis and stress testing to ensure that climate factors are fully considered in the business distribution and pricing.</p> <p>(3) We develop relevant contingency plans to actively respond to severe natural disasters and strengthen the application of technical tools for natural disaster risk monitoring and others to reduce the likelihood of large-scale business interruption events due to extreme weather.</p> <p>Investment side: We have regularly reviewed ESG investment strategies and assess the impact of physical risks on portfolio asset, with necessary stress testing.</p> <p>Operation side: We continuously improve the disaster recovery capability of the data center. Based on the existing foundation, we expand the construction of geographically distributed multi-active data center and continuously enhance its disaster-resistant capability, to ensure business continuity and reduce the risk of data and information loss for the Company.</p> |
| Chronic physical risks | <p>Insurance side: Climate change may lead to irreversible risks such as sea level rise, sustained increases in average temperatures, and frequent high-temperature heat waves. Customers of insurance institutions will be exposed to more complex climatic impacts. In addition to the increase in the claims risk in property damage insurance, life insurance and health insurance businesses will also face more operational difficulties and challenges due to the impact of climate change on human health and life expectancy.</p> <p>Investment side: Chronic physical risks may increase the proportion of portfolio asset affected by climate change, which in turn affect the value of insurance institutions' portfolios.</p> | Long-term | Medium | <p>Insurance side: (1) We are concerned about the impact of climate change and extreme weather on human life and health, actively conduct data monitoring, track the revision and updating of the empirical incidence data in the insurance industry, and assess the risk of changes in incidence rates and the feasibility of risk transfer through reinsurance protection based on optimized actuarial management.</p> <p>(2) We have strengthened research on the impact of long-term temperature rise on people's health and life expectancy to provide reference for the development of life insurance.</p> <p>Investment side: We have established an investment risk assessment model based on climate change scenarios and moderately adjusted investment strategies to orderly control or reduce the proportion of investment in industries significantly affected by chronic physical risks.</p> |

Transition risks

| | Major Risk Identification and Assessment | Time Frame | Degree of Impact | Countermeasures |
|-----------------------------|---|---------------------------|------------------|---|
| Policy and legal risks | <p>Insurance side: Increasingly stringent climate-related policies and legal requirements pose a significant challenge to traditional industries in their low-carbon transition. This may affect some customers of insurance institutions, thereby transmitting related risks to insurance institutions. For example, new potential dangers may arise for insurance customers in the low-carbon transition, resulting in an increased probability of claims.</p> <p>Investment side: If an insurance institution's investment holdings are concentrated in high-carbon emission industries, stricter carbon emission restrictions may lead to asset impairment.</p> <p>Operation side: China is promoting the development and construction of green buildings and green data centers. The insurance institutions may face more low-carbon operation requirements in the future, resulting in an increase in enterprise management costs.</p> | Short-medium to long-term | Medium | <p>Insurance side: (1) We pay attention to national green finance-related policies and regulatory requirements, implement relevant work, and reasonably plan the key directions of business development. (2) We carry out a top-down review of risk needs, clarify the direction and characteristics of new products, and consolidate product constraints in accordance with regulatory requirements. We continuously optimize and adjust actuarial models and underwriting processes in practical exploration to strengthen claims management.</p> <p>Investment side: We continue to improve the management methods related to green investment, continuously carry out green investment, steadily intensify investment restrictions on high-carbon emission industries, and gradually and orderly reduce the carbon intensity of the asset portfolio.</p> <p>Operation side: We regard green office, green data center and green building construction as important aspects of the Company's sustainability, and continuously improve the performance of green operation.</p> |
| Technology and market risks | <p>Insurance side: The rapid development of clean energy technologies, the improvement of energy standards in different industries, and the increasing demand for green products and services in the market will accelerate the phase-out of traditional technologies, which may pose challenges to accurate underwriting pricing of new technologies.</p> <p>Investment side: Technological improvements and business restructuring may affect the operating costs and competitiveness of some investment targets (usually non-standard projects), and even lead to transition failures, which may further lead to asset impairment risks.</p> | Medium to long term | Medium | <p>Insurance side: Our professional team of insurance experts has a long-term experience in risk investigation, assessment and management in various industries. We strengthen cooperation with third-party professional institutions and deeply follow up the development of low-carbon new technologies, so as to ensure the formation of accurate risk control plans and product pricing mechanisms.</p> <p>Investment side: (1) We adopt proactive strategies such as shareholder engagement and due diligence to guide or influence technological improvements of investment targets and reduce the risk of transition failures.(2) We regularly review investment strategies, assess the impact of transition risks on the asset portfolio, and optimize asset allocation as appropriate.</p> |
| Reputation risk | <p>Insurance and operation sides: Tackling climate change has become one of the most concerned sustainability issues at home and abroad, with increasing attention from stakeholders on corporate climate actions, the intensity and effectiveness of climate action have been included in the key evaluation dimensions of mainstream ESG rating systems. Companies that have not yet taken the initiative to participate in climate action are more susceptible to stakeholder inquiries and skepticism, negatively impacting their brand image and reputation.</p> | Short to medium term | Low | <p>Insurance and operation sides: (1) Guided by the national development strategy, we actively fulfill our social responsibilities and promote the realization of a win-win situation of economic, social and environmental benefits. We have constantly strengthened capacity building in ESG and climate change.(2) We vigorously promote ESG brand building, and have established and maintained trust between brand assets and stakeholders from the perspective of climate change response. We also timely disclose the progress of the Company's ESG work, and establish an ESG brand image.</p> |

Climate-related opportunity identification, assessment and countermeasures

Climate-related opportunities refer to potential positive impacts or market opportunities brought by climate change. For example, enterprises can enhance their market competitiveness by improving resource efficiency and cost savings, adopting low-emission energy, developing new products and services, entering new markets, and building supply chain resilience.

| | Analysis of Key Opportunities | Time Frame | Degree of Impact | Countermeasures |
|--|---|---------------------------|------------------|--|
| Products, services, and market opportunities | <p>Insurance side: The low-carbon transition and development of society has given rise to a series of green insurance and service needs. Meanwhile, insurance institutions can give full play to their professional risk management capabilities to assist insured enterprises in carrying out climate risk assessment, monitoring and early warning, etc., and provide climate risk reduction services.</p> <p>Investment side: Since the goals for carbon peaking and carbon neutrality was proposed, China's green finance market has entered a phase of accelerated development. The demand for green financing has continued to increase, and the scale of green investment of insurance institutions has vast potential for growth.</p> | Short-medium to long-term | High | <p>Insurance side: (1) We have actively innovated products and services in the fields of low-carbon technology, carbon market, ecological carbon sink, green transportation, catastrophe insurance etc., and continuously enriched the pool of green insurance products. (2) We strengthen the application of the in green insurance. We integrate the economic compensation function of green insurance products with risk management and disaster prevention and mitigation services to provide comprehensive risk management services for key areas, including pre-emptive prevention, risk early warning, and disaster prevention and loss reduction. We continue to enhance the risk resistance capabilities of green and low-carbon industries.</p> <p>Investment side: Participating in the construction of green projects through debt investment plans, equity investment plans, asset-backed plans and industrial funds, etc., we continue to increase the proportion of green investment and launch multiple ESG and carbon-neutral thematic asset management products.</p> |
| Resource efficiency and energy use opportunities | <p>Operation side: Improving resource efficiency and strengthening clean energy use are important GHG emission reduction measures, which help enterprises reduce medium- and long-term operating costs and become a benchmark for climate change action.</p> | Medium-to long term | Medium | <p>Operation side: (1) We strengthen energy consumption management in branch workplaces and formulate an evaluation and management plan for low-carbon operations in the workplace to orderly promote the low-carbon construction and upgrading of the workplace, the data center, and existing assets. We monitor energy consumption and establish reward schemes to provide financial support or certification for outstanding institutions with exemplary practices. (2) We carry out the construction of carbon-neutral and green outlets, and explore low-carbon operations based on local conditions to provide references for the advancement of green operations across the Group.</p> |

Innovating in risk reduction services to tackle climate risks

Since 2023, PICC has actively promoted the new business model of "insurance + risk reduction services + technology". We fully utilize risk reduction service measures to shift from traditional "post-disaster" compensation to "pre-disaster" prevention and early warning, "during the disaster" rapid response and "post-disaster" precise claims settlement. Based on our comprehensive risk reduction services in five stages of pre-insurance, during the insurance, pre-disaster, during the disaster, and post-disaster, we effectively fulfill the function of insurance as an economic "shock absorber" and a social "stabilizer" to help reduce risk losses from natural disasters.

At the pre-insurance stage, we deeply promote risk research and development, build risk analysis models, and establish a pre-insurance risk survey service system. We also conduct comprehensive digital risk surveys over clients in key areas, and make standard and specialized risk surveys of medium- and high-risk industries and clients. With clear identification of client risks, PICC provides comprehensive insurance coverage and offers suggestions for potential risk avoidance.

During the insurance, we continue to carry out meteorological and IoT-based early warnings, regularly conduct fire prevention inspections and flood control investigations, and collaborate with professional third parties to provide hidden danger inspection services for safety liability insurance, Inherent Defects Insurance (IDI), and elevator insurance. We also regularly organize risk education and training and large-scale disaster emergency drills for key clients.

At the pre-disaster stage, we send disaster weather warnings and prevention guidelines to clients via SMS and WeChat. We assist high-risk clients in hidden danger inspections, send risk alerts directly to clients. Face-to-face guidance is provided on pre-disaster response methods, and manual surveillance is conducted in high-risk areas and road sections. We also carry out manual inspections and drone patrols over venerable outdoor assets.

During the disaster, we strictly implement the 24-hour duty system through an inter-connectivity mechanism covering the headquarters, provincial, municipal, and county levels. This helped us quickly respond to client needs, actively provide rescue services in areas such as motor insurance, property insurance, engineering insurance, home insurance, and agricultural insurance to minimize losses.

At the post-disaster stage, we accelerate on-site surveys, loss assessment, and claims settlement to help clients quickly resume normal production and living orders. We also summarize major disaster cases and prepare typical casebooks, aiming to propose potential risk avoidance suggestions for high-risk industries and clients.

Case

PICC P&C develops the PICC Meteorological Index Insurance Pricing Model



The Risk Research and Development Center of PICC P&C focuses on enhancing the effectiveness of meteorological catastrophe risk loss assessment and facilitates the precise pricing of meteorological catastrophe index insurance. It developed the PICC Meteorological Index Insurance Pricing Model, and launched it at the 2024 China International Fair for Trade in Services. This model provides strong technical support for the development of meteorological catastrophe index insurance.



In 2024, we activated major disaster claims emergency response

255 times

Properly responded to major natural disasters of nearly

40 cases

Provided major disaster claims services over

1.11 million times

Since entering 2024 flood season, severe convective weather disasters hit the southern China. Many places encountered torrential rain, gales, hailstorms, and floods, with regions including Fujian, Jiangxi, Guangdong, and Guangxi being severely affected. Upholding the principles of **"full compensation, prompt compensation, and reasonable advance compensation"**, PICC immediately activated its major disaster claims emergency response mechanism, quickly mobilized emergency claims service resources, deployed disaster emergency claims in various provinces, and formulated special plans for major disaster claims, effectively responding to the disasters through coordinated efforts between PICC P&C headquarters and its subsidiaries. **In 2024, the Company actively developed catastrophe insurance services, and expanded the coverage of regional catastrophe insurance to 118 prefecture-level cities in 20 provinces, protecting over 400 million people. The Company has delivered over 50 million risk alerts to clients and successfully detecting and neutralizing 1.03 million risk exposures. We also activated major disaster claims emergency response 255 times, properly responded to nearly 40 major natural disasters, and provided major disaster claims services over 1.11 million times.**

—Rapid response to emergency rescue during disasters

During disasters, PICC claims and rescue teams in various regions are on standby 24 hours a day. They follow the unified arrangements of local governments, promptly assist emergency departments in disaster accident rescue, coordinate rescue service resources within and outside the PICC system, and carry out non-discriminatory rescue efforts for the entire society.

—Orderly progress towards post-disaster investigation and claims settlement

We open a green channel for major disaster claims, with optimized claims processes and simplified procedures to ensure that customers received major disaster claims services in time. Specific policies for major disaster claims are implemented as follows. The "three exemptions and four fasts" ¹ policy was executed for motor insurance; and the "one exemption and three fasts" ² policy was implemented for property and engineering insurance. These measures accelerated the overall claims payment efficiency and improved service quality.



1. The "three exemptions and four fasts" policy: exemptions from on-site inspection, weather documentations, and accident rescue charges; fast rescue, damage assessment, repair, and claims settlement.
2. The "one exemption and three fasts" policy: exemption from accident certification; fast inspection, rescue and advance payment.

Risk management

We have established and continuously improve the climate risk management process with climate-related risks taken as significant matters in sustainable risk management.

1 Climate risk identification

- We collect historical climate data, including information on temperature, precipitation, wind speed, and the frequency and intensity of extreme weather events (such as heavy rain, floods, hurricanes, and droughts). We analyze climate change trends based on statistical models and climate prediction models to determine potential future climate conditions in specific regions.
- Based on identified climate factors, we analyze insurance business data to identify related peak claim periods and high-claim regions. This can help us recognize businesses and customers more susceptible to climate risks.

2 Climate risk assessment

- We develop risk assessment models using mathematical and statistical methods, and evaluate climate risks by integrating climate data with insurance business data. We identify the degrees of risk impacts by considering the potential damage to insured objects (such as property, life, and business operations) if a risk event occurs. We explore the calculation of value at risk (VaR) or expected loss to assess potential losses caused by climate risks.

3 Climate risk countermeasures

- Risk aversion: We optimize and adjust underwriting strategies, terms, and scopes for high-risk and difficult-to-control business lines, and encourage clients to actively engage in risk prevention to reduce moral hazard.
- Risk mitigation: We provide clients with risk reduction services through enhanced technological empowerment, such as providing disaster prevention and mitigation recommendations and assisting clients in implementing risk prevention measures.
- Risk transfer: We design the multi-layer catastrophe excess of loss contracts through reinsurance arrangements, and employ various methods including treaties and facultative reinsurance to disperse underwriting risks. We develop and promote innovative financial instruments associated with climate risks, such as catastrophe bonds and climate index insurance, and transferred climate risks to the capital market.

4 Climate risk monitoring

- We have established an ESG risk indicator system to dynamically track insurance operating metrics, assess the impact of climate risks on insurance, and timely adjust risk response strategies. We regularly review and evaluate risk assessments and response strategies, and continue to improve the risk management processes and strategies.




Case PICC holds the Catastrophe Insurance Forum and Innovative Achievements in Risk Management




On December 22, 2024, PICC held the Catastrophe Insurance Forum and Press Conference of Innovative Achievements in Risk Management in Beijing, as a means to promote industry exchanges in catastrophe insurance and catastrophe risk management, as well as display our innovative achievements, such as Earthquake Catastrophe Model, catastrophe risk reduction services, catastrophe insurance products system, as well as visual management of reinsurance catastrophe risk, winning wide attention and praise from all sections of society.

Metrics and Targets

We clarify green development goals in insurance, investment, and operations, identify key tasks, and regularly track the implementation of these tasks to ensure the achievement of our development goals. The main tasks in addressing climate change include:

| Business Type | Metrics & Targets | Implementation |
|---|--|---|
|  Insurance side | Strengthen the analytical research on climate risk-related scenarios | We organize joint seminars and exchanges with well-known domestic and international consulting firms. By sharing and learning from each other's cutting-edge risk models and advanced case studies, we enhance our capabilities in identifying and modeling climate risks (including physical and transition risks). We also commenced the research on the Group's climate risk stress testing plans and roadmaps. As of 2027, we will establish a dedicated climate risk management system, improve and refine our climate risk monitoring framework, integrate climate risk management throughout the business process, and gradually incorporate it into business operations analysis. Based on climate risk stress testing, we would further optimize our financial materiality analyses. |
| | Enhance climate risk-related actuarial management | We incorporate climate risks into the insurance actuarial process, improve actuarial assumptions and models, and assess the impact of climate risks on insurance. PICC P&C incorporates climate risks into its considerations of product pricing. In risk pricing, we adopt differentiated calculation methods for different types of catastrophic risks, provide separate add-ons for large-scale disaster losses, improve the catastrophe rate calculation model for property insurance, and upgrade related risk premium pricing model. PICC Reinsurance used commercial catastrophe models in actuarial pricing to quantify climate risks, and fully considered risk add-ons in pricing assessment. PICC Hong Kong included climate-related catastrophic events in its solvency stress testing. |
| | Build a system of the Group's green insurance standards | We have established a unified green insurance statistical system and an ESG risk assessment system for insurance clients across the Group. We develop relevant business management systems to support the operation and management of green insurance business. We have issued the <i>PICC Guidelines on ESG Risk Assessment Methods for Insurance Clients</i> . This document clarifies risk rating methods and procedures for insurance clients, and demonstrates operational procedures linking ESG risk rating with underwriting management through specific examples. |
| | Sign the <i>Principles for Sustainable Insurance (PSI)</i> | The Group deepened exchanges and cooperation with the United Nations Environment Programme Finance Initiative (UNEP FI) and signed the <i>Principles for Sustainable Insurance (PSI)</i> . |

| Business Type | Metrics & Targets | Implementation |
|---|--|--|
|  Investment side | Establish the Group's green investment management system | We continuously improve the green investment management system of investment subsidiaries. PICC AMC published the <i>Green Investment Guidelines (2024 Edition)</i> , clarifying key tasks and targets for green investment scale, issued the <i>Implementation Plan for Advancing Green Finance and ESG Work</i> , outlining the implementation roadmap. It also released the <i>Management Measures for Green Finance</i> , integrating the concept of green development into its corporate governance, business management, investment activities, product services, and risk management. PICC Capital has established several documents, including the <i>2024 Key Work Implementation Plan for Green Finance Development</i> , the <i>Green Finance Development Plan (2024-2027)</i> , and the <i>Green Finance Management Guidelines</i> . These documents strengthen research on green investment, improve green investment strategies, and promote the development and investment of green finance products. |
| | Explore Scope 3 (investment portfolio) GHG emissions measurement | In accordance with regulatory requirements and references including the <i>Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard</i> , we engage in exchanges with insurance peers and professional market institutions to further understand policy requirements and market conditions, and develop a work plan for the calculation and disclosure of carbon emissions in investment portfolios. |
|  Operation side | Improve operational energy consumption management | We conduct the carbon inventory at the two levels of headquarters and plan to include a group-wide investigation in the key tasks for 2025 to consolidate the data foundation for operational energy consumption and emissions. We make thorough research on advanced practices in energy conservation and emission reduction from industry peers and leading companies, and propose the Group's related action plan and recommendations. We upgrade the Group's ESG management system based on research and enhanced the automation level of operational carbon emission accounting across systems. |
| | Strengthen energy consumption management of data centers | We earnestly implement policies for green and high-quality development of data centers, engage in national certifications for green data centers and related financial data centers, and accelerate the building of green data centers and high-efficiency, low-carbon operations. We formulate the online upgrading plan for energy conservation and stability improvement at the South Information Center, obtain approval from internal and external experts, and facilitate the transformation of facilities and equipment accordingly. |

Social Sustainability

- Social Contribution
- Employee Development
- Customer Service
- Supplier Management
- External Cooperation
- Technology Innovation



Social Contribution

PICC insists on sharing resource value with the society and continues to work on paired-up assistance. The Group devotes itself to public welfare and voluntary services, constantly innovating in working approaches and measures, and increasing resource investment. We continue to contribute our strength to poverty elimination, well-being improvement, development promotion, and environmental protection.



In 2024, PICC served rural vitalization by providing risk protection for a total of

35.7 trillion yuan

Supporting rural revitalization

We have refined the top-level design for rural revitalization, keep improving policy support and complementary resource guarantees, and consistently driven the advancement of rural revitalization services to new heights. In 2024, PICC provided a total of 35.7 trillion yuan in risk protection for rural revitalization, representing a 11.9% year-on-year increase, and covering 280 million farm households.

Enhancing top-level design. The Group convened a work conference on Advancing All-Around Rural Revitalization by Studying and Applying the Experience of the "Thousand Villages Demonstration and Ten Thousand Villages Renovation Project", and formulated and released the *Guideline for Advancing All-Around Rural Revitalization by Studying and Applying the Experience of the "Thousand Villages Demonstration and Ten Thousand Villages Renovation Project"*. We have formulated a *2024 Paired-Up Assistance Work Plan for Advancing Rural Revitalization*. We have launched pilot programs to increase the "government-insurance company-bank-farming company-tech company" project and continue to expand the supply of rural revitalization insurance products



On November 26, Ding Xiangqun, Party Secretary and Chairman of PICC, visited the Ministry of Agriculture and Rural Affairs, and together with his team, engaged in working discussions on further supporting rural revitalization.

Safeguarding national food security. Continuous efforts have been made to expand the coverage, diversify products, and raise standards for agricultural insurance, helping to mitigate various risks faced in agricultural production to ensure the stable production and supply of grain and key agricultural products. In 2024, 2.1 trillion yuan of risk protection was offered to 55.42 million farm households. We innovated and developed insurance products such as weather index insurance, price insurance, and liability insurance. PICC marine ranch insurance was recognized as one of the "top 10 innovative models of financial support for agriculture in 2024" by the Ministry of Agriculture and Rural Affairs.

PICC employees across various regions helped farmers with the autumn harvest.



Implementing paired-up assistance. In 2024, we directly invested 60.1 million yuan in unconditional assistance funds and insurance donations, promoting key projects that boosting local industrial development and increasing income for lifted-out-of-poverty populations. We put more efforts into consumption-driven assistance by organizing various activities, such as "Spring Festival Action for Consumption-driven Assistance" and "Golden Autumn Action for Consumption-driven Assistance", driving the development of local agricultural enterprises and boosting farmers' income. Suppliers of the PICC consumption-driven assistance platform were from 51 counties in 15 provinces, with a total consumption-driven assistance amount of 64.415 million yuan for the year. In 2024, the Group received the highest evaluation grade in the evaluation of the effectiveness of paired-up assistance for six consecutive years and its consumption-driven assistance case was included in the list of "National Typical Cases of Consumption-driven Assistance to Support Rural Revitalization" by the Department of Regional Revitalization of National Development and Reform Commission.

On September 5, Zhao Peng, Deputy Party Secretary, Vice Chairman and President of PICC, went to Liuba County of Shaanxi to investigate the Group's efforts in consumption-driven assistance.



Improving people's well-being

We keep expanding the breadth and depth of insurance services, and actively engage in establishing a multi-level medical security system. We vigorously develop second- and third-pillar old-age insurance. All-dimensional efforts have been made to safeguard the work of new citizens and improve the quality of their lives.

Deeply participating in the building of a multi-level healthcare system. We continuously broaden our social security-related business lines, with a focus on the development of critical illness insurance, long-term care insurance, outpatient chronic and catastrophic disease, and basic medical insurance management etc., so as to meet people's basic medical security needs and give them a stronger sense of gain and happiness. By the end of 2024, we had undertaken 1,442 government-sponsored health insurance products, including critical illness insurance, long-term care insurance, outpatient chronic and catastrophic disease, and so on, serving about 1 billion people. We make continuous efforts to upgrade the "good medical insurance" and build a health safety net with wide coverage to improve living standards, bringing benefits to about 76 million people. We actively foster a matrix of commercial healthcare services for elderly people, designing more than 110 tailored insurable products specially for individuals over 60 years old.



Undertook government-sponsored health insurance products

1,442

Served about

1 billion people

Case

Policies resonate with the public, and long-term care insurance extends care to thousands of households



PICC Health Qingdao Branch actively engaged in the long-term care insurance pilot program, and took part in the training for caregivers, care facilities assessment, and disability level assessment. In 2024, PICC Health Qingdao Branch promoted the upgrade of long-term care insurance, extending its coverage from workers to residents, from disabled people to people with dementia, from urban areas to rural areas, from medical care to daily care, and from passive care to active prevention. This move brought benefits to about 5.2 million insured people and eased the burden on families with a disabled member.

Enriching the supply of financial services for the elderly. We deeply engage in China's endeavors to build a three-pillar old-age insurance system, and expand the coverage of elderly care insurance, thus raising the quality of elderly care. Private pension is incorporated into the "Warm Life" healthcare and elderly service system. By the end of 2024, a total of 50 elderly care institutions had partnered with the "Warm Heart Companion", covering 14 provinces, with more than 20,000 beds available. We continue to promote the operation of elderly care projects, build community-based elderly care service centers, and launch special services including stroke rehabilitation and total disability care.

Case

Enhance the provision of multi-level and diversified elderly care services



In 2024, with a focus on the needs of inclusive elderly care, PICC Investment Holding serves the Group's comprehensive health and elderly care ecosystem, giving priority to building up capacity for operating elderly services. Three-level model projects were launched, including institutional elderly care (Hengyi), total disability care (Yansheng), and community-based home-care (Tianqiao). These efforts enriched the supply of multi-level and diversified elderly care services and provided industrial support for aging finance.



In 2024, the Group served a total of

18.18 million new citizens

Providing more products for new citizens. Subsidiaries including PICC AMC, PICC Life, and PICC Health were promoted to formulate a *Special Work Plan to Promote New Citizen Insurance (2024-2026)*, with a focus on three major thematic scenarios of "Secure Housing, Prosperous Employment, and Sound Health". We upgraded exclusive product offerings based on "scenario+industry+customers" segmentation. We have built a comprehensive, multi-tiered and broad-coverage product system specifically designed to meet the unique needs of new citizens. In 2024, the Group served a total of 18.18 million new citizens and provided more than 400 trillion yuan in risk prevention. PICC P&C achieved over 85% participation rate in the industry in the pilot programme of occupational injury insurance.

Case

PICC P&C builds a "New Citizen Insurance Service Window"



PICC P&C Langfang and Baoding branches have built a "New Citizen Insurance Service Window", prominently displaying the "New Citizen Insurance Service Center" logo at the entrance of our business halls to guide new citizens for financial insurance service. We also set up service posts of new citizens insurance, equipped with experienced, and skilled personnel to provide exclusive and specialized financial insurance consultation services for new citizens. We establish a caring station for new citizens, providing them with free amenities such as drinking water, mobile phone charging, medical kits, wheelchairs, and umbrellas.

Case

PICC Life launches special insurance product for people with intellectual and developmental disabilities



Due to its care for children's healthy growth and development, PICC Life has launched "Care for Stars Annuity Insurance" tailored for families of individuals with intellectual disabilities. The "Care for Stars" project bridged the service gap in this industry for families of individuals with intellectual disabilities. "Care for Stars Annuity Insurance" launched by this project is designed for full life cycle demands of families with mentally handicapped members. With this project, a full range of services is accessible to them, including family asset allocation, and children entrust planning. In 2024, "Care for Stars" of PICC Life was selected in the *White Paper on the Contributions of the Ecosystem for the China's Insurance Industry to Support National Strategies*.

Dedicating to charitable endeavors and voluntary activities

With PICC Charity Foundation as a platform, we have rolled out a full range of public welfare and charitable campaigns including disaster relief, education assistance, medical donations, environmental protection, cultural philanthropy, and care for vulnerable groups. In 2024, the PICC Charity Foundation donated 9.06 million yuan.

Organizing the "Health Express for Mothers" public welfare project consistently. We have donated "Health Express for Mothers" vehicles to remote and underdeveloped regions for several years, helping to raise local people's health awareness and improve medical and health conditions, alleviating the predicament of women falling into poverty due to illness. With the aim of "delivering healthy concepts, knowledge and services", we carried out activities in Hongyuan County in Sichuan and Weining County in Guizhou, such as free consultation, training, and house visits to provide quality medical services to local people with the help of "Health Express for Mothers" in 2024.



In 2024, the PICC Charity Foundation donated

9.06 million yuan

Case

PICC with "Health Express for Mothers" supports women's health in rural areas

In October 2024, PICC donated 6 "Health Express for Mothers" vehicles to project hospitals in Weining Yi, Hui, Miao Autonomous County, Bijie City, Guizhou Province. Since 2020, PICC has intensified efforts to support areas with few health resources in Guizhou Province. This marks the third time we have donated "Health Express for Mothers" vehicles to Nayong County, Weining Autonomous County and other counties and cities in Guizhou Province, totaling 22 vehicles.



Helping improve people's living standards in underdeveloped regions. We donated 2.5 million yuan to Inner Mongolia Chahar Right Middle Banner, funding projects in Guangyilong Town in Chahar Right Middle Banner, including mutton sheep entrustment farming and living environment improvement, so as to increase incomes of underprivileged households in Guangyilong Town. We donated 900,000 yuan to Yecheng County Charity Federation in Xinjiang to improve service capacity of 8 elderly nursing homes and renovate the multi-functional activity room in a Children's welfare home in Yecheng County, aiming to create better living conditions for old people and children in extreme poverty. Due to our care for the healthy growth of teenagers, we donated 1.96 million yuan to the China Youth Development Foundation and funded 30 rural schools in Guangxi Zhuang Autonomous Region to build "Hope Kitchens", so as to help rural schools improve their meal supply capacity.

Engaging in public welfare and charity. We endeavored to build PICC Labour Union Care Stations, with a total of 340 Care Stations built among the whole Group to serve social management. We actively organized young employees to carry out public welfare and volunteer activities. In 2024, a total of 24,185 employees were engaged in voluntary activities, benefiting 456,081 people. We actively mobilize employees to participate in "One Yuan Donation and Ten Yuan Donation" program organized by China Worker Development Foundation of All-China Federation of Trade Unions and a donation activity themed "Happy Mother Project-Help Mothers in Difficulty", contributing our strength to public welfare undertakings.



PICC mobilizes employees to carry out voluntary and public welfare activities.

Employee Development

PICC regards employees as the core resource for its sustainable development, strictly abides by relevant laws and regulations, and strictly eliminates any discriminatory acts based on race, region, gender, disability, nationality, etc., and prohibits the use of child labor and all forms of forced labor. Over the past three years, the Company has not had any incidents of forced labor, employee lockouts, collective strikes or employee discrimination.

People-centered approach

We keep improving relevant systems for talent introduction, career development, salary management, and cadre supervision. We take active actions to create a democratic workplace with generous pay, fair competition and diversified opportunities, sharing common development with the staff.

Building harmonious labor relations. We uphold the recruitment principles of openness, equality, competition and meritocracy, ensure that employee recruitment and career development are not affected by any factors such as race, belief, gender, religion, nationality, ethnicity, age, marital status, social status, etc., and adopt a zero-tolerance attitude towards any form of discrimination and infringement of employees' rights and interests. We provide employees with formal grievance channels, issuing the *Measures of PICC for Complaints and Proposals*, stipulating that all levels of the Group's institutions shall accept and handle employee objections regarding personal rights, such as labor contracts, post arrangements, remuneration packages, and working hours, and protect personal privacy in accordance with the law.

Enhancing compensation and performance management. We continue to improve the management of comprehensive performance appraisals, linking performance-based pay of individuals to factors such as subsidiary/department performance and individual achievement. We evaluate the performance of all employees annually to strengthen incentives and restraints and to promote the common development and growth of employees and the Company. We have set up a compensation deferral and clawback system for senior executives and cadres and employees in positions with direct or significant impact on risks, ensuring that the payment period of performance-based remuneration matches the risk duration of the corresponding business and prevent unlawful and violations of laws and regulations in production and operation.

Valuing talent introduction and retention. Focusing on strategic needs, we have continuously enriched and improved talent selection standards and management systems, and established a diversified mechanism for talent introduction and internal training. We have optimized the recruitment management, authorized at different levels and categories, clarified key control directions for recruitment, increased the introduction of talents, and used information technology to achieve whole-process transparency and one-stop handling of the recruitment. We have also adhered to the employment orientation of focusing on grass-roots practice and practical work, and actual performance, improving the management of positions and ranks.

Promoting active democratic communication. We established the trade union according to law and compliance, and the employee membership rate reached 100%. The rights of employees to information, expression, participation and supervision are guaranteed through the Workers' Congress, and staff representatives are encouraged to participate in corporate governance in an orderly manner, to make concrete efforts in democratic management rights of employees. The Company actively promotes the construction of collective contract system and steadily promotes the establishment of a collective consultation system in eligible institutions. The collective contracts already signed cover provisions for special protection for female employees and occupational health and safety protection for workers.

Number of employees (persons)

| Type | 2022 | 2023 | 2024 |
|----------------------|---------|---------|---------|
| On-the-job employees | 177,852 | 175,881 | 175,121 |
| Dispatched employees | 14,663 | 15,785 | 15,236 |
| Salespersons | 375,656 | 359,097 | 347,052 |

Note: "On-the-job employees" refer to regular employees who have signed labor contracts directly with the Group and its subsidiaries.

Composition of On-the-job Employees by Gender (persons)

| Gender | 2022 | 2023 | 2024 |
|--------|--------|--------|--------|
| Male | 92,466 | 90,749 | 90,094 |
| Female | 85,386 | 85,132 | 85,027 |

Composition of On-the-job Employees by Age Group (persons)

| Age | 2022 | 2023 | 2024 |
|-----------------|---------|---------|---------|
| <31 years old | 29,877 | 25,832 | 23,755 |
| 31-50 years old | 125,468 | 127,934 | 129,151 |
| >50 years old | 22,507 | 22,115 | 22,215 |

Regional Composition of On-the-job Employees (persons)

| Region | 2022 | 2023 | 2024 |
|----------|---------|---------|---------|
| Domestic | 177,785 | 175,816 | 175,008 |
| Overseas | 67 | 65 | 113 |

Employee Employment Rate and Turnover Rate (%)

| | 2022 | 2023 | 2024 |
|-----------------|------|------|------|
| Employment rate | 8.57 | 4.73 | 4.18 |
| Turnover rate | 4.94 | 5.52 | 4.77 |

Employee Employment Rate and Turnover Rate by Gender, Age Group and Region in 2024 (%)

| | Gender | | Age | | | Region | |
|-----------------|--------|--------|---------------|-----------------|---------------|----------|----------|
| | Male | Female | <31 years old | 31-50 years old | >50 years old | Domestic | Overseas |
| Employment rate | 4.19 | 4.16 | 23.35 | 1.32 | 0.27 | 4.18 | 3.54 |
| Turnover rate | 4.98 | 4.55 | 5.54 | 2.89 | 14.89 | 4.77 | 5.31 |

Notes:

1. Employment rate = number of new employees ÷ number of regular employees as of December 31 of the current year.
2. Turnover rate = number of departing employees ÷ number of regular employees as of December 31 of the current year, of which number of departing employees = number of voluntary departures + number of dismissals + number of retirements.
3. The number of new employees, departing employees (including voluntary departures + number of dismissals + number of retirements), and regular employees used for calculation are all data within the corresponding statistical range.

Occupational health and safety

PICC has established the non-pay benefits system covering all employees. We strive to create a favorable workplace that fosters physical and mental well-being based on harmony, health, safety and stability.

Welfare Protection. We have established a standardized, market-oriented and humanized welfare protection system to provide employees with multi-tier welfare protection in addition to safeguarding their basic rights and interests. We continuously improve the welfare protection system for all employees under labor contracts and outsourcing labor, ensure that they are entitled to take leave on public holidays and statutory holidays as stipulated by the State, and continuously optimize the rights and welfare protection projects for all employees.

Occupational health. According to the *Work Safety Law of the People's Republic of China*, *Regulations on Work-related Injury Insurance* and other regulations, the Company has no posts with occupational health hazards in the process of operation. We pay "social insurances and housing provident fund" for employees on time, apply for commercial supplementary medical insurance, and offer enterprise annuity plans. Besides regular health check-ups, we build a health management center to provide health monitoring, health guidance and other services for employees. Mental health salons and on-site first-aid training are also launched to ensure the physical and mental health of employees, protecting employees' physical and mental health in an all-round way.

Work-related Injury Data

| | 2022 | 2023 | 2024 |
|---|-------|-------|-------|
| Number of work-related fatalities (persons) | 5 | 7 | 3 |
| Proportion of work-related fatalities (‰) | 0.03 | 0.04 | 0.02 |
| Number of work-related injuries (persons) | 153 | 242 | 278 |
| Number of days lost due to work-related injuries (days) | 8,470 | 8,393 | 9,723 |

Notes:

- 1.The scope of data statistics is the whole company of PICC P&C, including regular employees and dispatched employees;
- 2.Fatality due to work-related injuries = Number of fatalities / Original number of employees.

Bringing warmth to employees. We organized activities to send warmth and blessings during the two festivals, with labor unions at all levels visiting and providing comfort to 7,156 employees in difficulty and front-line workers. We invited calligraphers of the Calligraphy and Painting Association of PICC to write spring couplets before the Chinese Lunar New Year, sending blessings to employees. The "Care Fund" has been established to help employees suffering from illness and hardship. We organized PICC Charity Day, visiting 151 employees in illness and in difficulty, and distributed 2.4 million yuan from the care fund.

Caring for female employees. We fully safeguard legal rights and interests of female employees, actively taking actions in areas such as equal employment, remuneration distribution, education and training, personal growth as well as special protection during "menstruation, pregnancy, childbirth, and lactation", and parental leave etc. A total of 30 "Female Employee Care Rooms" are built in the whole Group, to provide convenience for female employees.



On March 8, different levels of the Group held events for March 8th Women's Day.

Launching cultural and sports activities. We have actively carried out diversified cultural and sports activities, and organized a series of activities, such as balloon volleyball match, walking events, activities celebrating March 8th Women's Day, and May Fourth Youth Day, parent-child activities on Children's day, and fraternity parties for youth. We organize employees to take part in basketball games, football games, artistic performances, and speech competitions held by the Beijing Financial Street Chamber of Commerce, showcasing employees' demeanor and enhancing company cohesion and centripetal force.



In September 2024, the Labor Union of PICC organized a balloon volleyball match for employees at its headquarters.

Ensuring workplace safety. We solidly organized and implemented four actions including safety education and training covering all employees, dynamic clearing of safety hazards, reduction of workplace safety risks, and improvement of security and fire protection management. 6 special meetings on safety work were held throughout the year. We have formulated and released the three-year action plan on tackling the root causes of safety hazards and making breakthroughs and the *Manual for Security Inspection and the Record of Hazard Rectification*. We established safety officer teams at every organizational level. Training sessions on safety production and security and fire drills are held on a regular basis. Notably, the Case Bulletin host by the National Financial Regulatory Administration published our experience and practices.



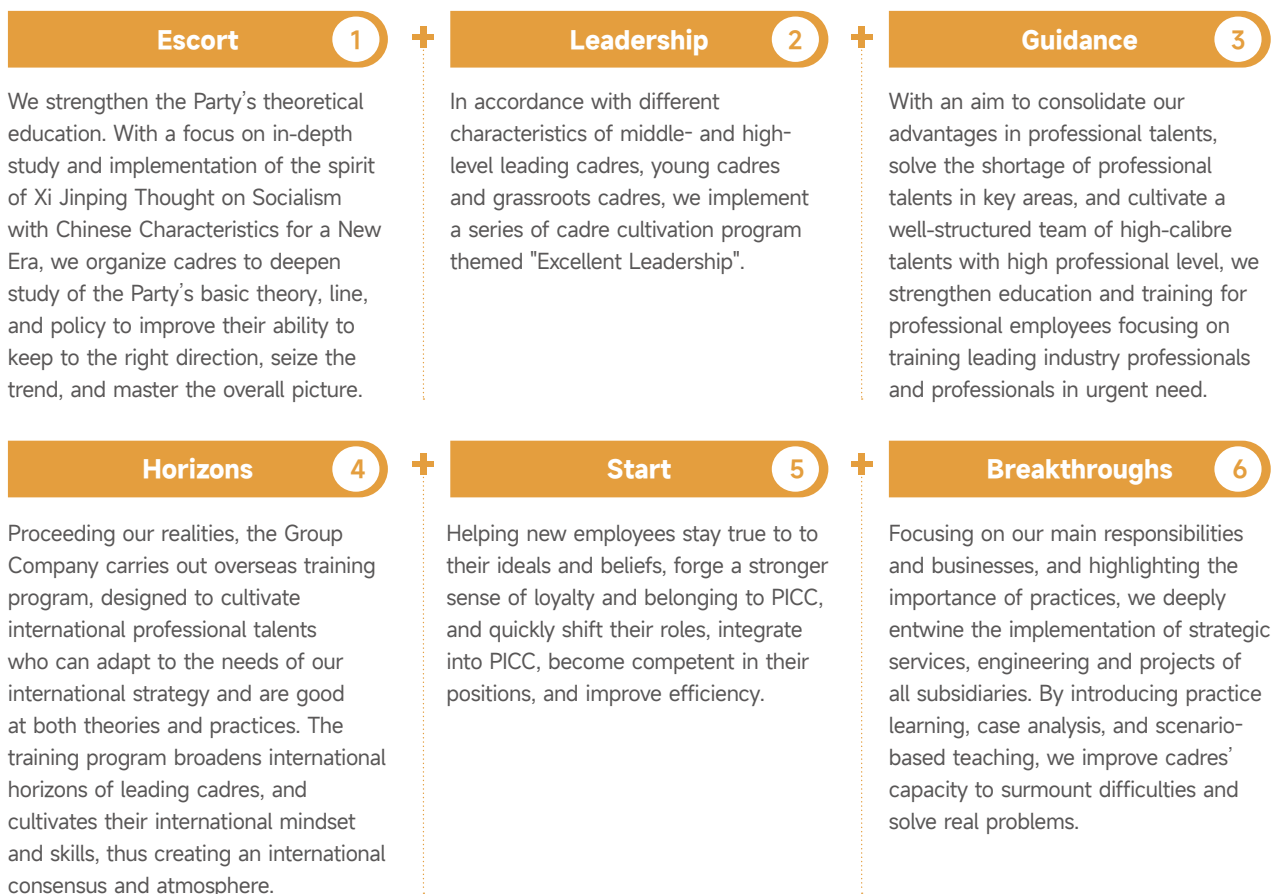
From December 18 to 20, Shi Qingfeng, member of the Party Committee of PICC and head of the Discipline Inspection and Supervision Team stationed in the Group, made a survey on Party building in Fujian and visited front-line employees.

Facilitating employees' development

PICC has built a broad development platform for employees, and continued to promote the construction of a full-cycle training system for employee career development. We support every employee to achieve all-round development and realize self-improvement in their career.

Strengthening the building of staff training systems. Our training for employees and cadres is divided into two main types, political training and duty performance training. In terms of political training, we implemented a series of training projects, with the theme of "Escort" "Leadership" "Guidance" "Horizons" "Start" and "Breakthroughs". Based on career development paths of cadres, we formulated a course system focused on improving political ability and cadre duty performance. We also improved learning resources for general, political, management, job-specific, sales, technological, occupational health, and safety categories, and provided full-cycle training services for cadres and employees.

Implementing a series of training programs



In July 2024, PICC Life organized skill training for front-line employees.



Invested

120.98

million yuan for training

Supporting employees to improve their professional skills. We provide employees with a comprehensive professional certification support program, offering resources to encourage and support participation in professional qualification examinations to external certifications, such as CFA, FRM, actuary professional qualifications, etc., to help build a highly educated, high-quality, and professional workforce. Together with the School of Economics, Peking University, we have implemented a week-long strategic workshop themed "Building Consensus and Innovating to Accelerate the Building of Big Health and Big Elderly Care Ecology". In 2024, the Group Company and its subsidiaries carried out 75,246 training sessions and invested 120.98 million yuan.

Employee training in 2024

| | By gender | | By management level | | | |
|-------------------------------------|-----------|--------|---------------------|-------------------|--------------------|-----------------------|
| | Male | Female | Senior management | Middle management | General management | Specialized employees |
| Average training hours (hour) | 225 | 221 | 176 | 212 | 251 | 220 |
| Proportion of employees trained (%) | 97 | 97 | 100 | 99 | 99 | 97 |

Note: The data statistics covers the Group Company and its subsidiaries.



On May 31, Xiao Jianyou, member of the Party Committee, Executive Director and Vice President of PICC, visited Taizhou Branch of PICC Life and inspected the team building for life insurance and the development of grassroots employees.

Organizing professional skills competition. With a focus on five main aspects of finance, we organize skills competitions in all aspects and set the stage for employees to showcase. Skills competition were organized, including National Sales Skills Competition of the PICC P&C, National Instructor Competition of PICC Life Comprehensive Finance Department Channel, Health Management Competition of PICC Health, and "Technology-empowered Future with Craftsman" Skills Competition of PICC Technology, involving 25,000 employees. These help to improve the overall skills of the employees. In 2024, 6 employees of PICC were awarded the Financial May Day Labor Medal in the Financial System Workers Skills Competition.

Promoting the spirit of model workers and craftsmen. We promote the spirit of PICC model workers and craftsmen, leveraging the leading role of exemplary figures to encourage employees and youth to pursue excellence. On the 2024 National May Day Labor Awards and National Workers' Vanguard Commendation Conference held by the All-China Federation of Trade Unions, one unit of PICC was awarded the May Day Labor Certificate, and two units were awarded the title of "National Worker Vanguard".

Customer Service

PICC adheres to its customer-centric approach. Guided by the Risk Management and Consumer Protection Committee under the Board of Directors, we effectively protect the rights and interests of consumers and continue to improve service quality and optimize customer experience.

Improving service quality

We have further integrated customer service into our corporate governance system, continuously playing the roles of the Board of Directors, the Board of Supervisors and the management. We promoted our subsidiaries to improve consumer protection review, information disclosure, education and publicity and other working mechanisms, so as to effectively fulfill our main responsibilities.

Reinforcing top-level design and overall coordination. We held the first group-wide work conference on consumer protection and built the Consumer Protection Committee. We have formulated the rules of committee and released Group's first work plan on consumer protection, so as to earnestly implement 63 tasks in 6 categories. We incorporate consumer protection into our entire business operation process, and fully implement 11 working mechanisms for protecting consumer rights and interests in all aspects. A pre-event, in-event, and post-event closed-loop management system has been established. We publish our consumer protection culture with a concise slogan, "Honoring Commitments Together With PICC", promoting common development between consumer protection and business development.

Case

PICC Health obtains the ISO 9001 Quality Management System Certification for Consumer Protection

PICC Health's head office, along with its Shenzhen, Shanghai, and Henan branches, obtained the ISO 9001 Quality Management System Certification for customer protection. PICC Health became the first batch of enterprises in the insurance industry to obtain the ISO9001 Quality Management System Certification in the field of consumer protection. PICC intends to leverage this ISO 9001 certification as a pivotal opportunity to further solidify the protection of consumer rights and interests as a pillar of its high-quality development. The Company will keep improving its service quality so as to enhance trust among customers, and increase their satisfaction.



Provided cattle face recognition services for more than

6 million times

Improving quality and efficiency of claim services. We accelerate the incubation, application, and promotion of scientific and technological achievements, having data to travel more and customers to travel less. The year 2024 saw increasingly higher proportion of online claim settlements in PICC P&C. The Company provided online mediation services to 210,000 people, and served 120,000 senior citizens over 60 years old through the internet. The number of customer self-service and automated audit services reached 20.23 million times. The level of intelligence is on the rise. 90% of car insurance scenarios is accessible to intelligent scheduling, reducing customer waiting times. The functions of "one-click weight and length assessment" and "cattle facial recognition" for livestock insurance claims have been implemented and used cumulatively over 6 million times. UAV and satellite remote sensing is widely used in large-scale survey of agricultural insurance, surveying nearly 200 million mu of land. PICC Life introduced the "heartwarming claim service" system providing 1+N claim services, and developed an intelligent claim platform. The average time to settle a claim is 0.33 days, claim ratio exceeds 99%, and audit duration of automatic claim service can be as short as 3 seconds.



On August 1, Yu Ze, member of the Party Committee and Vice President of PICC, went to Hubei to research agricultural insurance claim settlements for catastrophe.

Intensifying efforts to increase customer satisfaction. The Group has formulated and released the *Special Action Plan to Strengthen Consumer Rights Protection and Address Misleading Sales Practices and Difficulties in Claims Settlement*. As a participant in industry suitability management research, the Group promoted relevant subsidiaries to strengthen sales management behavior, marketing promotion management, and third-party institution management. 23 key tasks to improve elderly services have been formulated to further improve our service quality and efficiency. The third-party survey results show that the Net Promoter Score(NPS) of PICC P&C, PICC Life, and PICC Health reaches 48.36%, 42.90% and 40.74% respectively, growing by 5.96%, 4.40%, and 5.94% respectively since the introduction of this tool.

Strengthening complaint management and problem-solving at source. A complaint handling system connecting multiple levels has been established by the Group. The *Measures for the Management of Consumer Complaints* has been revised, specifying responsibilities of different parties, and standardizing the complaint handling procedures, thus creating a harmonious and stable operating environment. Customer complaint data of subsidiaries from various channels is monitored and analyzed on a regular basis. The Group directs subsidiaries to focus on source rectification in areas with high complaint concentration. We pay attention to complaints from all channels and give proper treatment in a timely manner.

Number of consumer complaints of main insurance subsidiaries

| Year | Customer complaints per 100 million yuan of premium income (Cases/100 million yuan) | | | Customer Complaints per 10,000 policies (Cases/10,000 pieces of policies) | | |
|-------------|---|------|------|---|------|------|
| | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 |
| PICC P&C | 1.63 | 1.84 | 0.54 | 0.00 | 0.00 | 0.00 |
| PICC Life | 3.38 | 1.52 | 0.71 | 0.12 | 0.55 | 0.28 |
| PICC Health | 6.47 | 3.37 | 1.27 | 0.04 | 0.23 | 0.09 |

Note:

- 1.The data is derived from regulatory notifications, continuing use the format of notification, retaining two valid decimals.
- 2.The notification issued by the regulator in 2022 reported the number of consumer plaints of the season, that is the number in fourth quarter, while in 2023 and 2024, the regulator reported the total number, that is annual number of consumer complaints.

Enhancing publicity of consumer protection. 8 cases of the Group were selected in the list of "Financial Consumer Protection and Service Innovation Case in the Insurance Industry" released by China Banking and Insurance News. The number of selected cases is in the forefront of the industry. Since 2024, institutions of PICC at all levels has devoted active efforts to exploring new models and practices for financial education to expand the coverage and impact of activities. These efforts enabled us to reach a total of 970 million customers. The number of publicity and education activities, original articles, and reports of central media all hit an all-time high.

Case

PICC deepens "Financial Education and Publicity Month" Campaign

In September 2024, PICC strictly implemented supervisory requirements with a focus on the slogan, "A new chapter of Financial Service for People, Safeguarding Interests and Preventing Risks". The Company unified its efforts to push ahead with activities in a well-organized way. With weekly themes and activities spanning the entire month, all members of institutions at all levels and about 10,000 branches participated, catering to consumer needs. We actively carried out innovative publicity and education activities with PICC's characteristics.



Protecting customer privacy

We attach great importance to and tighten the protection of customer privacy. In accordance with the requirements of the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, and other laws and regulations, we have made strict provisions on the use of personal information and data.

Protecting Privacy

We fully protect the rights of personal information subjects. We organize our subsidiaries to improve customer information security management systems, conduct self-examination and self-correction of personal information protection, and comprehensively investigate the standardization of operational processes such as personal information collection, storage, query, processing, use, transmission, provision, disclosure, and deletion. Requirements regarding personal information protection and rules for the protection of minors online are implemented across our service process, ensuring that customer authorization before use of personal information. Meanwhile, we optimize the "notification-consent" process to achieve functions such as obtaining customer consent, revoking consent, reacquiring consent, and separately authorizing consent. In 2024, there were no lawsuit or administrative penalty cases caused by customer privacy leakage at the Group (including its subsidiaries).

Processing Third-Party Data

According to the "minimum necessary" rule, the Company entrusts a third party to process data in its business outsourcing and control the scope of entrusted data. We adopt desensitization or encryption processing, etc., and sign agreements with clear rights and responsibilities to ensure a safe and controllable environment for data sharing, keeping data security while meeting business objectives. The Company will not rent, sell, or provide personal data to third parties for purposes other than completing transactions or services. Nor will we share customer information with partners and affiliates without the authorization of the customer.

Minimizing Data Collection and Retention

The Company strictly adheres to the rule of "minimum impact and minimum scope" in data collection. We clearly inform customers of the whole life cycle processing measures such as collection, storage, use, processing, transmission, disclosure, and deletion of personal information in various texts such as privacy policies and authorization agreements that are publicly disclosed. We also pledge to delete information beyond the scope of use or necessary retention period, and to obtain the consent of the customer in accordance with the law.



PICC released the *Guidelines on Internal Control and Compliance Management of Personal Information Protection (2022 Edition)*. When group-wide employees (including regular employee, part-time employee and contractors) conduct business, the Guidelines puts forwards clear guidelines on the information protection work. These include to establish and improve personal information protection mechanism, standardize the storage, transmission and inquiry of personal information, standardize the collection and use of customers' personal information, protect the rights of the subject of personal information, and standardize external provision of personal information.

1. In accordance with the relevant laws, regulations and standards of China, as well as the general practices of other countries and regions, we protect the rights of our customers to access, correct and delete their personal data.

2. We have implemented industry-standard security measures to protect our customers' personal information against unauthorized access, improper public disclosure, improper use, improper modification, damage or loss of the data (hereinafter referred to as "personal information security incidents"). We will take all reasonable and practicable measures to protect personal information of our customers. For example, we will take permission control, privacy protection training, and other security measures.

3. We will use and protect customer information in strict accordance with the scope of authorization, and we will not provide customer personal information to any third party unless required to share it by governmental, regulatory and judicial authorities, and other situations.

4. We will take all reasonable and practicable measures to ensure that no irrelevant personal information is collected. We will only retain customer personal information for the period necessary to fulfill the purposes described in this Privacy Policy, unless it is required to extend the retention period or permitted by law.

5. We attaches importance to the protection of personal information when intermediaries and third-party institutions are involved, and ensures that intermediaries and third-party institutions comply with relevant laws and regulations on personal information protection through supervision and other means. When intermediaries and third parties steal or transmit personal privacy information, they will be included in the Supplier Blacklist.

6. We fulfill our legal obligations as processors of personal information, implement classified management of personal information, adopt security technical measures, conduct regular audits of the personal data protection system, and formulate and organize the implementation of emergency response plans for personal information security incidents to ensure the security of personal information.

Supplier Management

PICC is committed to centralized supplier management and continues to improve the system of access and contracting. We strengthen regular evaluation to improve suppliers' performance effectiveness. We establish long-term and stable cooperation with high-quality suppliers, actively transmit the Group's ESG concept, and contribute to sustainable development of upstream and downstream supply chain.

Strengthening supplier management

With an aim to build long-term strategic partnerships with supplies, we select suppliers from multiple perspectives, from product quality, stability, price, to fulfillment of social responsibility. These efforts can ensure that suppliers provide high-quality and stable services, thus providing strong support for the Company's prudent development.

Strengthening the building of the supplier management system. We have formulated and improved systems and documents including the *Centralized Procurement Management Measures*, the *Supplier Management Measures* and the *Online Mall Procurement Management Measures (Trial)*, aiming to strengthen regulations on selection, management and evaluation of suppliers. These documents clearly stipulated that priority should be given to energy-saving and environmentally-friendly products in centralized procurement. We have improved documents on standardized operating procedures such as the *Guidelines for the Handling of Supplier Non-Compliant Behaviors* and the *Guidelines for the Assessment and Evaluation Process of Suppliers*, in order to strengthen risk control of suppliers and enhance the resilience of the supply chain. We have formulated and promoted suppliers to sign the *Supplier Code of Conduct Commitment*, the *Supplier Integrity Commitment*, and the *Integrity and Honesty Agreement*, clarifying ESG-related regulations that suppliers must comply with, including environmental protection, occupational health and safety, labor relations, business ethics, etc., Suppliers are required to read and confirm the *List of Non-Compliant Behaviors of Suppliers* and are under supervision throughout every procurement project. Uncommitted suppliers are forbidden to participate in centralized procurement. These measures are designed to prevent the risk of violations in the procurement process.

Improving the full lifecycle supplier management. We have built a complete supplier management system, which covers supplier registration, access approval, performance evaluation, non-compliant behavior handling, blacklist management, and implement dynamic supplier management. We guide suppliers to compete benignly, urge them to improve the quality of performance, and prevent environmental and social risks of suppliers in all aspects of procurement.

Distribution of Cooperative Suppliers of PICC

| Supplier Area | 2022 | 2023 | 2024 |
|---------------|-------|-------|-------|
| Domestic | 2,045 | 4,711 | 9,089 |
| Overseas | 2 | 13 | 16 |

Notes: The data scope is cumulative number of registered suppliers in the database, uniformly organized and completed by the centralized procurement center of PICC.

Organizing regular supplier evaluation. Supplier evaluation include performance in environment and social responsibility and is conducted twice a year. In 2024, we completed two online supplier evaluations through the "PICC e-purchase" management system, evaluating 1,992 suppliers. Differentiated management is implemented according to the grades determined by suppliers' annual performance evaluation. In terms of suppliers rated as "unqualified", we provide rectification comments and urge them to keep improving their service quality. We take measures to deal with the non-qualified behavior of suppliers in procurement or performance activities, including official letter warnings and blacklisting, etc.



In 2024, we completed online supplier evaluations through the "PICC e-purchase" management system

2 times

Evaluated

1,992 suppliers

PICC e-purchase online suppliers evaluation results

| Grade | Number of suppliers in 2023 annual evaluation | Number of suppliers in 2024 mid-term evaluation |
|-------------|---|---|
| Excellent | 473 | 465 |
| Good | 373 | 397 |
| Qualified | 126 | 128 |
| Unqualified | 18 | 12 |
| In total | 990 | 1002 |

Strengthening ESG compliance transmission throughout the supply chain



In 2024, the signing rate of suppliers included in centralized procurement program reached

100%

We explore integration of ESG into supplier management, and make all-out efforts to strengthen the transmission of ESG in the supply chain, striving to drive the whole chain to realize green transformation and shoulder responsibilities with our own actions.

Integrating ESG-related standards into supplier access and contract. We have formulated the *Supplier Code of Conduct*, and have it published on our "PICC e-purchase" website. Sustainable development is regarded as a requirement for supplier access and participation in centralized procurement program, and is written into the *Supplier Code of Conduct Commitment*. We require suppliers not to commit corruption. All suppliers are required to sign the *Supplier Integrity Commitment* in the process of access approval and bidding. In 2024, suppliers included in centralized procurement program all signed the document. We required all suppliers sign the *Integrity and Honesty Agreement* when signing procurement contracts. Further progress was made in the compliance review and supervision in the whole process of centralized procurement program, so as to comprehensively improve procurement risks prevention and control capabilities, and forestall any actions against compliance management and integrity. The year 2024 saw no incidents of non-compliance and risk events in centralized procurement.

Conducting supplier investigation. We conduct on-site investigation on key service suppliers in technology-based core hardware server industry and the office furniture industry. We transmit ESG concept of PICC to suppliers, and exchange views with a focus on energy-saving and environmental protection products, and supply chain stability, to reduce the Group's supply chain risk exposure.

Practicing green procurement and promoting suppliers to improve ESG performance. We promote the use of e-bidding platform, and have built sites special for electronic bid evaluation. Suppliers are required to participate in online bidding and negotiation, significantly reducing paper documents consumption. In 2024, the proportion of electronic centralized procurement program significantly increased, with an estimated reduction of approximately 1 million pages of paper documents.

External Cooperation

Upholding the concept of openness, inclusiveness, mutual benefits and win-win cooperation, PICC actively strengthens strategic cooperation. We work together with aligned partners in various areas, such as technology development, market expansion, and brand building.

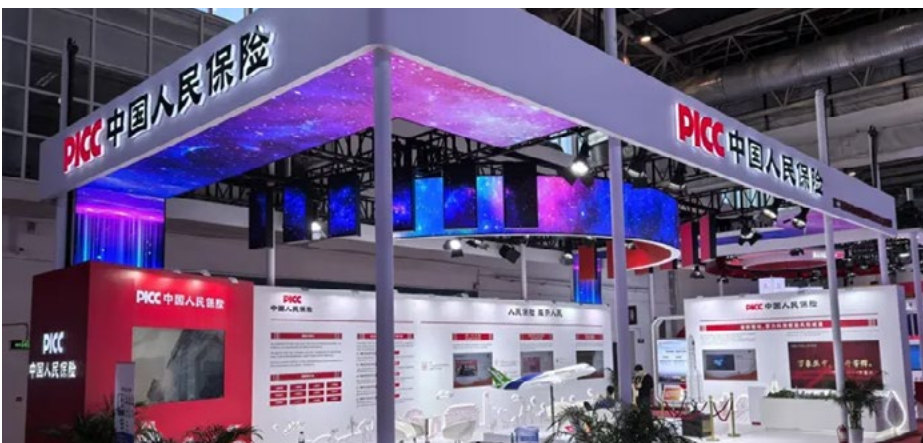
Strengthening strategic cooperation

Deepening strategic cooperation with the government. In 2024, the Group interacted with 14 provincial governments, and formulated the service list covering all 37 provincial governments. We enhanced cooperation with state ministries, focusing on strategic cooperation projects with the Ministry of Agriculture and Rural Affairs, the Ministry of Science and Technology, the Ministry of Water Resources, and the National Development and Reform Commission. Practical achievements have been made in the modernization of agriculture and rural areas, self-reliance and strength in science and technology, and high-quality development of water resources. Together with the Ministry of Ecology and Environment, we built a ministry-enterprise working group on soil pollution prevention and control. Through our efforts, environmental liability insurance for soil pollution prevention was included in a ministerial document.



On July 12, Cai Zhiwei, member of the Party Committee and Vice President of PICC, went to PICC P&C Liaoning Branch to research and understand its service for ensuring economic and social development of Liaoning.

Strengthening cooperation and exchanges with domestic and foreign enterprises. The Group promoted multiple forms of deep cooperation across wide areas with large enterprise customers such as China Post Group, China Mobile, Bank of China, Agricultural Development Bank of China, China Reinsurance, and Inspur Group. We conducted exchanges with international counterparts such as AXA and Swiss Re to consolidate cooperation consensus and innovate cooperation areas. We attended big international meetings including UK-China Financial Services Summit, China International Fair for Trade in Services, and China International Supply Chain Expo, showing our financial innovations and breakthroughs in serving science, green initiatives, inclusion, elderly care and digital areas.



In November 2024, PICC presented at the China International Supply Chain Expo for the second consecutive year as an official partner.

PICC's participation in the association

| Association | Membership |
|---|--|
| Geneva Association (GA) | Member |
| UN Environment Programme Finance Initiative (UNEPFI) | Member (Sign the <i>Principles for Sustainable Insurance PSI</i>) |
| Asian Financial Cooperation Association (AFCA) | Standing director, vice chairman |
| International Union of Marine Insurance (IUMI) | Member |
| The International Credit Insurance & Surety Association (ICISA) | Member |
| The International Union of Credit & Investment Insurers (BERNE) | Member |
| Federation of Afro-Asian Insurers and Reinsurers (FAIR) | Member |
| International Union of Aerospace Insurers (IUAL) | Member |
| International Health Insurance Association | Member |
| "Sustainable Market Initiative" China Council | Council member |
| Green Finance Committee of the China Finance Association | Standing council member |
| The Insurance Association of China | Honorary President |
| China Finance Association | Standing council member |
| The Insurance Society of China | Vice chairman |
| China Association of Actuaries | Member |
| Insurance Asset Management Association of China | Council member |
| China Association for Disaster Prevention | Initiate units and Vice chairman |
| China Integrated Circuit Co-insurance Consortium | Member |
| Marine Insurance Community | Member |
| China Maritime Law Association | Chairman/Vice chairman |
| China Institute of Internal Audit | Standing council member |
| Data Center Branch Of China Users Association | Member |
| China Communications Standards Association | Member |
| China Communications Standards Association | Standing council member |
| China One Belt One Road Reinsurance Community | Chairman of the Council |
| B&R International Green Development Coalition | The first batch of member units |
| Belt and Road Insurance and Exchange Facilitation | Member |
| China Chamber of International Commerce | Vice chairman |
| China Association for Public Companies | Vice chairman |
| National Internet Finance Association of China | Standing council member |
| The Hong Kong Chinese Enterprises Association | Board member unit |
| Hong Kong Chinese Insurance Association | Board member unit |
| Beijing FinTech Industry Alliance | Standing council member |

Actively serving "the Belt and Road"

Safeguarding the construction of projects of the Belt and Road. PICC vigorously promoted overseas insurance products like overseas construction insurance, overseas property insurance, and reinsurance. The Group underwrote a large number of "Belt and Road" landmark projects such as SK Hydropower Project in Pakistan by China Energy Engineering Corporation, Timok Copper-Gold Mine in Serbia by Zijin Mining Group, and San Nicolás New Port Terminal in Peru by Shougang Group. Our insurance products covered transportation, energy, telecommunication, and other areas of major infrastructure. In 2024, the Company provided risk protection of 1.9 trillion yuan for overseas investment and infrastructure construction projects, and its international business covered over 140 countries and regions.

Weaving a safety net for the Belt and Road overseas services. A multi-level, and low-cost service network with wide coverage for issuing overseas insurance policies has been established. We strengthen cooperation with international insurers and agents, with whose resources such as service networks and channels we have built a worldwide service network for issuing insurance policies for China-invested enterprises around the globe. We have established an overseas network for claims settlement with quick response, good reputation and strong technology, and formed a list of overseas agents all over the world (more than 300 in total), covering multiple types of insurance, such as enterprise property insurance, construction insurance, liability insurance, guarantee insurance, and marine insurance. 60% of agencies have maintained long-term cooperative relationships of more than ten years with the Company.

Improving risk management level of the Belt and Road initiative. PICC actively implements the new model of "insurance+risk reduction service+technology", and independently develops an overseas risk management platform. Aiming to satisfy the needs of the district, country, industry, and customers, we have built a digital, three-dimensional, and intelligent platform with a focus on natural risks, political risks, compliance risks, security risks. The platform, with disaster map(covering 125 countries), security alert, project management, and intelligent interaction as its main body, provides a basis for analyzing and calculating country risks, industry risks and project risks, and offers risk alert and risk management services for customers.



Provided risk protection for overseas investment and infrastructure construction projects

1.9 trillion yuan

Technology Innovation

PICC regarded technological innovation as its basic productivity and core competitiveness, and conducted intensive management over technology infrastructures, software R&D, data governance, and shared operation. We promote digital revolution in operation at all levels of the Group and subsidiaries, and accelerate high-level self-reliance and self-strength in science and technology.



On July 9, Zhang Jinhai, member of the Party Committee and Vice President of PICC, went to PICC P&C Qinghai Branch, Xinghai Sub-Branch Company to investigate the situation of scientific and technological empowerment in grassroots business.

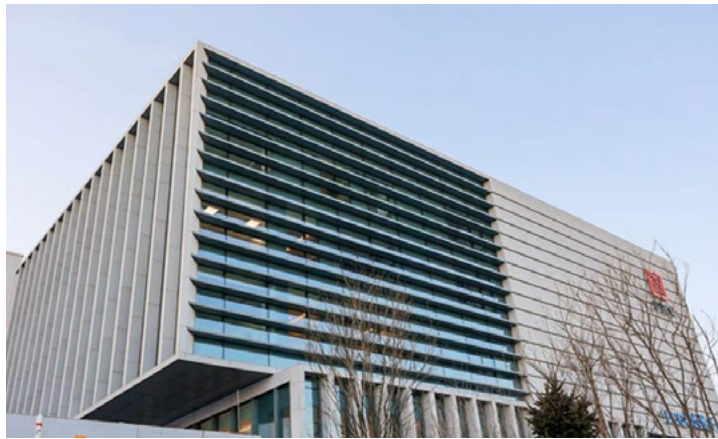
Improving technological innovation capabilities

We actively embraced the scientific and technological revolution, and invested more resources in technological research and development. We attracted excellent research talents in the industry, and take solid steps to explore new technologies and methods to continuously improve our sci-tech innovation and service capacity.

Formulating the digital development plan. We introduced enterprise architecture management tools and methods to promote the implementation of the Group's plan for digital construction. A platform for value creation among customers, products and service and a platform empowered by collaborative management for office, manpower, accounting, audits, and training have been built. With the aim to uphold fundamental principles and break new ground, we built a base featuring "six unification" applied to the whole Group, including unification of computing power base, technology roadmap, data base, intelligent base, safety base, and self-controllable plan. These efforts aimed to strengthen the establishment and control of underlying technology infrastructure and core platform.

Case

Strengthening foundation and building up computing muscle



PICC endeavored to build a self-reliant and self-controllable computing power base by constructing its own data centers, integrating resources, and optimizing management. The first phase of the North Data Center was fully put into operation, and more than 300 application systems were moved into our own data centers and cloud platform. A green, low-carbon, flexible, scalable, safe, and reliable data center cluster and a key network with intelligent operation have been established step by step. In the future, the Group will further optimize the data center layout to ensure the stability of business operation.



In 2024, the whole Group's expenditure on information construction

60.5 billion yuan

Year-on-year increase

34.2% ↑

Taking multiple measures to invest more in science and technology. We continued to promote the construction of sci-tech innovation projects and turn breakthroughs in science and technology into actual productivity. Through methods such as open competition mechanism, and innovation incubator, we tap into innovation potential and strive to overcome challenges in core technologies in key fields that hinder the Company's development. In 2024, the whole Group spent 6.05 billion yuan on information construction, marking a 34.2% year-on-year increase. At the end of 2024, the Group had nearly 4,000 R&D personnel. Both R&D investment and personnel numbers have continued to grow.

Keeping improving service capacity for science and technology. We vigorously advanced the establishment of science and technology insurance center, and built China's first innovation incubation hub for technology insurance. Focusing on the entire lifecycle of scientific activities, an innovative comprehensive insurance product system featuring key technical research has been built. We have created three new technology insurance products, including the high-tech enterprise application cost loss insurance policy and pilot testing comprehensive insurance, high-tech enterprise application cost loss insurance, and comprehensive insurance for major technological breakthroughs, and implemented the first insurance of the three new products in Nanjing, Wuxi, Suzhou, and Ordos. In 2024, 31.1 trillion yuan of risk protection was offered to sci-tech insurance, seeing a growth rate of 21.6%. We have carried out forward-looking research on emerging risks, promoted the establishment of industry standards, earnestly acted as the executive body of the China Integrated Circuit Co-Insurance Corporation, and released the quantitative model risk assessment V3.0, further improving insurance services for the integrated circuit industry.

Case

First batch of comprehensive insurance products for major sci-tech breakthroughs in China



In November 2024, PICC P&C introduced China's first batch of comprehensive insurance products for major sci-tech breakthroughs in Suzhou, Wuxi, Ordos and other cities, injecting new impetus into the pursuit of self-reliance and strength in science and technology.

Supporting IPR protection

Upholding the philosophy of respecting and supporting intellectual property rights (IPR) protection in its development, the Company has built a complete IPR management system, and positively created a workplace environment that fostered innovation internally, and enhanced IPR protection of innovative products development externally, with an aim to safeguard its innovative development.

Improving the intellectual property protection system. In strict accordance with the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Patent Law of the People's Republic of China* etc., we motivate our subsidiaries to formulate management measures on IPR protection, intensifying efforts in the creation, use, protection, management, and service of patents and software copyrights. This lays a solid institutional foundation for IPR protection.

Strengthening management of IPR protection. We redouble our efforts to protect intellectual property rights, and strengthen management on patents, software copyright registration, and trademark registration. We have actively carried out independent innovation activities, strengthened technological innovation and enhanced protection for R&D achievements to improve IPR creation and operation capacity. As of the end of 2024, 1,388 patents had been applied group-wide, including 986 invention patents, a 100% increase compared to 2023. We actively participated in awards judging activities organized by state ministries and industry associations. In 2024, the whole Group received a total of 111 external awards, including 5 People's Bank of China Fintech Development Awards (including 1 first-prize project, 2 second-prize projects, 1 third-prize projects, and 1 micro-innovation project).

Strengthening our presence in industry standard. We have formulated the *Indicator System Specification for Statistics Analysis of Insurance Company*, and the *Index Specification for Informatization Performance Evaluation of Insurance Industry*, which were published and implemented by the National Financial Regulatory Administration. We led the formulation of two industry standards including the *Code Set for Insurance*, and the *Industry Standard for Data Governance in the Insurance Industry*, and took part in the formulation of several industry standards, such as the *Catalogue for Insurance Basic Data Element*, and the *Basic Data Model of Insurance*. With these efforts, we continue to translate advanced research results into standards, and enhance competitiveness of products and services, thus enhancing our recognition and impact in terms of standardization in financial industry.

Improving the development of intellectual property insurance product and service system. With a focus on all aspects of intellectual property creation and application, we have optimized and promoted various insurance products for patent enforcement and infringement, and losses from trademark and geographical identification (GI) infringement. We actively promote insurance types such as overseas intellectual property infringement liability insurance, providing higher-quality services and protection for IPR and technological activities. We also offer credit loan for small and medium-sized technology-based enterprises. In 2024, 1,155 sci-tech enterprises raised 3.1 billion yuan of proceeds through our businesses like intellectual property mortgage bond insurance and hi-tech loan bond insurance.



As of the end of 2024, patents had been applied group-wide

1,388

Case

First batch of patent overseas layout cost loss insurance in China

On June 2024, PICC P&C introduced China's first batch of patent overseas layout cost loss insurance in Guangzhou, Shanghai, Wuxi, and other cities, helping to enhance the motivation and initiative of Chinese enterprises in patent overseas layout.



Strengthening information security

The Group strictly complies with national and industry-related information security laws and regulations, such as the *Cybersecurity Law of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. Our information security management system has been refined, with technologies to protect data, information, and network information security continuously improved. Through specified responsibilities of information security posts, and regular information security training and emergency drills, we consistently enhance our information security levels.

Strengthening information security governance. As the Group attaches great importance to information and cybersecurity, adjusted the Network and Data Security Leadership Group. The Secretary of the Party Committee and Chairman serve as its group leader, responsible for coordinating, assessing, and making decisions in major issues concerning cybersecurity, and data security of the Group. An office is set up under the Leadership Group to coordinate and promote the Group's network and data security efforts.

Applying information security technologies. We adopt industry-standard security measures to protect personal information provided by our customers, and prevent data from being leaked, tampered with, or lost. For example, data exchange between applications and services is under SSL encryption protection. Our official website supports secure https browsing. We ensure data confidentiality with technologies. We use trusted protection mechanisms to prevent data from malicious attacks, and we deploy access control mechanisms to ensure that only authorized personnel can access personal information.

Enhancing information security capacity. To comprehensively promote cybersecurity knowledge, and enhance security awareness and defense capacities of all employees, the Company provides online course on information security for all employees and conducts training related to information security for all employees and third-party on-site service personnel every year. We launched the "2024 National Cybersecurity Publicity Week" activities, providing training and publicity on cybersecurity and data security laws and regulations, email security, account password security, personal information protection, and office security.

Active and passive management measures on information security

Active measures



We conduct asset and exposure surface management, vulnerability discovery and remediation management, threat monitoring, and incident handling. We carry out real-time threat monitoring, and investigate, analyze, and handle critical incidents. We conduct asset scanning of internet hosts every week and vulnerability scanning of internet and intranet hosts every month.



Cybersecurity publicity week is held annually. Multiple rounds of rolling phishing mail drills are carried out. We interpret laws and regulations, put up posters, and organize quiz competitions to popularize knowledge related to cybersecurity.



We organize attack and defense drills throughout the Group every year, in which professional attack team simulates proximity-based attacks, phishing attacks, and remote infiltration to test the Internet application assets and key workplaces of all subsidiaries.



We have built an institutionalized and regular supervision mechanism to supervise and evaluate the efforts of all subsidiaries in cybersecurity. The evaluation includes the coverage of protective measures, timeliness in fixing vulnerability, and the coverage of measures against data leakage.

Passive measures



We improve the emergency response management mechanism, and specify tiered and classified standards and management process of information security events. A full-chain management mechanism from incident discovery, reporting, processing to summary has been established.



A multi-dimensional cyberspace monitoring and early warning system for the whole Group has been established. Based on big data and security automation technology, we have built a network security situational awareness platform, combining compliance examination, security monitoring, situational awareness, early warning notification, coordinated response, and emergency treatment.



We have formulated and implemented the *Administrative Measures for Information System Disaster Recovery of the People's Insurance Company (Group) of China Limited (2024 edition)*. We specify the level of information backup and disaster recovery, categorize failures into specific types, and refine emergency plans. Intensified efforts have been made to strengthen the integration of emergency plans with simulation scenarios, and standardize the overall process of emergency plans and drills. Every year, we carry out at least one ECC regular emergency drill and one special emergency drill of the information system, so as to improve the crisis handling mechanism and coordination level.

Case

PICC launches the 2024 National Cybersecurity Publicity Week

In September 2024, PICC launched the 2024 National Cybersecurity Publicity Week both online and offline, carrying out diversified and multi-dimensional cybersecurity education covering all employees in the Group. The activity aimed at improving employees' awareness of cybersecurity, cybersecurity protection skills, and emergency response capabilities, thus creating a safe, stable, and harmonious internet environment.



Obtaining authoritative information security certification. We revise and refine the Group's overall cybersecurity management system, releasing the *Information and Cybersecurity Management System of the People's Insurance Company (Group) of China Limited (2024 edition)* and *Management Measures on Information Security Incidents*. These provide unified standards for cybersecurity management in the whole Group. We also invite domestic authoritative certification bodies to audit and certify the Group's information and cybersecurity management system. We were certified to the ISO/IEC 27001:2022 standard for information security management systems in December 2024, ensuring that the system met national laws, regulations and regulatory requirements and met internationally recognized standards.

The Group and PICC Technology certified to the ISO/IEC 27001:2022 standard for information security management systems



Conducting information technology audits. The Group Company has a dedicated technology audit department, with 3 deputy senior engineers and CISA certified personnel, responsible for coordinating scientific and technological audits in the Group and its subsidiaries. We have established information technology audit systems including the *Interim Measures for Audit of Information System of the People's Insurance Company (Group) of China Limited*. We carry out the special audit project on information technology every two years, covering information security, business continuity, science outsourcing, operation maintenance, development testing, S&T governance, risk management, and major sci-tech events, and regularly report the technology audit results to the Group's management level.

Strengthening information security management of suppliers. As for products and services involving data processing, and information security in science and technology projects, we require suppliers to sign the *Cybersecurity Commitment*, and the *Information Security Confidentiality Commitment* within the procurement contract templates. Suppliers should comply with the Group's data security management requirements and shall not obtain data illegally. Sci-tech outsourcing suppliers are audited by the Group on a regular basis.

Improving emergency response management mechanisms. We have released the *Information and Cybersecurity Management System of the People's Insurance Company (Group) of China Limited (2024 edition)*, wherein the *Management Measures on Information Security Incident* clearly defines the classification and grading standards of information security incidents, as well as the management process. It establishes a full-chain management mechanism from incident discovery, reporting, handling to summary. We have optimized the network and data security emergency management mechanism, and formulated emergency plans for data center, key network, and important application system, and completed infrastructure emergency response drills for the North Centre, the South Centre and the North Co-city. The cybersecurity operation team is responsible for monitoring, examining, evaluating and handling security threats. In 2024, the Group (including subsidiaries) had no incidents of information security.

Governance Sustainability

- Sustainability Governance Structure
- Sustainability Strategy
- Sustainability Risk Management System
- Supervision and Implementation of Sustainability Initiatives





Sustainability Governance Structure

PICC strictly observes the relevant laws such as the *Company Law of the People's Republic of China* and the *Insurance Law of the People's Republic of China*. We consistently enhance corporate governance in accordance with the relevant regulatory requirements of the National Financial Regulatory Administration (NFRA), the latest listing rules of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Ltd. (SEHK), and our own Articles of Association (AOA).

Standardizing corporate governance mechanisms. As per the requirements of the modern enterprise system and in accordance with laws, regulations and regulatory rules, we have standardized the establishment of the governance structure of the Shareholders' Meeting, the Board of Directors, the Board of Supervisors, and the management. We have formulated and improved the Articles of Association of the Company, the rules of procedure of the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors, the working rules of specialized committees and other regulations. In accordance with the AOA provisions and the positioning of responsibilities, the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors and the management organize and convene meetings in accordance with the law, perform their duties, and realize the coordination of decision-making, implementation and supervision, with effective checks and balances.

Enhancing the sustainability governance framework. In 2024, PICC strengthened its sustainability governance structure by establishing a Green Finance Committee at the management level. We issued the *Working Regulations for PICC Green Finance Committee (Trial)* and built a comprehensive ESG governance framework spanning the Board of Directors, management, and operational levels. The framework clarifies roles and responsibilities across the Board, management, ESG and relevant departments, as well as subsidiaries, ensuring clear accountability, streamlined processes, and effective topic management.

Board of Directors (Strategy and Investment Committee)

Responsible for the review of strategic issues related to green finance and ESG, key risks identification, and the implementation evaluation.



Working Rules of the Strategy and Investment Committee under the Board of Directors of PICC

The management (Green Finance Committee)

Responsible for reporting to the top management, coordinating the work of inferior functional departments overall management of green finance and ESG efforts in the Group, and promoting the implementation of plans.



Working Regulations for PICC Green Finance Committee (Trial)

Green Finance Committee (Strategy Management Department)

Taking the lead in proceeding with regular green finance and ESG management in the Group, formulating strategic planning and annual plans, and conducting information disclosure.



PICC Green Finance Management Measures

Functional departments of the Group and subsidiaries

Responsible for the overall coordination of green finance and ESG topics of the Group.



- Green finance development planning
- Priorities for the year in green finance

Board of Directors

The Board of Directors (the Board) holds primary responsibility for green finance and ESG governance, overseeing strategic issue approvals, key risk identification, and performance evaluations in these areas. The Board consists of 14 directors, including 4 executive directors, 5 non-executive directors, and 5 independent non-executive directors (accounting for 36% of the Board). **In terms of professional composition**, our 5 independent directors primarily come from professional and industry backgrounds, specializing in accounting, actuarial science, healthcare, economics, and finance. One independent director also serves as an expert member of the Ministry of Finance's Sustainability Disclosure Standards Task Force and the ESG Committee of the China Association for Public Companies. **In terms of gender diversity**, the Board consistently includes female representation, with 3 female directors currently serving. With diverse expertise and backgrounds, Board members provide in-depth perspectives on sustainability-related decisions, ensuring scientific, well-informed, and balanced decision-making that supports the Company's long-term growth.

The Board has established the Strategy and Investment Committee, comprising directors with extensive experience in the insurance industry and specialized expertise. The committee convenes regularly to review sustainability-related matters and provide recommendations to the Board. In 2024, the committee reviewed key sustainability documents, including the Group's Sustainability Report, Green Finance Development Plan, and *Green Finance Management Guidelines*. In 2024, specialized committees under the Board also completed research reports, including the *Research Report on Advancing PICC's Sustainability Information Disclosure*, providing strategic insights to support the Board in driving the Company's sustainability agenda.



On October 22, our Audit Committee under the Board conducted a sustainability information disclosure study at Lenovo.



On July 11, our Risk Management and Consumer Rights Protection Committee under the Board visited PICC P&C Wenzhou Branch to assess the Group's insurance consumer complaint management.



On August 21, PICC's equity directors conducted a field study on PICC Investment Holding's community-based elderly care project.



On April 18, PICC's equity directors led a visit to Shouhang High-Tech in Gansu Province to study the development of catastrophe insurance protection systems.

Board Statement on Sustainability

The Board of Directors of PICC is committed to strict compliance with the sustainability disclosure requirements of the stock exchanges where the Company is listed.

The Board is responsible for overseeing PICC's ESG commitments and performance. According to Article 9 of the *Working Rules of the Strategy and Investment Committee under the Board of Directors*, the committee's core responsibilities include formulating and revising corporate policies related to environmental, social, and governance (ESG) topics, as well as reviewing and making recommendations to the Board on the following matters:

1. The development plan of the Company's ESG management framework.
2. Research and assessment of ESG factors that may impact the Company's development.
3. The planning and implementation of the Company's ESG initiatives.
4. Disclosure of the Company's ESG-related information.

Each year, the Board reviews PICC's sustainability report, participates in identifying material ESG topics, evaluates assessment results, and integrates these insights into risk and opportunity analysis. The Board conducts a comprehensive review of the Company's ESG performance for the previous year and provides guidance on ESG priorities for the following year. PICC also publishes and distributes the *Communication among Directors, Supervisors, and Senior Executives*, which covers ESG policies, peer ESG practice and the Company's sustainability progress.

Looking ahead, the Board will continue to enhance ESG risk management, data collection, and reporting mechanisms, develop sustainability strategies and targets, and embed them into daily business operations.

Management level

PICC has established the Green Finance Committee (GFC) at the management level, led by the Group President, to coordinate and drive green finance and ESG initiatives across the Group. The GFC holds regular and ad-hoc meetings as needed to analyze the Group's green finance and ESG performance from the previous year, evaluate the ESG work progress of relevant departments and subsidiaries, and review and approve the Group's annual green finance and ESG management plan, setting key priorities. In May 2024, the GFC held its inaugural meeting, where members received a special report on climate risk and reviewed the Green Finance and ESG Work Assessment Report. The committee also approved three key documents: *PICC Green Finance Management Measures (Trial)*, *PICC Green Finance Development Plan (2024–2027)*, and *PICC 2024 Green Finance and ESG Key Initiatives*. These actions provided a systematic roadmap for advancing PICC's green finance and ESG agenda.

Operational Level

The GFC office is housed within the Strategic Management Department, with its Green Development & ESG Division responsible for driving the daily management of green finance and ESG initiatives. In 2024, PICC developed and launched Phase I of the PICC Green Finance & ESG Information Management System, creating a unified and shared ESG management platform, unblocking the management chain and improving management efficiency. To further strengthen ESG knowledge across the organization, PICC published the first edition of the Green Finance & ESG Knowledge Handbook, which enhances awareness and expertise in ESG and green finance among executives and employees.



PICC Green Finance and ESG Information Management System



Green Finance & ESG Knowledge Handbook (First Edition)

Functional departments and subsidiaries of PICC

PICC implements green finance and ESG topic management under the principle of "line management as the core, cross-departmental collaboration, and multi-level coordination." Functional departments assume primary responsibility for their designated ESG topics, ensuring policy implementation and oversight. Subsidiaries align with the Group's green finance and ESG governance framework, establishing leadership teams at both headquarters of subsidiaries and branch levels. With necessary resources allocated, they ensure effective execution of green finance and ESG initiatives.

Sustainability Strategy

We have issued the *PICC Green Finance Development Plan (2024–2027)* and *PICC 2024 Green Finance and ESG Key Initiatives* to provide a strategic blueprint for advancing the Group’s green finance and ESG efforts. The development plan serves as the overarching framework, while the key initiatives ensure systematic, structured, and effective implementation of sustainability objectives.

The PICC Green Finance Development Plan (2024–2027) outlines the Group’s strategic roadmap for green finance and ESG development. It aligns with national policies such as the *Guiding Opinions on Promoting High-Quality Development of Green Insurance*, defining core objectives and key measures to enhance PICC’s impact in this field.

Key Objectives

Strengthening institutional mechanisms – By 2027, PICC will have a well-developed green finance system. Climate risk management will be fully implemented, and green product and service capabilities will be further enhanced. The Company aims to set industry benchmarks with innovative green finance service models, significantly increasing its market impact. We will continuously promote green operations and finalize our operational carbon neutrality implementation plan across the Group.

Key Initiatives

Enhance green finance & ESG governance framework

Promote low-carbon workplaces and development in an orderly manner

Expand green insurance coverage in key sectors

Enhance information disclosure quality

Strengthen green investment support in insurance fund management

Strengthen internal ESG training & external collaboration

Improve risk management for green finance

The PICC 2024 Green Finance and ESG Key Initiatives translates the Group’s strategic plan into actionable measures. It outlines 22 key initiatives across eight focus areas: enhancing information disclosure, addressing climate change, developing green insurance, promoting green investment, advancing green operations, strengthening stakeholder management, improving ESG compliance, and increasing CSR impact. Each initiative follows a line-management approach, with designated lead and supporting departments. The lead department is responsible for overall coordination, strategic planning, and implementation oversight, while supporting departments assist in implementation and collaboration to achieve the annual targets.

Sustainability Risk Management System

PICC continuously enhances its risk management and business conduct framework, improves mechanisms and norms, ensuring transparent oversight across all levels of the organization. The Group strengthens risk accountability, fosters a culture of compliance, and enhances professional training to improve risk control and regulatory adherence.

Enterprise risk management

PICC has established a vertically and horizontally integrated enterprise risk management (ERM) framework. Vertically, risk governance spans the Board of Directors, the management, functional departments, business units, and branches. Horizontally, the "three lines of defense" operate collaboratively to ensure effective risk control. The Group continuously optimizes its risk management system with stronger capabilities, conducts regular risk assessments, and ensures the effectiveness of risk mitigation measures. Subsidiaries align with PICC's unified risk management framework, establishing governance mechanisms and compliance structures based on Group-wide policies and guidelines.

Upgrading the Group's ERM system. Based on the SARMRA assessment, PICC has formulated the *Action Plan for Enterprise Risk Management Enhancement*, detailing a structured roadmap for improving risk governance. The plan breaks down key tasks, guides subsidiaries in developing tailored implementation plans, and strengthens policy enforcement to build a comprehensive, systematic, and resilient risk management framework. To ensure consistent execution, PICC conducts on-site assessments and supervisory visits at subsidiaries and branch offices, evaluating progress and refining long-term risk prevention mechanisms. In 2024, the Group launched a specialized risk and compliance training program, focusing on foundational risk management theories and practical applications. Through sharing internal audit findings and countermeasures, and best practices at the primary level, the program enhances employees' compliance awareness and operational risk management skills.



The project was awarded the first prize of the Financial Technology Development Award of the People's Bank of China

Enhancing risk management tools. We continue to refine our key element identification process for recovery plans and resilience measurement models. By enhancing stress testing schemes and developing an automated aggregation and analysis model, we have improved the rationality of stress scenarios and ensure more comprehensive result analysis. We have completed the launch of core system of the smart risk management platform. While formulating a risk data management plan, we have refined the risk indicator database, and leveraged smart technologies to enhance our risk monitoring and early warning capabilities. The project was awarded the first prize of the Financial Technology Development Award of the People's Bank of China.

Prioritizing and strengthening sustainability risk management. PICC has formally integrated the identification, monitoring, and mitigation of sustainability-related risks (ESG risks) into its ERM framework. Relevant departments and subsidiaries are responsible for effective implementation and regular progress tracking. With climate risk as a starting point, we are conducting in-depth research, gathering regulatory requirements and latest practices, and strengthening engagement with professional consulting firms, internal departments, and subsidiaries. These efforts aim to advance green finance and ESG risk management across the Group. PICC P&C has embedded climate change response into its business operations, issuing the *PICC P&C Business Continuity Risk Management Measures (Trial)*. The company has established an emergency response, recovery mechanism, and management framework to enhance resilience against climate-related risks. By regularly monitoring key climate risk indicators, including catastrophic risk accumulation in reinsurance, year-over-year growth in self-retained property insurance exposure to natural disasters, and year-over-year growth in self-retained property insurance exposure growth in high-risk areas, PICC P&C systematically assesses the probability and impact of climate change risks. These insights are submitted to the executive decision-making body to improve preparedness for business disruptions caused by natural disasters and other factors.

Regulating business conduct

PICC places great emphasis on compliance management, strictly adhering to the *Regulations on Insurance Company Compliance Management* and other relevant laws and regulations, as well as the *PICC Compliance Policy* and internal governance rules. We are committed to fully implementing a robust compliance management framework and continuously enhancing its compliance systems. We conduct regular and ad-hoc compliance inspections across all business units, with a strong focus on anti-monopoly, anti-money laundering, anti-corruption, and anti-fraud measures, thereby enforcing strict accountability mechanisms and ensuring timely corrective actions when compliance issues arise.

Anti-bribery and anti-corruption. To strengthen business oversight, we have enhanced supervision in procurement and sales, fund management, intermediary oversight, and consumer rights protection. A three-layer compliance model—self-inspections, internal reviews, and random audits—ensures that business processes remain compliant at all levels. A well-defined disciplinary system is in place to uphold accountability. Furthermore, we have introduced penalty measures for employee misconduct and accountability guidelines for all employees and senior management, which are outlined in the *Implementation Rules for Employee Misconduct Penalty of PICC* and the *PICC Senior Management Accountability Measures (Trial)*. These policies standardize the reporting, investigation, handling, documentation, and accountability procedures for cases involving corruption, bribery, and other violations. To further mitigate corruption-related criminal risks, we have implemented a criminal risk prevention framework, including the *Criminal Case Risk Prevention and Control Measures*, the *Criminal Case Risk Screening and Disposal Measures*, and the *Regulations on Preventing Employee Criminal Conduct*. These measures reinforce the Group's risk prevention system concerning criminal cases, preventing the occurrence of corruption or bribery. Regular audits play a crucial role in enhancing employee conduct oversight and enforcing business ethics. Leadership accountability audits are conducted at least once every three years during the term of office, covering the comprehensive operations of headquarters and all subsidiaries. These audits assess the implementation of major financial and economic decisions, adherence to laws and financial regulations, and compliance with ethical business practices.

Anti-corruption. We have incorporated integrity-building efforts into the Group's overall political governance framework, implementing the *Integrity Action Plan* to combat misconduct and corruption. This initiative focuses on seven key areas: strengthening integrity through ideology, reinforcing integrity through regulations, fostering an ethical corporate culture, promoting integrity in work practices, enhancing supervision, ensuring accountability, and safeguarding compliance within teams. Through targeted reforms, we work to eliminate misconduct and corruption. For four consecutive years, we have conducted work-style evaluations across the Group, engaging employees at all levels in assessments. Anti-corruption training is a key priority. We regularly organize integrity and ethics training for all employees and marketing personnel, with anti-corruption laws and regulations as core training content. Tailored programs are provided for employees at different levels and roles. In 2024, more than 170,000 employees across the Group received anti-corruption training. To reinforce awareness, we produced the PICC Anti-Corruption Awareness Film *Eliminate Diseases and Cure Chaos 2* and held a Group-wide anti-corruption education conference to strengthen compliance awareness among employees. For Board members, targeted anti-bribery training is provided both before and during their tenure, ensuring they maintain high professional standards and strong compliance awareness.



In 2024, more than
170,000 employees across
the Group received anti-
corruption training

170,000

From 2022 to 2024, 100%
of the staff received anti-
corruption training

100%

Enhancing integrated supervision. We are advancing a comprehensive supervision framework based on the "Dual Responsibility & Four Coordination" mechanism, which consists of two core responsibilities—shared supervision information and joint corrective actions—and four coordination functions: information sharing, case referral, rectification oversight, and accountability enforcement. To support this framework, PICC has issued the *Guidelines on Supervision Information Reporting and Sharing* and refined the Supervision Responsibility List to clarify oversight duties across business lines. Additionally, we have released the *PICC Opinions on Strengthening Primary Level Supervision*, adopting systematic and innovative approaches to enhance supervision at the primary level. These initiatives aim to foster a unified, coordinated, and effective supervision system, establishing an integrated supervision model with PICC's distinct governance characteristics.

Anti-monopoly and anti-unfair competition. We have released the *Guidelines for Anti-Monopoly Compliance Management of PICC* to strengthen compliance awareness and capabilities across the Group. Anti-monopoly compliance checks have been integrated into daily business reviews to prevent violations. Additionally, we conduct irregular anti-monopoly risk assessments at subsidiaries, ensuring they fulfill their anti-monopoly compliance obligations. Training programs are also organized to enhance the legal team's anti-monopoly awareness and professional expertise.

Anti-money laundering (AML). Strictly adhering to AML laws and regulations, we continue to refine the AML compliance framework. We have issued the *Guiding Opinions on Implementing the Insurance Industry AML Management Measures* and have strengthened the development of AML information systems. Subsidiaries are required to maintain AML watchlists, conduct risk assessments on high-risk entities, organize and participate in AML training programs, and submit reports on AML efforts to regulators in a timely manner. To align with the latest amendments to China's *Anti-Money Laundering Law*, we have issued the *Notice on Strengthening AML Compliance Following the Revised Anti-Money Laundering Law*, ensuring full implementation of the updated requirements. These initiatives reinforce the Group's AML capabilities and regulatory compliance. In 2024, there were no closed corruption litigation cases or criminal cases related to money laundering at the Group level.

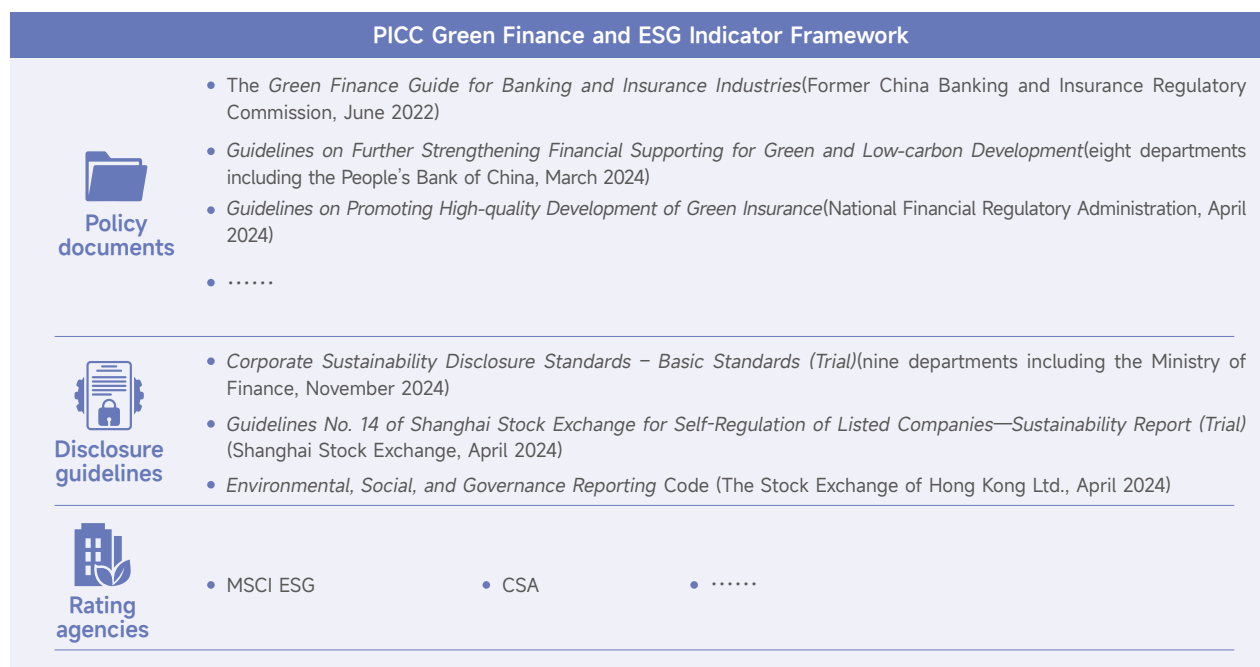
Whistleblower protection. We have established a series of policies on reporting mechanisms and whistleblower rights protection to ensure unblocked and accessible reporting channels. Strict confidentiality measures are in place to protect whistleblower identities. Whistleblowing materials or related information must not be disclosed or transferred to the accused individual or entity. A conflict-of-interest avoidance policy is enforced, preventing individuals with direct stakes in a case from handling complaints. Any form of retaliation against whistleblowers is strictly prohibited. In accordance with the *Implementation Rules for Employee Misconduct Penalty of PICC*, violations will be handled with disciplinary actions ranging from warnings to termination, based on the severity of the misconduct and its consequences.

Supervision and Implementation of Sustainability Initiatives

The Group has established a comprehensive green finance and ESG management framework, ensuring a closed-loop management process covering planning, execution, monitoring, and evaluation. This structured approach guarantees the systematic and effective implementation of green finance and ESG initiatives.

Developing a green finance and ESG indicator system with PICC characteristics. We have built a customized green finance and ESG indicator system that aligns with national green finance policies, sustainability disclosure guidelines, and ESG rating criteria, while also reflecting the Group's operational and management realities. This system serves as a foundation for ESG planning and execution. Following a combination of quantitative and qualitative assessment principles, we define clear targets and conduct annual performance reviews. Responsibilities for indicator management are assigned across relevant Group departments and subsidiaries based on their business scope and functional boundaries. Subsidiaries are encouraged to develop their own ESG indicator systems in alignment with the Group's framework, enhancing the lean ESG management of the Group.

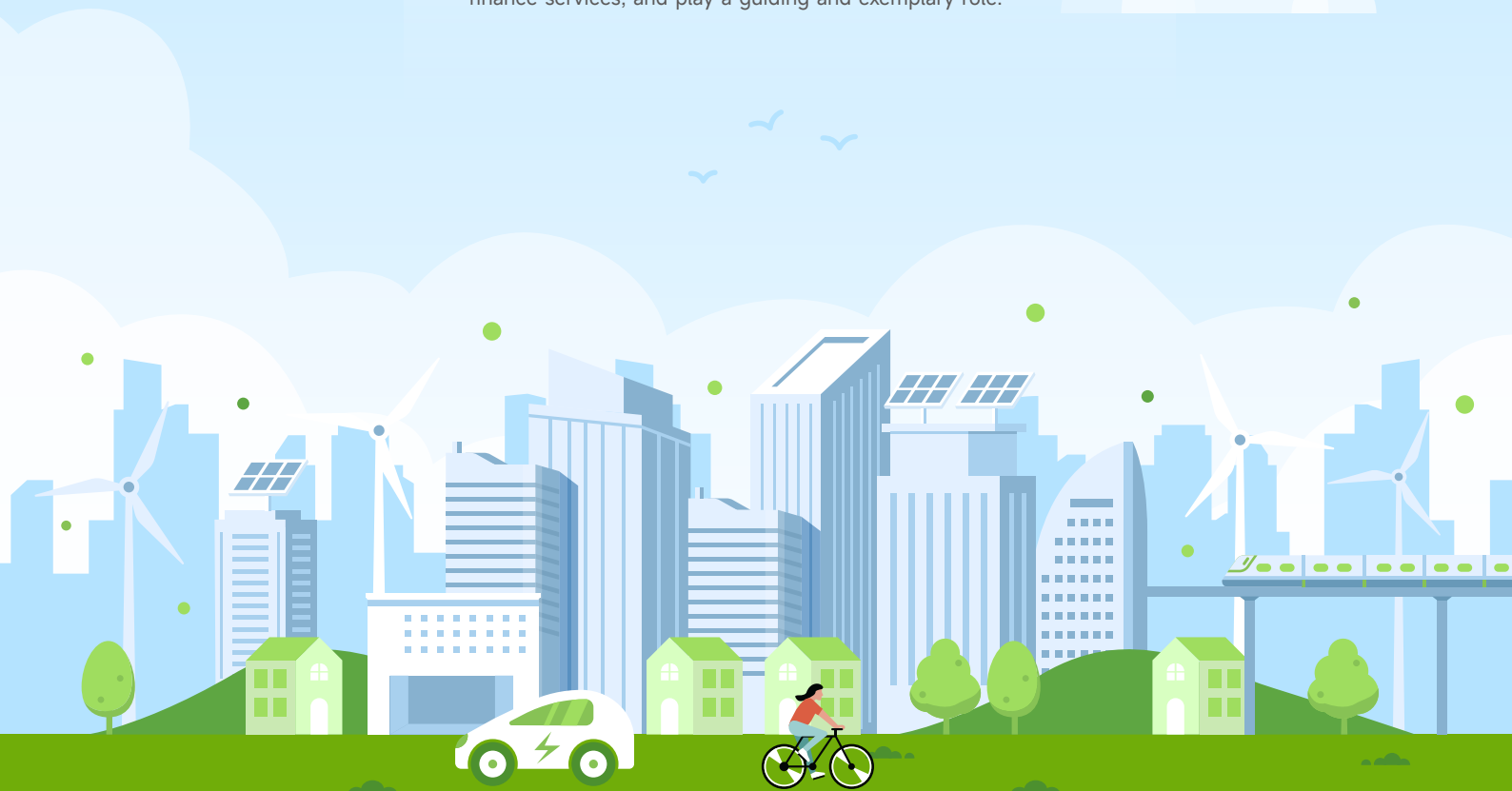
Strengthening ESG oversight and performance assessment. The Green Finance Committee meetings serve as the core governance mechanism for ESG oversight. The management team regularly reviews reports from relevant departments and subsidiaries, evaluating their performance in green finance and ESG implementation. These meetings assess progress toward ESG targets and ensure that key sustainability initiatives remain on track. Additionally, ESG ratings performance has been integrated into the Group's high-quality development indicator system. The evaluation results are used as a key reference in assessing operation improvements of subsidiaries, and leadership team performance.



Future Prospects

The year 2025 marks the 20th anniversary of "Two Mountains Theory(lucid waters and lush mountains are invaluable assets)" proposed by Chinese President Xi Jinping. This year's Government Work Report specified that ramping up green transition of economic, social development is a major task for 2025, which creates higher and more practical demands for financial institutions to better serve the green development.

PICC will continue to make the financial efforts more politically oriented and people centered, uphold the principle that lucid waters and lush mountains are invaluable assets, and earnestly implement the overall plan of the CPC Central Committee and the State Council on accelerating the ecological conservation. Bearing in mind new circumstances, new opportunities, and new challenges we are facing in accelerating comprehensive green transition of economic and social development, we will actively innovate in financial products, improve green financial service system, boost support for green, low-carbon and circular economy, and forestall environmental, social, and governance risks. As an "insurance company for people", PICC will devote more its efforts in green finance services, and play a guiding and exemplary role.



Progress on Implementing the Principles for Sustainable Insurance (PSI)

As a signatory of the *Principles for Sustainable Insurance (PSI)*, PICC remains committed to addressing the needs of stakeholders across economic and social sectors, maximizing economic, environmental, and social value.

| Principles for Sustainable Insurance | Our Progress | Relevant Section in the Report |
|---|---|---|
| Principle 1: We will embed in our decision-making environmental, social and governance issues relevant to our insurance business. | <ul style="list-style-type: none"> PICC continues to strengthen its sustainability governance system, establishing a comprehensive ESG governance framework spanning the Board of Directors, management, and operational levels. In 2024, the Group established a Green Finance Committee at the management level to lead and coordinate ESG and green finance initiatives. A dedicated Green Development and ESG Division was created to oversee day-to-day ESG management. ESG topic management follows the principle of "line management as the core, cross-departmental collaboration, and multi-level coordination." Functional departments and subsidiaries are responsible for implementing ESG policies and refining action plans to drive progress. | Sustainability Governance Structure |
| Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions. | <ul style="list-style-type: none"> The Group focuses on clean energy, energy efficiency retrofitting, green technology, and ecological carbon sinks, continuously driving innovation in green finance products and services. In 2024, PICC provided 184 trillion yuan in green insurance risk protection and facilitated 100.4 billion yuan in green development investments. The Group has established a unified green insurance statistical system and an ESG risk assessment framework for insurance clients to optimize underwriting decisions. These measures encourage policyholders to enhance risk awareness, strengthen ESG risk management, and minimize negative environmental and social impacts. In green investment, PICC continues to advance the development of a green investment system, integrating ESG factors into the credit rating framework. ESG investment strategies are optimized based on asset classes. The Group also actively implements shareholder engagement strategies to promote responsible investment principles. ESG-related standards have been incorporated into supplier admission and contract agreements, supporting the green transformation of supply chains. | <ul style="list-style-type: none"> Green insurance Green investment Climate change response Supplier management |
| Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues | <ul style="list-style-type: none"> PICC partnered with the Ministry of Ecology and Environment to establish the enterprise-government working group on soil pollution prevention and successfully included environmental liability insurance for soil remediation in national regulatory policies. PICC also strengthened collaboration with the Green Finance Committee, China Society for Finance and Banking, contributing to the <i>2024 Green Finance Innovation Research Report</i>. As the Chair of the China Belt and Road Reinsurance Pool, PICC led the release of the <i>Green Investment Principles for the Belt and Road</i>. As the executive body for China's Urban and Rural Residential Catastrophe Insurance Community, PICC worked with Sichuan provincial authorities to introduce the <i>Work Plan for Urban and Rural Residential Catastrophe Insurance in Sichuan Province</i>. | <ul style="list-style-type: none"> Climate change response External cooperation |
| Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles. | <ul style="list-style-type: none"> PICC regularly disclose its latest advancements and outcomes in sustainable insurance practices through the publication of Annual Reports, Interim Reports, and Annual Sustainability Reports. | <ul style="list-style-type: none"> Appendix |

HKEX ESG Index

| Aspects, general disclosures and KPIs | | | Chapter |
|--|--------------------|--|----------------------|
| Environmental | | | |
| A1: Emissions | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air, discharges into water and land, and generation of hazardous and non-hazardous waste | Green Operation |
| | A1.1 | The types of emissions and respective emissions data | Green Operation |
| | A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Green Operation |
| | A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Green Operation |
| | A1.5 | Description of emission target(s) set and steps taken to achieve them | Green Operation |
| | A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Green Operation |
| A2: Use of Resources | General Disclosure | Policies on the efficient use of resources including energy, water and other raw materials | Green Operation |
| | A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) | Green Operation |
| | A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility) | Green Operation |
| | A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | Green Operation |
| | A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them | Green Operation |
| | A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced | Not applicable |
| A3: Environmental and Natural Resources | General Disclosure | Policies on minimizing the issuer's significant impact on the environment and natural resources | Green Operation |
| | A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | Green Operation |
| Social | | | |
| B1: Employment | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | Employee Development |
| | B1.1 | Total workforce by gender, employment type (for example, full or part-time), age group and geographical region | Employee Development |
| | B1.2 | Employee turnover rate by gender, age group and geographical region | Employee Development |
| B2: Health and Safety | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards | Employee Development |
| | B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year | Employee Development |
| | B2.2 | Lost days due to work injury | Employee Development |
| | B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored | Employee Development |

| Aspects, general disclosures and KPIs | | | Chapter |
|---|--------------------|---|--|
| B3: Development and Training | General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities | Employee Development |
| | B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management) | Employee Development |
| | B3.2 | The average training hours completed per employee by gender and employee category | Employee Development |
| B4: Labor Standards | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor | Employee Development |
| | B4.1 | Description of measures to review employment practices to avoid child and forced labor | Employee Development |
| | B4.2 | Description of steps taken to eliminate such practices when discovered | Employee Development |
| B5: Supply Chain Management | General Disclosure | Policies on managing environmental and social risks of the supply chain | Supplier Management |
| | B5.1 | Number of suppliers by geographical region | Supplier Management |
| | B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored | Supplier Management |
| | B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | Supplier Management |
| | B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Supplier Management |
| B6: Product Responsibility | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Customer Service |
| | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | Not applicable |
| | B6.2 | Number of products and service-related complaints received and how they are dealt with | Customer Service |
| | B6.3 | Description of practices relating to observing and protecting intellectual property rights | Technology Innovation |
| | B6.4 | Description of quality assurance process and recall procedures | Customer Service (product recycling program is not applicable) |
| | B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored | Customer Service |
| B7: Anti-corruption | General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering | Sustainability Risk Management System(extortion is not applicable) |
| | B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases | Sustainability Risk Management System |
| | B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored | Sustainability Risk Management System |
| | B7.3 | Describe of the anti-corruption training provided to directors and employees. | Sustainability Risk Management System |
| B8: Community Investment | General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests | Social Contribution |
| | B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport) | Social Contribution |
| | B8.2 | Resources contributed (e.g. money or time) to the focus area | Social Contribution |

| Aspects, general disclosures and KPIs | | | Chapter |
|---------------------------------------|---------------------|---|--|
| Climate-related Disclosures | Governance | The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. | Climate Change Response: Governance Sustainability Governance Structure |
| | | Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities | Climate Change Response: Governance |
| | Strategy | Climate-related risks and opportunities | Climate Change Response: Strategy |
| | | Business model and value chain | Climate Change Response: Strategy |
| | | Strategy and decision-making | Climate Change Response: Strategy |
| | | Financial position, financial performance and cash flows | Climate Change Response: Strategy |
| | | Climate resilience | The Company plans to conduct climate-related scenario analysis in the future to provide effective information for stakeholders to assess the Company's climate resilience. |
| | | An approach to climate-related scenario analysis and plan | The Company plans to conduct climate-related scenario analysis in the future. |
| | Risk Management | The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks and opportunities | Climate Change Response: Risk Management |
| | | Integration of the process to manage climate-related risks and opportunities | Climate Change Response: Risk Management |
| | Metrics and Targets | absolute gross greenhouse gas emissions and the approach it uses to measure its greenhouse gas emissions | Green Operation |
| | | The amount and percentage of assets or business activities vulnerable to climate-related transition risks | The Company plans to conduct a transition risk impact analysis based on asset and business in the future. |
| | | The amount and percentage of assets or business activities vulnerable to climate-related physical risks | The Company plans to conduct a transition risk impact analysis based on asset and business in the future. |
| | | The amount and percentage of assets or business activities aligned with climate-related opportunities. | The Company plans to conduct a transition risk impact analysis based on asset and business in the future. |
| | | Capital deployment -the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | Green Insurance Green Investment |
| | | Internal carbon prices | The Company has not yet applied carbon prices |
| | | Climate-related considerations are factored into remuneration policy | Sustainability Governance Structure |
| | | Climate-related targets-The qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals | Climate Change Response: Metrics and Targets |
| | | Information about its performance against each climate-related target | Climate Change Response: Metrics and Targets |

GRI Content Index

| GRI standard | Disclosure item | Chapter |
|---------------------------------|---|--|
| GRI 2: General disclosures 2021 | | |
| 2-1 | Organizational details | About Us |
| 2-2 | Entities included in the organization's sustainability reporting | Report Preparation Overview |
| 2-3 | Reporting period, frequency and contact point | Report Preparation Overview |
| 2-4 | Restatements of information | / |
| 2-5 | External assurance | Third-party assurance/Assurance Report |
| 2-6 | Activities, value chain and other business relationships | About Us Stakeholder Communication |
| 2-7 | Employees | Employee Development |
| 2-8 | Workers who are not employees | Supplier Management |
| 2-9 | Governance structure and composition | Sustainability Governance Structure |
| 2-10 | Nomination and selection of the highest governance body | Sustainability Governance Structure |
| 2-11 | Chair of the highest governance body | Sustainability Governance Structure |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Sustainability Governance Structure |
| 2-13 | Delegation of responsibility for managing impacts | Sustainability Governance Structure |
| 2-14 | Role of the highest governance body in sustainability reporting | Sustainability Governance Structure |
| 2-16 | Communication of critical concerns | Sustainability Governance Structure |
| 2-17 | Collective knowledge of the highest governance body | Sustainability Governance Structure |
| 2-18 | Evaluation of the performance of the highest governance body | Supervision and Implementation of Sustainability Initiatives |
| 2-22 | Statement on sustainable development strategy | Board Statement on Sustainability |
| 2-23 | Policy commitments | Sustainability Risk Management System Employee Development |
| 2-24 | Embedding policy commitments | Sustainability Risk Management System |
| 2-25 | Processes to remediate negative impacts | Sustainability Risk Management System Customer Service |
| 2-26 | Mechanisms for seeking advice and raising concerns | Stakeholder Communication Customer Service |
| 2-27 | Compliance with laws and regulations | Green Operation Employee Development Customer Service Supplier Management |

| GRI standard | Disclosure item | Chapter |
|--|---|---|
| GRI 2: General disclosures 2021 | | |
| 2-28 | Membership associations | External Cooperation |
| 2-29 | Approach to stakeholder engagement | Stakeholder Communication |
| 2-30 | Collective bargaining agreements | Employee Development |
| GRI 3: Material Topics 2021 | | |
| 3-1 | Process to determine material topics | Materiality Assessment |
| 3-2 | List of material topics | Materiality Assessment |
| 3-3 | Management of material topics | Materiality Assessment |
| Economic | | |
| GRI 201 Economic Performance 2016 | | |
| 201-1 | Direct economic value generated and distributed | ESG KPIs |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Climate Change Response |
| 201-3 | Defined benefit plan obligations and other retirement plans | Employee Development |
| GRI 203 Indirect Economic Impacts 2016 | | |
| 203-1 | Infrastructure investments and services supported | Green Investment Social Contribution |
| 203-2 | Significant indirect economic impacts | Green Insurance Green Investment |
| GRI 205 Anti-corruption 2016 | | |
| 205-1 | Operations assessed for risks related to corruption | Sustainability Risk Management System |
| 205-2 | Communication and training about anti-corruption policies and procedures | Sustainability Risk Management System |
| 205-3 | Confirmed incidents of corruption and actions taken | Sustainability Risk Management System |
| GRI 206 Anti-competitive Behavior 2016 | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Sustainability Risk Management System |
| Environmental | | |
| GRI 302 Energy 2016 | | |

| GRI standard | Disclosure item | Chapter |
|---|--|---------------------|
| 302-1 | Energy consumption within the organization | Green Operation |
| 302-2 | Energy consumption outside of the organization | Green Operation |
| 302-3 | Energy intensity | Green Operation |
| 302-4 | Reduction of energy consumption | Green Operation |
| GRI 303: Water and Effluents 2018 | | |
| 303-1 | Interactions with water as a shared resource | Green Operation |
| 303-2 | Management of water discharge-related impacts | Green Operation |
| 303-3 | Water withdrawal | Green Operation |
| 303-4 | Water discharge | Green Operation |
| 303-5 | Water consumption | Green Operation |
| GRI 304 Biodiversity 2016 | | |
| 304-2 | Significant impacts of activities, products and services on biodiversity | Green Insurance |
| GRI 305: Emissions 2016 | | |
| 305-1 | Direct (Scope 1) GHG emissions | Green Operation |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Green Operation |
| 305-3 | Other indirect (Scope 3) GHG emissions | Green Operation |
| 305-4 | GHG emissions intensity | Green Operation |
| GRI 306: Waste 2020 | | |
| 306-1 | Waste generation and significant waste-related impacts | Green Operation |
| 306-2 | Management of significant waste-related impacts | Green Operation |
| 306-3 | Waste generated | Green Operation |
| 306-4 | Waste diverted from disposal | Green Operation |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers that were screened using environmental criteria | Supplier Management |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Supplier Management |

| GRI standard | Disclosure item | Chapter |
|---|--|-------------------------------------|
| Social | | |
| GRI 401: Employment 2016 | | |
| 401-1 | New employee hires and employee turnover | Employee Development |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employee Development |
| 401-3 | Parental leave | Employee Development |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-2 | Occupational health and safety management system | Employee Development |
| 403-3 | Hazard identification, risk assessment, and incident investigation | Employee Development |
| 403-4 | Occupational health services | Employee Development |
| 403-5 | Worker participation, consultation, and communication on occupational health and safety | Employee Development |
| 403-6 | Worker training on occupational health and safety | Employee Development |
| 403-9 | Work-related injuries | Employee Development |
| 403-10 | Work-related ill health | Employee Development |
| GRI 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per year per employee | Employee Development |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Employee Development |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Employee Development |
| GRI 405: Diversity and Equal Opportunity 2016 | | |
| 405-1 | Diversity of governance bodies and employees | Sustainability Governance Structure |
| GRI 406: Non-discrimination 2016 | | |
| 406-1 | Incidents of discrimination and corrective actions taken | Employee Development |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Employee Development |
| GRI 408: Child Labor 2016 | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | Employee Development |

| GRI standard | Disclosure item | Chapter |
|--|---|----------------------|
| GRI 409: Forced or Compulsory Labor 2016 | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Employee Development |
| GRI 413: Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Social Contribution |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | Not applicable |
| GRI 414: Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers that were screened using social criteria | Supplier Management |
| 414-2 | Negative social impacts in the supply chain and actions taken | Supplier Management |
| GRI 416: Customer Health and Safety 2016 | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Not applicable |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Not applicable |
| GRI 417: Marketing and Labeling 2016 | | |
| 417-1 | Requirements for product and service information and labeling | Customer Service |
| GRI 418: Customer Privacy 2016 | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Customer Service |

SDG Content Index

| | Indicator | Chapter |
|--------|---|---|
| SDG 1 | No Poverty | Supporting Rural Revitalization |
| SDG 2 | No Hunger | Dedicating to Charitable Endeavors and Voluntary Activities |
| SDG 3 | Good Healthy and Well-being | Improving People's Well-being |
| SDG 4 | Quality Education | Dedicating to Charitable Endeavors and Voluntary Activities |
| SDG 5 | Gender Equality | Employee Development |
| SDG 6 | Clean Water and Sanitation | Green Operation |
| SDG 7 | Affordable and Clean Energy | Green Operation |
| SDG 8 | Decent Work and Economic Growth | Employee Development |
| SDG 9 | Industry, Innovation and Infrastructure | Green Insurance Green Investment Social Contribution External Cooperation Technology Innovation |
| SDG 10 | Reduced Inequalities | Employee Development |
| SDG 11 | Sustainable Cities and Communities | Green Operation |
| SDG 12 | Responsible Consumption and Production | Green Operation |
| SDG 13 | Climate Action | Climate Change Reponse |
| SDG 14 | Life Below Water | Supporting Rural Revitalization Green Operation |
| SDG 15 | Life On Land | Green Insurance Green Operation |
| SDG 16 | Peace Justice and Strong Institutions | Governance Sustainability |
| SDG 17 | Partnerships for The Goals | Customer Service Supplier Management External Cooperation |



ASSURANCE STATEMENT CN25/00001683

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE 2024 SUSTAINABILITY REPORT OF THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by the People's Insurance Company (Group) of China Limited (hereinafter referred to as "PICC") to conduct an independent assurance of the Chinese version of PICC's <Sustainability Report> for 2024 (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all PICC's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the governing body and the management of PICC. SGS has not been involved in the preparation of any of the material included in the Report.

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

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognized assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

| Assurance Standard Options | Level of Assurance |
|----------------------------|--------------------|
| AA1000AS v3 Type 2 | Moderate |

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report. Additionally, it assessed the extent to which the Report's content is in accordance with the requirements of *Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules* published by Hong Kong Exchanges and Clearing Limited (HKEX) and refers to the requirements of *GRI Standards 2021*.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, on-site interviews with relevant employees including: The head-office of PICC and PICC Capital Insurance Asset Management Co., Ltd., which are located in the PICC Building, No. 88, West Chang'an Street, Xicheng District, Beijing, P. R. China; and PICC Life Insurance Company Limited which is located in No. 18, North Chaoyangmen Street, Chaoyang District, Beijing, P. R. China; documentation and record review and validation where relevant.

LIMITATIONS AND MITIGATION

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

The greenhouse gas emissions related data in the Report has not undergone verification by an independent third-party auditor. In the context of the present assurance engagement, our procedures were limited to sample-based validation.

This assurance engagement was restricted to the group level of PICC, PICC Capital Insurance Asset Management Co., Ltd. and PICC Life Insurance Company Limited, and did not include traceability of original data from other subordinate institutions.

This verification only conducted interviews with a part of staff of related departments and access to relevant materials, the external stakeholders were not involved.

Compliance verification was conducted in respect of *Part A, Part B and Part C* of the *Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules* published by HKEX. For part D, only provisions of 28(a) and 28(b) were verified.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from PICC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance engagement performed, the specified performance information and data included in the report is accurate, reliable, and the sustainability activity in the report of PICC has been fairly stated.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF LISTING RULES PUBLISHED BY HKEX

The assurance team concludes that the Report has been prepared in accordance with the requirements of *Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules* published by HKEX.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS BASED ON GRI STANDARDS 2021

The assurance team concludes that the Report has referred to the requirements of *GRI Standards 2021*.

FINDINGS AND RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of PICC to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:



For and on behalf of SGS-CSTC

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