PICC
中国人民保险

2025
Sustainability Report

Report Preparation Overview

Scope of Organization

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.

Time Range

This report will present the economic, environmental, and social performance of PICC and its subsidiaries from January 1 to December 31, 2025, consistent with the Company's financial reporting period. To ensure the completeness and comparability of information, certain data in this report have been appropriately traced back or extended beyond the reporting period.

Data Source

The financial data in this report is sourced from the *2025 Annual Report of PICC Group (People's Insurance Company of China)* (financial data in the Simplified Chinese version is drawn from the Company's A-share annual report; financial data in the Traditional Chinese and English versions is drawn from the Company's H-share annual report). Unless otherwise stated, all monetary amounts are presented in Renminbi. All other data is sourced from the Company's internal documents and information management systems.

Basis of Preparation

- *Sustainability Disclosure Standard for Business Enterprises – Basic Standard (Trial)* issued by the Ministry of Finance
- *Sustainability Disclosure Standards for Enterprises No.1—Climate (Trial)* issued by the Ministry of Finance
- *Guidelines No. 1 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange—Standardized Operation* issued by the Shanghai Stock Exchange
- *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* issued by the Shanghai Stock Exchange
- *Guide No. 4 for Self-Regulatory Supervision on Listed Companies of Shanghai Stock Exchange — Compilation of Sustainable Development Reports* issued by the Shanghai Stock Exchange
- *Environmental, Social and Governance Reporting Code ("ESG Rules") (Appendix C2 of Main Board Listing Rules) of the Stock Exchange of Hong Kong Limited*
- *GRI Sustainability Reporting Standards (GRI Standards)* issued by the Global Sustainability Standards Board (GSSB)
- UN Sustainable Development Goals (SDGs)

Reporting Principles

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.

Report Assurance

We entrust TÜV Rheinland to conduct the independent third-party assurance to confirm the accuracy and reliability of information and data.

Report Access

This report is published in both print and online versions, which can be accessed and downloaded on the Company's website at http://www.picc.com/.

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Message from the Chairman

2025 marks a pivotal year for concluding the 14th Five-Year Plan and laying the groundwork for high-quality development under the 15th Five-Year Plan. Over the past year, we have remained guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the guiding principles of the 20th National Congress of the Communist Party of China and plenary sessions of the 20th CPC Central Committee, and upheld the political and people-centered nature of financial services. As a leading enterprise in the insurance industry, we have actively fulfilled the responsibilities of a central state-owned enterprise, made significant progress in developing technology finance, green finance, inclusive finance, pension finance, and digital finance, and coordinated the fulfillment of our economic, political, and social responsibilities. Through high-quality financial development, we have contributed to building a strong nation and advancing national rejuvenation.

Focusing on the national top priorities, we demonstrate the responsibility of a central SOE. We have consistently aligned our development with China's overarching national strategy, fully leveraging insurance's role as an economic stabilizer and a social safety net. During the reporting period, we provided total insurance liability coverage of 3,648 trillion yuan, with claim settlements reaching 472.9 billion yuan, building a solid insurance safety net for the national economy and people's livelihoods. In support of rural revitalization, we actively applied the experience of the Green Rural Revival Program to stabilize agricultural production, advance rural development, and increase farmers' incomes. We extended total insurance liability coverage of 2 trillion yuan to 46.66 million farming household times and deployed 160 million yuan in targeted assistance funds, earning the highest rating for designated assistance by central government entities for seven consecutive years. In support of technological innovation, we established 14 technology insurance centers across China's major national innovation hubs and pioneered integrated insurance products spanning the proof-of-concept, pilot testing, and commercialization stages. Our technology insurance business delivered 51.2 trillion yuan in risk protection, serving 242,000 high-tech enterprises and 107,000 specialized and innovative SMEs, thereby underpinning the development of new quality productive forces. In support of high-standard opening-up, we underwrote a series of landmark Belt and Road Initiative projects, including the cascade hydropower stations in the Nam Ou River Basin in Laos and the Pljevlja power plant environmental retrofit project in Montenegro, providing over 2 trillion yuan of insurance liability coverage for overseas investment and infrastructure projects, with international operations now spanning 149 countries and regions.

Acting on the principle of finance for the people, we deliver the warmth of insurance through services that benefit people's livelihoods. We have always regarded meeting people's aspirations for a better life as both the starting point and ultimate goal of our work, striving to make insurance and financial services more accessible and more beneficial to all. In advancing inclusive finance, we formulated and implemented dedicated action plans to strengthen protection for new urban residents and flexible workers, extended targeted care to vulnerable and disadvantaged groups, and responded to the diverse needs of small and micro enterprises. During the reporting period, our inclusive insurance offerings provided total insurance liability coverage of 1,188 trillion yuan, with claims exceeding 170 billion yuan. To safeguard public health, we deepened our participation in building a multi-tiered healthcare security system, administering 1,858 policy-based health insurance programs covering critical illness insurance, long-term care insurance, and outpatient chronic disease coverage, while advancing the integrated delivery of health insurance and health management services. To strengthen elderly care, we continued to drive the high-quality development of pension finance. Assets under management for second-pillar annuities exceeded 724.1 billion yuan, while third-pillar personal pension and commercial pension assets grew rapidly. We further expanded our "Warm Life" institutional eldercare services and promoted the co-development of the "Insurance + Community" home-based care model, working to enhance older people's sense of gain, happiness, and security.

Strengthening disaster prevention and mitigation, we build a solid line of defense through services that support social governance. We actively contributed to a co-governed and broadly shared social governance framework, enhancing catastrophe risk management capabilities and supporting improvements in public service capacity and emergency response. To strengthen climate risk management, we integrated natural disaster and meteorological databases spanning 350 national meteorological stations, and independently developed the "Catastrophe Anlan" risk reduction technology platform and the "Catastrophe Jingwei" underwriting management platform. During the year, we issued 36.83 million disaster early-warning alerts and conducted 28,000 risk inspections, harnessing technology to build greater social resilience. We continued to refine a multi-hazard, multi-year, and multi-layer catastrophe insurance system, with local catastrophe insurance programs now covering 157 cities across 23 provinces and protecting 480 million people. We further strengthened our emergency response mechanisms, mobilizing system-wide resources to manage major disaster claims and respond effectively to 244 natural disasters and emergencies, including the earthquake in Dingri County, Xizang, the Rongjiang floods in Guizhou, and Typhoon Ragasa. Total catastrophe claims paid exceeded 13 billion yuan.

Protecting lucid waters and lush mountains, we drive green development through services that support the ecological environment. Guided by the principle that "lucid waters and lush mountains are invaluable assets," we have made green development a defining feature of high-quality growth and actively promoted the green transformation of the economy and society. We deepened the development of green insurance by focusing on carbon reduction, pollution control, ecological restoration, and green growth. We developed the PICC photovoltaic generation loss risk pricing model, established China's first environmental liability insurance ecological damage direct-compensation and restoration center, and launched innovative products including kelp carbon sink insurance, wetland conservation insurance, and blue carbon trading insurance. We also released a risk solution for the "east data, west computing" green computing industry. During the reporting period, green insurance provided total insurance liability coverage of 267 trillion yuan. We further optimized our green investment portfolio by leveraging the long-term investment capacity of insurance funds to support green industries and clean energy infrastructure. We actively participated in pumped-storage hydropower, renewable energy bases, and green transportation projects, while expanding investments in green bonds and low-carbon industries. Total green development investments reached 160 billion yuan. To advance green finance standards, we published the *Methodology for Measuring the Environmental Benefits of Green Insurance*, filling an important industry gap and providing methodological support for the transition of green insurance from scale expansion to quality enhancement.

With unwavering commitment, we embark on a new journey toward the future. In 2026, we will continue to uphold the mission of "People's Insurance for the People". Guided by the vision of serving the nation through finance, we will support national strategies with greater resolve, enhance public well-being with practical action, protect the ecological environment with deeper commitment, and drive high-quality development with greater resilience. We will accelerate our transformation into a world-class insurance and financial services group, and contribute even more to the advancement of Chinese modernization.

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

Message from the President

In 2025, PICC fully and faithfully implemented the new development philosophy, focusing on high-quality and sustainable development. Guided by green development, centered on customer value, supported by collaboration, and underpinned by compliance, we advanced our ESG practices from building systems to delivering tangible impact, fulfilling our mission of "People's Insurance for the People" through concrete actions and measurable results.

We consistently regard green and low-carbon development as a key principle of our operations and management. At the governance level, we continued to refine the green finance governance framework spanning the Board of Directors, management, and operational units, and issued the *Work Plan for High-Quality Development of Green Finance*. We also prepared annual priority plans for green finance and ESG on a rolling basis, forming a closed-loop management mechanism covering strategic guidance, institutional safeguards, implementation, and evaluation and supervision. At the operational level, we conducted a Group-wide carbon inventory for the first time, establishing a digitalized approach combining system-based data collection with manual verification. We built a carbon inventory management platform covering nearly 6,000 business locations, laying a solid data foundation for targeted energy conservation and emissions reduction initiatives. The North Information Center became the first national green computing facility in the insurance industry, while the South Information Center reduced its annual average PUE by 7.8% year-on-year. We further promoted green procurement and paperless operations, achieving an electronic usage rate of 97.4% in centralized procurement.

We consistently regard customer satisfaction as the core benchmark for evaluating our work. To enhance service efficiency, we accelerated the digital and intelligent transformation of claims processing. More than 90% of PICC P&C claims were processed online, auto insurance automated processing exceeded 100 million transactions, and agricultural insurance inspections using satellite remote sensing covered over 100 million mu of farmland. The online claims settlement rate at PICC Health increased to 99% as we leveraged data to streamline processes and save customers' time. To strengthen consumer protection, we improved the consumer protection management framework, introduced product suitability management measures, and upgraded the NPS dynamic monitoring system. PICC Life and PICC Health obtained ISO 9001 certification for consumer protection, and the Net Promoter Score of our three core subsidiaries exceeded 40%. In data security, we established four lines of defense for personal information protection, implemented full lifecycle data management, and conducted over 2,600 cybersecurity training sessions, safeguarding customers' privacy and data security.

We consistently regard collaboration and shared success as the foundation for collective strength. To support employee development, we enhanced talent development and training systems, implementing six major training programs including "Escort" and "Leadership". Across the Group, nearly 60,000 training sessions and over 7,100 online learning programs were delivered. Employee engagement initiatives, including sports events and employee care programs organized by labor unions, further strengthened employees' sense of belonging and well-being. To support supplier development, we improved the full lifecycle supplier management system. In 2025, the signing rate of the Supplier Integrity Commitment Letter reached 100%, and SME suppliers were treated fairly with no overdue payments. We also strengthened investor communication, maintaining a 100% response rate on the SSE e-Interaction platform and organizing 373 investor engagement events, including investor open days, earning broad recognition from the capital market. Meanwhile, we deepened international cooperation and industry engagement, participating in initiatives under the Principles for Sustainable Insurance (PSI) and actively aligning with global ESG disclosure standards, sharing China's experience in areas such as green finance and catastrophe insurance.

We consistently regard compliance and risk control as essential safeguards for development. We continued to strengthen the three lines of defense risk management framework, integrating the identification, monitoring, and mitigation of ESG-related risks into the Group's enterprise-wide risk management system. We upgraded our intelligent risk management platform and optimized stress-testing models to enhance forward-looking risk warning and precise risk identification capabilities. We also strengthened anti-corruption and internal control systems. The educational documentary Eliminating Misconduct 3 was released as part of integrity education initiatives. Across the Group, nearly 800 integrity and compliance training sessions were organized, covering approximately 180,000 participants, with 100% of employees receiving anti-corruption training. Through coordinated efforts across audit, compliance, discipline inspection, and internal inspection mechanisms, we further strengthened oversight and accountability, with 100% audit coverage for senior executives across the Group headquarters, subsidiaries, and affiliated companies.

In 2026, PICC will remain firmly committed to the path of financial development with Chinese characteristics. We will continue to improve our ESG governance system with higher standards and stronger implementation, enhance ESG management capabilities, promote green operations, optimize products and services, strengthen collaborative partnerships, and uphold strict compliance standards. Through high-quality development, we will continue to create value for shareholders, deliver better services for customers, support employee growth, and contribute to society, working together with all stakeholders to build a more sustainable future.

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 Technology, and PICC Hong Kong. Our business scope covers property insurance, life insurance, reinsurance, asset management, and other fields.

PICC has always upheld the CPC 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 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

AAA

in MSCI ESG Ratings, attaining globally leading status

PICC Awards and Honors in 2025	
PBOC Fintech Development Award	The People's Bank of China
Top Ten Innovative Models of Financial Support for Agriculture in 2024 "PICC's Integrated Protection Model for Farmland Conservation and Quality Improvement Through Coordinated Agricultural Insurance Products"	Ministry of Agriculture and Rural Affairs of China
Best Practices of Board	China Association for Public Companies
Best Practices of Board Office	
Best Practices of Performance Briefing	
Best Practices of Sustainability	
Outstanding Institution in Advancing the Development of the Held-to-Own Real Estate ABS Market	Shanghai Stock Exchange
China's Top 50 ESG List in 2025	Forbes
China's ESG Influence List in 2025	Fortune
Annual cases of "Technology Finance" and "Inclusive Finance"	CCTV Finance
2025 ARK Award for High Quality Development Insurance Companies	Securities Times
2025 ARK Award for Insurance Industry Green Finance Practice	
2025 ARK Award for Innovative Insurance Asset Management Products	
2025 ARK Award for Insurance Industry Digital Finance Practice	
2025 ARK Award for Insurance Asset Management Gold Medal Risk Control	
2025 Golden Dragon • Financial Power Case — Case for Developing Technology Finance, Green Finance, Inclusive Finance, Pension Finance, and Digital Finance The first comprehensive catastrophe insurance in China, setting an industry benchmark PICC Life helps the silver economy and draws a new blueprint for pension finance	Financial Times
PICC Innovates the "Four Ones" Model, ESG Insurance Leads the New Path of Green Finance	
2025 Financial Associated Press Green Water Golden Mountain Award-ESG Financial Innovation Award	Cailian Press
Excellent Insurance Asset Management Company Excellent Social Liability Insurance Asset Management Company	
"Best IR Hong Kong Stock Company"	New Fortune
"2025 Financial Consumer Protection and Service Innovation Case" in the Financial Industry	China Banking and Insurance News

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.

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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.

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.

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.

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.

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.

Corporate Governance Sustainability

Robust and Sustainable Governance

Advancing Sustainability Management

Building Robust Risk Defense

Strict Compliance with Internal Control

Robust and Sustainable Governance

Upholding CPC Party Leadership


PICC Holds the Meeting of Party Organization Secretary Work Report, Evaluation and Assessment on Grassroots Party Building in 2025

PICC has consistently upheld the overall leadership of the Communist Party of China, pursuing high-quality development under the guidance of high-quality Party building. The Company has continuously improved mechanisms for implementing major decisions and arrangements of the CPC Central Committee, strengthened the accountability chain for Party management and governance, deepened the organic integration of Party building with corporate governance, and promoted the close integration of Party building with business operations and management. At the same time, PICC actively fosters a financial culture with Chinese characteristics, providing strong political and organizational support for building a modern financial system with Chinese characteristics and promoting high-quality financial development. During the reporting period, the Company further strengthened the top-level design of its governance framework by integrating the Party's leadership into all aspects of corporate governance. PICC fully upheld the political and people-oriented nature of financial work, firmly established sound philosophies regarding operations, performance, and risk management, and gave full play to its strategic leadership and risk management functions. The Company also coordinated efforts to serve the real economy, prevent and mitigate financial risks, and deepen financial reform. Through these initiatives, PICC strives to effectively translate the Party's political and organizational strengths into tangible outcomes for high-quality development and enhanced modern governance capabilities.

Improving Corporate Governance

PICC continues to enhance its vertically integrated sustainable development governance framework and is committed to building a modern corporate governance system characterized by clearly defined statutory powers and responsibilities, transparent accountability, coordinated operations, and effective checks and balances. The Company promotes standardized, professional, and scientific management practices to improve internal operational efficiency, enhance the performance and effectiveness of the Board of Directors, and prevent financial risks. Through high-quality governance, PICC aims to drive high-quality development.

Board of Directors

The Board of Directors is the Company's decision-making body and operates in a standardized manner with sound and prudent decision-making processes. The Company strictly conducts the nomination, appointment, and removal of Board members in accordance with the *Articles of Association*. Directors are elected by the shareholders' general meeting, with each term of office not exceeding three years; Directors may be re-elected upon the expiry of their terms. As of the end of the reporting period, the Board consisted of 12 directors, comprising 3 executive directors, 4 non-executive directors, and 5 independent non-executive directors. Independent non-executive directors accounted for more than one-third of total Board membership, in compliance with relevant regulatory requirements. The Company continues to improve the Board's decision-making and communication mechanisms. The Board effectively fulfills its decision-making role across strategic planning, business planning, institutional and structural reform, capital management, risk management and internal control, and digital transformation, thereby enhancing overall Board efficiency.

The Company has formulated governance documents, including the *Articles of Association,* the *Rules of Procedure of the Board of Directors,* and *the Working Rules for Independent Directors,* ensuring the Board's independence and its ability to obtain independent opinions. Prior to each Board meeting, the Company organizes relevant personnel to communicate with directors on all agenda items and solicits their views in advance. During the reporting period, the Company held a symposium between the Chairman of the Board and shareholder-appointed directors to fully hear the opinions and suggestions of external directors. During Board meetings, independent directors diligently performed their duties and actively participated in the decision-making and supervisory work of the Board and its specialized committees. They provided professional, objective, and impartial independent opinions on major matters, effectively playing their roles in decision-making participation, oversight and checks and balances, and professional advisory support.

Board Statement on Sustainability

The Board of Directors of PICC undertakes that the Company will strictly comply with the sustainability reporting disclosure requirements of the stock exchanges on which it is listed.

The Board of Directors is responsible for overseeing PICC's commitments and performance on key ESG topics. Article 9 of the *Working Rules of the Strategy and Investment Committee / Sustainability Committee of the Board of Directors* stipulates that the main duties of the Strategy and Investment Committee / Sustainability Committee include formulating and revising the Company's policies on corporate social responsibility, including environmental, social, and governance matters, and reviewing and making recommendations to the Board on the following:

1. The development plan of the Company's environmental, social and governance management system;
2. Research and assessment of ESG-related factors that may affect the Company's development;
3. Planning and implementation of the Company's ESG work;
4. ESG disclosures of the Company.

The Board of Directors reviews the Company's Corporate Sustainability Report annually, participates in the identification of ESG material issues, and reviews the results of such identification, which serve as important reference information for identifying the Company's risks and opportunities. The Board also conducts a comprehensive review of the Company's ESG-related matters from the prior year and provides recommendations for ESG priorities in the year ahead. The Company prepares the *Communication for Directors, Supervisors and Senior Management*, which publishes ESG-related policies and updates on the ESG practices and progress of the Company and its industry peers.

Looking ahead, the Board of Directors will further improve ESG risk management, information collection, and reporting mechanisms, formulate sustainable development strategies and objectives, and integrate them into the Company's day-to-day operations.

Special Committees under the Board

The Board has established five special committees: the Audit Committee, the Nomination and Remuneration Committee, the Strategy and Investment Committee / Sustainability Committee, the Risk Management and Consumer's Rights and Interests Protection Committee, and the Related Party Transactions Control Committee. The Audit Committee, Nomination and Remuneration Committee, and Related Party Transactions Control Committee are each chaired by an independent director, while the Strategy and Investment Committee / Sustainability Committee is chaired by the Chairman of the Board. Members of each committee possess professional knowledge and work experience appropriate to their respective responsibilities.

Committees under the Board of Directors	List of members	Chairman	Number of independent directors	Committee expertise and work experience
Strategy and Investment Committee/ Sustainability Committee	Ding Xiangqun, Wang Shaoqun, Song Hongjun, Xu Lina, Yang Changying	Ding Xiangqun	2 (Independent directors account for over 1/3)	Members have professional knowledge and work experience appropriate to their responsibilities.
Risk Management and Consumer's Rights and Interests Protection Committee	Zhao Peng, Xu Xiang, Wang Shaoqun, Song Hongjun, Gao Pingyang, Jia Ruo	Zhao Peng	2	Members have experience in judging and managing various risks.
Audit Committee	Wang Pengcheng, Yu Qiang, Xu Lina, Gao Pingyang, Jia Ruo	Wang Pengcheng	4 (Independent directors account for over 50%)	Chairman Wang Pengcheng has professional background in accounting, auditing and ESG; Xu Lina has an actuarial professional background and served as an executive in companies in the same industry; Gao Pingyang has a professional background in finance and accounting; Jia Ruo has a background in finance and risk control.
Nomination and Remuneration Committee	Gao Pingyang, Xu Xiang, Xu Lina, Wang Pengcheng, Yang Changying	Gao Pingyang	4 (Independent directors account for over 50%)	Members have professional knowledge and work experience appropriate to their responsibilities.
Related Party Transactions Control Committee	Jia Ruo, Xiao Jianyou, Yu Qiang, Wang Pengcheng, Yang Changying	Jia Ruo	3 (Independent directors account for over 50%)	Members have professional knowledge and work experience appropriate to their responsibilities.

Capacity Building of the Board

To continuously improve directors' capacity and effectiveness in performing their duties, the Board organized research visits, training sessions, and thematic exchanges on insurance operations and management. In accordance with the *Implementation Measures for the Evaluation of Directors' Performance of Duties,* directors' participation in grassroots research visits and training activities is incorporated into their performance evaluations.

During the reporting period, all directors, including independent non-executive directors, participated in training throughout the year, and attended 13 special learning and exchange sessions organized by industry peers and professional institutions. These sessions covered green finance, climate change response, emerging risks, corporate governance, risk management, insurance industry development, financial services to the real economy, and other areas.

The Company also organized directors to conduct thematic research visits across 10 provinces and cities, including Sichuan, Chongqing, Henan, Hubei, Xinjiang, Tibet, Guangdong, Shanghai, Yunnan, and Shandong. Directors engaged with external stakeholders including insurance peers, technology enterprises, relevant government departments, and industry associations. Research topics spanned seven subjects, including "Insurance Services in Social Governance", "Thoughts and Recommendations on Better Balancing Risk and Safety in Channeling Insurance Funds into the Capital Market", "Recommendations on Exploring a Distinctive Development Path for Risk Reduction Services in the Insurance Industry", and "Research on Improving the Audit Committee Mechanism of the Board".

Board Diversity

When establishing its Board of Directors, the Company gives comprehensive consideration to future business development needs and a range of diversified selection criteria, including professional background, gender representation, geographical diversity, and age structure, with a view to continuously optimizing Board composition and providing a strong foundation for sound and effective decision-making.

Diverse professional backgrounds

Board members bring deep expertise and professional experience in the financial sector. The five independent non-executive Directors are specialists and seasoned practitioners in insurance, actuarial science, finance, risk management, ESG, and other related fields.

Diverse geographical representation

The Board draws from a broad geographical base, with Directors from mainland China and Hong Kong, as well as a US-based Director with extensive international experience.

Diverse gender representation

The Board has maintained consistent female representation, bringing a more refined and measured perspective to Board deliberations.

Name	Position	Gender	Professional background
Ding Xiangqun	Chairman, Executive Director	Female	Finance (Banking, Insurance)
Zhao Peng	Vice Chairman, Executive Director	Male	Finance (Banking, Insurance)
Xiao Jianyou	Executive Director	Male	Finance (Insurance)
Xu Xiang	Non-executive Director	Male	Fiscal
Wang Shaoqun	Non-executive Director	Male	Finance (Insurance), Risk Control
Yu Qiang	Non-executive Director	Male	Finance, Accounting
Song Hongjun	Non-executive Director	Male	Finance, Financial Management
Xu Lina	Independent Non-executive Director	Female	Finance (insurance), Actuarial
Wang Pengcheng	Independent Non-executive Director	Male	Accounting, Audit, ESG
Gao Pingyang	Independent Non-executive Director	Male	Finance, Accounting
Jia Ruo	Independent Non-executive Director	Male	Finance (Insurance), Risk Control
Yang Changying	Independent Non-executive Director	Female	Finance (Insurance), Law

Duty Performance by the Board

The Board prioritizes environmental, social, and governance matters, and continues to improve ESG governance while steadily enhancing the quality and effectiveness.

Board meetings convened
8

Proposals considered and reviewed
108

Special committee meetings held
33

Proposals deliberated and discussed
144

Upholding Social Responsibility and Reinforcing the Mission of Central SOE

By reviewing proposals on sustainability (ESG) reports and related matters, the Board gained a comprehensive understanding of the Company's ESG progress and strengthened its supervisory role. By reviewing or hearing reports on business performance, inclusive finance, and technology finance, the Board continuously enhanced the Company's capacity to serve the real economy and fulfill its social responsibilities.

Integrating Development with Safety and Enhancing Risk Prevention and Control

By reviewing or hearing reports on risk appetite, enterprise risk management, compliance risk, and anti-money laundering management, the Board drove continuous improvement of the Company's risk management framework and strengthened its sustainable development capabilities.

Strengthening Audit Supervision to Advance ESG Governance Effectiveness

The Board reviewed the annual internal audit project plan, incorporating green finance, consumer rights protection, and information technology into the scope of internal audit projects. It also integrated climate risk into the enterprise risk management system, driving further progress in ESG development with measurable results.

Senior management

As the executive body of the Company, senior management reports to the Board and implements Board decisions. Senior management operates through a number of specialized committees, including the Asset and Liability Committee, the Investment Review Committee, the Risk and Compliance Committee, the Centralized Procurement Management Committee, the Performance Management Committee, the Green Finance Committee, and the Information Technology Construction Committee / Data Governance Committee.

Executive compensation recovery mechanism

The Group formulated the *Interim Measures for Deferred Payment, Recovery, and Deduction of Performance-based Remuneration*. Under this mechanism, senior management and employees with direct or significant influence over risk-taking are subject to deferred payment, recovery, and deduction of performance-based remuneration. More than 40% of their performance-based pay is deferred for a minimum period of three years.

Sustainability performance has been integrated into remuneration assessment

The Company has continuously refined the performance evaluation system for senior management, incorporating six dimensions: serving the broader national agenda, development quality, operating efficiency, overall strength, business synergy, and risk prevention and control. Bonus and penalty adjustments are applied based on the implementation of CPC Central Committee decisions on financial work and the occurrence of major risk events. ESG-related areas including green finance and consumer rights protection are included in the evaluation criteria, further reinforcing senior management's accountability for sustainable development.

Advancing Sustainability Management

Stakeholder Communication

We have continued to implement and refine our stakeholder communication mechanism, maintaining close, sincere, and two-way dialogue with stakeholders through results conferences, investor open days, customer festivals, and other channels. We have actively explored stakeholder needs, responded to their expectations, and worked to earn their trust.

Strengthening communication with minority investors

At the shareholders' general meeting, we established a dedicated face-to-face session for minority shareholders to facilitate direct engagement.

PICC Holds 2025 Investor Open Day Event

In November 2025, PICC Group and PICC P&C jointly held an investor open day in Shenzhen themed "Practice and Prospects of High-Quality Development of Non-Auto Insurance". Company leaders engaged with investors and analysts on key topics, and organized visits to the PICC Health Internet Operations Center and a live demonstration of PICC's catastrophe emergency response drill, receiving widespread praise from the capital market and media.

The SSE e-Interaction response rate reached

100%

Investor roadshows and outreach sessions held

373

Analysts and investors engaged

2,100

Roadshows conducted across Europe and Asia

8

Stakeholders	Stakeholder Expectations	Engagement and Communication Methods
Shareholders and investors	• Sound financial management • Refined corporate governance and operation • Clean business environment • Comprehensive risk management system • ESG rating results • Transparent information disclosure	• Shareholders' 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	• 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	• 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	• 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	• Clean business environment • Mutually beneficial partnership • Fair treatment of diverse partners	• Strategic cooperation agreements • Supplier evaluations • Joining the industry associations
Community and the public	• Improving people's livelihoods • Advancing social governance • Charitable activities	• Inclusive finance • Charitable donation • Volunteer activities
Natural environment	• Ecological environment protection • Climate change • Green operation	• Sustainable insurance • Responsible investment • Energy saving and emission reduction

Materiality Assessment

Guided by the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* 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.

Materiality assessment process

Taking into account the major concerns of stakeholders and the continuity and readability of this report, we have established a materiality assessment process with reference to regulatory guidelines, benchmarking against advanced industry practices, and consideration of the Company's specific circumstances. Through a two-way assessment of the external impacts (economic, social, and environmental dimensions) and internal impacts (financial dimensions) of material issues, we have more effectively and accurately identified the risks and potential opportunities facing the Company's business, and determined the core issues material to both the Company and its stakeholders for priority disclosure in this report.

01 Understanding the context of Company activities and business relationships

- Understanding Company activities and business relationships
- Understanding the external objective environment
- Analyze the latest regulatory requirements
- Understanding key stakeholders impacted

02 Establishing a topic list

Using the 21 topics in the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* as the foundation, and drawing on major domestic and international sustainability disclosure standards, mainstream ESG rating systems, and the Company's own strategic development plan, we identified a final list of 24 material topics.

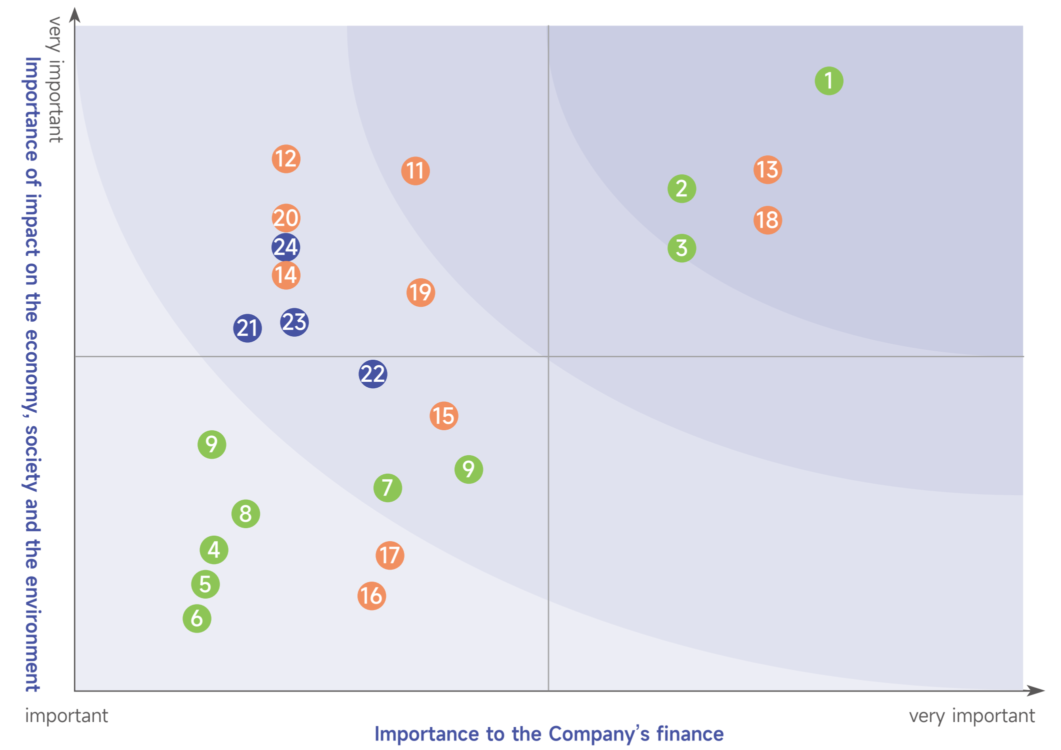
03 Assessment and identification of topic materiality

Through research and analysis by internal and external experts, we identified the impacts, risks, and opportunities associated with each issue, and assessed whether each issue carries impact materiality or financial materiality.

04 Topic reporting

Based on statistical analysis of assessment results, we developed a materiality matrix, ranked issues by importance, and determined the key disclosure priorities for this report.

Materiality Matrix



Environmental topics

1. Addressing climate change
2. Green insurance
3. Green investment
4. Environmental compliance management
5. Pollutant discharge
6. Waste disposal
7. Energy utilization
8. Water resource utilization
9. Circular economy
10. Ecosystem and biodiversity protection

Social topics

11. Rural revitalization
12. Social contribution
13. Inclusive finance
14. Innovation-driven development
15. Science and technology ethics
16. Supplier management (Supply chain security)
17. Equal treatment of small and medium-sized enterprises
18. Protecting customer rights and interests (Product and service safety and quality)
19. Data security and customer privacy protection
20. Employee development

Governance topics

21. Due diligence investigation
22. Stakeholder communication
23. Anti-commercial bribery and anti-corruption
24. Anti-unfair competition

Notes:
The topics of green insurance and green investment are closely interrelated with climate change response, with their financial materiality primarily manifesting through the transmission of climate-related risks. The associated financial impact analysis has been disclosed within the climate change section of this report. Furthermore, all three topics fall within the Group's green finance domain and are governed under a unified management and governance framework. To avoid duplication of information, the green insurance and green investment sections of this report will focus primarily on impact materiality, disclosing the Company's dedicated efforts and achievements in supporting the green transition of the economy and society.

Building Robust Risk Defense

PICC has thoroughly implemented the spirit of the Central Financial Work Conference, treating risk prevention and control as a permanent priority in financial work. The Company has assumed primary responsibility for risk prevention and control, continuously deepened and refined its enterprise risk management framework, strengthened risk prevention in key areas, advanced digital and intelligent risk control capabilities, and embedded risk management as a core pillar of high-quality development.

Optimizing Risk Control Mechanism

PICC has established a comprehensive risk management organizational system in which the Board holds ultimate accountability, senior management provides direct leadership, professional risk management functions serve as the core support, and relevant functional departments work in close coordination, covering all subsidiaries and functional units across the Group.

The Risk Management and Consumer's Rights and Interests Protection Committee under the Board oversees the full spectrum of risks facing the Company and the effectiveness of related management measures. The Audit Committee under the Board conducts regular reviews and evaluations of the soundness and effectiveness of internal controls, including the Company's risk management and internal control systems. During the reporting period, the Board considered and approved proposals including the *2024 Risk Assessment Report*, the *2025 First Half Risk Assessment Report*, and the *2025 Risk Appetite Statement*, and received reports on liquidity management and stress testing.

Pursuant to the Board's authorization, senior management fulfills its enterprise risk management responsibilities through the Risk and Compliance Committee, which serves as the Group's central coordinating body for comprehensive risk management. During the reporting period, the management conducted annual and semi-annual risk assessments, and carried out in-depth evaluations of the Group's risk management framework, actual risk conditions, and the effectiveness of risk management implementation.

Enhancing Risk Control Capabilities

Optimizing the enterprise risk management framework

We have built a comprehensive risk management system that connects all institutional levels vertically and covers all management and business processes horizontally. We have strengthened the three lines of defense for risk management, dynamically tracked changes in the operating environment, and promptly monitored, prevented, and resolved major risks affecting the Company's operations. We revised the *Measures for the Management of Concentration Risk of PICC Group* and established a regular monitoring mechanism to enable accurate identification and effective control of concentration risk. We also revised the *Measures for Consolidated Management of PICC Group* to enhance the depth and breadth of risk management coverage.

Three Lines of Defense for Risk Management

First line of defense	Second line of defense	Third line of defense
It is composed of the Group's functional departments, and the first line identifies, assesses, responds to, monitors, and reports on risks within each department's area of responsibility.	It is composed of the Board's Risk Management Committee, the Risk and Compliance Committee, and the risk management function, and the second line coordinates the formulation of Group-wide risk management policies, systems, standards, and limits, and organizes and oversees risk management activities.	It is composed of the Board's Audit Committee and the internal audit function, and the third line oversees existing risk management processes, risk control procedures, and related activities.

Risk Management Process

Identification	We identify existing risks through multiple channels and maintain a dynamic risk register, with timely identification of emerging risks.
Assessment	We comprehensively assess risks across dimensions of likelihood and impact, applying qualitative methods such as expert judgment and scenario analysis, as well as quantitative tools including risk models, risk indicators, and stress testing.
Response	Based on each risk's characteristics and the Company's strategy, business objectives, and risk management needs, we determine appropriate response plans and select suitable tools, including risk avoidance, mitigation, transfer, or retention, to keep risks within established limits.
Monitoring	We have established a dynamic risk monitoring mechanism and a pre-assessment mechanism, developing risk contingency plans based on assessment results and maintaining an effective risk early warning system.
Report	We prepare regular risk reports and submit risk assessment results and management updates to the Board, senior management, and external regulators.

Improving risk monitoring and early warning capabilities

We have upgraded the risk warning and screening models within our intelligent risk control platform, optimized risk appetite indicators, and enhanced the forward-looking warning, scanning, and panoramic visualization of overall risk conditions. We prepared the *2025 Risk Appetite Statement of PICC Group,* incorporating Company-specific risk indicators and operational risk metrics, and optimized stress testing models and threshold settings. We have advanced the transmission and implementation of risk appetite across the Group, strengthened risk appetite management at the subsidiary level, regularly monitored risk appetite indicators, and issued early warning alerts in response to anomalies.

Focusing and strengthening sustainable risk management

We have integrated the identification, monitoring, prevention, and control of ESG risks into our enterprise risk management framework, driving effective implementation across all organizational units and regularly tracking progress. Using climate risk as an entry point, we have conducted dedicated research, gathered and analyzed regulatory requirements and emerging practices, and strengthened engagement with specialist advisory institutions to continuously enhance our capabilities in green finance and ESG risk management.

Establishing emergency response plans

We have developed emergency response procedures for major risk events and business continuity assurance mechanisms. Through end-to-end management covering prevention and early warning, rapid response, and effective resolution, we have strengthened our ability to address operational risks arising from natural disasters and major incidents, minimize losses from emergencies, and guard against the risk of solvency deterioration.

Developing Risk Control Culture

We have deeply integrated risk management culture into every aspect of corporate culture development, strengthened the risk management training system, and regularly delivered targeted training on risk management concepts, professional knowledge, business processes, and control methods for independent directors, senior and middle managers, and all employees. We have continued to innovate training formats, leveraging "PICC Academy" to deliver online courses including "Introduction to the Comprehensive Risk Management Guidance System" and "Insurance Anti-Fraud Practice and Case Analysis in the New Environment" across the entire organization. We have regularly organized specialized training sessions covering risk and compliance, credit rating and credit risk management, and regulatory risk control for new employees, and encouraged all levels and functions to thoroughly assess and mitigate potential financial and operational risks across the full business process, from product development to sales. Risk management performance has been linked to compensation incentives, personnel decisions, and accountability mechanisms, driving the internalization of risk awareness as a shared commitment and conscious practice among all employees.

In 2025, various institutions of PICC Group organized special training sessions on risk compliance

Strict Compliance with Internal Control

PICC puts operational compliance high on its agenda. In strict compliance with the *Insurance Law of the People's Republic of China*, the *Measures for Compliance Management of Financial Institutions*, and internal policies including the *Measures for Compliance Management* and the *Measures for Internal Control Management*, we have fully implemented our compliance management framework and continuously advanced the improvement of our compliance management system. In 2025, the Group had no concluded corruption litigation cases or criminal cases related to money laundering.

Strengthening Compliance Governance

The Board holds ultimate accountability for compliance management objectives. Senior management assumes leadership responsibility, taking the lead in implementing core compliance requirements including anti-money laundering and counter-terrorist financing, supervising the closed-loop resolution of compliance issues in business decision-making, risk management, and internal controls, and coordinating Group-wide compliance management through the Risk and Compliance Committee. The Group has appointed a Chief Compliance Officer who reports directly to the Chairman and President and to the Board, leads the development of the compliance management system, oversees the effectiveness of compliance functions and positions, and drives the consistent implementation of compliance policies in practice. In 2025, the Board considered and approved the *2024 Internal Control Evaluation Report*, the *Compliance Management Measures*, the *Internal Control Management Measures*, and other proposals.

Regulating Business Practices

Anti-commercial bribery and anti-corruption

We have strengthened business supervision across procurement and sales, capital utilization, intermediary management, and consumer rights protection, ensuring process compliance through a "three-layer assurance" model comprising self-examination, review, and spot checks. We have continuously improved our accountability framework, and formulated the *Detailed Rules for the Implementation of Punishment for Employee Violations*, the *Code of Professional Ethics for Directors, Supervisors and Senior Management*, and the *Management Measures for Accountability of Senior Management (Trial)*, standardizing procedures for reporting, investigating, handling, and taking accountability for corruption, bribery, and other violations. We also formulated the *Administrative Measures for Risk Prevention and Control of Criminal Cases*, *the Administrative Measures for Risk Investigation and Disposal of Criminal Cases*, and the *Administrative Measures for Preventing Illegal and Criminal Acts of Employees*, establishing a robust risk prevention and control framework for criminal matters.

Anti-corruption

We have incorporated integrity-building into the scope of the Group's political and organizational culture, implemented the *Three-Year Action Plan for Building a Clean Culture in the New Era*, and further refined the *PICC Action Plan for Building Integrity Culture*. In 2025, we actively deployed two specialized governance initiatives targeting cross-border corruption and unauthorized business activities, continuously improving the quality and effectiveness of oversight. We have strengthened anti-corruption training, regularly delivering integrity education to all employees and marketing personnel, with a focus on national anti-corruption regulations and policies, and providing role-specific training tailored to different levels and positions. In 2025, we produced the PICC warning education documentary *Eliminating Misconduct 3*, organized nearly 800 warning education sessions across all levels of the organization, and reached nearly 180,000 participants in anti-corruption training, achieving full coverage of the Board, senior management, and all employees (including dispatched employees and insurance agents).

Warning education sessions across all levels organized

nearly **800**

Participants in anti-corruption training reached

nearly **180,000**

Anti-corruption training coverage reached

100%

Anti-money laundering

We have strictly adhered to anti-money laundering laws and regulations, advanced the improvement of our anti-money laundering policy framework, and strengthened the development of anti-money laundering information systems. We have guided subsidiaries in establishing anti-money laundering blacklist databases, conducted investigations of high-risk entities, delivered anti-money laundering training, and submitted anti-money laundering work reports to regulators on schedule. In response to the newly revised *Anti-Money Laundering Law of the People's Republic of China* and related policies, we issued the *Notice on Conscientiously Implementing the Revised Anti-Money Laundering Law and Strengthening Anti-Money Laundering Work,* established structured implementation arrangements, and continuously elevated our anti-money laundering standards.

Anti-monopoly and anti-unfair competition

We have strengthened our competition compliance management framework, and formulated the *Guidelines for Anti-Monopoly Compliance Management of PICC Group* and other documents to effectively prevent and reduce the risk of monopoly and unfair competition violations, including fraudulent sales practices. We have strengthened day-to-day risk management, improved operational workflows, and incorporated industry self-discipline conventions, cooperation agreements, and business activities such as sales, tendering, and investment and mergers and acquisitions into the scope of anti-monopoly and anti-unfair competition compliance review. We have established a regular risk investigation mechanism and organized the Group and its subsidiaries to conduct periodic specialized anti-monopoly and anti-unfair competition investigations, identifying and addressing potential risks in a timely manner. Through risk alerts, case warnings, and targeted training, we have continuously strengthened all employees' awareness of and commitment to fair competition compliance. In 2025, the Group had no anti-unfair competition litigation or administrative penalties.

Anti-fraud management

We have formulated the *Anti-Insurance Fraud Work Measures of PICC Group,* established a "three lines of defense" governance framework for fraud risk management, and improved the insurance fraud risk management system. We have actively carried out anti-fraud training, education campaigns, and talent development, and strengthened the mechanism for coordinating fraud tip-off investigations. Fraud risk has been integrated into the enterprise risk management system as a sub-category of operational risk. Fraud risk management has also been incorporated into the performance assessment system, with commendations and rewards given to institutions and individuals who have made outstanding contributions to reporting, investigating, and combating fraudulent activities.

Tax policy

We strictly comply with all applicable national tax laws and regulations, fulfill our tax obligations in a standardized manner, disclose tax information in accordance with the law, file and pay taxes on time, and have zero tolerance for tax evasion or other illegal tax practices. We have continued to strengthen our tax risk prevention and control framework, developed our tax management team, and improved internal control mechanisms for tax risk.

Whistleblower protection

We have established a comprehensive set of policies governing complaints, reporting, and whistleblower protection, ensuring accessible and clearly defined reporting channels and safeguarding the legitimate rights and interests of whistleblowers. Whistleblower information is kept strictly confidential; reporting materials and related details must not be disclosed or transferred to the reported party, and individuals with a direct interest in the reported matter or the whistleblower are subject to a mandatory recusal requirement. No institution or individual may retaliate against a whistleblower. Any retaliation or related misconduct is handled strictly in accordance with the *Detailed Rules for the Implementation of Punishment for Employee Violations* and other applicable policies, with penalties ranging from a formal warning to dismissal, depending on the nature, severity, and consequences of the violation.

Scan the QR code to access the business ethic policies

Conducting Audit Supervision

Building a comprehensive oversight framework

We have established a broad-based oversight framework centered on audit, compliance, discipline inspection, and internal review, and continuously improved our internal control and risk prevention mechanisms with clear accountability, standardized processes, and strong execution. We have deepened the risk prevention, supervisory evaluation, and assurance functions of internal audit, and regularly conducted specialized audits covering economic responsibility, capital utilization, related party transactions, solvency risk management systems, and information technology. These audits identify weaknesses and potential risks in the risk management and internal control systems, with strict closed-loop management of accountability and remediation. In 2025, the Group conducted specialized audits of key areas including the solvency risk management system and operational risk.

Internal Audit of Risk Management of Certain Subsidiaries

PICC Life	Conducted special internal control audit in 2025, focusing on the design and operational effectiveness of internal controls in key areas including the internal control framework and authorization management, internal control system development, and rigid controls over information systems.
PICC AMC	Conducted special audit of risk management policy implementation in 2025.
PICC Capital	Conducted special audit of asset management business operations and risk management policy implementation in 2024.

Conduct business ethics audits

Internal audit at the Company follows a risk-oriented approach and is supported by a comprehensive institutional framework, including the *Interim Provisions on Internal Audit Work* and the *Regulations on Economic Responsibility Audits.* The Company conducts regular special audits and economic responsibility audits of senior executives, with audit coverage extending to all subsidiaries of the Group and key business processes. These efforts strengthen oversight and disciplinary constraints on employees' professional conduct and business ethics. Economic responsibility audits are carried out for all senior executives of the Group, its subsidiaries and member companies once every three years, achieving 100% coverage. The audits cover the entire operational process of the Company, focusing on the implementation of major economic decisions and arrangements, compliance with applicable laws and regulations as well as financial disciplines, and the integrity and probity of executives in performing their duties.

Environmental Sustainability

Addressing Climate Change

Governance

Leveraging its three-tier ESG governance structure including the Board, the management level, and the operational level, PICC has established a climate change response framework with clearly defined roles and responsibilities. The Board exercises oversight and decision-making functions through the Strategy and Investment Committee/Sustainability Committee. Under senior management, the Green Finance Committee, chaired by the President, oversees and reviews the formulation and progress of climate-related development plans, supported by the Green Development and ESG Office in coordinating day-to-day operations. Each subsidiary has simultaneously established its own dedicated working mechanism, ensuring effective top-to-bottom coordination and implementation. The Company has also conducted tiered and targeted climate-specific training to comprehensively enhance climate risk management capabilities at all levels. In 2025, the Group's Green Finance Committee received a thematic report on climate-related financial impact disclosures and the *Green Finance and ESG Work Assessment Report,* deliberated and approved the *Green Finance High-Quality Development Work Plan of PICC Group* and *2025 Green Finance and ESG Key Priorities,* put forward requirements for the climate risk management framework, and continued to advance the overall level of climate risk management.

PICC Sustainable Governance Framework

Board of Directors (Strategy and Investment Committee/Sustainability Committee)
Responsible for the review of strategic issues related to green finance and ESG, key risks identification, and the implementation evaluation.

Working Rules of Strategy and Investment Committee/Sustainability 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

Strategy

PICC actively participates in global climate governance and supports the national "dual carbon" strategy, bringing its insurance expertise to bear in mitigating the impacts of climate change, strengthening climate adaptation, and promoting climate resilience across upstream and downstream value chains.

Establishing and improving the climate risk management mechanism

We issued the *Notice on Strengthening Actuarial Management Related to Climate Risks,* coordinated and guided subsidiaries in conducting climate risk-related research, and promoted the application of research findings to actuarial management processes including product pricing and actuarial evaluation. We have conducted climate risk scenario analysis and stress testing on both the liability and asset sides, improved risk identification, reporting, early warning, and response mechanisms, and enhanced our capabilities in climate risk governance and management.

Deepening professional research on climate change

We have continued to deepen internal and external collaborative research and steadily advanced quantitative climate risk management. On policy coordination, we have engaged extensively in the revision of solvency regulatory rules and climate risk stress testing led by regulators, ensuring the effective implementation of policy requirements. On independent research, we have focused on frontier areas including catastrophe risk assessment and climate factor pricing models, generating a number of high-value research outputs. We have also actively participated in exchange activities including the China Meteorological Administration's Financial Meteorological Service Technology Training Program and the Second Financial Meteorological Academic Conference, advancing cross-disciplinary integration between meteorological science and the insurance industry.

External cooperation research

- We participated in the revision of *Solvency Supervision Rules for Insurance Companies No. 4* by the National Financial Regulatory Administration, completing the optimization of the Minimum Capital Calculation Template for Catastrophe Risk and the calculation of typhoon and earthquake risk factors for property insurance.
- We actively undertook the People's Bank of China's pilot stress testing project on physical risks of climate change, quantitatively assessing the impact of climate risks on insurance claims and solvency.
- We participated in the 14th Five-Year Plan Key R&D Program of the Ministry of Science and Technology of the People's Republic of China, titled *Research and Application Demonstration on Key Insurance Technologies and Standards for Major Hazard-Bearing Objects in Typhoon and Flood Catastrophe Chains.* Focusing on the insurance compensation mechanism for property structure damage and bulk crop losses caused by typhoons and floods, integrate an insurance and reinsurance loss and risk assessment business platform for typhoon and flood catastrophe chains, and carry out application demonstrations of the model platform in the eastern coastal regions.
- We undertook an annual research project commissioned by the Insurance Society of China, producing the research report Construction of a *Catastrophe Insurance System with Chinese Characteristics in the New Era: Functions, Mechanisms and Practice.*
- We participated in the "Artificial Intelligence and Climate Finance" research project led by the Chinese Academy of Sciences, publishing the *Research Report on Insurance Climate Risk Management and Artificial Intelligence Technology Applications,* which systematically analyzes the impacts of climate change on insurers and explores the role of AI in insurance climate risk management.
- In collaboration with the Beijing Meteorological Service, we conducted a dedicated study and produced the report *Research on the Impact of Heavy Rainfall and Earthquake Disaster Risk on Insurance Business and Underwriting Strategy across China.*

Internal topic research

- We conducted dedicated research on "Catastrophe Risk and Agricultural Catastrophe Insurance," focusing on major climate disasters including tropical cyclones and floods, and carried out risk assessment and response strategy research.
- We conducted research on "The Impact of Typhoon and Traditional Factors on the Pricing of Multiple Property Insurance Products." Using six categories of Hong Kong property insurance products as a sample and focusing on the interaction between typhoon climate factors and traditional pricing variables, we applied a "stochastic event generation, hazard intensity, vulnerability, financial allocation" model alongside standardized metrics such as annual average loss to quantify the compounded risk of dual factors and refine the distribution of loss tiers.

Management of Impacts, Risks and Opportunities

Addressing Climate Risks

Risk Type		Description of the Impact of Risks on the Business Operations		Time Horizon	Level of Impact	Response
Physical risk	Acute physical risk	The frequency of extreme weather and natural disaster events has increased significantly.	**Insurance side:** Underwriting risks of property insurance businesses such as auto insurance and agricultural insurance have increased accordingly. It may lead to an increase in reinsurance prices and increase the cost of liabilities. **Investment side:** Investment targets in infrastructure, real estate and other fields may be affected by extreme weather, which affects the asset value of the investment portfolio. **Operation side:** Extreme weather may affect operational workplaces and data center operations.	Short, medium and long term	High	**Insurance side:** Optimize the catastrophe risk assessment model and incorporate climate change factors into insurance risk assessment and pricing. Strengthen the application of technical tools such as natural disaster risk monitoring, pay attention to risk investigation, and formulate relevant plans. **Investment side:** Regularly review ESG investment strategies, assess the impact of physical risks on asset portfolios, and conduct stress tests. **Operation side:** Improve the disaster recovery and resilience capabilities of data centers, ensure business continuity, and reduce the risk of loss of data and information of the Company.
Physical risk	Chronic physical risk	Climate change may lead to irreversible and chronic risks such as sea level rise, continuous rise of average temperature, and frequent high temperature and heat waves.	**Insurance side:** Insurance clients are affected by the more complex climate, property loss insurance is facing the risk of increased compensation, and the life insurance business is also facing more operational challenges due to the impact of climate change on human health and longevity. **Investment side:** Chronic physical risk may increase the proportion of climate-affected portfolios, impacting portfolio value.	Long-term	Medium	**Insurance side:** Strengthen professional research on the impact of long-term temperature rise on health and longevity, and provide reference for the development of life insurance business. Tracking the incidence data of the insurance industry experience, optimizing actuarial management, and assessing the risk of incidence change; Risk transfer through reinsurance. **Investment side:** Establish an investment risk stress test assessment model based on climate change scenarios, moderately adjust investment strategies, and gradually and orderly control the proportion of investment in industries greatly affected by chronic physical risks.
Transition risk	Policy and legal risk	Climate-related policies and legal requirements are increasingly tightening, making traditional industries face a more severe test of low-carbon transformation.	**Insurance side:** Insurance customers in some industries may face compliance risks during the low-carbon transition, resulting in an increase in the probability of compensation. **Investment side:** If investment positions are concentrated in high-carbon emission industries, with stricter carbon emission limits, it may lead to asset impairment. **Operation side:** The country is promoting the development and construction of green buildings and green data centers, and it is necessary to increase investment in energy-saving renovation and increase operating costs.	Short, medium and long term	Medium	**Insurance side:** Pay attention to the relevant policies and regulatory requirements of national green finance, rationally plan the key directions of business development, increase product constraints, optimize and adjust actuarial models and underwriting procedures, and strengthen claims management. **Investment side:** Improve the green investment system, prudently assess investment risks in high-carbon industries, and gradually and orderly reduce the carbon intensity of asset portfolios. **Operation side:** Take green office, green data center and green building construction as an important aspect of its own sustainable development.
Transition risk	Technical and market risk	With the rapid development of new technologies such as clean energy, energy consumption standards in different industries have been improved.	**Insurance side:** The market demand for green products and services has increased, traditional technologies have been accelerated, and precise pricing of new technology underwriting has faced challenges. **Investment side:** Technology improvement and business structure adjustment may affect the operating cost and competitiveness of some investment targets, and if the transformation fails, it will bring asset impairment risk.	Medium and long term	Medium	**Insurance side:** Establish a team of insurance experts, strengthen cooperation with third-party professional institutions, follow up the development of new low-carbon technologies, and form an accurate pricing mechanism and risk control scheme. **Investment side:** Use proactive strategies such as shareholder participation and due diligence to guide or influence the technological improvement of investment targets and reduce the risk of transformation failure.
Transition risk	Reputation risk	Addressing climate change has become one of the most concerned sustainable development issues at home and abroad.	**Insurance side and investment side:** The Company's climate action has attracted the attention of stakeholders, and if it is not effectively implemented, it may be inquired and questioned by stakeholders, which may have a negative impact on the brand image and reputation.	Short to medium term	Low	**Insurance side and investment side:** From the perspective of climate change response, the Company established and maintained trust between brand equity and stakeholders, disclosed the progress of the Company's ESG work in a timely manner, and established an ESG brand image.

Seizing Climate Opportunities

Risk Type	Description of the Impact of Risks on the Business Operations		Time Horizon	Level of Impact	Response
Products, services and market opportunities	China's green financial market has accelerated, and the low-carbon transformation and development of society has generated new demand for green insurance and services.	**Insurance side:** Fully leverage the professional ability of risk management, assist insured enterprises in carrying out climate risk assessment, monitoring and early warning, and provide climate risk reduction services. **Investment side:** The demand for green financing continues to increase, and there is huge room for growth in the scale of green investment.	Short, medium and long term	High	**Insurance side:** Actively innovate products and services in the fields of low-carbon technology, carbon market, ecological carbon sink, green transportation and catastrophe insurance, and strengthen the application of the new model of "insurance + service + technology" in green insurance. **Investment side:** We actively participated in the construction of green projects, steadily increased the proportion of green investment, and launched ESG and carbon neutral themed asset management products.
Resource efficiency and energy source opportunities	With the development of new technologies, the utilization rate of clean energy has been popularized, and the efficiency of resource use has been improved.	**Operation side:** Helps reduce operating costs in the medium and long term.	Medium and long term	Medium	**Operation side:** Strengthen the management of workplace energy consumption, promote the low-carbon construction, transformation and upgrading of workplaces and data centers in an orderly manner, monitor energy consumption, carry out the construction of carbon-neutral outlets and green outlets, set up incentive measures, and give special financial support or rating certification to outstanding practice institutions.

Climate Risk Response and Practices

Through a rigorous and systematic risk management framework, PICC has fully embedded climate-related risks into its enterprise-wide sustainable risk management system, continuously refining its climate risk management processes. The Company incorporates climate risk factors into its actuarial models and delivers targeted risk reduction services that help clients mitigate losses arising from climate-related disasters.

P&C Climate Risk Assessment and Management Process

1 Identification

- Collect climate historical data, analyze change trends, and use statistical models and climate prediction models to determine future climate change in specific regions.
- Based on the identified climate factors, we combed the insurance business data and identified the peak payment periods and high payment areas related to climate factors to identify businesses and customers that are more susceptible to climate risks.

2 Assessment

- Establish a risk assessment model to evaluate climate risks by combining climate data and insurance business data. Determine the degree of risk impact, consider the degree of damage to the insured object once the risk occurs, and explore the calculation of risk value or expected loss.

3 Monitoring

- Establish an ESG risk indicator system, dynamically track the operating indicators of insurance business, judge the impact of climate risks on insurance business, and timely adjust risk response strategies. Regularly review risk assessment and response strategies, and continuously improve risk management processes and strategies.

4 Response

- Avoid risk, optimize and adjust the underwriting strategies, terms and scope of high-risk businesses.
- Reduce risks, strengthen technological empowerment, and provide risk reduction services.。
- Facilitate risk transfer by diversifying exposures through reinsurance arrangements. Develop and promote innovative climate risk-related financial instruments to transfer risks to the capital markets.
- Accelerate the progress of survey, loss assessment and claim settlement.

Incorporation of Climate Factors into Actuarial Models

By extensively collecting climate-related natural disaster data across a wide range of variables, PICC has established a meteorological database spanning back to 2000, covering 350 national weather stations and encompassing key indicators such as wind speed, rainfall, and temperature. Leveraging probabilistic models built for disasters including typhoons and heavy rainstorms, climate risk environmental data has been integrated into core business applications, including insurance product development, pricing, and risk assessment. This capability now covers nearly 95% of agricultural insurance business lines, including cost-based agricultural insurance, comprehensive income insurance, and weather index insurance. In the reserve evaluation process, climate-related risk factors are given full consideration. Drawing on established patterns in catastrophe claims development, the Company continuously refines its actuarial assumptions and models to reasonably quantify the potential impact of extreme weather events on reserves, and dynamically assesses climate risk exposure across its insurance business.

Incorporation of Climate Factors into Actuarial Models

1 R&D

- PICC systematically tracks domestic and international climate catastrophe risk developments, analyzes and forecasts annual global and domestic climate catastrophe risk trends; quantifies its cumulative exposure to climate-related risks, and identifies direct climate catastrophe risks alongside their corresponding catastrophe risk capital requirements; conducts research into the correlation between climate indices such as ENSO and tropical cyclone and typhoon activity in the Northwest Pacific, and draws on catastrophe and loss data to assess and estimate catastrophe loss ratios across various lines of insurance business.

2 Verification

- PICC integrates external meteorological disaster index data into its existing actuarial models to conduct rigorous quantitative climate risk assessments through a three-pronged approach: (1) analyzing the causative factors behind different natural disasters and establishing loss distributions by disaster type; (2) conducting vulnerability research by back-testing climate data against historical claims data to validate model accuracy; and (3) embedding climate risk models into actuarial pricing models to measure the loss impact factors of climate disaster risks across different insured subjects.

3 Transformation

- PICC independently developed the proprietary "Catastrophe Anlan" platform, integrating over 99 million risk data entries across nine categories, including meteorology, geography, and structural data. The platform features risk maps covering eight types of natural disasters such as rainstorms and floods, and provides comprehensive functions including disaster risk analysis, scenario simulation, and real-time monitoring and early warning.

4 Application

- PICC continuously updates its climate risk database, refines its climate risk models, and regularly upgrades its iterative pricing models, enabling differentiated pricing based on the geographic risk profile of individual insured subjects and enhancing overall risk identification capabilities.
- PICC leverages the "Catastrophe Jingwei" platform to develop an actuarial model-driven underwriting capacity deployment algorithm, strengthening the timeliness of meteorological disaster data and catastrophe risk accumulation tracking, and enabling rapid post-disaster loss estimation.

Climate Risk Mitigation Management

At the pre-insurance stage, we deepen our risk research and development efforts, build robust risk analysis models, and establish a comprehensive pre-insurance risk survey service system. We implement full-scale digital risk surveys for customers in key sectors, and provide standard and professional risk survey services for medium- and high-risk industries and customers. Through in-depth assessment of customer risk profiles, we deliver comprehensive insurance protection services alongside targeted recommendations for rectifying potential risk hazards.

During the insurance, we continuously carry out meteorological and IoT-based early warnings, conduct regular fire prevention inspections and flood control checks, partner with third-party professional institutions to provide risk hazard investigation services, and deliver routine risk education, training, and disaster emergency drills for key customers.

At the pre-disaster stage, we send disaster weather warnings and disaster prevention guidelines to customers via SMS, WeChat, and other channels, assist high-risk customers in identifying potential hazards, deliver point-to-point risk alerts, and provide face-to-face guidance on pre-disaster response measures. In 2025, we issued 36.83 million early warning messages ahead of disasters, assisting farmers in harvesting nearly 378,000 mu of agricultural insurance crops.

During the disaster, we coordinate across four levels, i.e. group, provincial, prefectural, and county, strictly maintain a 24-hour duty system, and rapidly respond to customer needs. We actively provide rescue services across auto insurance, property insurance, engineering insurance, household property insurance, and agricultural insurance, striving to minimize losses. In 2025, we carried out more than 28,700 rescue sorties operations during disasters and maintained watch over more than 6,500 high-risk locations.

At the post-disaster stage, we accelerate our survey, loss assessment, and claims settlement processes to help customers restore normal production and daily life as quickly as possible, and conduct case-by-case reviews of major disasters and incidents to compile a repository of typical cases. In 2025, we provided 28,000 post-disaster risk management recommendations to disaster-affected customers.

Pre-disaster

early warning messages issued

36.83 million

During-disaster

rescue sorties operations carried out more than

28,700

Post-disaster

post-disaster risk management recommendations provided to disaster-affected customers

28,000

Case: A New Collaborative Model for Precise Catastrophe Risk Financial Response

PICC P&C focuses on the precise prevention and control of major natural disaster risks, including typhoons and rainstorms, and has developed a "Multi-Party Collaborative Model for Precise Catastrophe Risk Financial Response," recognized as a key achievement at the 2025 Financial Street Forum Annual Meeting.

New pattern: PICC P&C has united seven stakeholder groups, emergency management authorities, meteorological departments, local governments, insurance companies, surveying and mapping institutions, technology enterprises, and scientific research institutes, forming a new catastrophe risk response framework built on collaborative governance and shared resources.

New breakthrough: PICC P&C has achieved precise and rapid simulation of rainstorm and flood scenarios by systematically integrating multi-source data, including 55 historical typical rainfall records, observation data from 450 meteorological stations (3km × 3km), 30-meter precision DEM elevation data, more than 3,500 insurance claims records, and 14,000 risk control data points. Leveraging advanced technologies such as urban high-precision rainstorm and flood simulation, PICC P&C has established dedicated simulation tools to conduct precise early warnings and dynamic risk assessments across key indicators such as inundation depth, scope, and duration.

Shift from Experience-driven to Data-driven

Data Governance	×	Advanced Technologies
Refined Meteorological Data		Beidou Positioning Technology
Insurance Claims Data		Rainstorm and Flood Model
DEM Data		Satellite Remote Sensing Technology
IoT Monitoring Data		

New application: First, building on the rainstorm and flood simulation platform, PICC P&C scientifically allocates human and material resources to enable precise prevention and control of key villages, communities, and enterprise assets. The platform assists in deploying survey teams, guides the replenishment of disaster prevention materials, supports flood control inspections, and enables grid-based incident reporting management. This new model has assisted in completing more than 1,000 water-related risk assessments and underwriting cases for enterprise property insurance. Second, PICC P&C has integrated cutting-edge technologies, including BeiDou positioning and IoT monitoring, to upgrade traditional survey and loss assessment methods, substantially improving both the accuracy and efficiency of loss determination.

In response to natural disasters, including the earthquake in Dingri County, Xizang, the catastrophic floods in Rongjiang and Congjiang in Guizhou, and Typhoon Ragasa, PICC immediately activated its group-wide unified, vertically coordinated emergency claims response mechanism, rapidly deployed claims emergency service resources, and formulated dedicated disaster claims work plans, with the group headquarters and branch entities working in close coordination. PICC has continued to strengthen the role of catastrophe insurance within the disaster governance system, and has steadily refined its "multi-peril, multi-year, multi-layer" catastrophe insurance protection framework.

Local catastrophe insurance coverage extended to
23 provinces and **157** cities (including counties under direct provincial administration)

Protected a population of
480 million

Disaster emergency drills conducted more than
400

Natural disasters and emergencies responded
244

Disaster claims emergency responses activated more than
100

Disaster compensation efficiently paid out more than
13 billion yuan

— Quick response to emergency rescue in disasters

PICC has established a claims rescue team of more than 6,700 personnel. During disasters, local claims rescue teams remain on standby around the clock, assisting government emergency departments in conducting timely, wide-ranging rescue operations.

— Advance post-disaster survey and claim settlement in an orderly manner

PICC has opened a green channel for disaster claims, optimized the claims process, and simplified claims procedures. PICC implements dedicated disaster claims policies, applying the "Three Exemptions, Four Fasts"[1] protocol for auto insurance, and the "One Exemption, Three Fasts"[2] protocol for enterprise property insurance and engineering insurance , comprehensively accelerating compensation efficiency.

Notes: 1. "Three Exemptions, Four Fasts" protocol: exempting on-site surveys, meteorological certifications, and accident rescue fees, while ensuring rapid rescue, rapid loss assessment, rapid repairs, and rapid compensation.
2. "One Exemption, Three Fasts" protocol: exempting accident certificates, while ensuring rapid surveys, rapid rescue, and rapid advance payments.

Scenario Analysis and Stress Testing

PICC continuously monitors the latest requirements and progress of international organizations, regulatory authorities, and domestic and international peers in the field of climate risk stress testing. In 2025, PICC launched climate risk scenario analysis and stress testing on both the liability and asset sides, conducted in-depth climate adaptability assessments, and has steadily enhanced its capacity to manage climate change-related risks.

Asset side

On the asset side, we draw on mainstream international technical frameworks and stress scenarios to build a climate risk stress testing system tailored to the Company's actual conditions. We conduct stress tests covering both physical risks and transition risks, apply matrix-based analysis to assess the impact of different climate scenarios on the investment portfolio, and report stress testing outcomes to management.

Scenario Selection

We adopt scenarios consistent with the latest international climate agreements and nationally determined contributions, primarily referencing the frameworks of the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). We conduct transition risk stress tests based on three scenario categories, the 1.5°C Scenario, the Below 2°C Scenario, and the 3060 Policy Scenario, and further incorporate the extreme high-carbon-emission scenario (IPCC RCP8.5) for physical risk stress testing, in alignment with the *Paris Agreement* and nationally determined contribution requirements.

Time Horizon

The climate risk resilience analysis spans the period from 2030 to 2060, with key milestones set at five-year intervals to assess portfolio performance across short-, medium-, and long-term horizons.

Test Process and Results

Transition risks:

To address transition risks, we construct industry-specific climate transition risk transmission models, quantitatively analyze factors affecting corporate carbon emission costs, including carbon prices, corporate carbon volumes, and free quota ratios, calculate climate value-at-risk, and generate portfolio-level transition risk classifications. Results indicate that the proportion of equity and bond assets in the Company's portfolio exposed to climate-related transition risks remains low, demonstrating strong climate resilience.

PICC Group Portfolio Transformation Risk Level

2050 Net Zero Scenario (1.5°C Scenario)				Below 2°C Scenario				NDC Scenario (3060 Scenario)			
2030	2040	2050	2060	2030	2040	2050	2060	2030	2040	2050	2060
1	3	3	4	1	1	2	3	1	1	1	2

Notes: 1.1 – Low Risk, 2 – Relatively Low Risk, 3 – Moderate Risk, 4 – Relatively High Risk, 5 – High Risk
2. Accounting based on the position data at the end of 2024.

Physical risks:

For physical risks, we focus on those arising from typhoons, floods, and droughts. Based on the physical risk assessment framework proposed by the IPCC, and drawing on historical climate disaster loss data as well as forward-looking climate projections, we comprehensively assess the physical risk levels of regions where investment assets are located across different time horizons and climate scenarios. This enables us to map the distribution of physical risk levels across the investment portfolio. The results indicate that the Company's equity and bond investments are overall exposed to relatively low physical risk. Given the long-term, complex, and uncertain nature of climate change, the Company will continue to refine and enhance its climate risk analysis models and conduct regular assessments to ensure effective management of climate-related risks.

Physical Risk Level of PICC Group's Investment Portfolio

	2050 Net Zero Scenario				Below 2°C Scenario				NDC Scenario				RCP8.5 Scenario			
	2030	2040	2050	2060	2030	2040	2050	2060	2030	2040	2050	2060	2030	2040	2050	2060
Typhoon	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Flood	1	1	1	2	1	1	1	1	1	1	2	2	1	1	2	2
Drought	1	1	1	1	1	2	2	2	1	2	2	2	1	2	2	2

Notes: 1. 1 – Low Risk, 2 – Relatively Low Risk, 3 – Moderate Risk, 4 – Relatively High Risk, 5 – High Risk
2. Accounting based on the position data at the end of 2024.

Liability side

We continuously strengthen our risk management framework, focusing on extreme weather events and comprehensively accounting for macroeconomic policies, regulatory requirements, and climate risk characteristics. We conduct liability-side climate physical risk stress tests to systematically assess the potential impact of natural disasters, including typhoons, rainstorms, and floods, on our insurance business under different climate scenarios, and steadily improve our capabilities in climate risk identification, quantitative assessment, and adaptation.

Stress test subjects

Insurance types: We select enterprise property insurance, household property insurance, engineering insurance, vehicle damage insurance, and agricultural insurance (crop insurance) as the insurance types for stress testing, given their relatively high exposure to climate risks within PICC P&C.

Disaster causes: Based on China's regional natural disaster characteristics and our claims experience, we select rainstorm floods and typhoons as the disaster causes for stress testing.

Scenario selection

Based on the climate scenario framework developed by the Network for Greening the Financial System, the Company conducts climate scenario and stress testing on the liability side. The selected scenarios include the Net Zero 2050 Scenario, the Below 2°C Scenario, the Delayed Transition Scenario, the Nationally Determined Contributions (NDC) Scenario, and the Current Policies Scenario (CPS).

The climate risk resilience analysis spans the period from 2030 to 2060, with key milestones set at five-year intervals to assess insurance performance across short-, medium-, and long-term horizons.

Test process and results

Using Monte Carlo simulation and informed by academic literature together with internal and external datasets, we model the transmission pathways between climate scenario–driven natural disasters and our business portfolio, and develop dedicated physical risk loss models for each insurance line.

Results indicate that insured losses from rainstorm floods and typhoons show a gradual upward trend over time, though the rate of increase remains moderate and overall risk levels stay within a controllable range. Under the impact of rainstorm flood and typhoon disasters, the total annual average loss increases across all insurance types in 2030 remains low, not exceeding 5%. By 2040, total annual average losses across all insurance types increase slightly, remaining below 10%. By 2050, total annual average loss increases across all insurance types remain within 20%. Beyond 2050, total annual average losses across various insurance types are projected to rise further. By 2060, under the Current Policies Scenario, total annual average losses from rainstorm floods may increase by more than 20%, and total annual average losses from typhoons may increase by more than 10%.

Table of Changes in Annual Average Loss Amount from Rainstorm and Flood Disasters

	2030	2040	2050	2060
Net Zero 2050 Scenario	≤5%	5%-10%	5%-10%	5%-10%
Below 2°C Scenario	≤5%	5%-10%	10%-20%	10%-20%
Delayed Transition Scenario	≤5%	5%-10%	10%-20%	10%-20%
NDC Scenario	≤5%	5%-10%	10%-20%	10%-20%
Current Policies Scenario	≤5%	5%-10%	10%-20%	20%-30%

Table of Changes in Annual Average Loss Amount from Typhoon Disasters

	2030	2040	2050	2060
Net Zero 2050 Scenario	≤5%	≤5%	5%-10%	5%-10%
Below 2°C Scenario	≤5%	5%-10%	5%-10%	5%-10%
Delayed Transition Scenario	≤5%	5%-10%	5%-10%	5%-10%
NDC Scenario	≤5%	5%-10%	5%-10%	5%-10%
Current Policies Scenario	≤5%	5%-10%	10%-20%	10%-20%

Metrics and Targets

PICC has formulated green finance and ESG development plans to define green development goals and priority tasks. Over the next five years, the Company will make coordinated efforts across the insurance, investment, and operations dimensions to systematically strengthen its climate resilience.

Key Indicators	Management Goals	Progress in 2025
Carbon emissions from operations	Explore the path of carbon neutrality in our own operations, and take multiple measures to reduce the level of carbon emissions from operations.	PICC launched its first system-wide operational carbon inventory. In 2025, total GHG emissions across the full system (Scope 1, Scope 2, and employee business travel) amounted to 547,366 tCO_2e, with a per capita carbon emission intensity of 3.04 tonnes per person.
Carbon emissions of portfolio	Carry out regular portfolio carbon emission (Scope 3) calculation, and increase the proportion of green investment in an orderly manner.	Total carbon emissions of PICC Group's investment portfolio: equities at 2,196,603.67 tCO_2e and bonds at 12,036,992.14 tCO_2e. Carbon intensity: equities at 25.58 tCO_2e/million yuan AUM and bonds at 30.29 tCO_2e/million yuan AUM.
Strengthen special research on climate risks	Carry out forward-looking research on climate risks and insurance protection, and promote the deep integration of climate risks into actuarial management.	PICC has actively participated in the revision of solvency regulatory rules and climate risk stress testing led by regulatory authorities, and has conducted internal research focusing on catastrophe risk assessment and climate factor pricing models, producing multiple research outputs.
Conduct climate scenario analysis and stress testing	Identify and quantitatively analyze the medium-and long-term financial impact of climate risks on the business through climate scenario analysis and stress testing.	PICC has conducted climate risk scenario analysis and stress testing on both the liability and asset sides, refined its climate risk management mechanisms, and strengthened its overall climate risk management capabilities

Developing Green Insurance

Green insurance business provided total insurance liability coverage of

267 trillion yuan

PICC continues to expand and refine its green insurance product system, striving to leverage the role of insurance in supporting the comprehensive green transformation of economic and social development. The Company provides specialized financial services for key areas such as energy transition, carbon sequestration and sinks enhancement, pollution reduction and emissions control, and ecological and environmental protection. In 2025, its green insurance business provided total insurance liability coverage of 267 trillion yuan, further enhancing the quality and effectiveness of green insurance operations.

Improving Green Insurance Management

Conducting ESG risk identification for insurance customers

PICC has formulated and issued the *Guidelines on Environmental, Social and Governance (ESG) Risk Assessment Methods for Insurance Customers of PICC Group,* and established a customer ESG risk rating methodology that aligns with the operational characteristics of insurance and integrates with underwriting pricing management logic through statistical algorithm models. PICC has optimized underwriting decisions based on ESG assessment results, explored an insurance premium rate floating mechanism linked to ESG risks, and piloted the initiative across three insurance subsidiaries in property, life, and health insurance in 2025, strengthening the Company's green insurance risk management capabilities.

Improving the statistical system for green insurance business

PICC has established a unified group-level green insurance statistical system, clarifying two-dimensional judgment criteria covering both green insurance products and customers, within the framework of regulatory statistical requirements and aligned with the Company's actual operations. PICC has simultaneously developed a green insurance management system to deliver core functions including automated collection and inquiry of green insurance data and customer inquiries, providing robust digital support for automated and refined green insurance management.

Exploring environmental measurement methodologies for green insurance

PICC has compiled and published the *Methodology for Environmental Benefit Measurement of Green Insurance,* and established an environmental benefit measurement framework tailored to insurance activities. This framework effectively measures the energy-saving and emission-reduction impact of insurance business, demonstrates the functional value of insurance in serving green and low-carbon development, and supports the transformation of green insurance from "scale growth" to "quality improvement."

PICC Released the *Methodology for Environmental Benefit Measurement of Green Insurance*

At the "China-Europe Insurance Innovation Forum" during the 2025 Financial Street Forum Annual Meeting, PICC released the *Methodology of Environmental Benefit Measurement of Green Insurance.*

$$\text{Insurance Business Environmental Benefit} = \sum \text{Financial Attribution Factor}_i \times \text{Project}_i\ \text{Environmental Benefit}$$

$$\text{Attribution Factor} = \frac{\text{Premium}}{\text{Revenue or Cost}}$$

Numerator Premium represents the total risk borne by the insurance Company in the value chain, reflecting the results of risk assessment and prediction. Under the law of large numbers, the expected fund payout of each insured entity is closer to the premium result (from the perspective of all underwritten businesses of the insurance Company, the average contribution is closer to the premium income).

Denominator Revenue is used to reflect the risk scale of the insured commercial activity or entity. When the insured project does not involve revenue (e.g., new energy vehicle insurance), operating costs with a similar concept are considered for measurement.

Advancing the Development of Green Insurance

Serving the energy "carbon reduction" transition and supporting clean, low-carbon development

PICC has supported the stable operation of new energy projects, actively engaged with major power construction groups including PowerChina and China Energy Engineering Corporation Limited, and expanded its supply of insurance products across new energy sectors such as wind power, photovoltaics, hydropower, new energy storage, and hydrogen energy. PICC has developed the "PICC Photovoltaic Power Generation Loss Risk Pricing Model" to compensate insured power stations for generation losses caused by insufficient solar irradiance or abnormal system energy conversion efficiency, effectively mitigating power generation loss risks. In 2025, PICC provided risk protection for clean energy industry 18.1 trillion yuan.

Risk protection provided for clean energy industry

18.1 trillion yuan

Development of the "Photovoltaic Power Generation Loss Risk Pricing Model"

In May 2025, PICC P&C released the "PICC Photovoltaic Power Generation Loss Risk Pricing Model" at the 27th China Beijing International Science and Technology Industry Expo, achieving risk quantification of generation losses at distributed power stations and enhancing the Company's risk assessment and pricing capabilities in the photovoltaic sector. The "Distributed Photovoltaic Power Generation Income Loss Insurance" product developed on the basis of this model secured its first-ever national placement in Ningbo, providing risk protection exceeding 50 million yuan for 200 photovoltaic power station projects across 16 cities in 6 provinces nationwide.

Serving industrial "pollution reduction" upgrades and easing ecological governance pressures

PICC has continuously advanced the national pilot program for compulsory environmental pollution liability insurance, participated in formulating the *Guidelines for Risk Control Services of Environmental Pollution Liability Insurance* (T/SHAEPI 020-2025), and established a closed-loop risk control system covering risk assessment, service initiation, in-coverage services, and evaluation feedback, supporting ecological and environmental governance. PICC has promoted the "environmental liability insurance + environmental risk monitoring" model, established China's first direct compensation and restoration center for ecological and environmental damage under environmental liability insurance, and delivered "one-stop" direct compensation services for insured enterprises, improving environmental risk management efficiency and meaningfully reducing the compliance burden on businesses. In 2025, PICC provided liability risk protection for environmental pollution totaling 19.8 billion yuan, and provided approximately 13 trillion yuan in risk protection for ship pollution risks.

Serving the "greening expansion" of green waters and mountains and enhancing ecosystem carbon sequestration capacity

PICC has explored the "carbon sink + insurance" model, promoting the integration of marine insurance, wetland insurance, and forest insurance with carbon sink valuation, carbon sink pledging, and carbon sink financing, and has innovated kelp carbon sink insurance and freshwater wetland carbon sink value insurance. PICC has continued to expand its green ecology-oriented insurance offerings, supporting ecosystem security and biodiversity protection, and secured the first forestry germplasm resource protection insurance placement in China, addressing the challenges of high investment, long cycles, and significant risks in germplasm resource conservation. In 2025, PICC underwrote forest areas exceeding 1 billion mu, providing robust protection for enhancing forest stock volume and carbon sequestration capacity.

Innovative Launch of "Wetland Management and Protection Cost Loss Insurance"

In 2025, PICC P&C's Fuzhou Branch in Jiangxi Province placed the "Wetland Management and Protection Cost Loss Insurance" in Le'an County, providing 2.12 million yuan in risk protection for 2,120 mu of local wetlands. The product supports the transformation of ecological product value mechanisms, reduces the management and protection burden on wetland ecosystems, and achieves the dual goals of economic compensation and ecological conservation.

China's First "Kelp Carbon Sink Index Insurance" Placement

In 2025, PICC P&C Fuzhou Branch in Fujian Province launched the "Kelp Carbon Sink Index Insurance," incorporating the carbon sequestration capacity of kelp into insurance coverage for the first time, providing risk protection for 2,248 mu of kelp carbon sink and supporting marine ecological protection and blue economy development.

Serving green economic "growth" and supporting the development of green industries

PICC has released a green computing industry risk solution for the "East Data, West Computing" initiative, supporting the safe development of the new energy storage industry. PICC has launched the "Energy Storage Safety Insurance" comprehensive insurance scheme focusing on new energy storage safety risks, building a multi-layered protection framework covering property, transportation, products, performance, and emerging risks. In collaboration with the China Association of Automobile Manufacturers, PICC has participated in formulating the group standard *Technical Specifications for Thermal Runaway Early Warning Systems for Electric Vehicles* and contributed to three battery combustion tests, providing scientific data to support risk prevention and control. In 2025, PICC underwrote 15.56 million new energy vehicles, representing a year-on-year increase of 34.3%, providing risk protection of 42.6 trillion yuan. PICC has also launched an overseas new energy vehicle insurance initiative to support China's new energy vehicle sector in expanding into international markets.

Underwrote new energy vehicles

15.56 million

Year-on-year increase

34.3 %

Release of China's First "East Data, West Computing" Green Computing Industry Risk Solution

In 2025, PICC P&C released China's first green computing industry risk solution for the "East Data, West Computing" project at the 2025 Green Computing Power (Artificial Intelligence) Conference. The solution provides coverage for conventional risks facing upstream photovoltaic and wind energy storage power stations during construction and operation, delivers long-term quality and performance guarantees for new energy equipment, and compensates for distributed photovoltaic generation losses. It also provides protection against network attacks, software and hardware failures, and cloud service interruptions facing midstream computing power centers, and offers network and data security risk protection for downstream large models and data platforms.

Investment scale serving green development reached

160 billion yuan

Practicing Green Investment

PICC upholds the long-term nature of insurance funds, has refined its green (ESG) investment management system and processes, and fully integrates ESG factors throughout the investment decision-making workflow. PICC conducts portfolio carbon emission measurements, steadily increases the proportion of green investments, and provides financial support for low-carbon and energy-saving industries, clean energy, and renewable energy sectors. In 2025, PICC's investment scale serving green development reached 160 billion yuan.

Optimizing Green Investment Management

Improving the ESG investment management system

PICC has formulated the Group's *Green Investment Work Guidelines,* clarifying the organizational framework, key focus areas, and work requirements for green (ESG) investment, and has developed differentiated investment strategies tailored to the characteristics of each sector and prevailing market conditions. Under the Group's overarching green investment framework, each investment subsidiary has refined its management rules, incorporated ESG factors into information systems for ongoing management, and carried out green investment data monitoring, performance evaluation, and related functions. PICC has continued to strengthen ESG investment teams, with dedicated personnel at each investment subsidiary taking the lead on ESG investment activities to ensure the effective delivery of annual priorities.

Promoting the integration of ESG into investment management

Insurance subsidiaries, acting as the entrusting parties, formulate annual entrusted investment guidelines to govern trustee investment behavior. Investment subsidiaries, acting as trustees, have further refined green (ESG) investment requirements and embedded them throughout the entire investment workflow. In investment research and due diligence, key ESG risk due diligence considerations are defined according to the industry and regional characteristics of proposed investments, including equities, bonds, non-standard assets, and REITs, ensuring pre-investment evaluations are comprehensive and thorough.

	Standardized assets	Alternative assets
Pre-investment	We establish assessments of negative ESG factors and risk control countermeasures for counterparty ESG risks, embedding ESG negative screening strategies into the system as a mandatory control.	We take ESG risk as a key consideration in project review and investment decision-making.
During-investment	We incorporate ESG into the credit rating process to achieve full coverage of standard bonds, track the ESG performance of bond holdings, and mitigate ESG risks. We explore the introduction of ESG factors into equity valuation models, and regularly review ESG performance changes of individual stocks in the investment pool to dynamically adjust the stock pool.	We strengthen contract terms by incorporating ESG management commitments and breach-of-contract remedies. We formulate ESG compliance due diligence checklists and prudent transaction lists, and use the ESG risk management status of financing entities as a key basis for fund allocation.
Post-investment	We dynamically monitor ESG risks of held positions, issue timely risk alerts, and formulate and implement targeted management measures.	We urge relevant parties to strengthen ESG risk management in accordance with the ESG risk mitigation measures of alternative projects.

Key Points of ESG Risk Due Diligence in Investment Business

Environmental Risk

We assess the environmental management systems, regulatory compliance, environmental impact assessments, and production emission standards of prospective investees, evaluating their overall environmental risk profile.

Social Risk

We evaluate the impact of prospective investees on local communities, labor rights, and human rights, assessing their social sustainability, social risk exposure, community acceptance, and stakeholder relationships.

Governance Risk

We examine the governance structures, corporate governance practices, internal controls, and risk management frameworks of prospective investees, with particular attention to ethical standards and board independence.

Optimizing the application of ESG investment strategies by asset class

We tailor investment approaches to the requirements of insurance fund utilization, our own business characteristics, and the distinct attributes of each asset class, further strengthening the alignment between asset classes and ESG strategies and improving their on-the-ground effectiveness.

Types of Investment Assets	ESG Investment Strategies	Application of ESG Investment Strategies	Amount of Investment
Fixed income investments	Negative screening ESG integration Thematic investments	At the debt pool entry stage, we introduce an ESG assessment step, established ESG admission standards, and embed a restricted investment list for low-ESG-rated entities directly into the investment trading system as a mandatory control, while strengthening monitoring and early warning of ESG rating changes among held positions.	By the end of 2025, the Group's insurance fund "serving green development" bond investment scale exceeded 117.6 billion yuan.
Equity investment	Negative screening ESG Integration Thematic investments	We actively build a pipeline of investment targets meeting green investment standards, incorporating ESG performance as a key factor in investment pool adjustments. All prospective investments undergo a formal ESG performance evaluation upon pool entry, and equities that fail to meet internal requirements are excluded from the pool.	By the end of 2025, the Group's insurance fund "serving green development" stock investment scale exceeded 9 billion yuan.
Alternative investment	Thematic investments Due diligence management	We establish accelerated maturity clauses for ESG risks in non-standard projects to control overall portfolio ESG risk exposure, conduct ESG due diligence on investment targets, and implement responsible investment stewardship. We actively support the development of clean and low-carbon energy systems and green ecological initiatives, developing and investing in alternative investment projects across the green development space.	By the end of 2025, the Group's insurance funds invested in alternative products of "serving green development" with an investment scale of approximately 18.5 billion yuan.

Note: The statistical scope is the funds in the asset trust system of PICC, among which the alternative investment excludes the non-standard projects issued by PICC Capital.

Shareholder votes participated during the year

22 occasions

Exercising shareholder rights

We have designated dedicated personnel or teams at every level of the investment division to implement ESG stewardship. On the equity securities side, we participate in the governance decision-making processes of listed companies, casting shareholder votes on 22 occasions during the year. In private equity investments, we appoint directors and senior managers to serve at investee companies, leveraging shareholder rights and board representation to advance strategies, targets, and annual plans across key ESG priorities.

Incorporating ESG factors into the credit rating framework

We have formulated a work plan for embedding ESG credit considerations into our credit rating framework, and are exploring the development of standalone ESG credit scoring models for pilot industries. Using our unified credit rating model, we incorporate material ESG risk factors that influence final credit ratings into the "negative adjustment" component, including reputational risk events, control disputes, and issues related to environmental compliance, production safety, and food and drug hygiene. During the due diligence stage, we collect ESG risk information on investee companies and draw on public data and third-party databases to conduct multi-dimensional assessments of corporate ESG performance.

Conducting portfolio carbon accounting

In accordance with the *GHG Protocol: A Corporate Accounting and Reporting Standard (2004)*, the *GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*, and the *Partnership for Carbon Accounting Financials (PCAF) Standard*, we measure the carbon emissions and carbon intensity of our investment portfolio, covering standard assets including equities and bonds. We also research carbon accounting methodologies for non-standard asset types to progressively expand our carbon accounting scope, providing the data foundation and analytical basis for conducting climate scenario analysis, assessing asset transition potential, and reducing portfolio-level carbon emissions.

Carbon Emission and Carbon Emission Intensity of PICC Group's Investment Portfolio

	Total carbon emissions tCO_2e	Carbon emission intensity (tCO_2e/million assets under management)
Stock	2,196,603.67	25.58
Bond	12,036,992.14	30.29

Note: Accounting is based on the position data at the end of 2024.

Increasing Green Investment

We continuously explore the development of ESG-themed products in the form of insurance asset management products, building a portfolio product strategy library, developing benchmark green investment projects, and strengthening our alternative investment capabilities. We steadily scale up asset allocation across green industries, forming a diversified green investment portfolio to support the green and low-carbon transformation and sustainable development of the broader economy and society.

Case PICC Assets Establishes Carbon-Neutral Green Asset-Backed Special Plan

In 2025, PICC Assets, acting as plan manager, successfully established the insurance asset management industry's first quasi-REITs project — the SPIC-PICC Assets-CLP Fujian Clean Energy Infrastructure Carbon-Neutral Green Asset-Backed Special Plan — with a total issuance size of nearly 2.4 billion yuan, supporting clean energy development and advancing the green and low-carbon transformation of the economy and society.

Case PICC Capital Makes 5 Billion Yuan Strategic Investment in State Grid Xin Yuan Company Limited

In July 2025, PICC Capital and State Grid Xin Yuan Company Limited signed a capital increase and equity expansion agreement at China Beijing Equity Exchange, with an investment of 5 billion yuan. The investment supports the construction of State Grid Xin Yuan's pumped-storage power station network, promotes new energy consumption, and provides critical support for the safe, clean, coordinated, and intelligent development of the power grid.

Promoting Green Operations

PICC has vigorously advanced its green operations agenda, strengthening strategic planning and top-level design, formulating dedicated initiatives and supporting policies, proactively conducting a system-wide operational carbon inventory, developing green office environments, and enhancing energy conservation and environmental awareness. The Company continues to raise the standard of green operations management. As a business principally engaged in insurance and related financial services, the Company's operations do not have a significant impact on the environment or natural resources.

Strengthening Green Operation Management

We strictly comply with environmental protection laws and regulations, and conduct a system-wide operational carbon inventory in accordance with strategic planning requirements, including the *Green Finance Development Plan (2024–2027)*. Focusing on efficient energy utilization and low-carbon transformation, we have defined core energy conservation and emission reduction targets, embedding these objectives throughout our operations by promoting paperless working practices, advancing green procurement, and developing green data centers, so as to meaningfully reduce our environmental footprint.

Short-and medium-term goals	Long-term goals	Progress in 2025
Conduct a system-wide carbon inventory to find out the energy consumption at the operation end.	Explore pathways toward operational carbon neutrality, establish an operational carbon emission monitoring and management platform, and take multiple measures to reduce the Company's operational carbon emission levels.	PICC conducted its first-ever system-wide operational carbon inventory, and advanced projects including energy-saving renovations of office premises and energy efficiency improvements at data centers.

Low-carbon repair technologies in auto insurance claims reduced parts replacement by

over **2.61** million components

Conducting an operational carbon inventory

In 2025, PICC launched its first system-wide operational carbon inventory, covering the group headquarters, all member entities, and branches at every level under operational control — about 6,000 operating locations in total. PICC developed an innovative "system collection + manual verification" carbon inventory approach, independently built a digital carbon inventory management platform, standardized energy consumption data parameters, and achieved integrated data aggregation, automated accounting, and dynamic visual monitoring, laying a robust data foundation for the Group to set energy conservation and carbon reduction targets.

Advancing digital operations and the circular economy

PICC has accelerated the adoption of online technologies across insurance operations, developing digital underwriting tools and expanding the use of electronic insurance policies. In 2025, the electronic policy issuance rate for PICC P&C auto insurance (private vehicles) reached 92%. PICC has also promoted low-carbon repair technologies in auto insurance claims, reducing parts replacement by more than 2.61 million components and contributing to a reduction in GHG emissions.

Actively promoting green procurement

In reference to national and industry standards, as well as government procurement requirements for energy-saving, environmentally friendly, and green-certified products, PICC has issued the *Measures for the Administration of Centralized Procurement and the Measures for the Administration of Decentralized Procurement*, prioritizing the procurement of energy-saving and environmentally friendly products. PICC has also established green product listing standards for its "PICC E-Procurement" platform and launched a dedicated green energy-saving zone. PICC has rolled out an electronic bidding platform across all procurement activities, supported by dedicated electronic bid evaluation facilities. In 2025, the end-to-end electronic utilization rate for centralized procurement reached 97.4%.

Building green data centers

We have implemented national green data center construction policies, advancing digital transformation and low-carbon operations in parallel. Our data centers hold Grade I certification under the *Financial Industry Data Center Infrastructure Grading Certification* and Grade A certification under the *Financial Industry Information System Computer Room Power System Certification*. The Northern Information Center has adopted a range of energy reduction measures, including natural cold source utilization, waste heat recovery for heating, energy-efficient diesel generator management, and rainwater harvesting, earning recognition as the insurance industry's first national green computing facility following the implementation of the updated *Green Data Center Evaluation Standard* (GB/T 44989-2024). The Southern Information Center has optimized the load matching of its cooling and power supply systems, achieving a year-on-year reduction in annual average PUE of 7.8% and a significant improvement in energy efficiency.

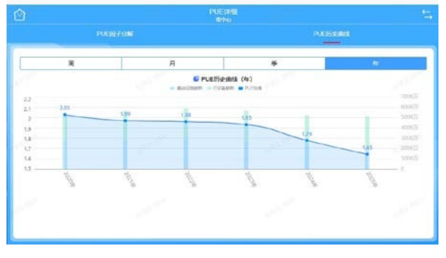
New Progress in Intelligent Operations and Maintenance

The North Information Center has validated reliable automated and intelligent switching across natural cold source, combined refrigeration, and mechanical refrigeration modes, achieving fully unattended automatic operation for HVAC system fault response, scheduled remote rotation, and dynamic load matching.

Overview of group control interface

New Measures for Energy Saving and Consumption Reduction

In 2025, the South Information Center completed online upgrades and replacements of 149 precision air conditioning units across its computer room modules. By applying DC variable frequency technology and comprehensive system tuning, the center has achieved precise matching of cooling and power supply loads on the computer room side.



Change of PUE value in south central computer room

End-to-end electronic utilization rate for centralized procurement reached

97.4%

Grade I certification under the Financial Industry Data Center Infrastructure Grading Certification and Grade A certification under the Financial Industry Information System Computer Room Power System Certification

Insurance industry's first national green computing facility following the implementation of the updated Green Data Center Evaluation Standard (GB/T 44989-2024)

Carbon-neutral outlets established

2

Electricity generated through its own photovoltaic power generation system

104,690kWh

Reducing carbon dioxide emissions by

73.6tonnes

Advancing Energy Conservation and Emission Reduction

Strengthening energy utilization management

We have formulated and implemented dedicated energy conservation and emission reduction plans, systematically improving energy efficiency and upgrading lighting, computer rooms, and major electrical equipment across office areas. We have strengthened refined administrative operations management to drive cost reduction and efficiency gains. The Group headquarters has introduced a printing paper quota allocation system, tightened employee travel management, and encouraged low-carbon commuting and business travel. The Company has actively advanced the development of carbon-neutral outlets. As of the end of 2025, a total of two carbon-neutral outlets have been established. The Jimei Sub-branch of PICC P&C in Xiamen, as the first "carbon-neutral" business outlet in the national insurance industry, generated 104,690 kWh of electricity through its own photovoltaic power generation system over the course of the year, reducing carbon dioxide emissions by 73.6 tonnes.

Energy Saving and Consumption Reduction Measures

Electricity conservation

- Lighting management:We set scheduled on/off periods for lighting in public areas and switch off decorative landscape lighting except where required for essential night illumination or major public holidays.
- Key energy consumption control: In high-consumption areas such as air-conditioned server rooms and electrical distribution rooms, only essential lighting is maintained and activated on demand.
- Daily management: We maximize the use of natural light, enable automatic screen savers on monitors, switch off standby power after working hours, and require the last person leaving to power down air conditioning, printers, and lighting.

Gas conservation

- Inspection and maintenance: We have established a weekly inspection regime for gas equipment, with regular checks of valves and pipelines and cleaning of burner ports to prevent gas leaks and incomplete combustion.
- Operation control: We match equipment output to actual energy needs, avoiding oversized equipment for small loads, and strictly prohibit dry burning and sustained open-flame operation.
- Process optimization: We actively use waste heat for food preheating and water heating to improve energy utilization efficiency.
- Data monitoring: We regularly record and analyze gas consumption data, track usage trends, and promptly investigate anomalous consumption.

Heat conservation

- Thermal insulation: We strengthen building insulation and sealing management, maintaining the integrity of walls, doors, windows, and vents in offices and equipment rooms to minimize heat loss.
- Temperature control: We apply a scientific approach to heating temperature settings, reducing heating parameters during public holidays and non-working hours to the minimum level required to prevent freezing.

Strengthening water resources utilization management

The Company's daily office water supply comes from the municipal water network. We strictly comply with the *Law of the People's Republic of China on the Prevention and Control of Water Pollution* and applicable local water-saving regulations, deploy water-efficient equipment, and maintain equipment integrity to ensure sustained water conservation performance. We have established a water recycling system at the Group headquarters building that collects non-conventional water sources, including washroom drainage, air-conditioning condensate, and rainwater, which are treated through reclaimed water processing facilities and reused for toilet flushing, landscape irrigation, and vehicle cleaning. In 2025, the Group headquarters building supplied 6,757 tonnes of recycled reclaimed water.

Recycled reclaimed water the Group headquarters building supplied

6,757 tonnes

Water-saving measures

We have promoted the recycling and reuse of wastewater for toilet flushing, landscape irrigation, and vehicle cleaning.

We have progressively rolled out water-efficient fixtures across pantries, restrooms, shower rooms, and dining areas.

We have also established a regular inspection mechanism for water supply infrastructure to eliminate pipe leaks and continuous water flow, with prompt repairs carried out upon detection of any issues.

Waste and pollutant disposal

We strictly comply with all applicable laws and regulations, maintaining a robust exhaust emission and waste compliance management system. We conduct environmental incident risk assessments, implement preventive management measures, establish emergency response plans for environmental incidents, and apply end-to-end compliance controls from source reduction through to final disposal, with the aim of minimizing pollutant emissions including exhaust gases and solid waste. In 2025, the Company incurred no environmental incident penalties.

Solid waste management. We promote green office practices and source-level controls, prioritizing the procurement of biodegradable consumables and strictly limiting the purchase of hazardous chemicals and office supplies to reduce total waste generation. All waste is collected and transported by qualified specialist companies to designated waste treatment centers. The Company does not directly dispose of waste and has no exposure to acute environmental risk events.

Waste Management System of Group Headquarters Building

Compliance management	In accordance with national and local regulations, we have established a comprehensive waste compliance and process management system, engaging qualified waste removal contractors and rigorously implementing environmental compliance assessments.
Process management	The building's property management team maintains strict control over the entire waste handling workflow, covering temporary storage, transfer, and disposal. Waste classification management is in place, with dedicated, separate temporary storage areas for hazardous waste and kitchen waste, along with clearly defined cleaning and removal procedures. Construction waste is cleared from work areas on a same-day basis.
Process supervision	Property staff conduct daily inspections of sorting facility integrity and waste separation quality, ensuring hazardous waste is sealed for collection and kitchen waste is not co-mingled with other waste streams. Waste removal volumes and records are reviewed regularly.

Waste Classification Management of the Group's Headquarters Building

Domestic garbage (recyclable and other garbage)	Domestic garbage, including daily newspapers, waste paper (non-confidential documents) and other recyclable garbage, is placed into sorting containers by employees according to the garbage sorting requirements. Cleaning staff inspect daily, sort strictly according to the classification requirements, and centralized delivery by garbage removal personnel to realize the reuse of resources.
Kitchen waste	Kitchen waste is deposited into dedicated kitchen waste containers. Prior to collection, restaurant staff sort the waste in accordance with kitchen waste classification requirements. A designated staff member oversees the process, and a third-party contractor transports the waste to an approved disposal site.
Hazardous waste	Hazardous waste, primarily comprising spent batteries, used fluorescent tubes, and electronic equipment from office spaces, is placed into designated hazardous waste containers. The property management team coordinates with specialist contractors to transport the waste to state-designated hazardous waste disposal facilities for compliant treatment.
Construction waste	Construction waste is cleared on a same-day basis by renovation contractors. Any small quantities of construction waste generated by the building's property engineering team are handled by the building's waste removal service provider.

Exhaust gas emission management. Exhaust gases generated during the operation of the Group headquarters building arise primarily from official vehicle emissions and kitchen exhaust fumes from the staff canteen. We promote green commuting practices, maintain strict controls over official vehicle usage and management, and effectively reduce fuel consumption. Key activities include kitchen exhaust detection, exhaust treatment equipment maintenance, and monitoring of pollutant emission compliance. The building is equipped with kitchen exhaust ducting and exhaust treatment systems. We reduce fume generation through optimized cooking processes and conduct regular equipment maintenance to ensure exhaust emissions remain within regulatory standards.

PICC P&C carried out maintenance and renovation of the oil fume purification equipment installed in the kitchen exhaust system of the Company's headquarters canteen, and conducts annual environmental testing of cooking fume emissions. In accordance with the DB11/1488-2018 Emission Standard for Air Pollutants from the Catering Industry, testing conducted downstream of the canteen's oil fume purifier recorded concentrations of particulate matter, catering industry cooking fumes, and non-methane total hydrocarbons of 1.5, 0.2, and 1.87 mg/m^3 respectively. All readings declined compared to 2024 levels and are in compliance with Beijing's atmospheric pollution emission standards for the catering industry.

Emergency management of environmental emergencies. We have formulated emergency response plans for waste-related environmental incidents, clearly defining emergency organizational structures and responsibilities, a tiered early warning mechanism for routine preventive measures, emergency response procedures, and post-incident remediation measures. We conduct regular training drills to strengthen employees' emergency response capabilities, and revise and refine emergency plans on the basis of drill outcomes and changes in on-site conditions, ensuring that no environmental risk incidents occur.

Energy Resources Use and Carbon Emissions

Use of Energy Resources

Item	Unit	2023	2024	2025
Energy consumption				
Electric power consumption	kWh	552,071,090	592,669,875	603,975,453
Per capita electric power consumption	kWh/person	3,138.89	3,384.34	3,357.32
Natural gas usage	m^3	6,537,325	6,594,156	6,612,203
Natural gas usage per capita	m^3/person	37.17	37.65	36.76
Purchased heat	GJ	1,430,903	1,230,082	1,179,455
Purchased heat consumption per capita	GJ/person	8.14	7.02	6.56
Gasoline	L	46,661,317	43,441,856	32,254,836
Gasoline usage per capita	L/person	265.30	248.07	179.30
Diesel oil	L	651,393	376,446	298,202
Per capita diesel fuel usage	L/person	3.70	2.15	1.66
Coal gas	t	626	370	177
Per capita coal gas usage	t/person	3.56	2.11	0.98
Coal	t	1,174	1,661	1,394
Per capita coal usage	t/person	6.67	9.48	7.75
Resource consumption				
Total water consumption	t	7,487,874	7,445,234	7,309,035
Per capita water consumption	t/person	42.57	42.51	40.63
Non-hazardous waste				
Total non-hazardous waste generation	t	49.73	47.85	54.95
Per capita generation of non-hazardous waste	kg/person	23.02	21.75	24.75
Hazardous waste				
Total hazardous waste generation	t	0.84	0.22	0.23
Per capita generation of hazardous waste	kg/person	0.39	0.10	0.10

Notes:
1. The statistical caliber of energy and resource consumption is for all branches of the whole Group.
2. The total water consumption is the tap water consumption; According to the *Manual of Pollution Production and Discharge Coefficient of Domestic Pollution Sources* issued by the Ministry of Ecology and Environment, using the pollution production coefficient method, the domestic sewage discharge in 2025 will be 80% of tap water consumption, about 5.85 million tonnes.
3. The waste statistics caliber is the headquarters building of the group Company. Hazardous waste is defined according to the N*ational Hazardous Waste List (2021)*, and the statistical scope of non-hazardous waste is daily newspapers, waste paper (non-confidential documents) and other recyclable waste (waste in trash cans in offices).

Operational GHG Emissions

Item	Unit	2023	2024	2025
Total emissions	tCO_2e	573,204	569,062	547,366
Emissions per capita	tCO_2e/person	3.26	3.25	3.04
Scope 1	tCO_2e	123,465	115,819	89,757
Emissions from natural gas combustion	tCO_2e	14,135	14,257	14,296
Gasoline consumption emissions	tCO_2e	103,636	96,485	71,639
Diesel consumption emissions	tCO_2e	1,761	1,017	806
Gas consumption emissions	tCO_2e	1,830	1,082	518
Emissions from coal consumption	tCO_2e	2,104	2,977	2,498
Scope 2	tCO_2e	444,116	446,742	449,186
Electricity emissions	tCO_2e	286,717	311,433	319,446
Heat emissions	tCO_2e	157,399	135,309	129,740
Scope 3	tCO_2e	5,623	6,502	8,423
Emissions from employee travel Emissions (by train and aircraft)	tCO_2e	5,623	6,502	8,423

Notes:
1. The statistical caliber is for all branches of the Group.
2. The operational boundary of the Company's GHG emissions includes direct emissions (Scope 1) and indirect emissions (employee travel in Scope 2 and Scope 3), and the accounted GHG is only carbon dioxide.
3. For the GHG accounting of natural gas, gasoline, diesel, coal gas, coal and heat, refer to the emission factors provided in the *Guide for Accounting Methods and Reporting of GHG Emissions of Public Building Operating Enterprises (Trial)*; Electricity emission factors use the latest provincial average CO_2 emission factors for electricity.
4. The statistical caliber of employee travel (by train and aircraft) is domestic trains and aircraft of the Company's unified business travel platform, and the GHG accounting refers to the GHG emission factors provided in the *China Product Life Cycle GHG Emission Coefficient Database*.

Social Sustainability

Social Contribution

Driven by its commitment to co-creating and sharing value with society, PICC has integrated strategic priorities, including rural revitalization, building China into a strong science and technology power, and high-standard opening up into its business development. Through innovative initiatives and increased investment, PICC actively fulfills its social responsibilities, deepens public welfare and volunteer engagement, and continues to contribute meaningfully to poverty alleviation, improvement of people's livelihoods, and social development.

Serving Rural Revitalization

PICC has thoroughly implemented General Secretary Xi Jinping's important statements and instructions on agriculture, rural areas and farmers, convened the 2025 Group Rural Revitalization and Targeted Assistance Conference, and formulated key policy documents including the Group's *Guiding Opinions on Further Serving and Deepening Rural Reform and Solidly Promoting Comprehensive Rural Revitalization and the Group's Guiding Opinions on Serving the Building of a Strong Agricultural Nation (2025–2035)*. These documents define the strategic priorities and key tasks for advancing comprehensive rural revitalization, ensuring that the central government's policies to benefit and enrich farmers take root throughout PICC.

Safeguarding food security

PICC actively embraces a broad vision of agriculture and food systems, expanding agricultural insurance coverage, product range, and standards to support the stable production and supply of grain and key agricultural products. In 2025, PICC provided total insurance liability of 2 trillion yuan for 46.66 million farm household-times, underwrote 400 million mu of the three staple grain crops, and earned recognition from the Ministry of Agriculture and Rural Affairs as one of the Top Ten Innovative Models for Financial Support of Agriculture for its comprehensive insurance approach to cultivated land protection and quality improvement. PICC attended the Global Agricultural Insurance Development Forum at the 2025 World Agricultural Science and Technology Innovation Conference, delivering a keynote speech sharing its practical experience in digital loss verification and agricultural insurance risk reduction, contributing to the enhancement of global agricultural sustainability.

PICC employees from all over the country helped farmers to harvest in autumn

PICC leader delivered keynote speech at the Global Agricultural Insurance Development Forum

Underwrote the three staple grain crops

400 million mu

Investment in targeted assistance

160 million yuan

Consumption-based assistance reached

63.86 million yuan

Supporting the development of thriving rural communities

PICC has vigorously expanded rural revitalization-focused insurance products, including rural housing insurance and comprehensive community governance insurance, helping to resolve conflicts and disputes in rural areas and maintain social stability. In 2025, comprehensive community governance insurance provided total insurance liability coverage of 7.6 trillion yuan for 84.79 million rural household-times, while rural housing insurance offered total insurance liability coverage of 4.4 trillion yuan for 81.64 million rural household-times.

Delivering targeted poverty alleviation assistance

In 2025, PICC invested 160 million yuan in targeted assistance for Huachuan County in Heilongjiang, Liuba County in Shaanxi, Ji'an County and Le'an County in Jiangxi, and Hongyuan County in Sichuan. Consumption-based assistance reached 63.86 million yuan, and a total of 11,000 person-times of training were provided for grassroots officials, rural revitalization leaders, and professional and technical personnel. For seven consecutive years, the Group has received the highest rating of "Excellent" in the central government's assessment of designated assistance work.

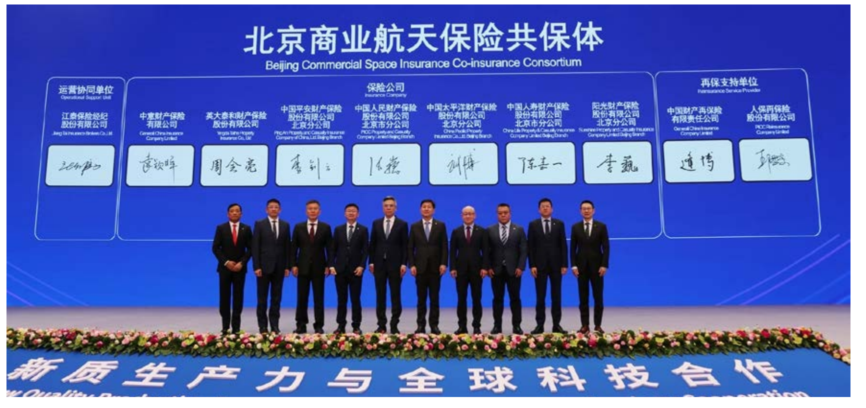
Building a Great Power in Science and Technology

Strengthening the management system of science and technology insurance

PICC has formulated the *Statistical Guidelines for Technology Insurance Products and Business,* covering both property and life insurance, and built a comprehensive overview of the technology insurance product ecosystem and business development landscape. Focusing on the needs of industrial chain development — strengthening weak links, stabilizing existing chains, building resilience, and expanding reach — PICC jointly released the *2025 White Paper on Industrial Chain Risk Research* with the China Council for the Promotion of International Trade, providing a practical toolkit and methodology for safeguarding industrial and supply chain resilience. PICC has taken the lead in establishing industry organizations including the Beijing Commercial Aerospace Insurance Pool and the Low-Altitude Economy Insurance Pool, advancing a virtuous cycle of "technology, industry, and finance." PICC has built 14 technology insurance centers across Beijing, Hubei, Guangdong, Shenzhen, and other cities, achieving full coverage of national science and technology innovation hub cities.

PICC P&C Establishes the Beijing Commercial Insurance Co-Insurance Consortium

In 2025, PICC P&C took the lead in establishing China's first commercial aerospace insurance pool, the Beijing Commercial Insurance Co-Insurance Consortium, providing total insurance liability coverage of 8 billion yuan for 20 commercial space launches throughout the year, effectively strengthening the industry's underwriting capacity and efficiency.



Facilitating the high-quality development of technology enterprises

PICC has built a technology insurance product system covering the full lifecycle of science and technology activities, pioneering the issuance of comprehensive "proof of concept, small-scale trial, and pilot trial" insurance, and developing innovative products including data asset capitalization expense loss insurance and embodied intelligent robot comprehensive insurance. PICC has also launched nine dedicated industrial chain insurance products covering sectors such as the low-altitude economy and energy storage. PICC participated in the implementation of China's first national cybersecurity insurance standard, *Guidelines for the Application of Cybersecurity Insurance in Cybersecurity Technology* (GB/T 45576-2025), and provided cybersecurity insurance coverage for the 2025 World Humanoid Robot Games. In 2025, PICC offered more than 200 technology insurance products with total insurance liability coverage of 51.2 trillion yuan, covering 242,000 high-tech enterprises and 107,000 specialized and innovative enterprises, delivering claims services to technology entities and activities more than 3.68 million times with total compensation exceeding 11.6 billion yuan. PICC also established the insurance industry's first equity investment fund with the core objective of building a modern industrial system, with a total fund size of 10 billion yuan.

PICC provided risk protection services for the 2025 World Humanoid Robot Games

China's First "Low-Altitude Weather Insurance"

In May, 2025, PICC P&C Shenzhen Branch secured the first-ever "Low-Altitude Weather Insurance" placement in China. Leveraging the 500-meter rapid-update forecast system of the Guangdong-Hong Kong-Macao Greater Bay Area Meteorological Monitoring and Early Warning Center, the product integrates real-time AI modeling, low-altitude environment simulation data, and live meteorological analysis to build a comprehensive risk early warning mechanism. The system pushes tailored low-altitude meteorological alerts to operators, recommends disaster avoidance routes, and dynamically adjusts premiums based on weather risk levels, delivering on the principle of "the higher the risk, the earlier the warning; the better the prevention, the lower the premium."

Building a strong line of defense for intellectual property protection

PICC has continuously strengthened its intellectual property insurance product system across key areas including patent commercialization, overseas market positioning, and cross-border rights enforcement. PICC has built an intellectual property insurance matrix of 33 products, comprehensively covering eight categories: patents, trademarks, copyrights, geographical indications, integrated circuit layout designs, new plant varieties, trade secrets, and data intellectual property rights. PICC has also launched 7 insurance products targeting overseas markets, including overseas IP rights protection insurance, overseas infringement loss insurance, and overseas patent and trademark filing expense loss insurance. In 2025, PICC established China's first Science and Technology Achievement and Intellectual Property Verification and Evaluation Center, launched the first batch of generative AI infringement insurance products in China across Qingdao, Beijing, and Jiangsu, and introduced the first batch of patent pool operation liability insurance products in Wuxi and Ningbo. In 2025, PICC provided total insurance liability coverage exceeding 26 billion yuan for more than 5,200 patents, trademarks, geographical indications, new plant varieties, and integrated circuit layout designs affiliated with more than 4,600 enterprises.

Claims services delivered to technology entities and activities

more than

3.68 million times

China's First Science and Technology Achievement and Intellectual Property Verification and Evaluation Center

In 2025, PICC P&C established China's first Science and Technology Achievement and Intellectual Property Verification and Evaluation Center in Zhejiang, and launched a new full-lifecycle technology insurance service model. Drawing on a national expert service network, the center provides precise technical risk assessment support for science and technology projects, while connecting universities, enterprises, and research institutions to build new bridges for industry-academia-research collaboration.

Facilitating Opening Up

Helping Chinese enterprises going global

PICC provides comprehensive insurance protection for Chinese enterprises pursuing overseas operations in infrastructure, transportation, petroleum equipment, mineral resources, power engineering, and related sectors. PICC has underwritten a broad range of landmark Belt and Road projects, including the TIMOK copper-gold mine project in Serbia, the Chancay port terminal project in Peru, the environmental upgrade of the Pljevlja Power Plant in Montenegro, and the seven-cascade Nam Ou River hydropower project in Laos. By the end of 2025, PICC had provided total insurance liability coverage exceeding 2 trillion yuan for overseas investment and infrastructure projects, with international business covering 149 countries and regions.

Total insurance liability coverage provided for overseas investment and infrastructure projects

over **2** trillion yuan

Countries and regions coverd by international business

149

PICC undertook the environmental protection renovation project of Pljevlja Power Plant in Montenegro

Supporting global market expansion

PICC launched "Cross-Border Protect," a dedicated cross-border e-commerce export credit insurance product designed to meet the accounts receivable protection needs of cross-border e-commerce and logistics enterprises in international trade. PICC established northern China's first shipping insurance center in Tianjin, partnering with banks to develop a new "finance plus shipping" service model and providing coverage for the world's first China-Europe Arctic Express shipping route.

Technology empowers a safe "going global" journey

PICC has launched the "Worry-Free Overseas" insurance service solution, featuring a built-in overseas risk management and insurance service platform that integrates an international risk database, catastrophe measurement models, intelligent meteorological early warning systems, and remote survey and loss assessment tools. The platform covers multi-dimensional risk information across 170 countries and regions, delivering full-scenario, full-lifecycle risk management services for enterprises expanding internationally.

PICC P&C provided special disaster prevention and loss prevention risk survey services for the Central Asia Natural Gas Pipeline Project

PICC Hong Kong conducted insurance business training for the engineering insurance team of Bangladesh National Insurance Company Limited

PICC Charity Foundation annual donation expenditure

12.88 million yuan

Charity and Public Welfare

Leveraging the PICC Charity Foundation, PICC has carried out comprehensive charity activities across areas including disaster relief, education support, medical donations, environmental protection, cultural charity, and care for vulnerable groups. In 2025, the Company revised the *Foundation Financial Management System*, the *Management Measures for the Use of Foundation Funds*, and other governing policies to standardize the Foundation's operations and management. The Foundation's annual donation expenditure totaled 12.88 million yuan.

Supporting educational development in remote areas

PICC donated "Hope Kitchens" to 30 rural schools in Guangxi, helping to address the challenge of keeping meals warm for students in remote areas and benefiting 23,000 students. PICC donated 2 million yuan to improve the campus environment at Sedi Town Primary School in Hongyuan County, Sichuan Province, including student dormitories and playgrounds, benefiting 1,256 teachers and students. PICC donated "Longjiang Huiminbao" insurance to 1,056 children in difficult circumstances and left-behind children in Jiamusi City, Heilongjiang Province, safeguarding the healthy development of young people in border regions.

PICC donated "Hope Kitchen" to rural schools in Guangxi

Caring for women's physical and mental health

PICC has continued its "Mother's Health Express" public welfare project, donating 17 "Mother's Health Express" vehicles to assisted counties including Le'an County in Jiangxi, Liuba County in Shaanxi, Huachuan County in Heilongjiang, and Weining County in Guizhou. The Company delivered integrated services combining free clinics, training, and community visits in Qusong County, Xizang and Le'an County, Jiangxi, helping to improve the quality of grassroots maternal and child health services. Since commencing its partnership with the China Women's Foundation in 2013, PICC has provided health services to a cumulative total of 2.8 million women and children.

PICC donated "Mother's Health Express" to Qusong County, Shannan City, Xizang and organized free clinic activities

Helping vulnerable groups and improving people's livelihoods

PICC has implemented the "Happiness Corps Guardian Plan," providing material assistance and living environment improvements for more than 2,000 elderly people with disabilities in the Xinjiang Production and Construction Corps, helping to strengthen local elderly care service capabilities. In response to the Tai Po fire disaster in Hong Kong, PICC immediately launched a dedicated aid initiative, with the Group donating HKD 10 million to support the resettlement and recovery of affected residents, providing a meaningful safety net for those in need.

Actively engaging in social welfare

PICC has advanced the construction of PICC Trade Union Love Service Stations, adding 183 new stations throughout the year and actively contributing to community management. The Company was selected as a new member of the China Volunteer Service Federation, organizing various companies to carry out diverse volunteer activities including charitable donations, public blood donation, ecological conservation, and care for the elderly and children. In 2025, 21,000 employees across the system participated in volunteer services, contributing a cumulative total of 53,000 volunteer hours and benefiting 447,000 people.

Employees participated in volunteer services
21,000

Volunteer hours
53,000

People benefited
447,000

PICC mobilized employees to engage in public welfare volunteer activities

In 2025, PICC and China Open Charity organized the "One Standing, One Sitting" tennis charity activity for the integration of disabled and healthy people

Deepening Inclusive Finance

PICC upholds its core responsibilities as a central financial enterprise, continuously strengthening the system and mechanisms for inclusive finance, increasing support for key areas and weak links in inclusive financial services, precisely meeting the diverse and inclusive financial needs of the public, and making financial services more accessible and meaningful. In 2025, inclusive insurance provided total insurance liability coverage of 1,188 trillion yuan, served 1.68 billion person-times, and recorded claim payouts exceeding 170 billion yuan.

Inclusive insurance liability coverage	Served	Recorded claim payouts
1,188 trillion yuan	**1.68** billion person-times	over **170** billion yuan

Governance

At the Group level, PICC has established an inclusive financial governance structure in which the Board of Directors sets strategy, management coordinates implementation, and functional departments collaborate in a clearly defined division of labor. The Board is responsible for reviewing inclusive finance strategic plans and receiving annual development reports, and the Strategy and Investment Committee / Sustainability Committee under the Board has incorporated inclusive finance strategic planning as a dedicated function. A Leading Group for the High-Quality Development of Inclusive Finance, headed by the Group President, has been established to coordinate day-to-day operations and regularly report business plans and progress to the Board. Subsidiaries and member companies have also established corresponding leadership structures, clearly defining lead and supporting departments to ensure all tasks are implemented at every level and produce tangible results.

Strategy

PICC has formulated the *Work Plan for the High-Quality Development of Inclusive Finance of the People's Insurance Company (Group) of China Limited,* setting out the main objectives and 22 key tasks, clarifying the division of responsibilities, strengthening business monitoring and performance incentives, incorporating inclusive finance outcomes into business performance assessments, and forming a closed-loop management cycle spanning top-level design, strategic deployment, key tasks, and performance oversight.

Jointly building a social security system

Strengthening the multi-level medical security system

PICC actively participates in a range of programs including critical illness insurance, long-term care insurance, outpatient chronic disease services, and basic medical insurance administration, meeting the public's basic healthcare coverage needs. In 2025, PICC underwrote 1,858 policy health insurance projects including critical illness insurance, long-term care insurance, and outpatient chronic disease programs, providing coverage for over 1.5 billion person-times. The Company drove innovation in inclusive supplementary commercial health insurance, launching programs such as supplementary work-injury insurance, supplementary nursing insurance, and supplementary medical insurance in Jiangxi, Suzhou, Nanjing, and Huzhou. We also implemented local initiatives including "Shanghai Nursing Care Insurance" in Shanghai and "Nursing Care Insurance" in Nantong.

PICC, medical insurance and human and social departments jointly built "medical insurance + PICC" convenience service points

Expanding the health management services

PICC has continued to integrate third-party cooperative service resources, partnering with 6,739 one-stop claims settlement hospitals, 231,000 general medicine pharmacies, and 1,751 specialist medicine pharmacies, with various health management services reaching more than 9.52 million person-times throughout the year. By the end of 2025, PICC has built 81 enterprise joint clinics, connecting high-quality medical resources and health management services to enterprises, providing "Health Enterprise Insurance Solutions" to 400,000 corporate clients, with a cumulative total of 174 million beneficiaries.

Enterprise joint clinics built

81

Establishment of PICC Health Management Co., Ltd.

In December 2025, PICC Health Management Co., Ltd., a wholly-owned subsidiary of PICC Health, was inaugurated in Beijing. Going forward, the Company will actively build its own nationwide medical and health service network, upgrade and optimize the Group's unified health management platform, establish a full-lifecycle health and medical service system centered on internet hospitals, and strive to deliver fair, accessible, high-quality, and efficient health services.

PICC provided professional health management services to customers

The second-pillar annuity management scale

724.1 billion yuan

Serving the supply of pension financial services

PICC has formulated the *Work Plan for Serving and Supporting Chinese-Style Elderly Care and Advancing the High-Quality Development of Pension Finance,* establishing a framework for pension finance development and clarifying its strategic positioning, objectives, tasks, and key measures. Liability insurance for elderly care service institutions provides total insurance liability coverage exceeding 100 billion yuan. In 2025, the second-pillar annuity management scale amounted to 724.1 billion yuan; the third-pillar personal pension business scale grew by 167%; and the commercial pension assets under management achieved a doubling in scale, continuing to drive quality improvements in eldercare and wellness services.

Exclusive Pension Program for Veterans and Their Families

PICC Life Insurance developed an exclusive pension program for veterans and their families, complemented by the "Warmth for Veterans" cancer prevention and protection card. The exclusive pension program for veterans and their families represents the industry's first dedicated pension insurance product tailored specifically for veterans and their family members.

PICC Life advanced the co-construction of "insurance + community" home-based aged care service

PICC Health provided nursing and wellness services

Protecting the rights and interests of specific groups

PICC focuses on the needs of specific groups including new urban residents, building an inclusive and accessible protection network and precisely addressing the core concerns of different populations. In 2025, PICC provided total insurance liability coverage of 905.7 trillion yuan for specific groups including low-income individuals, new urban residents, persons with disabilities, women, students and children, and workers in special occupations, covering 190 million people.

Strengthening protection for new urban residents and flexible employment workers

PICC provides 90 insurance products and health management services covering new urban residents, and provided total insurance liability coverage of 854 trillion yuan for 30.17 million new urban residents throughout the year. The Company has established approximately 2,000 health service stations nationwide, providing couriers with a "Temperature Index Health Management Program" to precisely prevent and control occupational health risks such as heatstroke.

Health service stations established nationwide approx

2,000

PICC Health built Courier Love Station

PICC P&C delivered warm gift packages for couriers

Providing exclusive insurance for people with intellectual and developmental disabilities

PICC has launched the industry's first long-term guardian plan dedicated to families with intellectual and developmental disabilities, providing stable and reliable long-term protection. In partnership with organizations including China Association of Persons with Psychiatric Disability and their Relatives (CAPPDR), PICC has compiled a service needs list for people with intellectual and developmental disabilities, built a professional financial social work team, and conducts regular care activities for this group. By the end of 2025, PICC has provided total insurance liability coverage of 480 million yuan for more than 3,000 families with intellectual and developmental disabilities and more than 700 individuals with intellectual and developmental disabilities, contributing to the building of a more inclusive society.

Supporting the growth of small, medium and micro enterprises

Diversifying the product matrix for SMEs

PICC has developed enterprise property insurance, freight insurance, export credit insurance, and other products for small and micro enterprises and sole proprietors, helping them manage various business risks. In 2025, PICC provided total insurance liability coverage of 57 trillion yuan for small and micro enterprises and individual businesses. The Company established the "PICC Assets-Zhongguancun Science and Technology Leasing No. 1 Asset-Backed Plan," securitizing the rental income from existing equipment of enterprises to alleviate financing challenges for asset-light technology SMEs.

Insurance liability coverage for small and micro enterprises and individual businesses

57 trillion yuan

Responding to the diverse needs of SMEs

PICC supports the high-quality development of technology-oriented SMEs through its "Kehuibao" product, which covers the cost of transferring innovation risks for technology-oriented SMEs at the seed and early stages. In 2025, the product was successfully launched in Nanjing, Suzhou, Qingyuan, and other locations, serving more than 11,000 technology-oriented SMEs and providing total insurance liability coverage exceeding 730 billion yuan. PICC also launched a collective annuity plan for SMEs and occupational injury insurance programs to help them improve employment protection for their workers.

Enhancing service network accessibility

PICC has built a comprehensive integrated online and offline service system, continuously extending its service reach into areas with limited financial service access and among key inclusive finance beneficiary groups. The Company expands service coverage through digital means while conveying genuine warmth through human-centered design, effectively ensuring that financial services are accessible and inclusive.

Offline channels

Expanding inclusive service channels for agriculture, rural areas, and farmers. By the end of 2025, PICC has established 6,699 rural marketing service departments, 28,000 rural insurance service stations, and 130,000 rural insurance service points, achieving an 84.7% coverage rate at the township level and a 28.8% coverage rate at the village level. The Company has accelerated the construction of a digital and intelligent agricultural insurance service platform, and optimized front-end touchpoints such as the Yunzhibao app to provide convenient services for farmers.

Consolidating barrier-free and aging-friendly transformation. In 2025, PICC has achieved 100% full coverage of aging-friendly services at outlets, completed aging-friendly and barrier-free renovations at more than 3,000 service outlets, established more than 2,700 "Love Service Stations," and served a cumulative total of more than 7 million people.

Online channels

- Launching aging-friendly features online. PICC has launched 15 aging-friendly features on its WeChat official account, including "intelligent voice guidance" and "page zoom." The WeChat official account, mini-program, and other platforms served 300,000 elderly customers throughout the year.
- The 95518 customer service hotline has opened a dedicated "one-tap human service for the elderly" feature, serving a cumulative 2.11 million elderly customers in 2025.

PICC P&C provided offline outlets with aging-friendly services

Management of Impacts, Risks and Opportunities

Type	Factor	Potential Impact	Response Measures
Risks	Farmers, individual businesses, and SMEs have limited risk tolerance, and some small and micro enterprises have inadequate governance, operations management, and financial systems, making them vulnerable to default during economic downturns.	Inclusive insurance products that deviate from sound actuarial principles, with inaccurate pricing, mismatched coverage, or weak risk controls, may trigger adverse selection and large-scale claims, adversely affecting the Company's operations.	We improved the risk assessment mechanism of inclusive insurance, scientifically formulated insurance terms, reasonably determined insurance premium rates, strengthened retrospective analysis of product pricing, and strengthened long-term management. We strengthened the internal control management of inclusive finance, and improved the ability to identify, monitor, prevent and dispose of inclusive finance risks.
Opportunities	The development of new technologies such as big data and artificial intelligence is advancing the digitalization, automation, and intelligence of inclusive finance, improving the accuracy of risk identification, pricing, and claims settlement.	This promotes inclusive finance coverage for long-tail customers and addresses information asymmetry; helps reduce costs in underwriting, claims verification, and other processes, improving service efficiency; and supports the development of innovative product models to meet diverse needs.	We comprehensively leveraged digital technologies to empower business decision-making, resource allocation, risk management, and product development, optimizing service models, reducing service costs, improving risk management, and enhancing the accessibility and quality of financial services for specific groups including agricultural entities and SMEs.

Metrics and Targets

PICC has set clear inclusive finance objectives, focusing on improving service quality and efficiency, and supporting balanced and coordinated socioeconomic development. Over the next five years, the Company plans to comprehensively build a high-quality inclusive financial service system across the Group, focusing on key areas including agriculture, rural areas and farmers, SMEs, individual businesses, and specific population groups, continuously broadening and deepening insurance coverage, and promoting the long-term, sustainable, and healthy development of inclusive finance.

Key Indicator	Management Objective	Progress in 2025
Growth rate of inclusive insurance business scale	The growth rate of inclusive insurance business scale shall not be lower than the overall growth rate of insurance business.	The inclusive insurance business scale grew by 12.5% year-on-year, providing total insurance liability coverage of 1,188 trillion yuan and serving 1.68 billion people throughout the year.
Professional capacity building for inclusive finance	Strengthen the development of a high-quality professional team for inclusive finance, and promote efficient coordination and collaboration among all relevant parties and levels.	PICC completed the China Finance Association research project on "Sustainable Development Pathways for Inclusive Insurance," held a dedicated inclusive insurance strategic seminar, and compiled the Compilation of Inclusive Insurance Practice Cases.

Protecting Customers' Rights and Interests

PICC adheres to a customer-centric approach, continuously optimizing the customer experience, strengthening consumer rights protection mechanisms, reinforcing customer privacy safeguards, improving complaint management processes, conducting regular customer satisfaction research, promoting broad financial literacy, and effectively protecting the lawful rights and interests of financial consumers.

Governance

The Group continues to strengthen the top-level design of financial consumer protection. The Board of Directors serves as the highest decision-making body for consumer rights protection, with a Risk Management and Consumer's Rights Protection and Interests Committee reporting to the Board, which regularly submits consumer rights protection reports and studies major issues and policies. Senior management leads consumer rights protection efforts through a Consumer Rights Protection Working Committee, which coordinates the Group's consumer protection work and reports its performance to the Board. At the execution level, the Company has established a dedicated Consumer Rights Protection Department with corresponding offices and full-time staff. In 2025, the Board reviewed 8 proposals related to consumer rights protection, and the Consumer Rights Protection Working Committee convened 3 meetings to discuss priority consumer protection tasks.

Strategy

PICC has integrated consumer rights protection into corporate governance, corporate culture development, and business strategy. In 2025, the Group convened a consumer rights protection conference, establishing the overall goal of building an industry-leading "integrated consumer protection" framework characterized by "full employee participation, process integration, complete resource support, and service excellence." The Company formulated and issued annual work priorities, setting 15 routine tasks and 8 key tasks to comprehensively elevate the quality and effectiveness of financial consumer rights protection.

Improving the consumer protection system

Strengthening the consumer protection policy framework

PICC strictly complies with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests,* the *Administrative Measures for Consumer Rights and Interests Protection by Banking and Insurance Institutions,* and other applicable laws, regulations, and regulatory requirements. The Company has formulated a series of systems including the Group's Interim Measures for Consumer Rights and Interests Protection Management, Insurance Product Appropriateness standards, and Financial Consumer Education Management Measures, covering consumer protection review, information disclosure, appropriateness management, privacy protection, complaint management, education and training, emergency response, assessment and evaluation, and internal audit, advancing end-to-end closed-loop management. PICC has clarified the responsibilities of institutions at all levels and departments across all business lines, established consumer protection evaluation and management indicators, and incorporated these into the comprehensive performance assessment framework. PICC Life and PICC Health have obtained ISO 9001 Quality Management System Certification for consumer protection.

PICC Life and PICC Health obtained ISO 9001 Quality Management System Certification for consumer protection

Strengthening consumer protection supervision and inspection

PICC has incorporated consumer protection into its annual audit cycle, covering the Group and all insurance subsidiaries on a five-year rotation. The Company organizes internal consumer protection evaluations and targeted inspections of key consumer protection areas, comprehensively covering the key elements of regulatory consumer protection assessments. PICC also leverages its Net Promoter Score (NPS) monitoring and management system as a direct "probe" into customer experience, conducting quality inspections in key areas such as appropriateness management and personal information protection to oversee the effectiveness of consumer protection mechanisms.

Cultivating the culture of consumer protection

PICC has continued to promote the consumer protection culture of "Honoring Commitments Together With PICC." In 2025, the Company selected 10 "Consumer Protection Guardian Ambassadors" from across the system for the first time, using role models to inspire a sense of mission, honor, and responsibility in consumer protection work at all levels. The Company organized the Group's first dedicated online consumer protection training course and workshop in 2025, covering middle and senior management, consumer protection staff, frontline business personnel, and new employees, and delivered targeted specialist training aligned with employee roles, high-incidence complaint issues, and higher-risk business areas.

Enhancing financial literacy

Through financial education and awareness activities that are theme-focused, distinctive, and relevant to everyday life, PICC has deepened the development of normalized education zones both online and at service outlets, bringing financial knowledge to consumers. The Company has focused special attention on students, the elderly, new urban residents, and persons with disabilities, developing tailored financial education content and taking financial literacy activities deep into remote areas, revolutionary heritage regions, and ethnic minority villages and towns. In 2025, the system carried out a cumulative total of 32,000 online and offline activities, reaching 1.16 billion consumers.

Online and offline activities held

32,000

Consumers reached

1.16 billion

Elderly group

We visit elderly care communities to conduct financial literacy lectures, helping senior customers enhance their ability to prevent fraud.

Student group

We collaborate with education authorities and community organizations to promote financial literacy among young people and raise awareness of the risks associated with "campus loans."

New citizens

We visit business districts, courier stations, and food delivery companies to provide new citizens with education on fraud prevention and the risks of illegal fundraising.

Special groups

We pay close attention to the financial needs of people with disabilities and enhance their awareness of financial risk prevention through engaging activities such as anti-fraud lectures and sign language experiences.

Improving customer service experience

Enhancing the quality and efficiency of claims services

PICC has deepened the digitalization and intelligentization of claims processing, strengthening its online one-stop service capabilities and enabling data to handle more processes so customers need to make fewer trips. In 2025, more than 90% of PICC P&C claims were settled online. The annual volume of automated auto insurance claims processing exceeded 100 million transactions, while the "Smart Human Injury" system automatically generated mediation solutions in over 1 million cases. PICC has also widely applied 13 categories of Internet of Things (IoT) technologies, including flood detection, electrical monitoring, and smoke sensing, to support automated claims early warning and alerts, connecting more than 40,000 IoT devices across 176 cities in 26 provinces. In agricultural insurance large-area survey scenarios, satellite remote sensing has been applied to more than 100 million mu of farmland, while the "know the length and weight by taking one photo" technology has been used more than 7 million times in livestock insurance claims surveys. PICC Life has established a direct fast-track claims workflow, with the fastest compensation delivered within seconds. Meanwhile, PICC Health has increased its online claims settlement rate to 99%, with direct real-time compensation services now covering 26 cities.

Improving customer satisfaction

PICC has established a unified comprehensive customer experience research model covering five dimensions: customer relationships, products and entitlements, customer journey, value for money, and brand, precisely identifying customer experience pain points and developing targeted improvement plans to guide business development and operational optimization. Third-party research shows that the NPS of PICC P&C, PICC Life, and PICC Health customers all exceeded 40%, representing improvements over the previous survey round.

Strengthening complaint management and root-cause governance

PICC has strengthened its multi-level complaint handling system, established data monitoring, analysis, and oversight mechanisms, and driven subsidiaries to address the root causes of high-frequency complaint areas. The Company has enhanced diversified dispute resolution capabilities and standardized complaint handling practices. By optimizing customer journey monitoring and strengthening early warning and pre-emptive management of low-satisfaction service touchpoints, PICC has transitioned complaint management from reactive handling to proactive prevention. In 2025, total complaints across the Group decreased significantly by nearly 30% year-on-year.

Strengthening customer privacy protection

PICC strictly complies with the *Personal Information Protection Law of the People's Republic of China,* has formulated security requirements covering the full lifecycle of personal information, and strictly enforces the principles of clear purpose, openness and transparency, informed consent, minimum necessity, secure handling, and data subject participation, taking effective measures to protect customer privacy.

Privacy protection

PICC has established "four lines of defense" in personal information protection spanning policy systems, internal controls, technology, and personnel, and has refined a closed-loop internal control risk management mechanism covering pre-event, in-event, and post-event stages. The Company has formulated the *Group Data Lifecycle Processing Standards* and the *Personal Information Protection Internal Control Compliance Management Guidelines,* comprehensively governing data lifecycle activities including collection, transmission, storage, use, deletion, destruction, personal information collection, processing rules, customer authorization and revocation, data portability, encryption, and desensitization. The Company has developed emergency response plans for security incidents that may adversely affect the lawful rights and interests of individuals or organizations, including incidents of personal information tampering, leakage, destruction, unauthorized acquisition, and illegal use. These plans clarify incident classification, early warning, reporting, and response mechanisms, and the Company takes timely measures to prevent and minimize the harm and losses resulting from such incidents. In 2025, the Group had no litigation or administrative penalties arising from customer privacy breaches.

Protecting customers' personal information rights

PICC safeguards customers' rights in personal information processing activities, including the rights to know, choose, access, copy, correct, and update their information, as well as the right to apply for account cancellation and deletion of personal information. The Company has strengthened the communication of personal information processing rules and the process for obtaining informed consent. Before processing personal information, PICC proactively fulfills its disclosure obligations, accurately and completely informing individual customers of the purpose, methods, and scope of personal information processing, as well as how individuals can exercise their rights, using clear and accessible language through privacy policies, authorization agreements, and other means. The Company has also optimized its "inform and consent" workflow, supporting functions including obtaining customer consent, revoking consent, re-obtaining consent, and standalone authorization. In 2025, PICC P&C obtained Personal Financial Information Protection Capability (II-Level) certification.

Data minimization collection and retention

PICC strictly adheres to the principle of "minimum impact and minimum scope" in data collection, avoiding the collection of excessive personal information, not processing personal customer data beyond the purposes and scope authorized or consented to by the customer, and not collecting personal data from third parties except where required by law. For the management of sensitive personal data, the privacy policy clearly defines the processing rules for sensitive personal information, including that of minors under the age of 14, and informs users of the necessity of processing such information and its potential impact on the data subject. The Company retains customer personal information only for the minimum storage period required by laws, regulations, and regulatory provisions, and for the minimum time necessary to fulfill the purposes for which it was collected. Upon expiry of the retention period, the Company deletes or anonymizes the relevant customer personal information, except as otherwise provided by law or administrative regulation.

Third party data processing

Where the Company's outsourced operations entrust third parties to process data, PICC applies the "least necessary" principle to control the scope of data entrusted, and shares data in a secure and controlled environment through desensitization or encryption, with agreements clearly defining rights and responsibilities. The Company does not rent, sell, or provide customer personal data to third parties for purposes other than completing transactions or services, and does not provide user personal data to any third party beyond the extent permitted by law or business scope. Where the Company shares data to facilitate users' access to third-party services, it informs users of the data shared, the method, and the recipient, and obtains user consent.

Advancing data security product development

PICC has integrated data security and privacy protection requirements into the full development process for applications and related systems, formulating documents including the Measures for the *Management of Informatization Construction Projects,* the *Group Data Security Management Measures,* and the *Group Information Network Security Management System.* The Company has incorporated specific data security requirements into system development, and conducts security reviews at all stages including project initiation, requirements analysis, development, testing, acceptance, and release. Mobile applications are required to complete white-box and black-box testing during the security evaluation stage, and client software must pass security level assessments and penetration testing before going live to ensure data security and privacy protection standards meet regulatory requirements.

Data security and privacy protection training

PICC provides online information security courses for all employees, and delivers annual training on information security, including customer privacy protection, to all employees, suppliers, and partners, comprehensively promoting cybersecurity awareness and strengthening all employees' security knowledge and prevention capabilities. In 2025, the Company conducted the Cybersecurity Awareness Week campaign, implemented regular phishing email drills, and provided training and awareness activities covering cybersecurity and data security laws and regulations, email security, account and password security, and personal information protection.

Publicity and Training on Privacy Protection and Security Awareness of PICC

Tech line leadership

We conducted specialized training on technology security and compliance, communicating relevant policy developments and corporate governance requirements while strengthening our management of technology security and compliance.

All employees

We organized a Network Security Awareness Week, promoting knowledge of cybersecurity, data security, and personal information protection through desktop screensavers, the PICC Learning Platform, and online training programs. In 2025, we held more than 2,600 related training sessions.

Professional positions in science and technology such as network security, R&D, operation and maintenance, etc

We also developed specialized training programs on secure development and personal information protection, enhancing technical capabilities to safeguard customer information and data security throughout system development and maintenance. In 2025, we delivered a total of 60 training sessions on cybersecurity attack and defense technologies for technology teams across our companies.

Suppliers & partners

Before entering into cooperation, we clearly communicate our code of conduct to suppliers and require them to comply with all applicable laws and regulations on information privacy protection. All information provided by the Company, as well as any information obtained during business interactions, is treated as confidential, sensitive, and proprietary. Suppliers are strictly prohibited from disclosing such information to unauthorized third parties or the public.

Optimizing strategic customer services

Deepening strategic cooperation with government agencies

In 2025, the Group engaged in multi-level government-enterprise interaction with nearly 20 provincial governments, achieving full coverage of service list development across 37 provincial governments and cities with separate planning status. The Company has strengthened engagement and cooperation with national ministries and commissions. We partnered with the Ministry of Ecology and Environment to facilitate the first inclusion of soil pollution liability insurance in ministerial official documents, collaborated with the Ministry of Emergency Management by joining its disaster relief working group, and jointly developed a cooperation framework with the Ministry of Housing and Urban-Rural Development to support the construction of modern people-centered cities.

Strengthening cooperation and exchanges with domestic and foreign enterprises

PICC has advanced broad, deep, and multi-format partnerships with major enterprise clients including China Post, China Mobile, China Huadian Corporation, Bank of China, Industrial and Commercial Bank of China, China Reinsurance, and Huawei. The Company has conducted exchanges and deepened cooperation with international peers including Swiss Re, AXA of France, Fidelidade Insurance Portugal, Deutsche Bank, and Central Asia Insurance of Indonesia. PICC has actively participated in major international conferences and events including the ASEAN-China-GCC Economic Forum, the Sino-German Financial Roundtable, the Sino-UK Financial Services Summit, and the Global Trade and Investment Promotion Summit.

Participation of PICC in the Association

Association Name	Membership
Geneva Association (GA)	Member
United Nations Programme Financial Initiative (UNEP FI)	Member (Signed the *Principles for Sustainable Insurance* PSI)
Asian Financial Cooperation Association (AFCA)	Deputy Governing Unit of the Standing Council
International Union of Marine Insurance (IUMI)	Member
International Credit Insurance & Surety Association (ICISA)	Member
International Union of Credit and Investment Insurers (BERNE)	Member
Federation of Afro-Asian Insurers and Reinsurers (FAIR)	Member
International Union of Aerospace Insurers (IUAI)	Member
"Sustainable Market Initiative" China Council	Governing Unit
Green Finance Committee of China Society for Finance and Banking	Executive Director
Insurance Association of China	Honorary President
China Society for Finance & Banking	Standing Director Unit
Insurance Society of China	Vice President Unit
China Association of Actuaries	Member
Banking and Insurance Asset Management Association of China	Council Member
China Association for Disaster Prevention	Sponsoring Unit and Vice President Unit
China Integrated Circuit Co-Insurance Consortium	Member
China Air Transport Association	Member
China Maritime Law Association	President/Vice-President Unit
China Institute of Internal Audit	Member
CCUA Data Center Association	Member
China Communication Standards Association	Member
Carbon Neutral Action Coalition	Council Member
China Belt and Road Reinsurance Pool	Council Chairman
BRI International Green Development Coalition	First batch of member units
China Chamber of International Commerce	Vice President Unit
China Association for Public Companies	Vice President Unit
National Internet Finance Association of China	Executive Director
China Trade Credit Insurance Co-Insurance Consortium	Member
Insurance Sub-Technical Committee, CFSTC	Deputy Chairman Unit
The Hong Kong Chinese Enterprises Association	Governing Member
Chinese Insurance Association of Hong Kong	Governing Member
Beijing FinTech Industry Alliance	Standing Director Unit
Beijing Commercial Aerospace Insurance Co-Insurance Consortium	Chairman Unit
Shanghai Institute of Marine Insurance	Member

Management of Impacts, Risks and Opportunities

Type	Factor	Potential Impact	Response Measures
Risks	Information opacity and misleading risks: product contract terms are complex, contain excessive technical terminology, and lack adequate explanation; or improper sales practices such as exaggeration or false advertising may occur.	Consumers may purchase unsuitable products due to misunderstanding, triggering complaints and disputes, reducing customer satisfaction and loyalty, and increasing the risk of regulatory scrutiny and penalties.	In all promotion and sales activities, we ensures information is truthful, accurate, and complete, and presents product information in plain language and in formats that are convenient for consumers to receive and understand.
Opportunities	Comprehensive protection of consumer rights and interests means consumers feel more secure and confident when using insurance products and services, strengthening their trust and loyalty to the Company.	This increases customer stickiness, making customers more willing to purchase other products and services; reduces customer attrition, lowers customer acquisition costs, and improves the Company's operational performance.	We strengthened the consumer rights protection management system, optimized the complaint management mechanism, and enhanced customer information security. We conducted regular customer satisfaction surveys to continuously improve service quality.

Metrics and Targets

PICC has set clear consumer rights protection objectives, deepening the development of consumer protection systems and mechanisms, strengthening oversight, reinforcing complaint governance, effectively advancing the implementation of product appropriateness management, and optimizing customer experience management with NPS as the guiding metric, continuously innovating and improving consumer protection work.

Key Indicator	Management Objective	Progress in 2025
Number of customer complaints	The number of customer complaints declined steadily	Total complaints across the Group decreased significantly by nearly 30% year-on-year.
Carry out financial knowledge popularization	Carry out normalized financial education in accordance with the requirements of regulatory authorities	The Group carried out more than 32,000 online and offline activities in total, reaching 1.16 billion consumers.

Empowering Employee Development

PICC has consistently upheld a people-centered talent philosophy, regarding employees as the core resource for sustainable corporate development. The Company effectively protects employees' lawful rights and interests, attracts a diverse pool of outstanding talent, continuously strengthens its talent development and growth framework, and strives to create a fair, harmonious, and healthy workplace environment. Over the past three years, the Group has had no incidents of forced labor, work stoppages, collective strikes, or employee discrimination.

Protecting Employees' Rights and Interests

Building harmonious labor relations

PICC strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other applicable laws and regulations, and governs recruitment, dismissal, compensation and promotion, working hours, and leave in accordance with relevant international standards including ILO conventions, safeguarding employees' lawful rights and interests. The Company has formulated the *Recruitment Management Measures of the People's Insurance Company (Group) of China Limited* to conduct fair and impartial recruitment, explicitly prohibiting the employment of child labor and all forms of forced labor. In 2025, the Company's labor contract coverage rate and social insurance contribution rate both reached 100%.

Developing the talent development strategy

PICC has formulated the Group's "15th Five-Year Plan" for employees and talent team development, studying the strategic positioning, development goals, and key tasks for talent development over the next five years. The Company has established a diversified talent introduction and internal development mechanism, formulating annual recruitment plans aligned with strategic and business development needs, focusing on national policy priorities and the Group's strategic transformation, and attracting strategic and in-demand talent in actuarial science, technology, investment, and other areas. The Company continuously refines its position and grade management rules, opening up lateral transition and multi-pathway promotion channels across all career tracks, supported by corresponding performance incentive mechanisms. To strengthen the pipeline of young talent, PICC continues to expand campus recruitment, increasing the proportion of campus hires. The Company launched a graduate internship and apprenticeship program, entering into cooperation agreements with multiple well-known domestic universities and establishing nearly one hundred university student internship bases, providing outstanding students with an early-stage and targeted platform for career development and employment.

Strengthening remuneration and performance management

PICC has established a fair and equitable remuneration distribution mechanism, conducting regular assessments of compensation gaps to ensure that pay levels are not differentiated by gender, ethnicity, age, or any other such factor, and upholding the principle of equal pay for equal work. The Company continuously strengthens its comprehensive performance assessment system, evaluating all employees' performance annually through mechanisms linking individual performance pay to subsidiary and departmental performance and individual results, supplemented by multi-dimensional evaluation tools such as 360-degree assessments and team performance reviews, driving the co-development of employees and the Company.

Building a harmonious and inclusive workplace

PICC internally champions diversity, equity, and inclusion, ensuring that recruitment, promotion, training, compensation, and benefits processes are free from any influence based on race, creed, gender, religion, region, ethnicity, age, marital status, reproductive status, or any other characteristic, and regularly conducts awareness and training activities on diversity, equity, and inclusion. The Company maintains a zero-tolerance stance toward harassment, bullying, discrimination, and other unacceptable behaviors in the workplace and work-related environments. Where such prohibited conduct is identified, the Company immediately reports it and takes disciplinary and corrective action, properly protects the identity of those who raise concerns, and strictly prohibits any form of retaliation.

Promoting democratic communication

PICC has established trade union organizations in compliance with applicable laws and regulations, achieving a 100% employee union membership rate. When formulating or revising rules and regulations affecting employees' vital interests, the Company submits them for review, discussion, and approval through the employee representative conference, effectively protecting employees' rights to know, express, participate, and oversee. The Company actively promotes the development of the collective contract system, advancing the establishment of collective consultation mechanisms in eligible institutions, with signed collective contracts covering special protections for female employees and occupational health and safety protections. The Company provides channels, including hotlines and email, for employees to express opinions and raise concerns, enabling employees to submit suggestions, feedback, and complaints on matters including labor contracts, job assignments, compensation, and working hours.

Supporting Employee Development

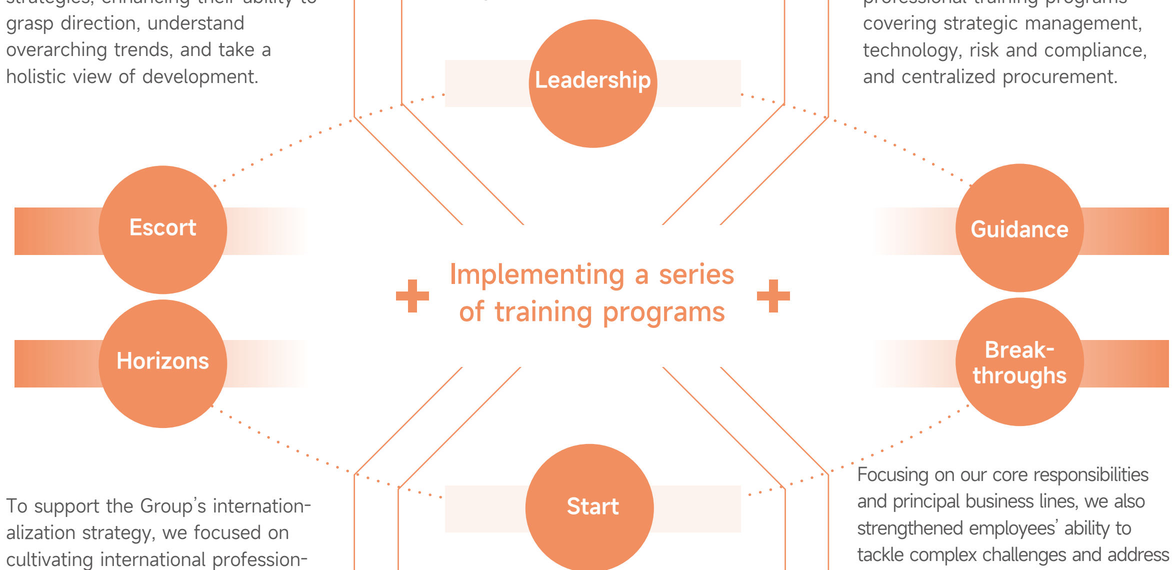
Establishing a scientific vocational training system

Building on career development pathways, PICC has developed two major curriculum frameworks covering "political capability enhancement" and "professional effectiveness enhancement of employees," continuously enriching learning resources across general, political, management, professional, sales, leadingship skills, digital transformation, and occupational health and safety areas, providing training services spanning the full career lifecycle for all employees.

We strengthened Party theoretical education by taking the in-depth study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as the central theme. We organized employees and employees to systematically study the Party's basic theories, fundamental line, and core strategies, enhancing their ability to grasp direction, understand overarching trends, and take a holistic view of development.

For management personnel, we implemented the "Leadership" series of leadership development programs tailored to the characteristics of different groups, including mid- and senior-level leaders, young employees, and grassroots managers. In 2025, we organized the first training program for outstanding young employees and demonstration training programs for division-level officials at the two headquarters levels, further strengthening leadership and management capabilities.

For employees in professional and technical roles, we consolidated our existing talent advantages while addressing shortages of specialized talent in key fields. In 2025, we organized headquarters employees to participate in external high-level certification programs and thematic seminars, while supporting business departments in conducting various professional training programs covering strategic management, technology, risk and compliance, and centralized procurement.



To support the Group's internationalization strategy, we focused on cultivating international professionals who combine strong theoretical foundations with practical expertise. In 2025, we organized key personnel to attend a training program on "Sustainable Development of Insurance Finance" in Switzerland, broadening leaders' global perspectives, strengthening international thinking and business capabilities, and fostering a stronger culture of internationalization.

For new employees, we provided structured onboarding programs to strengthen their values and commitment while enhancing their sense of belonging to the Company. Institutions across the system organized new employee training in 2025 to help recruits quickly adapt to their roles, integrate into PICC, and improve job readiness and efficiency.

Focusing on our core responsibilities and principal business lines, we also strengthened employees' ability to tackle complex challenges and address real-world issues. In 2025, we organized a strategic training program on "Promoting the High-Quality Development of the Group's Inclusive Insurance." Heads of inclusive business from three insurance subsidiaries participated in the program, while relevant personnel from both headquarters levels joined as observers, providing intellectual support for expanding the scale, quality, and efficiency of inclusive finance services.

Various new courses added
3,630

Training sessions delivered
60,000

Online learning activities delivered
over **7,100**

Investment in training
110 million yuan

PICC 2025 training course for new employees launched in Beijing

PICC provided special training in cutting-edge fields such as artificial intelligence for managers

Providing comprehensive training resource guarantee

PICC has strengthened the integration and availability of high-quality internal and external course resources, and has advanced the development of the "PICC Academy" online training platform, adding more than 3,630 new courses of various types throughout the year. The Company launched an integrated "co-building of instructors and courses" empowerment mechanism, held its inaugural instructor-course competition, and refined and finalized more than 220 courses. A new employee onboarding development mechanism has been established, with differentiated development programs customized for different types of new employees, including mentoring, specialist training, grassroots placements, and research projects.

Supporting employees' professional skills development

PICC provides employees with a comprehensive professional qualification certification support program, encouraging and supporting employees to sit professional qualification examinations and obtain external certifications such as CFA, FRM, and actuarial qualifications, helping to build a highly qualified, skilled, and professional workforce. The Company has partnered with Peking University, Zhejiang University, Sun Yat-sen University, and other institutions to offer university-based training programs for newly appointed managers. Leveraging its online platform, in 2025 the system delivered 60,000 training sessions and more than 7,100 online learning activities, with a total training investment of 110 million yuan.

Organizing vocational skills competitions

PICC has organized a full range of skills competitions to develop technology finance, green finance, inclusive finance, pension finance, and digital finance, providing a stage for employees to demonstrate their capabilities across areas including auto insurance claims settlement, 95518 customer service, policy issuance, marketing innovation, health management, and technology application, driving the improvement of employees' overall professional competencies. The Company also organized participation in the 3rd Great Nation Craftsman Innovation Exchange, the Financial Industry Digital Transformation Skills Competition, and the Guangdong-Hong Kong-Macao Greater Bay Area Green Finance Skills Competition, inspiring employees to strive for excellence.

PICC P&C held the 12th National Claims Settlement Skills Competition

Enhancing Employee Benefits

Benefits and welfare

PICC has established a standardized, market-oriented, and people-centered multi-level benefits framework, making full statutory social insurance and housing fund contributions for all employees in accordance with applicable laws and regulations, and providing non-cash benefits including supplementary medical insurance and enterprise annuity. The Company enforces its employee leave management policy, protecting employees' rights to paid annual leave, family visit leave, marriage leave, bereavement leave, sick leave, work injury leave, personal leave, and public duties leave. PICC demonstrates genuine care for female employees, actively implementing systems including maternity check-up leave, parental leave, and breastfeeding leave, and has built 45 "Female Employee Care Rooms" across the system to provide dedicated support for breastfeeding employees. In 2025, the Group conducted a Company-wide employee satisfaction survey, including evaluations of supplier services such as the employee benefits platform and canteen.

Workplace safety

PICC has organized and implemented four key safety initiatives: Company-wide safety education and training, dynamic elimination of identified safety hazards, reduction of workplace safety risks, and improvement of security and fire safety management. The Company convened 4 dedicated safety work meetings throughout the year, formulated the *Security and Fire Safety Management Guidelines,* the *Safety Inspection Manual,* and the *Workplace Safety Emergency Management Tips,* established tiered safety officer teams at every level, and regularly organized safety production training and fire and security emergency drills.

Occupational health

In accordance with the *Work Safety Law of the People's Republic of China,* the *Regulations on Work-Related Injury Insurance,* and other applicable regulations, the Company's operations involve no occupational health hazard positions. PICC regularly provides health check-ups for employees, has built health management centers offering health monitoring, health guidance, and chronic disease management services, organizes on-site first aid training, has established first aid teams, equipped first aid devices, held medical knowledge lectures and mental health salons, and comprehensively protects employees' physical and mental well-being.


PICC held the first-aid training for employees themed "Care for Life, First Aid by Your Side"

Employee care and engagement

During the New Year and Spring Festival period, trade unions at all levels visited and provided support to 10,590 employees in difficult circumstances, employees affected by disasters, grassroots frontline employees, and staff on duty. On the eve of the Spring Festival, the Company invited calligraphers from the China Insurance Painting and Calligraphy Research Society to write Spring Festival couplets as blessings for employees. The Company has established a caring fund to assist employees facing illness or hardship, organized the "PICC Love Day" initiative, disbursed 3.09 million yuan from the caring fund, and provided support and condolences to 184 employees in need. The Company also cares for retirees through regular visits and support to help address practical challenges, and organizes New Year gatherings, cultural and sports interest classes, and other activities to enrich the cultural and social lives of retired employees.

PICC wrote Spring Festival couplets to send festive blessings to employees

PICC visited and extended care to retired employees

Cultural and sports activities

PICC actively organizes a wide range of cultural and sports activities, regularly conducting events including air volleyball tournaments, walking challenges, International Women's Day and Youth Day celebrations, Children's Day parent-child activities, autumn outdoor fitness events, and youth fellowship gatherings. The Company also organizes employees to participate in basketball matches, football games, artistic performances, and speech competitions organized by the Financial Street Chamber of Commerce, fully showcasing employee vitality and strengthening organizational cohesion.


Units at all levels of the system organized various cultural and sports activities for employees

Standardizing Supplier Management

PICC has remained committed to building long-term, healthy cooperative relationships with suppliers, systematically advancing procurement integrity and compliance management, continuously improving supplier onboarding and contract management systems, strengthening regular assessments, and establishing an open, fair, and transparent procurement management framework, while actively conveying the Group's ESG values to help suppliers strengthen their overall sustainability capabilities.

Advancing supplier management system development

PICC strictly complies with the *Tendering and Bidding Law of the People's Republic of China,* the *Interim Provisions on the Administration of Centralized Procurement by State-Owned Financial Enterprises,* and other applicable laws and regulations. The Company has established and continuously improved institutional documents including the *Measures for the Administration of Centralized Procurement,* the *Measures for the Administration of Centralized Procurement Suppliers,* and the *Measures for the Administration of Online Mall Procurement,* strengthening supplier selection, management, and assessment requirements, and reinforcing supplier risk management and supply chain resilience.

Strengthening supplier ESG risk management

PICC has improved its full-lifecycle supplier management framework, identifying environmental and social risks across all supply chain links. The Company actively promotes the signing of the *Supplier Code of Conduct Commitment* by suppliers, clarifying the ESG requirements they must meet in areas including environmental protection, occupational health and safety, employee rights, and business ethics. Suppliers are required to read and confirm the *List of Prohibited Supplier Behaviors,* and suppliers who have not made compliance commitments are excluded from centralized procurement projects. Supplier evaluations are conducted twice annually, covering environmental and social responsibility dimensions. In 2025, the Company completed 2 online supplier assessments involving 1,134 centralized procurement suppliers. For supplier violations of laws, regulations, or contractual terms, or breaches of fair competition and good faith principles that harm the Company's interests, PICC applies measures including formal written warnings and blacklisting. A dynamic supplier performance evaluation mechanism has been implemented, with ongoing performance tracking for unqualified suppliers. The Company has established a preliminary supplier ESG training and assessment mechanism, designing online training courses and formulating the *Supplier Inspection Standards* to strengthen the conveyance and practical demonstration of ESG principles.

"PICC e-purchase" online supplier assessment and evaluation results

Grade	2024 Annual Assessment Number of Suppliers	2025 Mid-year Assessment Number of Suppliers
Excellent	534	455
Good	399	395
Qualified	112	140
Unqualified	14	14
Total	1,059	1,004

Strengthening supplier integrity management

PICC has placed compliance and anti-corruption at the forefront of its supplier management approach, strengthening procurement oversight and preventing inappropriate interference. All suppliers are required to sign the *Supplier Integrity Commitment Letter* during the onboarding and tendering process, and the *Integrity and Honesty Agreement* when signing procurement contracts. In 2025, the signing rate for newly onboarded centralized procurement suppliers reached 100%. In 2025, the Group identified no violations or risk incidents in centralized procurement.

Treating SME suppliers equally

PICC ensures equal participation rights for small and medium-sized enterprise suppliers by standardizing the formulation of procurement requirements and refraining from imposing discriminatory competition clauses, thereby guaranteeing market participants equitable access to competitive opportunities. During the reporting period, in accordance with applicable regulations, the Company publicly disclosed information on any overdue payments to SMEs through the National Enterprise Credit Information Publicity System, with no overdue SME payments arising during the period.

Committed to Technological Innovation

PICC has positioned technology and innovation as the Company's fundamental productive force and core competitive advantage, firmly pursuing a dual-engine approach of "data as a factor multiplied by finance" and "digital technology empowerment," systematically advancing the Group's digital transformation, consolidating digital infrastructure, strengthening data governance and risk management, improving the digital financial services ecosystem, and elevating digital operational and management capabilities.

Stimulating Innovation Dynamism

Strengthening top-level planning for product innovation

PICC has issued Group-level guidance on product innovation and formulated the *Opinions on Promoting Supply-Side Reform, Further Strengthening Insurance Product Innovation, and Continuously Improving the Quality and Efficiency of Serving Chinese Modernization,* clarifying key directions for innovation in insurance products, services, and business models, and setting annual product innovation priorities. The Company has established a product innovation effectiveness evaluation system with full participation from "Group, Subsidiary Product Management Department, and Subsidiary Product Development Department," conducting regular tracking and assessment, driving subsidiaries to formulate product R&D plans, and motivating innovation at all levels. By the end of 2025, the system has focused on innovation priorities to develop 1,086 new products, providing total insurance liability coverage exceeding 27 trillion yuan.

Improving innovation recognition and incentive mechanism

PICC has continuously refined the format of its product innovation competition, stimulating innovation energy and identifying outstanding innovative projects. In 2025, the PICC Group Product Innovation Competition was held, gathering and recognizing innovation achievements in insurance products and business models, with 244 participating projects and 37 award-winning projects. The Company has driven subsidiaries to formulate or update dedicated insurance product innovation reward measures, strengthening resource support across systems, funding, technology, data, and talent, and providing appropriate recognition to individuals and teams that have made outstanding contributions to innovation.

PICC Group Insurance Product Innovation Competition Award-winning Project Release and Award Ceremony in 2025

Strengthening product risk compliance review

PICC upholds the principles of compliance-first and risk-based management in conducting risk and compliance reviews of product innovations, ensuring that all innovations comply with laws, regulations, regulatory requirements, and applicable internal standards, and strictly maintaining compliance boundaries.

Protecting Intellectual Property Rights

Improving the intellectual property protection framework

PICC strictly complies with the *Copyright Law of the People's Republic of China,* the *Trademark Law of the People's Republic of China,* the *Patent Law of the People's Republic of China,* and other applicable laws and regulations. The Company drives all subsidiaries to proactively formulate intellectual property management measures, strengthening the creation, application, protection, management, and servicing of patents and software copyrights, and building a solid institutional foundation for the Company's intellectual property protection.

Strengthening the management of intellectual property protection

PICC has strengthened intellectual property protection efforts, advancing the management of patent protection, software copyright registration, and trademark registration, and actively conducting independent innovation activities to strengthen the protection of technological innovation and R&D achievements, improving the Company's ability to create and leverage intellectual property. In 2025, the total number of patent applications filed across the Group reached 1,681, representing a year-on-year increase of 21.1%. PICC has actively participated in award evaluation activities organized by national ministries and commissions, industry associations, and other bodies. In 2025, the system won more than 130 external awards in total, including 5 People's Bank of China Golden Finance Awards (including 1 first-prize project, 3 second-prize projects, and 1 third-prize project).

Patent applications filed

1,681

Year-on-year increase

21.1%

Advancing Digital Transformation

Consolidating the foundation of digital transformation

Guided by the principles of "strategy alignment, architecture-driven, data-driven, business-led, and technology-supported," PICC has strengthened the top-level design of digital finance and established an Informatization Construction Committee and Data Governance Committee under senior management, responsible for overall management and professional decision-making across digital development, financial technology, and data governance. In 2025, the Company formulated the Group *Work Plan for High-Quality Development of Digital Finance,* defining 20 key tasks and driving the strengthening of data element management, data resource allocation, and intelligent data applications.

Taking multiple measures to strengthen technology investment

PICC has continued to advance scientific and technological innovation projects and the commercialization of innovation achievements, tapping innovation potential through "open call" challenge mechanisms and innovation incubation programs, and striving to break through key core technologies and address major challenges constraining the Company's development. The Company has increased rewards and performance assessment for digital initiatives, formulating the *Measures for Rewarding Digital Development Achievements of the Group* to recognize teams that have made significant breakthroughs in digital capability building, technology development, and technological innovation, stimulating initiative and enthusiasm across the system in the field of digital innovation. By the end of 2025, the Group's total expenditure on informatization construction reached 5.74 billion yuan, with a self-owned technology workforce of 3,872 people.

Total expenditure on informatization construction

5.74 billion yuan

Strengthening Data Security

PICC strictly complies with the *Cybersecurity Law of the Republic of China,* the *Data Security Law of the Republic of China,* the *Personal Information Protection Law of the Republic of China,* and other applicable laws and regulations, continuously improving its information security management system, upgrading data, information, and network security protection technologies, and regularly conducting information security training and emergency drills to continuously raise the level of information security. In 2025, the Group (including its subsidiaries) had no material information security incidents.

Strengthening information security governance

PICC has established a data security management structure in which the Company's Party Committee assumes overall responsibility, the Network and Data Security Leading Group provides coordination, the lead management department organizes implementation, and the functional departments of subsidiaries and branches at all levels fulfill their respective responsibilities. The Group Chairman serves as the primary person responsible for network and data security, with the Group's Vice President in charge of technology serving as the directly accountable leader for network and data security[1], and the principal leaders of each subsidiary bearing primary responsibility for their respective organizations' data security. The Network and Data Security Leading Group operates a Network and Data Security Office responsible for coordinating the Group's network and data security work. A normalized oversight and inspection mechanism has been established, with annual on-site inspections of subsidiaries, information technology risk assessments, and implementation of corresponding response measures.

Applying information security technologies

PICC applies industry-standard security safeguards to protect personal information provided by customers and prevent data leakage, tampering, or loss. These measures include SSL encryption for data exchange between applications and services, HTTPS secure browsing for the official website, encryption technologies to ensure data confidentiality, trusted protection mechanisms against malicious attacks, and access control systems ensuring that only authorized personnel can access personal information.

Improving security and defense capabilities

PICC maintains system information security through a combination of active and passive defense measures, conducting regular emergency drills to strengthen cybersecurity operations and offensive and defensive capabilities, and ensuring the effectiveness of information security incident response. The Company has formulated the *Information Security Incident Management Standards,* defining incident classification and grading criteria and management procedures, and establishing a full-chain management mechanism from incident discovery, reporting, and handling through to post-incident review. In 2025, the Company conducted 2 internal offensive and defensive drills with coordinated Group-wide defense, with no occurrence of security breaches.

Note: 1. Vice President Tian Geng, the Company leader in charge of technology, has extensive working experience in the field of information security of financial enterprises.

Active defense	Passive defense
1. We carry out asset and exposure management, vulnerability discovery and remediation, threat monitoring, and incident handling. We conduct real-time threat monitoring, investigate, analyze, and respond to critical incidents, and perform monthly scans of Internet-hosted and intranet-hosted systems for vulnerabilities. 2. We hold an annual Network Security Awareness Week and conduct rolling phishing email drills. We promote cybersecurity knowledge through explanations of laws and regulations, poster campaigns, and interactive quizzes. 3. We organize group-wide offensive and defensive drills every year, testing the Internet application assets of each subsidiary and key workplace through near-source attacks, phishing attacks, and remote penetration exercises. 4. We establish institutionalized and regular supervision and inspection mechanisms. Each year, we assess and score the implementation of network security measures across all companies, evaluating security management levels, protection capabilities, and operational effectiveness.	1. We maintain a robust emergency response management system, clearly defining classification and grading standards and management procedures for information security incidents. We establish full-chain management from incident discovery, reporting, and handling to post-incident review. 2. We have developed a multi-dimensional, group-wide cyberspace monitoring and early warning system. Leveraging big data and security automation technologies, we built a cybersecurity situational awareness platform that integrates compliance inspections, security monitoring, situational awareness, early warning notifications, collaborative response, and emergency handling. 3. We formulate and implement the *Management Measures for Disaster Recovery of Information Systems of PICC*, specifying disaster recovery levels, refining fault classifications, and improving emergency plans. We strengthen the alignment between planned response scenarios and drill simulations, standardize overall plan and drill processes, and conduct at least one routine ECC emergency drill and one specialized information system emergency drill annually, enhancing crisis management and coordination capabilities across all applications.

Information security management certification and audit

PICC has established a comprehensive standardized information security management system and has obtained information security management system certification for multiple consecutive years, ensuring that systems comply with national laws, regulations, and regulatory requirements and meet internationally recognized standards. In 2025, the Group and its subsidiaries including PICC P&C, PICC Life, PICC Health, and PICC Technology obtained ISO/IEC 27001:2022 Information Security Management System certification, with business coverage exceeding 80%. The Company regularly conducts information security audits. The Group has established a dedicated technology audit function with three senior engineers and CISA-certified professionals, coordinating technology audits across the Group and its subsidiaries to strengthen the oversight and evaluation of information security management.

Information Security Audit

Independent external audit of information security	Internal audit of information
We engage a third-party accounting firm annually to conduct financial and internal control audits, covering areas such as general IT controls, information security, and application controls.	We also carry out special information technology audits every two years, covering information security, business continuity, technology outsourcing, mobile applications, operations and maintenance, development and testing, technology governance, technology risks, and major technology incidents. The results of these audits are reported to the Group's management.

Strengthening supply chain information security management

For products or services involving data processing and information security in technology projects, the Company's procurement contract templates require the signing of the *Cybersecurity Commitment* and the *Information Security and Confidentiality Commitment*. Suppliers are required to comply with the Group's data security management requirements and are prohibited from illegally obtaining data. The Company has formulated the *Measures for the Management of Informatization Construction Projects*, the *Measures for the Management of Information Technology Outsourcing Risk (Trial)*, and other related documents. We define risk control requirements for technology outsourcing, standardize outsourcing activities, and engage third-party organizations to conduct due diligence on IT outsourcing suppliers, covering areas such as legal compliance, internal control capabilities, and network and information security.

Establishing a business continuity and disaster recovery system

PICC has continuously improved its disaster recovery system, enriched drill scenarios, optimized disaster recovery plans, and strengthened its capacity for rapid disaster response. In 2025, the Company conducted multi-dimensional collaborative drills and real-world verification exercises, completing 24 critical system drills and plan formulations with comprehensive coverage of core business operations. Both disaster recovery and emergency response capabilities meet the requirements of regulatory standards and the Company's business continuity objectives.

Adhering to Technology Ethics

PICC strictly implements national science and technology ethics requirements, upholding the values of integrity-driven innovation, data security, inclusiveness and universality, openness and transparency, fair competition, and risk prevention and control. Guided by the principle of "technology for good," the Company has embedded technology ethics governance throughout the full lifecycle of financial technology innovation, and continuously strengthens the intelligence level of cybersecurity operations. In response to emerging risks from technologies such as artificial intelligence, the Company has coordinated and advanced measures spanning technical protection, compliance management, data security, and model optimization, ensuring that new technologies enable sustainable business development within a safe and controlled framework, effectively safeguarding national security and financial security, and providing customers with stable and secure financial services.

Specific Measures of Insurance Subsidiaries in Response to AI risks

PICC P&C	PICC Life	PICC Health
We have established a management system of "system guidance, technology independence, and security prevention and control." Upholding the strategy of technological autonomy and controllability, we built an AI application management system and established a large-model security fence. Using large-model security scanning tools, we conduct code and component verification, attack simulation tests, and network packet capture inspections to accurately identify potential risks and ensure closed-loop remediation.	We issued the *Notice on the Safe and Standardized Use of Generative Artificial Intelligence Tools*, which sets clear requirements for the secure and compliant use of generative AI tools and the handling of violations of laws and regulations.	We put in place a "security fence" system, implementing a dual-protection strategy of intranet isolation and interface authentication, and mitigated external attack and misuse risks by not exposing systems directly to customers. We also conduct specialized reviews for AI introduction and application, implement strict monitoring of data ingress and egress, and accurately identify and filter potential data leakage and content compliance risks.

Sustainability Performance

Economic Governance Performance

Item	Unit	2024	2025
Total insurance liability coverage	trillion yuan	3,175	3,648
Total payment of compensation	100 million yuan	4,485	4,729
Green Finance			
Green insurance insurance liability coverage	trillion yuan	184	267
Investment supporting green development	100 million yuan	1,004	1,600
Inclusive Finance			
Inclusive insurance liability coverage	trillion yuan	/	1,188
Number of policy health insurance projects undertaken	/	1,442	1,858
Number of financial education campaigns	10,000 times	/	3.2
Number of employees benefiting from financial education and publicity	100 million persons	/	11.6
Anti-commercial bribery and anti-corruption training			
Training participation rate of directors	%	100	100
Management training participation rate	%	100	100
Training rate of employees	%	100	100
Number of patents	/	1,388	1,681

Environmental Performance

Greenhouse Gas Emissions

Item	Unit	2023	2024	2025
Total emissions	tCO_2e	573,204	569,062	547,366
Emissions per capita	tCO_2e/person	3.26	3.25	3.04
Scope 1	tCO_2e	123,465	115,819	89,757
Emissions from natural gas combustion	tCO_2e	14,135	14,257	14,296
Emissions from gasoline consumption	tCO_2e	103,636	96,485	71,639
Emissions from diesel consumption	tCO_2e	1,761	1,017	806
Emissions from gas consumption	tCO_2e	1,830	1,082	518
Emissions from coal consumption	tCO_2e	2,104	2,977	2,498
Scope 2	tCO_2e	444,116	446,742	449,186
Electricity emissions	tCO_2e	286,717	311,433	319,446
Heat emissions	tCO_2e	157,399	135,309	129,740
Scope 3	tCO_2e	5,623	6,502	8,423
Emissions from employee travel (by train and plane)	tCO_2e	5,623	6,502	8,423

Notes:
1. The statistical caliber is for all branches of the Group.
2. The operational boundary of the Company's GHG emissions includes direct emissions (Scope 1) and indirect emissions (employee travel in Scope 2 and Scope 3), and the accounted GHG is only carbon dioxide.
3. For the GHG accounting of natural gas, gasoline, diesel, coal gas, coal and heat, refer to the emission factors provided in the *Guide for Accounting Methods and Reporting of GHG Emissions of Public Building Operating Enterprises (Trial);* Electricity emission factors use the latest provincial average CO2 emission factors for electricity.
4. The statistical caliber of employee travel (by train and plane) is domestic trains and aircraft of the Company's unified business travel platform, and the GHG accounting refers to the GHG emission factors provided in the *China Product Life Cycle GHG Emission Coefficient Database.*

Energy and Resource Use

Item	Unit	2023	2024	2025
Energy consumption				
Electric power consumption	kWh	552,071,090	592,669,875	603,975,453
Per capita electric power consumption	kWh/person	3,138.89	3,384.34	3,357.32
Natural gas usage	m^3	6,537,325	6,594,156	6,612,203
Natural gas usage per capita	m^3/person	37.17	37.65	36.76
Purchased heat	GJ	1,430,903	1,230,082	1,179,455
Purchased heat consumption per capita	GJ/person	8.14	7.02	6.56
Gasoline	L	46,661,317	43,441,856	32,254,836
Gasoline usage per capita	L/person	265.30	248.07	179.30
Diesel oil	L	651,393	376,446	298,202
Per capita diesel fuel usage	L/person	3.70	2.15	1.66
Coal gas	t	626	370	177
Per capita coal gas usage	t/person	3.56	2.11	0.98
Coal	t	1,174	1,661	1,394
Per capita coal usage	t/person	6.67	9.48	7.75
Resource consumption				
Total water consumption	t	7,487,874	7,445,234	7,309,035
Per capita water consumption	t/person	42.57	42.51	40.63

Notes:
1. The statistical caliber is for all branches of the Group.
2. The total water consumption is the tap water consumption.
3. According to the *Manual of Pollution Emission Coefficients for Domestic Pollution Sources* issued by the Ministry of Ecology and Environment, and using the emission coefficient method, we estimate that in 2025, domestic sewage discharge accounted for 80% of tap water consumption, totaling approximately 5.85 million tonnes.

Waste Discharge

Item	Unit	2023	2024	2025
Non-hazardous waste				
Total non-hazardous waste generation	t	49.73	47.85	54.95
Per capita generation of non-hazardous waste	kg/person	23.02	21.75	24.75
Hazardous waste				
Total hazardous waste generation	t	0.84	0.22	0.23
Per capita generation of hazardous waste	kg/person	0.39	0.10	0.10

Notes:
1. The statistical caliber is the headquarters building of the group Company.
2. Hazardous wastes are defined according to the *National Hazardous Waste List (2021).* The statistical scope of non-hazardous wastes is daily newspapers, waste paper (non-confidential documents) and other recyclable garbage (garbage in garbage cans in offices).

Greenhouse gas emissions for Scope 3-Financed emissions

Item	Unit	2025
Total carbon emissions		
Stock	tCO_2e	2,196,603.67
Bond	tCO_2e	12,036,992.14
Carbon emission intensity		
Stock	tCO_2e/million assets under management	25.58
Bond	tCO_2e/million assets under management	30.29

Note: Accounting is based on the position data at the end of 2024.

Social Performance

Human Resource Structure

Item	Unit	2023	2024	2025
Overall composition				
Number of on-the-job employees	/	175,881	175,121	179,898
Number of dispatched employees	/	15,785	15,236	15,159
Number of insurance agents	/	359,097	347,052	355,686
On-the-job employees				
By gender				
Male	/	90,749	90,094	92,573
Female	/	85,132	85,027	87,325
By academic qualification				
Master's degree or above	/	10,780	12,110	14,335
Bachelor's degree	/	115,964	116,067	124,824
Junior college	/	41,703	37,079	35,542
Others	/	7,434	9,865	5,197
By age				
Aged <31	/	25,832	23,755	23,745
Aged 31-50	/	127,934	129,151	133,203
Aged > 50	/	22,115	22,215	22,950
By region				
Domestic	/	175,816	175,008	179,779
Overseas	/	65	113	119

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

Recruitment and Turnover

Item	Unit	2023	2024	2025
Overall employee rate	%	4.73	4.18	5.58
By gender				
Male	%	/	4.19	5.72
Female	%	/	4.16	5.43
By age				
<31 years old	%	/	23.35	27.47
Aged 31-50	%	/	1.32	2.61
> 50 years old	%	/	0.27	0.14
By region				
Domestic	%	/	4.18	5.57
Overseas	%	/	3.54	10.92
Average recruitment costs	10,000 yuan/person	/	/	0.07
Overall employee turnover rate	%	5.52	4.77	4.92
Voluntary employee turnover rate	%	/	/	4.71
By gender				
Male	%	/	4.98	5.03
Female	%	/	4.55	4.81
By age				
Aged <31	%	/	5.54	7.60
Aged 31-50	%	/	2.89	3.22
Aged > 50	%	/	14.89	12.02
By region				
Domestic	%	/	4.77	4.92
Overseas	%	/	5.31	5.88

Notes:
1. Employee employment rate = number of new employees ÷ number of regular employees as of December 31 of that year;
2. Employee turnover rate = number of lost employees ÷ number of regular employees on December 31 of the current year, among which, number of lost employees = voluntary resignation + dismissal + retirees + early retirees + other personnel who have terminated their labor contracts for some reason, and employee voluntary turnover rate = (voluntary resignation + retirees + early retirees) /number of regular employees on December 31 of the current year;
3. The number of new employees, the number of resigned employees and the number of regular employees used in the calculation are all data within the corresponding statistical range.

Diversity and Protection of Employee Rights and Interests

Item	Unit	2025
Labor contract signing rate	%	100
Percentage of women in middle and senior management	%	20.82
Number of employees from ethnic minorities	/	14,646
Number of employees with disabilities	/	447
Total days of employee absence	days	323,724
Social insurance coverage	%	100
Work-related injury insurance investment amount	10,000 yuan	5,393

Notes
1. The statistical scope for the following indicators covers the entire Group: labor contract signing rate, proportion of female middle and senior management personnel, number of ethnic minority employees, number of employees with disabilities, total days of employee absence, and social insurance coverage rate.
2.The statistical scope for work-related injury insurance contributions covers the Group Company and PICC P&C.
3. Total number of days absent by employees: the number of days absent due to any form of absence, not only due to work-related injury or illness, including personal sick leave due to minor illnesses, such as the common cold, fever and influenza, and personal sick leave taken for undisclosed reasons. Excludes planned or established absence days such as annual leave, statutory holidays, maternity or paternity leave, etc.

Occupational Health and Safety

Item	Unit	2023	2024	2025
Work-related fatalities	/	7	3	4
Percentage of work-related deaths	‰	0.04	0.02	0.02
Number of work-related injuries	/	242	278	340
Number of working days lost due to work-related injuries	days	8,393	9,723	13,469

Notes:
1. The scope of data statistics covers the whole system of PICC P&C, including regular employees and dispatched employees. Data for 2023 and 2024 were reported on the basis of PICC P&C. The scope of calculation was expanded to cover the entire Group in 2025.
2. Mortality from work-related injuries = number of deaths/original number.

Employee Training

Item	Unit	2024	2025
Expenditure on training	10,000 yuan	12,098	11,441
Number of training sessions conducted	/	75,246	60,651
Average training hours of employees			
By gender			
Male	hour/person	225	228
Female	hour/person	221	230
By type			
Senior management	hour/person	176	285
Middle management	hour/person	212	250
Junior management	hour/person	251	246
Frontline personnel	hour/person	220	227
Percentage of employees receiving training			
By gender			
Male	%	97	97
Female	%	97	98
By type			
Senior management	%	100	100
Middle management	%	99	99
Junior management	%	99	92
Frontline personnel	%	97	99

Social Contribution

Item	Unit	2024	2025
Rural revitalization			
Investment in designated support counties	100 million yuan	1.1	1.6
Amount of consumption-driven assistance	10,000 yuan	6,441	6,386
Charitable donation	10,000 yuan	906	1,288
Number of employees engaged in voluntary activities	10,000 persons	2.4	2.1
Number of persons benefited from voluntary activities	10,000 persons	45.6	44.7
Volunteer service hours	10,000 hours	/	5.3
Number of new citizens served	10,000 persons	1,818	3,017

Note: The statistical scope of designated assistance funds is five designated assistance counties of the group Company.

Supplier Management

Item	Unit	2023	2024	2025
Number of suppliers				
China	/	4,711	9,089	23,409
Overseas	/	13	16	18
Percentage of suppliers signing the *Supplier Code of Conduct Commitment*	%	/	100	100

Note: The data caliber is the number of suppliers in the warehouse of PICC Group's centralized procurement projects.

Consumer Complaints

Item	Unit	2023	2024	2025
Customer complaints per 100 million yuan of premium income				
PICC P&C	cases/100 million yuan	1.84	0.54	0.32
PICC Life	cases/100 million yuan	1.52	0.71	0.98
PICC Health	cases/100 million yuan	3.37	1.27	1.31
Number of complaints for 10,000 policies				
PICC P&C	cases/10,000 pieces of policies	0.00	0.00	0.00
PICC Life	cases/10,000 pieces of policies	0.55	0.28	0.46
PICC Health	cases/10,000 pieces of policies	0.23	0.09	0.10

Notes: 1. The data comes from the notification data of the regulatory authorities, and two valid decimals are kept in the form of notification of the regulatory authorities.

Implementation Progress of the Principles of Sustainable Insurance (PSI)

As a signatory to the *Principles for Sustainable Insurance (PSI)* of the United Nations, PICC has always based its work on the broad interests and needs of stakeholders in economic and social development. We fully implement the United Nations Sustainable Development Goals and the core principles of the *Paris Agreement*, striving to achieve an integrated balance of economic, environmental, and social benefits.

Principles of Sustainable Insurance	Our Progress	Chapter
Principle 1: Integrating ESG issues related to our insurance business into our decision-making process	• We have established a complete "board of directors–management level–operational level" ESG governance structure, providing organizational support and a management foundation for addressing climate change. In 2025, we reviewed proposals on sustainable development (ESG) reports and related matters to fully understand the progress of our ESG work and strengthen supervision. At the same time, we reviewed or received reports on business conditions, inclusive finance, and technology finance, continuously enhancing our ability to serve the real economy and fulfill social responsibilities.	Addressing Climate Change Duty Performance by the Board
Principle 2: Work with customers and business partners to raise awareness of ESG issues, manage related risks and seek solutions	• We focus on innovating green financial products and services in key areas such as clean energy, energy-saving transformation, green technology, and ecological carbon sinks. In 2025, our green insurance provided total insurance liability coverage of 267 trillion yuan and supported green development investments totaling 160 billion yuan. • We improved our green (ESG) investment management system and processes, fully integrating ESG factors into the investment decision-making process. We conducted portfolio carbon emission measurements, increased the proportion of green investment in an orderly manner, and provided financial support for low-carbon energy-saving industries, clean energy, and renewable energy industries. • We incorporate ESG-related standards in supplier access and contract signing to promote the green transformation of the supply chain.	Developing Green Insurance Practicing Green Investment Standardizing Supplier Management
Principle 3: Work with governments, regulators and other key stakeholders to drive a broad range of actions across society on ESG topics	• We cooperated with the Ministry of Ecology and Environment to facilitate the first inclusion of environmental liability insurance for soil prevention and control in a ministerial document. • We participated in the revision study of the *Solvency Supervision Rules of Insurance Companies No. 4* by the State Administration of Financial Supervision, optimizing the "Calculation Template of Minimum Capital for Catastrophe Risk" and calculating typhoon and earthquake risk factors for property insurance. • We participated in the Chinese Academy of Sciences–led project "Artificial Intelligence and Climate Finance" and published the *Research Report on Insurance Climate Risk Management and Artificial Intelligence Technology Application.* • We led the establishment of China's first commercial aerospace insurance co-insurance organization—the Beijing Commercial Aerospace Insurance Co-insurance Consortium—which provided total insurance liability coverage of 8 billion yuan for 20 commercial space launches in 2025, effectively improving the industry's underwriting capacity and efficiency.	Addressing Climate Change Building a Great Power in Science and Technology Optimizing Strategic Customer Service
Principle 4: Demonstrate accountability mechanisms and transparency and regularly disclose progress in the implementation of the Principles	• We benchmark our climate-related disclosures against the framework recommended by the TCFD (Task Force on Climate-related Financial Disclosures) of the G20 Financial Stability Board, reporting on climate governance, strategy, risk management, and indicators and targets in our climate change response section.	Addressing Climate Change

Index of the *Governance Reporting Code (HKEX ESG)* released by the Stock Exchange of Hong Kong Limited

Aspects, General Disclosures and KPIs			Chapter
Environmental			
A1: Emissions	General Disclosures	In relation to air emission, discharge into water and land, generation of hazardous and non-hazardous waste, etc.: (a) Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Advancing Energy Conservation and Emission Reduction
	A1.1	Types of emissions and related emission data.	Environmental Performance
	A1.3	Total hazardous waste generated (in tonnes) and, where applicable, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	A1.4	Total amount of non-hazardous waste generated (in tonnes) and, where applicable, intensity (e.g. per unit of production volume, per facility).	Environmental Performance
	A1.5	Description of the emission targets set and the steps taken to achieve them.	Strengthening Green Operation Management
	A1.6	Description of the methods used to handle hazardous and non-hazardous wastes and Description of the waste reduction targets set and the steps taken to achieve these targets.	Advancing Energy Conservation and Emission Reduction
A2: Resources Use	General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Advancing Energy Conservation and Emission Reduction
	A2.1	Total consumption (in thousands of kWh) and intensity (e.g. per unit of production volume, per facility) of direct and/or indirect energy (e.g. electricity, gas or oil) by type.	Environmental Performance
	A2.2	Total water consumption and intensity (e.g. per delivery unit, per facility).	Environmental Performance
	A2.3	Description of the energy efficiency targets set and the steps taken to achieve them.	Advancing Energy Conservation and Emission Reduction
	A2.4	Description of any problems that may arise in obtaining suitable water sources, as well as water efficiency targets set and steps taken to achieve them.	Advancing Energy Conservation and Emission Reduction
	A2.5	The total amount of packaging materials used in finished goods (in tonnes) and, where applicable, per unit of production.	Not applicable
A3: Environment and Natural Resources	General Disclosures	Policies to mitigate the issuer's significant impact on the environment and natural resources.	Promoting Green Operations
	A3.1	Description of the significant impacts of business activities on the environment and natural resources and actions taken to manage such impacts.	Promoting Green Operations

Aspects, General Disclosures and KPIs			Chapter
B. Social			
B1: Employment	General Disclosures	In relation to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination and other benefits and benefits: (a) Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Promoting Employee Development
	B1.1	Total number of employees by gender, employment type (e.g. full-time or part-time), age group and geographical region.	Social Performance
	B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance
B2: Health and Safety	General Disclosures	In relation to providing a safe working environment and protecting employees from occupational hazards: (a) Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Enhancing Employee Benefits
	B2.1	Number and rate of work-related fatalities in each of the last three years including the reporting year.	Social Performance
	B2.2	Number of working days lost due to work-related injuries.	Social Performance
	B2.3	Description of the occupational health and safety measures adopted and how they are implemented and monitored.	Enhancing Employee Benefits
B3: Development and Training	General Disclosures	Policies on enhancing employees' knowledge and skills in performing their job duties. Describe training activities.	Support Employee Development
	B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	Social Performance
	B3.2	Average training hours completed per employee by gender and employee category.	Social Performance
B4: Labor Standards	General Disclosures	In relation to the prevention of child or forced labour: (a) Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Protecting Employees' Rights and Interests
	B4.1	Description of measures to review recruitment practices to avoid child and forced labour.	Protecting Employees' Rights and Interests
	B4.2	Description of the steps taken to eliminate violations when they are identified.	Protecting Employees' Rights and Interests

Aspects, General Disclosures and KPIs			Chapter
B5: Supply Chain Management	General Disclosures	Policies to manage environmental and social risks in the supply chain.	Standardizing Supplier Management
	B5.1	Number of suppliers by region.	Social Performance
	B5.2	Description of practices relating to the engagement of suppliers, the number of suppliers to whom such practices are implemented, and how they are implemented and monitored.	Standardizing Supplier Management Social Performance
	B5.3	Description of the practices used to identify environmental and social risks at each link of the supply chain, and how they are implemented and monitored.	Standardizing Supplier Management
	B5.4	Description of the practices to promote the multiplicity of environmentally friendly products and services in supplier selection, and the relevant implementation and monitoring methods.	Standardizing Supplier Management
B6: Product Responsibility	General Disclosures	In relation to health and safety, advertising, labeling and privacy matters relating to products and services provided and remedies: (a) Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Protecting Customer Rights and Interests
	B6.1	Percentage of the total number of products sold or shipped that are subject to recall for safety and health reasons.	Not applicable
	B6.2	Number of complaints received regarding products and services and how to deal with them.	Protecting Customer Rights and Interests Social Performance
	B6.3	Description of practices relating to the maintenance and protection of intellectual property rights.	Protection of intellectual property rights
	B6.4	Description of the quality verification process and product recovery procedures.	Not applicable
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protecting Customer Rights and Interests
B7: Anti-Corruption	General Disclosures	In relation to the prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Standardizing Business Practices
	B7.1	The number of concluded corruption litigation cases brought against the issuer or its employees during the Reporting Period and the outcome of the litigation.	Standardizing Business Practices
	B7.2	Describe preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Standardizing Business Practices
	B7.3	Description of anti-corruption training provided to directors and employees.	Standardizing Business Practices Economic Governance Performance
B8: Community Investment	General Disclosures	Policies on community involvement to understand the needs of the communities in which they operate and to ensure that their business activities take into account the interests of the communities.	Commitment to Social Contribution
	B8.1	Focus on areas of contribution (e.g. education, environmental issues, labour needs, health, culture, sports).	Commitment to Social Contribution
	B8.2	Resources (e.g. money or time) used in the area of focus.	Commitment to Social Contribution Social Performance

Aspects, General Disclosures and KPIs			Chapter
D Climate-related Disclosures	Governance	Information about governance bodies (including responsible boards, committees or other equivalent governance bodies) or individuals responsible for overseeing climate risks and opportunities	Addressing Climate Change: Governance
		Management's role in the governance processes, controls and procedures used to monitor, manage and monitor climate-related risks and opportunities	Addressing Climate Change: Governance
	Strategy	Climate-related risks and opportunities	Addressing Climate Change: Management of Impacts, Risks and Opportunities
		Business model and value chain	Addressing Climate Change: Strategies
		Strategies and decisions	Addressing Climate Change: Management of Impacts, Risks and Opportunities
		Financial position, financial results and cash flows	Addressing Climate Change: Management of Impacts, Risks and Opportunities
		Climate resilience	Addressing Climate Change: Management of Impacts, Risks and Opportunities
		Methods and plans for carrying out climate scenario analysis	Addressing Climate Change: Management of Impacts, Risks and Opportunities
	Risk Management	Processes and related policies for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities	Addressing Climate Change: Management of Impacts, Risks and Opportunities
		Integration of climate-related risk and opportunity management processes	Addressing Climate Change: Management of Impacts, Risks and Opportunities
	Metrics and Targets	Total absolute GHG emissions and method for calculating GHG emissions	Optimizing Green Investment Management Environmental Performance
		Number and percentage of assets or business activities susceptible to climate-related transition risks	Addressing Climate Change: Management of Impacts, Risks and Opportunities
		Number and percentage of assets or business activities susceptible to climate-related physical risks	Addressing Climate Change: Management of Impacts, Risks and Opportunities
		Number and percentage of assets or business activities involved in climate-related opportunities	Addressing Climate Change: Management of Impacts, Risks and Opportunities
		Capital use – amount of capital expenditure, financing or investment for climate-related risks and opportunities	Developing Green Insurance Practicing Green Investment
		Internal carbon pricing	Companies have not yet applied carbon pricing
		Performance-linked compensation	Improving Corporate Governance
		Climate-related targets – qualitative and quantitative targets set to monitor progress towards their strategic objectives	Addressing Climate Change: Metrics and Targets
		Progress on targets	Addressing Climate Change: Metrics and Targets

Index of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*

Aspect	Topic	Chapter
Environmental	Addressing climate change	Addressing Climate Change
	Pollutant discharge	Advancing Energy Conservation and Emission Reduction
	Waste disposal	Advancing Energy Conservation and Emission Reduction
	Ecosystem and biodiversity conservation	Developing Green Insurance
	Environmental compliance management	Promoting Green Operations
	Energy utilization	Advancing Energy Conservation and Emission Reduction
	Water resources utilization	Advancing Energy Conservation and Emission Reduction
	Circular economy	Strengthening Green Operation Management
Social	Rural revitalization	Serving Rural Revitalization
	Social contribution	Charity and Public Welfare
	Innovation-driven development	Stimulating Innovation Dynamism
	Technology ethics	Adhering to Technology Ethics
	Supply chain security	Standardizing Supplier Management
	Equal treatment of SMEs	Standardizing Supplier Management
	Product and service safety and quality	Protecting Customer Rights and Interests
	Data security and customer privacy protection	Strengthening Customer Privacy Protection Strengthening Data Security
	Employee	Promoting Employee Development
Governance	Due diligence	Optimizing Green Investment Management Strengthening Data Security
	Stakeholder communication	Stakeholder Communication
	Anti-commercial bribery and anti-corruption	Standardizing Business Practices
	Anti-unfair competition	Standardizing Business Practices

GRI Content Index

Instructions for use	The Company reported the information cited in this GRI Content Index with reference to the GRI Standards from January 1, 2025 to December 31, 2025 (some of which are outside the above timeframe).
GRI 1 Used	GRI 1: Basic 2021

GRI standard	Disclosure Items	Chapter
GRI 2: General Disclosures 2021		
2-1	Organizational Details	About Us
2-2	Entities included in the organization's sustainability reports	Report Preparation Overview
2-3	Reporting period, reporting cycle and contacts	Report Preparation Overview
2-4	Restatement of information	NA
2-5	External verification	Third Party Assurance/Verification Report
2-6	Activities, value chains and other business relationships	About Us, Stakeholder Communication
2-7	Employees	Promoting Employee Development
2-8	Workers outside employees	Standardizing Supplier Management
2-9	Governance Structure and Composition	Robust and Sustainable Governance
2-10	Nomination and selection of top governance bodies	Robust and Sustainable Governance
2-11	Chairman of the highest governance body	Robust and Sustainable Governance
2-12	The oversight role of the highest governance body in managing impact	Robust and Sustainable Governance
2-13	Delegation of responsibility for managing impact	Robust and Sustainable Governance
2-14	The role of top governance bodies in sustainability reporting	Robust and Sustainable Governance
2-16	Communication of critical concerns	Deepening Sustainable Management
2-17	Common knowledge of top governance bodies	Robust and Sustainable Governance
2-18	Performance assessment of the highest governance body	Robust and Sustainable Governance
2-22	Statement on sustainability strategy	Board Statement on Sustainability
2-23	Policy commitments	Optimizing Green Investment Management Strengthening Data Security Standardizing Business Practices Protecting Employees' Rights and Interests
2-24	Convergence policy commitments	Building Robust Risk Defense
2-25	Procedures to remedy negative effects	Building Robust Risk Defense
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Communication Protecting Customer Rights and Interests
2-27	Compliance with laws and regulations	Strict Compliance with Internal Control
2-28	Membership of associations	Protecting Customer Rights: Strategy
2-29	Methods of stakeholder engagement	Stakeholder Communication
2-30	Collective bargaining agreement	Protecting Employees' Rights and Interests

GRI standard	Disclosure Items	Chapter
GRI 3: Substantive Issues 2021		
3-1	Process for identifying substantive issues	Materiality Assessment of issues
3-2	List of substantive issues	Materiality Assessment of issues
3-3	Management of substantive issues	Materiality Assessment of issues
Economy		
GRI 201: Economic Performance 2016		
201-1	Economic value directly generated and distributed	Economic Governance Performance
201-2	Financial implications of climate change and other risks and opportunities	Addressing Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Enhancing Employee Benefits
GRI 203: Indirect Economic Impact 2016		
203-1	Infrastructure investment and supporting services	Commitment to Social Contribution Increasing Green Investment
203-2	Significant indirect economic impacts	Developing Green Insurance Practicing Green Investment Commitment to Social Contribution
GRI 205: Anti-Corruption 2016		
205-1	Operation points where corruption risk assessment has been conducted	Strict Compliance with Internal Control
205-2	Communication and training of anti-corruption policies and procedures	Strict Compliance with Internal Control
205-3	Confirmed incidents of corruption and actions taken	Strict Compliance with Internal Control
GRI 206: Anti-competitive practices 2016		
206-1	Legal action against anti-competitive practices, antitrust and antitrust practices	Strict Compliance with Internal Control
Environmental		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Environmental Performance
302-2	Energy consumption outside the organization	Environmental Performance
302-3	Energy intensity	Environmental Performance
302-4	Reduce energy consumption	Promoting Green Operations
GRI 303: Water Resources and Sewage 2018		
303-1	Interaction between organizations and water as a shared resource	Promoting Green Operations
303-2	Managing impacts related to water discharge	Environmental Performance
303-3	Water intake	Environmental Performance
303-4	Water discharge	Environmental Performance
303-5	Water consumption	Environmental Performance

GRI standard	Disclosure Items	Chapter
GRI 101: Biodiversity 2024		
101-2	Management of biodiversity impacts	Promoting the Development of Green Insurance
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Environmental Performance
305-2	Energy Indirect (Scope 2) GHG emissions	Environmental Performance
305-3	Other indirect (Scope 3) GHG emissions	Environmental Performance
305-4	GHG emission intensity	Environmental Performance
GRI 306: Waste 2020		
306-1	Generation of waste and waste-related significant impacts	Advancing Energy Conservation and Emission Reduction
306-2	Management of significant impacts related to waste	Advancing Energy Conservation and Emission Reduction
306-3	Waste generated	Advancing Energy Conservation and Emission Reduction
306-4	Waste transferred from disposal	Advancing Energy Conservation and Emission Reduction
GRI 308: Supplier Environmental Assessment 2016		
308-1	New vendors filtered using the environmental assessment dimension	Standardizing Supplier Management
308-2	Negative environmental impacts of the supply chain and actions taken	Standardizing Supplier Management
Social		
GRI 401: Employment 2016		
401-1	New employee employment rate and employee turnover rate	Social Performance
401-2	Benefits offered to full-time employees (excluding temporary or part-time employees)	Enhancing Employee Benefits
401-3	Parental leave	Enhancing Employee Benefits
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Enhancing Employee Benefits
403-2	Hazard identification, risk assessment and accident investigation	Enhancing Employee Benefits
403-3	Occupational health services	Enhancing Employee Benefits
403-4	Occupational health and safety matters: Worker participation, consultation and communication	Enhancing Employee Benefits
403-5	Occupational health and safety training for workers	Enhancing Employee Benefits
403-6	Promoting worker's health	Enhancing Employee Benefits
403-7	Preventing and mitigating occupational health and safety impacts directly related to business relationships	Enhancing Employee Benefits
403-8	Workers covered by the occupational health and safety management system	Enhancing Employee Benefits
403-9	Work injury	Social Performance
403-10	Work-related health problems	Enhancing Employee Benefits

GRI standard	Disclosure Items	Chapter
GRI 404: Training and Education 2016		
404-1	Average training hours per employee per year	Social Performance
404-2	Employee skills enhancement programme and transition assistance programme	Supporting Employee Development
404-3	Employee skills enhancement programme and transition assistance programme	Supporting Employee Development
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Improving Corporate Governance Protecting Employees' Rights and Interests Social Performance
GRI 406: Anti-Discrimination 2016		
406-1	Discrimination incidents and corrective actions taken	Protecting Employees' Rights and Interests
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operating sites and suppliers where freedom of association and collective bargaining rights may be at risk	Protecting Employees' Rights and Interests
GRI 408: Child Labor 2016		
408-1	Operating sites and suppliers at risk of significant child labour incidents	Protecting Employees' Rights and Interests
GRI409: Forced or Forced Labor 2016		
409-1	Operating sites and suppliers with significant risk of forced or forced labor events	Protecting Employees' Rights and Interests
GRI 413: Local Communities 2016		
413-1	Operational sites with local community involvement, impact assessment and development plans	Commitment to Social Contribution
GRI 414: Supplier Social Assessment 2016		
414-1	New vendors filtered using the social evaluation dimension	Standardizing Supplier Management
414-2	Negative social impacts of supply chains and actions taken	Standardizing Supplier Management
GRI 417: Marketing & Identity 2016		
417-1	Requirements for product and service information and identification	Protecting Customer Rights and Interests
GRI 418: Customer Privacy 2016		
418-1	Proven complaints involving invasion of customer privacy and loss of customer data	Protecting Customer Rights and Interests

SDGs Index

	Goal	Chapter
SDG 1	No Poverty	Serving Rural Revitalization
SDG 2	Zero Hunger	Commitment to Social Contribution
SDG 3	Good Health and Well-Being	Commitment to Social Contribution Deepening Inclusive Finance
SDG 4	Quality Education	Charity and Public Welfare
SDG 5	Gender Equality	Promoting Employee Development
SDG 6	Clean Water and Sanitation	Promoting Green Operations
SDG 7	Affordable and Clean Energy	Promoting Green Operations
SDG 8	Decent Work and Economic Growth	Promoting Employee Development
SDG 9	Industry, Innovation and Infrastructure	Developing Green Insurance Practicing Green Investment Building a Great Power in Science and Technology Facilitating Opening Up
SDG 10	Reduced Inequalities	Promoting Employee Development
SDG 11	Sustainable Cities and Communities	Promoting Green Operations
SDG 12	Responsible Consumption and Production	Promoting Green Operations
SDG 13	Climate Action	Addressing Climate Change
SDG 14	Life Below Water	Developing Green Insurance Promoting Green Operations
SDG 15	Life on Land	Developing Green Insurance Promoting Green Operations
SDG 16	Peace, Justice and Strong Institutions	Robust and Sustainable Governance
SDG 17	Partnerships for The Goals	Facilitating Opening Up Protecting Customer Rights and Interests Standardizing Supplier Management

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Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by The People's Insurance Company (Group) Of China Limited (hereinafter "PICC" or "the Company") to conduct an independent third-party assurance of 2025 Sustainability Report (hereinafter, "Report"). The Report disclosed PICC's sustainability information for the fiscal year 2025 (from 1 January 2025 to 31 December 2025).

Responsibilities

PICC is not only responsible for the preparation of sustainability report and the collection and reporting of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland implements sustainability information assurance activities under a quality management system that complies with the requirements of the ISO/IEC 17029:2019 Standard and adheres to the TÜV Rheinland Global Code of Ethics and Compliance Program. Our assurance service follows the principles of independence and impartiality and does not participate in the preparation of PICC's Report. The assurance project was implemented by a team with expertise and assurance experience in the corresponding sustainability issues. The role of TÜV Rheinland is to carry out independent assurance work in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial professional judgments on sustainability reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for specified performance indicators (see Appendix in this statement) and non-financial qualitative information (including materiality assessment, stakeholder engagement, topics management related to material impacts, risks and opportunities (IRO), etc.) selected by PICC in accordance with the AccountAbility AA1000 Assurance Standard 3rd edition (AA1000AS v3) on a Type-2 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of PICC and stakeholders concerned with the company's sustainability information and performance with an independent view of the assurance, including that we review and assess the content of the report adherence to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and review and evaluate the reliability and quality of specified performance information.

Assurance Criteria

The following assessment criteria (including reporting frameworks or standards) were also used in undertaking the work:

- Guidelines No. 1 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange—Standardized Operation
- Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)
- Guide No. 4 for Self-Regulatory Supervision on Listed Companies of Shanghai Stock Exchange — Compilation of Sustainable Development Reports
- Environmental, Social and Governance Reporting Code ("ESG Rules") (Appendix C2 of Main Board Listing Rules) of the Stock Exchange of Hong Kong Limited
- GRI Sustainability Reporting Standards (GRI Standards) of the Global Sustainability Standards Board (GSSB)
- UN Sustainable Development Goals (SDGs)
- Greenhouse Gas Accounting System Enterprise Accounting and Reporting Standards (GHG Protocol)

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- Adherence to the AA1000AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

- Interviewing with management to understand and assess key processes, systems and internal controls for operations and sustainability management.
- Interviewing with key personnel responsible for sustainability execution to understand the non-financial information reporting system, including the collection, integration and reporting of specified performance data and non-financial qualitative information, and to evaluate the data integration process at the group level.
- Applying analytical procedures to review the reasonableness of the data.
- Testing the source of information based on the sampling principle to check the accuracy of the data.
- Observing and inspecting the management process of information and data on the operation and sustainability performance of the Company's subsidiary corporations in Beijing, China, based on the sampling principle.
- Reviewing the consistency and reliability of specified performance indicators and quantitative and qualitative information within assurance scope.
- Collecting and inspecting supporting evidence to assess the extent to which relevant disclosures within the scope of the assurance engagement and sustainability reporting support and adherence to AA1000AP assurance principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon and obtained evidence information and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3. The nature and extent (scope) of the procedures involved in moderate level assurance engagement are lower than those required to obtain high level assurance.

Forward-looking information relates to events and actions that have not yet occurred and may never occur. Actual results are likely to be different because expected events often do not occur as expected. We did not guarantee the availability of forward-looking information.

The information and performance relating to the assurance is limited to the disclosure of the contents of this Report. Our assurance work did neither include financial report, nor cover other information not related to the subject matters of sustainability and beyond the scope of the assurance.

Conclusions

Based on the above assurance procedures implemented and the evidence obtained, we believe that:

- PICC's 2025 Sustainability Report and its contents are in adherence to the AA1000AP AccountAbility Principles.
- Sustainability information is prepared in accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), Environmental, Social and Governance Reporting Code ("ESG Rules") (Appendix C2 of Main Board Listing Rules) of the Stock Exchange of Hong Kong Limited, and GRI Standards.
- Specified performance indicators (see Appendix to this Statement) and non-financial qualitative information within the scope of the assurance, including the assessment of material issues, were evaluated and there were no material misstatements.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on PICC based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

Evidence showed that PICC has identified seven types of core stakeholders, including shareholders, governments, customers, employees, partners, communities and the natural environment, and has engaged in regular interaction through multiple channels. The Company integrated the demands of multiple stakeholders into the strategic level.

Materiality

PICC adopted a "four-step method" to carry out material issue assessment, which sorted out material issues based on regulatory requirements, international standards and rating systems, and corporate strategy, and conducted double materiality assessment and prioritization from the two dimensions of "impact materiality" and "financial materiality". The material issues matrix chart revealed the high material issues of the year, such as addressing climate change, deeply cultivating financial inclusion, and protecting customer rights and interests.

Responsiveness

PICC's communication channels with its core stakeholders usually covered customer service and satisfaction surveys, employee training, supplier training, etc. The evidence showed that the Company has responded adequately, specifically, and promptly to materiality issues and stakeholder concerns. This report disclosed relevant policies, management systems, quantitative performance (such as carbon emissions, green insurance, inclusive finance, customer rights, etc.) and typical cases in various fields of governance, environment and society, specifically demonstrating the Company's actions and results.

Impact

Evidence showed that PICC has made progress in measuring the direct impact of its activities on the economy, environment, and society. Through the disclosure of data such as the scale of green investment, operational carbon inventory, employee training and assistance fund investment, the output and results are shown. This report disclosed waste, emission management, and employee occupational health and safety data on the operation side, indicating the Company's control of direct negative impacts. At the same time, the Company has explored climate risk scenario analysis and stress testing. We recommend that PICC further apply or develop scientific impact assessment methods to systematically measure indirect environmental impacts and long-term social impacts in the future and deepen the management of value chain impacts.

Disclosure of Specified Performance Information

TÜV Rheinland reached conclusions on the verification of reliability and quality of specified performance information (see Appendix) based on Type-2 and Moderate level assurance engagement:

- TÜV Rheinland observed that PICC has implemented relevant control systems and processes, and appropriate measures to gather and provide reliable source data related to the specified performance indicators as selected for verification.
- During the verification process, some minor errors identified have been corrected. We believe that the data finally presented in the Report within the scope of the assurance is accurate. We recommend that PICC continuously improve the level of data governance (including data calculation, aggregation, and internal verification) at the group and operational levels.

A full management report was submitted to management of PICC for consideration, detailing the findings and recommendations for continuous improvement of the sustainability report.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 16 March 2026

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Appendix:

Selected specific performance indicators in the table as follows:

Indicator (s)	Unit
Environment	
Greenhouse gas emissions for Scope 1	tCO2e
Greenhouse gas emissions for Scope 2	tCO2e
Financed emissions	tCO2e
Electric power consumption	kWh
Water consumption	t
Risk protection by green insurance	trillion yuan
Investment to serve green development	100 million yuan
Risk protection for environmental pollution	100 million yuan
Risk protection for new energy vehicles	trillion yuan
Risk protection for clean energy initiatives	trillion yuan
Social	
Proportion of female in middle and senior management	%
Number of employees from ethnic minorities	/
Employment rate	%
Turnover rate	%
Voluntary turnover rate	%
Turnover rate: male	%
Turnover rate: female	%
Turnover rate: < 31 years old	%
Turnover rate: 31 - 50 years old	%
Turnover rate: > 50 years old	%
Number of working days lost due to work-related injuries	days
Proportion of work-related fatalities	%
Total days of employee absence	days
Spent on training and development	10,000 yuan
Times training and development held	times
Percentage of employees trained	%
Average hours of training and development	hours/person
Risk protection by inclusive insurance	trillion yuan
Investment in designated support counties	100 million yuan
Risk protection provided for small and micro enterprises and individual businesses	trillion yuan
Technology-based small and medium-sized enterprises served	/
Number of new citizens served	/
Risk protection for new citizens	trillion yuan
Agriculture insurance service points	/
Amount of consumption-driven assistance	10,000 yuan

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Charitable donation	10,000 yuan
Number of employees engaged in voluntary activities	/
Volunteer service hours	10,000 hours
Number of persons benefited from voluntary activities	/
IT development investment	100 million yuan
Number of R&D personnel	/
Financial education and awareness campaigns held	times
Number of individuals covered by financial education and awareness campaigns	/
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
Governance	
Participation in anti-corruption training	%

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Statement of Greenhouse Gas and Environmental Data

This statement focuses on
The People's Insurance Company (Group) of China Limited
No.88 West Chang'an Avenue, Xicheng District, Beijing, the PRC, 100031,
and covers the greenhouse gas emissions and key environmental data of The People's Insurance Company (Group) of China Limited in Chinese mainland and Hong Kong for the period January 1, 2023 – December 31, 2025.

Energy consumption		**2023**	**2024**	**2025**
Gasoline consumption (L)		46,661,317	43,441,856	32,254,836
Diesel oil consumption (L)		651,393	376,446	298,202
Liquefied petroleum gas consumption(t)		626	370	177
Coal consumption (t)		1,174	1,661	1,394
Natural gas consumption(Nm^3)		6,537,325	6,594,156	6,612,203
Electric power consumption (kWh)		552,071,090	592,669,875	603,975,453
Heat consumption(GJ)		1,430,903	1,230,082	1,179,455
Greenhouse gas emissions		**2023**	**2024**	**2025**
Total greenhouse gas emissions for Scope 1 and Scope 2 (tCO_2e)		567,581	562,560	538,943
Among which	Greenhouse gas emissions for Scope 1 (tCO_2e)	123,465	115,818	89,757
	Greenhouse gas emissions for Scope 2 (tCO_2e)	444,116	446,742	449,186
Greenhouse gas emissions for Scope 3-Business trips(tCO_2e)		5,623	6,502	8,423
Other environmental footprint		**2023**	**2024**	**2025**
Water consumption (t)		7,487,874	7,445,234	7,309,035

Greenhouse Gas and energy consumption is conducted in accordance with the scopes defined in the *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, GHGP (2004)*, *The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*. The calculation utilizes emission and conversion factors provided in *the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Public Building Operation Enterprises(Trial)*, *Chinese Product Life Cycle Greenhouse Gas Emission Coefficient Database*, the latest average carbon dioxide emission factors of China's provincial power grid.

CECEP Hundred Technical Service(Beijing) Co.,Ltd.
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Signature or seal

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Date of declaration: March 18, 2026

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