

2019

**CORPORATE SOCIAL
RESPONSIBILITY REPORT**



Contents

Preface	1
Chairman Speech	2
Topic: PICC Fights “COVID-19”	4
Company Honors	58
Verification Statement.....	59
Content Index	62



TRANSFORMATION OF PICC TO HIGH-QUALITY DEVELOPMENT

Company Profile	8
Development Strategy.....	8
Company Culture.....	10



Concentrating Attention to Risk Protection Striving to Become a Corporate Citizen

Providing More Intimate Service by Creating a Smart and Convenient Customer Experience	32
Putting Shareholders Minds at Ease by Establishing Standardized and Transparent Corporate Management	37
Ensuring Employees Happier by Creating a Harmonious and Enterprising Corporate Atmosphere.....	42
Making Smoother Cooperation through Mutually Beneficial Partnerships	46
Creating a More Livable Environment by Adhering to Environmental Protection Concepts such as Low-Carbon Operation	48
Committing to Public Welfare by Helping the Underprivileged and Showing Benevolence Towards Society.....	50



Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments

Assisting In Targeted Poverty Alleviation and Reducing Poverty in China	14
Promoting Green Development and Serving the Construction of an Ecological Civilization	18
Serving the Real Economy and Promoting Sustainable Economic Development.....	20
Integration with Social Governance and Assisting with Advances in Administration Modernization ..	25
Serving "Healthy China" and Improving People's Health and Well-being.....	28



Strengthening Communication with Stakeholders Improving the Social Responsibility Management System

Communication with Stakeholders.....	54
Solidifying Concrete Topics	55
Social Responsibility Report Press Conference.....	56

Preface

This report discloses the economic, environmental and social performance of the People's Insurance Company (Group) of China Limited (China People's Insurance Group, China People's Insurance, PICC Group, PICC, Group, Company, PICC, We) during the period from (January 1, 2019 to December 31, 2019), some of which covers 2020.

This Corporate Social Responsibility Report is compiled based primarily on the core scheme disclosure requirements of the GRI Standards (2016) of the Global Reporting Initiative (GRI), the *Guidelines on the Disclosure of Environmental Information by Listed Companies* of the Shanghai Stock Exchange, and the *Environmental, Social and Governance Reporting Guide* (HKEx ESG) released by the Stock Exchange of Hong Kong Limited, which is published annually through the exchange and the company's official website.

The financial data in this report is quoted from financial reports that were compiled according to accounting standards for Chinese enterprises (audited by Deloitte Huayong Certified Public Accountants Co., Ltd. (Special General Partnership)) in the *2019 Annual Report of the People's Insurance Company (Group) of China Limited*. Unless stated otherwise, all monetary figures in this report are presented in RMB (yuan).

The Board of Directors and other directors of the Company pledge that this report contains absolutely no misrepresentation, misleading statements or major omissions, that all information contained within is authentic, and that SGS is entrusted with conducting independent third-party examination to confirm the accuracy and reliability of all data.

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

Please contact us if you wish to give feedback:

Telephone: 86-10-69008888

E-mail: csr_group@picc.com.cn



Scan code to view online version of report



2019 was an important year for PICC's transformation to high-quality development, and it was also the 70th anniversary of PICC. In the past year, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we implemented new development concepts, followed the general philosophy of utilizing stability to improve upon ourselves, promulgated the "3411 Project", reformed our business model, optimized corporate governance, and expedited our transformation to high-quality development; We fulfilled the economic, political, and social responsibilities befitting a central financial enterprise, and adhered to the people as the center by working hard to be an industry leader in terms of poverty alleviation, real economy, rural rejuvenation, healthy retirement, and social governance.

We care about the poor, assist in rural rejuvenation, and aim to help overcome poverty. Eradicating poverty, improving people's livelihood, and achieving common prosperity are the tenets of socialism, and it is also the indispensable responsibility of PICC as a central financial enterprise. Over the past year, we have resolutely implemented the poverty alleviation plan deployed by the central government as well as coordinated and promoted targeted poverty alleviation and insurance poverty alleviation, resulting in all four point-to-point counties focused on being lifted from poverty;

We vigorously promoted insurance poverty alleviation projects such as "Shenpinbao Insurance", protecting 39.86 million recorded poor households and people; we actively promoted the high-quality development of agricultural insurance, provided RMB 2.3 trillion worth of risk protection for 88.7 million farmers, and held up an insurance "protection umbrella" for targeted poverty alleviation and rural revitalization. The group's poverty alleviation work were fully recognized by the State Council Leading Group Office of Poverty Alleviation and Development, and we became the only central financial enterprise selected in the *Blue Book for Enterprise Poverty Alleviation* prepared by the State Council.

We serve the real economy, assist private, small, and micro enterprises, and promote high-quality economic development. We fully grasp the essential truth of "finance must serve the real economy", continue to promote structural reforms on the supply side of insurance, and further improve the adaptability of insurance to the real economy. We actively linked with major national strategies, vigorously expanded first-set and new material insurance, and provided insurance for 1,081 national key technical projects in the name of becoming a powerful manufacturing country; We safeguarded the "Belt and Road" and established an overseas service network covering nearly 200 countries and regions. We actively served private small and micro enterprises to reduce

financing costs. In 2019, we provided underwriting services

250,000 micro-and-small businesses, and our total insurance reached RMB 75.8 trillion. We granted RMB 11.2 billion of financial support to 2,343 micro-and-small enterprises by providing insurance with loan guarantees, which injected "financial lifeblood" for the healthy development of private micro-and-small businesses.

We adhere to the original principals of insurance by launching innovative products and services and assisting in improving the modernization of social governance system and governance capabilities. Going back to the protecting function of insurance is not only our professional obligation, but also the advantageous to PICC. We allowed insurance to "spread its wings" by focusing on the challenges of preventing and controlling environmental pollution, developing green insurance, and promoting green investment. Our Environmental Pollution Liability Insurance covered 31 provinces and provided risk protection RMB 13.87 billion. We promote the establishment of a connective system linking agricultural insurance claims and the harmless treatment to dead animals in order to assist in resolving rural pollution. We focused on helping to innovate social management systems, fast-tracking insurance for administrative businesses such as safe production and elevators, and innovating models of social governance service. The "Coordinated Actions between the Police and Insurance Company" has been launched in more than 330 cities, providing service for 3.3 million individuals. We focused on improving disaster prevention and control capabilities, and proper responses to major disasters such as forest fires in Liangshan Prefecture, Sichuan, the "3.21" explosion in Xiangshui, Jiangsu, and Typhoon Lekima. For Typhoon Lekima alone, we gave out RMB 2.88 billion across 170,000 claims. In 2019, PICC paid a total of RMB 278.438 billion in compensation, the highest rank in the industry, highlighting the sense of responsibility possessed by a central financial enterprise.

We actively integrate into the construction of the Medical Insurance system and the expansion of health care services. We aim to serve the "Healthy China". We adhere to the idea of finance being a source of benefit for the people. We do this by linking up with the Healthy China strategy, and playing an important supporting role in meeting people's expectations and desires for medical issues. The Group has actively participated in the construction of a multi-level Medical Insurance system. The Group undertook a total of 1,646 policy-based Medical Insurance projects, covering 830 million people across 31 provinces. The number of inclusive commercial health insurance customers on the Internet reached 28 million, and the level of residents' medical protection improved significantly. We made efforts to strengthen the supply of health and pension products and services. The scale of assets under PICC Pension management and maintenance exceeded RMB 120 billion. PICC Life Insurance Dalian Yiyuan Pension Community was officially put into operation. PICC Health medical cooperation Network linked 8,000 hospitals as part of our contribution to the construction of social security system that cares for the underprivileged and others in need of assistance.

We have accelerated business model reforms, pushed for digitization of strategies, and improved customer service satisfaction. We have transformed our business model by adhering to the needs of customers with the support of digitization, and have striven to build a high-quality service system that is compatible with the changing times. We made efforts to improve our online service capabilities, by releasing the "PICC" App, building group comprehensive e-commerce portal, and promoting the launch of 95518 smart customer service platforms nationwide, with more than 40 million registered online customers, substantially improving customer's experience. We extensively promoted digital operations, 59.5% of customers paid PICC P&C insurances online, 85% of PICC Health insurance policies and 97.5% of PICC Life insurance policies were issued online, and customer service efficiency was improved significantly. We accelerated the construction of a new business model of

"Insurance + Technology + Services", PICC P&C

introduced big data, IoT, and spatial information technology to build a nationwide emergency command platform, and achieved a precise and comprehensive portrait of corporate risks in serving the establishment of a "Insurance + Technology + Service" safety factory. PICC Health provided health management services for 87.86 million customers, creating a greater sense of safety and health values amongst customers.

2020 is the year to overcome poverty and build a well-off society. To make new progress towards this effort, we will thoroughly implement the directives of the central government, deepen structural reforms for insurance supplies, get a handle on financial services for the real economy, and fully promote the development of integration. We will focus on winning the battle against targeted poverty alleviation by adhering to the existing standards and keeping the requirements unchanged. We will continue to work hard in exploring possibilities for a long-term insurance structure for promoting poverty alleviation and preventing poverty resurgence. We will also accelerate the development of high-quality agricultural insurance. We will continue to improve our ability to serve the real economy, expand coverage of export Credit Insurance, and develop a package policy of advanced manufacturing solutions to provide effective guarantees for the revitalization of the manufacturing industry. We will focus on optimizing pension health services, improving the quality of social security services, developing diversified pension and annuity insurance products, accelerating the development of Long-term Nursing Insurance, and promoting the new service model of "Health Insurance + Health Management + Information Technology". We will assist with modernizing the country's governance, develop green insurance such as Environmental Pollution Liability Insurance and Meteorological Insurance, and aid in the battle against pollution control. We will continue to promote "Coordinated Actions between the Police and Insurance Company", explore the establishment of a "Emergency + Insurance" system, and promote the implementation of a new risk reduction management model.

At the beginning of 2020, the novel coronavirus pneumonia epidemic emerged without warning. In the face of the epidemic, all the cadres and staff of the PICC system resolutely implemented the important instructions of General Secretary Xi Jinping and the directives of the central government. We worked with people across the country to fight the epidemic, maintain stability, perform public services, and other humanitarian deeds. We provided emergency donations of RMB 10 million to Wuhan immediately, donated exclusive insurance to first-line medical staff in Wuhan, and provided compensation for the doctors and nurses who tragically gave their lives serving their posts. We dealt with epidemic prevention and control first hand, and in the process maintained stability with one hand and resumed production with the other hand to fulfill the responsibilities of an insurance company and to illustrate the altruistic nature of PICC. Despite facing complex and severe challenges, China's economy is resilient and has great potential. The basic trend of stable economic growth and long-term improvement remains unchanged. PICC will keep the overall situation in mind, adhere to the principle of "people's insurance for the people", stand firm on formulating plans from "potential", seeking opportunities from "strategy", and find assurance in "change". We will strive day and night to move forward and successfully contribute to the construction of a well-off society and the "Thirteenth Five-Year Plan"!

THE PEOPLE'S INSURANCE COMPANY (GROUP) OF
CHINA LIMITED
Secretary of the Party Committee, Chairman

TOPIC: PICC Fights "COVID-19"

In the beginning of 2020, in the face of the sudden outbreak of novel coronavirus pneumonia, PICC firmly carried out General Secretary Xi Jinping's vital instructions, earnestly implemented the policies and directives of the CPC Central Committee and the State Council, and promoted the implementation of epidemic prevention and control work during the initial stages of the virus. With one hand, PICC carried out epidemic prevention and control, and resumed work production with the other. PICC emphasized the responsibility of a state-owned financial enterprise, and provided comprehensive service in order to win the fight against the epidemic.

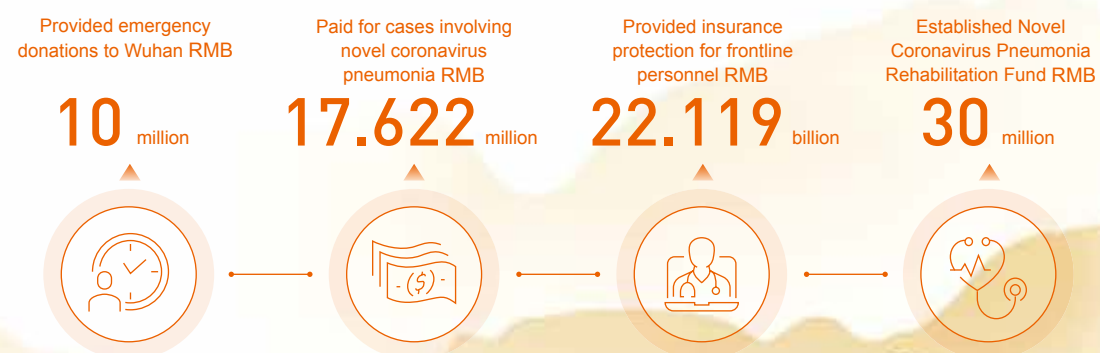
We are united in our support for those on the frontline of epidemic prevention and control, improving claims services, and working hard to build a strong defensive force in common fight against the epidemic. The whole system was actively integrated into group defense and control, and great efforts were made to provide epidemic compensation services. Cadres and staff in Hubei and other provinces where the epidemic situation was heavier stood by the front line. Many agencies provided "95518" emergency service support to Hubei, and provided customers with "24/7 Online Consultation", "Video Doctor", professional secondary consultation and other special value-added services; all "Coordinated Actions between the Police and Insurance Company" advisory stations were turned into rural "epidemic prevention stations". As of March 23, 2020, the Group has received 2,856 cases involving novel coronavirus pneumonia, and paid out RMB 17.622 million for 507 claims.



On February 6, while passing through Xiquwan Township, Badong County, a truck transporting vegetables originally bound for Wenchuan that had diverted to Wuhan to provide relief was involved in a traffic accident with a small vehicle that was on its way back to Sichuan. PICC insurance surveyor Wang Hua quickly rushed to the scene to investigate the accident. To our knowledge, the car owner repeatedly comforted the truck driver.



PICC P&C Dalian Branch set up the "95518 Support Hubei Emergency Team", which has handled over 500 overflow calls from Hubei and responded to customer needs in a timely manner.



When it comes to insurance products and services, we expand and innovate. We actively support the resumption of work production, and provide effective guarantees for a stable economy. Based on the original principles of insurance protection, the Group launched the "Fugongbao Insurance" series product line throughout the country. This comprehensive insurance for the prevention and control of epidemics within the resumption and re-production of enterprises was first launched in Hainan and Fujian and covered more than 400,000 enterprises, helping them resume work and resume production. We created a new type of Business Interruption Insurance to ease the worries caused from volatile business in the initial stage of the resumption of work for SMEs, expanded the scope of insurance liability. Novel Coronavirus Pneumonia Insurance Liability has covered more than 50 products. We increased investment support during the epidemic, supported the restoration of production and construction in key areas, and ensured social stability.



PICC P&C Insurance Jiaying Branch of Zhejiang Province launched Work and Production Resumption Liability Insurance to protect enterprises from losses in stoppage and employee income as a result of the epidemic. The picture shows PICC employees checking safety conditions for enterprises resuming business.



In light of the epidemic, PICC P&C Hangzhou Branch of Zhejiang Province introduced Leafy Vegetable Price Index Insurance to ensure the stable production and supply of "vegetable baskets" during the epidemic period.

We actively participate in social public welfare, do more to help the needy, and improve the positive energy of everyone banding together and fighting the epidemic. After the epidemic, the Group provided an emergency donation of RMB 10 million to Wuhan to increase front-line funding support. We took the lead in providing complimentary insurance protection to medical staff in Wuhan. As of March 23, 2020, we have provided RMB 22.119 billion in insurance coverage for frontline personnel in the war against the epidemic. Building upon this, we raised RMB 30 million for the Novel Coronavirus Pneumonia Rehabilitation Relief Assistance Fund to provide rehabilitation services and mental assistance for medical workers who have lost their ability to work.



A Red Cross volunteer named Pan Haihong, who has also been a CPC member for over 20 years in PICC P&C Huzhou Branch in Zhejiang Province, stood by the South Exit of Huzhou Expressway and worked 12 hours a day.



On March 3, PICC P&C Xiangzhou Branch of Xiangyang City, Hubei Province donated RMB 12,600 worth of wheat anti-bacteria, insecticides, and pesticides to poor households in the provincial poverty-stricken area of Chenji Village, and used drones for remote prevention and control.



PICC Health Shenyang Center Branch provided special insurance services for local epidemic prevention medical staff.



During the epidemic period, the blood center in the center of Longyan City, Fujian Province was facing a shortage in their blood supplies. 25 people from PICC P&C Insurance Longyan Branch of Fujian Province participated in a blood drive which provided 8,200 ml.



PICC'S TRANSITION TO HIGH-QUALITY DEVELOPMENT

08 Company Profile
08 Development Strategy
10 Company Culture

PICC

COMPANY PROFILE

The People's Insurance Company (Group) of China Limited was established on October 20, 1949 and is headquartered in PICC Building, No. 88 West Chang'an Street, Xicheng District, Beijing. As the first national insurance company in New China, PICC has grown into one of the leading large-scale comprehensive insurance and financial groups in China, and now owns the "PICC" brand. During its 70-years of reform and development, PICC has always held fast to its guiding principle of "People's Insurance, for the people". With our network of urban and rural outlets, we actively help contribute to economic and social development, protect the national economy and the people's livelihood, fulfill our noble duties as both an enterprise and a part of society, and bring honor to the reputation of the insurance industry. In 2018, PICC officially entered the A-share market on the Shanghai Stock Exchange (stock abbreviation "PICC P&C", stock code: 601319), becoming the fifth domestic financial and insurance company listed on the "A + H" shares. In 2019, PICC ranked 121st in the Fortune Global 500 published by Fortune, illustrating the Group's true capabilities.



In 2019, PICC ranked in the Fortune Global 500 published by Fortune.

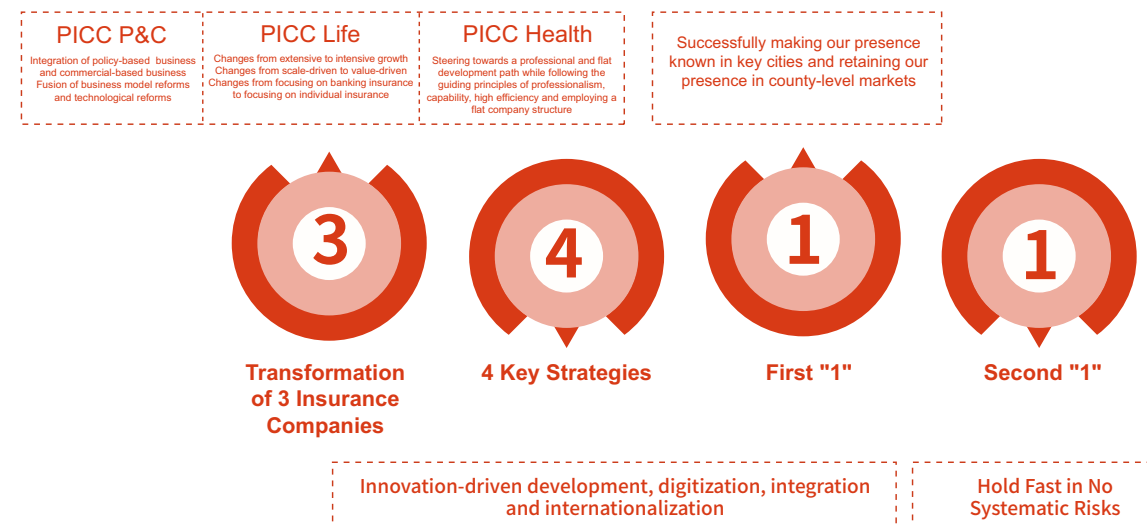
121

PICC has always adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We have thoroughly studied and implemented the attitudes presented by the 19th National Congress of the CPC and the 2nd, 3rd and 4th Plenary Sessions of the 19th CPC Central Committee, as well as enhanced the "Four Consciousness", strengthened the "Four Self-confidence", and achieved the "Two Maintenance". PICC firmly adheres to new development concepts, enthusiastically supports the "3411 Project", advocates the Group's transformation to high-quality development, and strives to turn PICC into a domestic leader and an international first-class insurance and financial group with all-encompassing capabilities, outstanding value creation, enhanced efficacy, and excellent service quality.

DEVELOPMENT STRATEGY

In 2019, PICC focused on "risk management + wealth management", built a business model of "Insurance + Technology + Service", and continued to move forward with the "3411 Project" which deals with the transformation of PICC to high-quality development. "3" refers to advancing the transformation of 3 insurance companies, namely, PICC P&C, PICC Life and PICC Health. "4" refers to implementing 4 key strategies, including innovation-driven development strategy, digitization strategy, integration strategy and internationalization strategy. The first "1" refers to accomplishing the goal of making it's presence known in key cities and retaining it's presence in county-level markets. The second "1" refers to holding to the bottom line of no systematic risk, consolidating the foundation, and improving law compliance and risk prevention standards on a comprehensive level.

"3411" Project Concerning the Transformation of PICC to High-quality Development



Construct a Business Model of "Insurance + Technology + Service"

We accelerate construction of a new business model with insurance as the starting point, service as the end, and technology as the support. We create an irreproducible competitive edge through our superlative service.

First, in the field of property insurance, creating a differentiated service model for different customer groups.

- Focus on the two major customer groups of those who are of financial age and people involved in the legal field in order to fortify the top design and coordinate the construction of differentiated service models.
- In terms of individual customers, a scenario-based insurance service system is built around the varying needs of customers. In particular, we provide a variety of services such as auto financing, repair and maintenance, rescue and designated drivers for customers who own their own vehicles, all of which have gradually established a unified auto service brand of PICC.
- In terms of corporate customers, we use the Internet, the Internet of Things, and other scientific and technological methods to embed insurance services in the management and production processes of enterprises. We provide professional customers with accordingly professional risk management, process risk prevention, and control services, from simple "post-risk" compensation to "in-process risk" response and "pre-risk" early warnings, thus building a new risk reduction management model.

Second, in the field of life insurance, building a service model centered on pension and care.

- We have adhered to the principle of "Emphasis on light assets, combination of light and heavy assets", built a sustainable pension care service system with PICC characteristics, create economic and social benefits, and explored an "insurance + service" model adapted to real life scenarios for PICC.

Third, in the field of health insurance, building a service model centered on health management

- We have combined insurance products with health management services, built both online and offline health management service systems, and turned the "Healthy People" App into a leading industry app.
- We have strengthened our cooperation with medical institutions, expert teams, and health service providers, advanced the "construction of platforms and ecosystems," and enhanced unique features, expanded the scale, and created value.

2017-2019 Economic Performance

	2017	2018	2019
Insurance Business Income (RMB100 million)	4,764.44	4,986.11	5,552.71
Total Assets (RMB100 million)	9,879.73	10,316.90	11,327.71
Net Assets (RMB100 million)	1,859.59	2,054.26	2,468.39
Consolidated Net Profit (RMB100 million)	237.69	194.99	316.95
EPS (RMB)	0.39	0.32	0.51
Total Investment Assets (RMB100 million)	8,534.00	8,954.62	9,782.12
ROAE	12.7%	9.4%	13.4%
ROI	6.0%	4.9%	5.4%
Comprehensive Solvency Adequacy Ratio	299%	309%	300%

COMPANY CULTURE

In July 2019, PICC officially released its company culture value system. PICC adheres to the principle of putting people first. We keep in mind the corporate mission of being "People's Insurance for the People", adhere to our core values rooted in ideas, professionalism, innovation and righteousness, and realize our corporate vision of "being an excellent brand trusted by the people". The corporate mission of "People's Insurance for the People" has remained the mission carried out by PICC from the moment it was born. The core values of "ideas, professionalism, innovation and righteousness" sum up the core values that PICC has formed during all of it's experience since it's founding, particularly after the reforming and opening up of the nation. The vision of "being an excellent brand trusted by the people" is a bright vision and direction for PICC to strive towards in the new era. This includes our unrelenting pursuit of coordinated development with customers, shareholders, employees, partners, society, and the environment.

We use a shared mission to consolidate our strength, shared values to guide our actions, and a shared vision to instill a fighting spirit in others. The cadres and our employees across the company are united in our ideals, beliefs, and values, and we have sufficiently motivated the company while it sets sail on this new journey. We also have made contributions to the implementation of the "3411 Project" and the transformation to high-quality development.



Schematic diagram of PICC Company
Culture Value System



On December 5, 2019, PICC and the Beijing Winter Olympics Organizing Committee held a signing ceremony in Beijing and formally became the official partner of the Beijing 2022 Winter Olympics and the Winter Paralympics.



In October 2019, the Group held "Keeping True to Our Original Aspiration, Undertaking the Mission -- PICC Start-up Retrospective Commemorative Exhibition and Early Poster Theme Exhibition" in Beijing, vividly reviewing the history of PICC's business operations.

2019 ESG Performance

Fulfilling Security Duties	Total insurance amount of RMB 935.2 trillion
	Total insurance claims of RMB 278.438 billion
Assisting in Poverty Alleviation	Provided risk protection of RMB 2.3 trillion for 88.7 million farmers
	All four point-to-point counties were left out of poverty
	Invested RMB 43.8409 million funds to targeted poverty alleviation regions
Serving Both the Economy and Society	Policy medical insurance business covered 830 million people
	Served 250,000 small, medium, and micro enterprises, with an insurance amount of RMB 75.8 trillion
	"CAPC" launched in more than 330 cities and served 3.3 million people
Promoting Green Development	Environmental Pollution Liability Insurance provided RMB 13.87 billion in insurance
Providing Smart Services	GHG emissions per capita was 2.04tCO ₂ e/person
	Over 40 million customers registered online
Sticking to a People-oriented Concept	Percentage of auto insurance customers online was 59.5%
Expanding Open Cooperation	199,000 employees
	Signed strategic cooperation agreements with 23 institutions



ADHERING TO THE ORIGINAL PRINCIPLES OF INSURANCE DEEPLY INTEGRATING INTO SOCIOECONOMIC DEVELOPMENTS

14 Assisting In Targeted Poverty Alleviation and Reducing Poverty in China

18 Promoting Green Development and Serving the Construction of an Ecological Civilization

20 Serving the Real Economy and Promoting Sustainable Economic Development

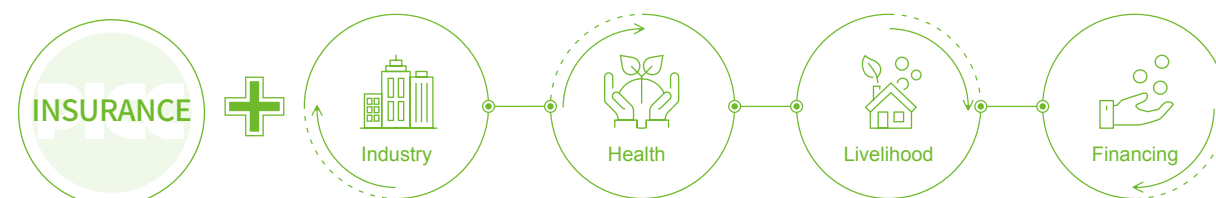
25 Integration with Social Governance and Assisting with Advances in Administration Modernization

28 Serving "Healthy China" and Improving People's Health and Well-being

PICC

ASSISTING IN TARGETED POVERTY ALLEVIATION AND REDUCING POVERTY IN CHINA

“At present, the fight against poverty has entered a crucial stage in deciding whether it will sink or swim. PICC has earnestly implemented the policies and directives of the CPC Central Committee and the State Council, and has implemented poverty reduction as a major political task. We made comprehensive plans for the Group's Insurance to carry out poverty alleviation efforts, formulated the *2019 Work Plan for Targeted Poverty Alleviation*, *2019 Implementation Plan for Assistance Funds* and *2019 Implementation Plan for Consumer Poverty Alleviation*, and explored “Insurance + Industry” and “Insurance + Health”, “Insurance + People's Livelihood”, “Insurance + Financing” and other poverty alleviation models. We used insurance systems to make up for shortcomings, effectively brought poverty alleviation and rural rejuvenation together, consolidated and expanded results seen from poverty alleviation, and quickly responded to the United Nations' *Transforming our World: The 2030 Agenda for Sustainable Development* and *China's National Program for the Implementation of the 2030 Agenda for Sustainable Development* in order to reduce poverty in China.



Targeted Poverty Alleviation

'Targeted poverty Alleviation, Insurance Act First'. Since 2002, PICC has been providing poverty alleviation efforts in Ji'an County and Le'an County in Jiangxi Province, Huachuan County in Heilongjiang Province, and Liuba County in Shaanxi Province. We have signed letters of responsibility to provide relief for the impoverished and prevent them from falling back into poverty. In 2019, PICC continued to invest more into aid relief. We built upon our previous accomplishments of removing poverty caps in the four counties targeted for poverty alleviation by further improving the internal development capacity of the designated poverty alleviation counties. In the end, we exceeded all six targets stipulated in the targeted poverty alleviation letters from the central government. In 2019, we invested RMB 43.8409 million into designated poverty alleviation regions, provided RMB 52.9453 million in aid funds, directly purchased RMB 37.7227 million worth of agricultural products, assisted in selling RMB 7.5044 million worth of agricultural products, and trained 3,151 cadres at the grassroots level, as well as 2297 technicians.



Our poverty alleviation efforts have been recognized by numerous high-ranking bodies such as the State Council Leading Group Office of Poverty Alleviation and Development, the People's Bank of China, and the China Banking and Insurance Regulatory Commission. PICC became the only state-owned financial company selected in the *Blue Book for Enterprise Poverty Alleviation* prepared by the State Council, the only state-owned insurance company selected into *Top 50 Cases of Targeted Poverty Alleviation* by Chinese Enterprises by the State Council Leading Group Office of Poverty Alleviation and Development, and the only industry representative that shared its experiences at a central poverty alleviation work seminar.



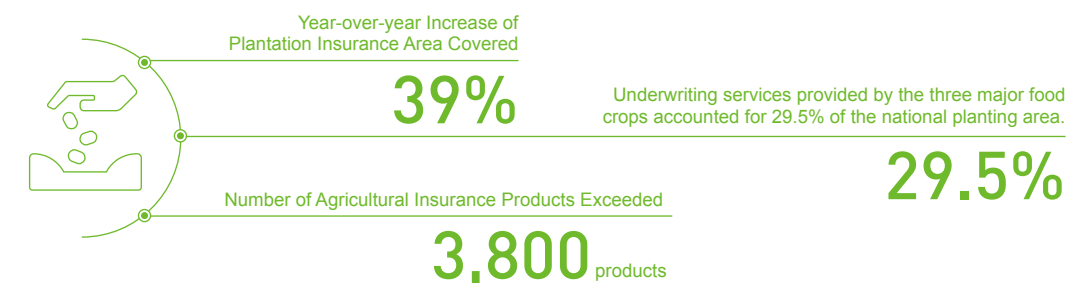
Scan the code to watch the documentary *Children of the Earth*

Industry Poverty Alleviation

We advocate for industrial poverty reduction from multiple perspectives. We endorse rural rejuvenation, as well as the motivation of poor families in impoverished areas in order to eliminate poverty. We explore long-term solutions for insurance services to prevent the resurgence of poverty.

We focus on deeply impoverished areas and develop exclusive industries to help the poor. We and the State Council Leading Group Office of Poverty Alleviation and Develop jointly designed and launched the “Shenpinbao Insurance” Industrial Poverty Alleviation Program, introduced Industrial Poverty Alleviation Insurance Protection and Comprehensive Industrial Income Insurance Protection to match the precise needs of industrial development in deeply impoverished areas. General Poverty Alleviation Insurance has been reduced by 20%. Building further on this, it was reduced by another 10-30%, particularly for other deeply impoverished areas.

We continue to promote “expansion of area, increase of products, and improvement in standards” of agricultural insurance on behalf of rural revitalization. In terms of “expansion of area”, underwriting services provided by plantation insurance increased by 39% year-over-year. Underwriting services provided by the three major food crops accounted for 29.5% of the national planting area. In terms of “increase of products”, we set up a vertical system for rural insurance where insurance aimed at implementing central government policies played a leading role. Commercial and innovative insurance meant for carrying out local government policies served as supplements. There are currently more than 3,800 agricultural insurance products. In terms of “improvement in standards”, a total of more than 20 central government financial subsidies increased their average insured acres, and trials of full cost insurance and income insurance for rice, wheat, and corn steadily increased. The average insured value of full cost insurance and income insurance was RMB 840/mu, promoting the transformation and upgrade from cost insurance to income insurance.



We further develop risk protection and serve agricultural and rural areas in order to stabilize production and guarantee income. In 2019, agricultural insurance provided RMB 2.3 trillion in insurance for 88.7 million households, contributing to the stabilization of agricultural production and boosting farmers' incomes. We actively implemented the requirements stipulated by the central government for stabilizing pig production. This ensured market supply, vigorously developed pig insurance, and ensured that pig farmers' spirits remained high. Such insurance covered 180 million pigs throughout the year and paid RMB 7.1 billion in compensation, which strongly supported farmers and breeding companies and allowed them to resume production.

Farmers Who Received Agricultural Insurance Underwriting Services	Agricultural Insurance Provided RMB	Pigs Insured
88.7 million households	2.3 trillion	180 million pigs

PICC P&C "Photovoltaic Poverty Alleviation" Project

CASE

Photovoltaic power generation is a key project in the fight against poverty in Shanxi Province. At the same time, Shanxi Province is also one of the first batch of pilot provinces for poverty reduction to use photovoltaic power. PICC P&C achieved full coverage of photovoltaic insurance in poverty-stricken counties across the province through the Centralized Photovoltaic Poverty Alleviation Insurance Project, providing RMB 12 billion in insurance guarantees to ensure the sustainable development of poverty alleviation projects. At present, PICC P&C has participated in Photovoltaic Poverty Alleviation Insurance in 9 provinces. The number of insured power plants has reached nearly 4,000, and provided RMB 19.69 billion in insurance.



Photovoltaic Poverty Alleviation Power Station, Yangxing Town, Yangqu County, Taiyuan City, Shanxi Province

PICC P&C 2+X "Fupinbao Insurance" Project

CASE

PICC P&C launched a 2 + X "Fupinbao Insurance" menu-type product in Ningxia Province, with "2" representing the basic categories such as supplementary Medical Insurance for serious illnesses and family accident insurance, and "X" representing the industry categories such as Advantageous Specialty Industry Insurance and Microcredit Accident Insurance for poverty alleviation. According to their own conditions and capabilities, the masses enjoyed flexibility when it comes to choosing whether to purchase 2 + X products, which can not only prevent the possibility of them falling back into poverty due to accidents, disasters or other unforeseen circumstances, but also safety guide the development of the entire industry into prosperity.



PICC P&C Insurance Ningxia Yanchi Branch entered the village to see how Tan sheep breeding worked

Health Poverty Alleviation

We actively participate in the construction of a multi-level medical security system, continue our efforts to strengthen the mutually beneficial connection among basic Medical Insurance, Critical Illness Insurance, medical assistance, emergency medical assistance, Commercial Health Insurance, and charitable relief, among other systems. We help prevent low-income populations from returning to poverty due to illness by insurance products and services. In 2019, the Group covered 537 million people with Critical Illness Insurance, and undertook 499 Poverty Alleviation Medical Assistance Insurance Projects across 25 provinces, covering a total population of 36.5317 million. For the impoverished under Major Illness Insurance, we implemented a preferential policy of "One Decrease and Two Increases". "One Decrease" refers to decreasing the deductible, either by half or canceling altogether; "Two Increases" refers to increasing the reimbursement ratio and insurance amount. The reimbursement ratio was generally increased by 5-10%. The cap has been raised by more than RMB 100,000 and efforts have been made to solve problems faced by the impoverished who become poor or fall back into poverty due to illness.

PICC Life "Tehuibao Insurance"

CASE

PICC Life aims at "Low Rates, Wide Guarantees, and Wide Claims". Based on the principles of "Non-profitable" or "Appropriate Subsidies for Premiums and Compensation", we have established a life insurance product system that targets special needs for impoverished households that are recorded in the Registration System. In 2019, PICC Life designed and developed 10 exclusive products for poverty alleviation, including "Tehuibao Poverty Alleviation Group Accidental Injury Insurance" and "Tehuibao Poverty Alleviation Group Regular Life Insurance", which focuses on solving poverty and poverty resurgence caused by accidents and serious illness risks for the recorded poor people.



PICC Life Insurance Salesperson introducing the "Tehuibao insurance" products to farmers

PICC Health Remote Consultation Center

CASE

In order to solve the problem of scarce medical resources for those in need, PICC Health cooperated with Xinyu People's Hospital to build a remote consultation center. For severely poor patients with difficult cases, this center provided remote consultation services with experts from well-known hospitals in Beijing, Shanghai, and Guangzhou to help poor patients develop economical and reasonable treatment plans. At the same time, PICC Health "Medical Insurance on Hand" App provided social insurance payment, account inquiry, smart review, quick payment and other online services. Other value-added services were provided as well, such as making appointments, registration and chronic disease management for the needy, optimizing the people's medical treatment and claims experience.



PICC Health set up a Remote Consultation Center in Xinyu People's Hospital, Jiangxi Province

Livelihood Poverty Alleviation

In order to strengthen achievements of poverty alleviation and prevent falling back into poverty due to illnesses or other sudden unforeseen circumstances, we implement a large number of government livelihood security projects, such as "Two Reassurances and Three Guarantees" and provide comprehensive protection for people in impoverished areas. In terms of employment security, we customized an insurance program for the efforts in "100 Cities and 10,000 Villages" housekeeping poverty alleviation jointly launched by the Ministry of Commerce, the National Development and Reform Commission, the Ministry of Finance, the State Council Leading Group Office of Poverty Alleviation and Development and the All China Women's Federation. We covered nearly 40,000 housekeeping staff with Housekeeping Poverty Alleviation Insurance, and continue to strive in building a comprehensive service platform for insurance to promote housekeeping poverty alleviation. In terms of education security, we have actively launched subsidy insurance for children from poor families in Ningbo, Chongqing, Jiangsu, Xinjiang, Gansu, Henan, Yunnan, Hubei, Guizhou, Guangdong, Shandong, Jiangxi, Fujian, and Hebei. In 2019, we provided RMB 3.478 billion in insurance for 667,100 households. In terms of farm house protection, we have extended Farm House Insurance to cover the whole country, and some areas have adopted Farm House Insurance as an important supporting safeguard for immigrants' relocation and poverty reduction projects. In 2019, we provided RMB 4.49 trillion in Farm House Risk Coverage for 126 million households. In terms of protection, we have developed the industry's first "Government Poverty Alleviation Assistance Insurance", an exclusive product meant to solve the issue of poverty and poverty resurgence caused by diseases, natural disasters, accidents, or children's schooling. In 2019, we rolled out the first-ever dedicated "Government Insurance for Poverty Alleviation" in the sector, providing RMB 787.6 billion in risk coverage for the recorded poverty population as well as other groups across 31 provinces. We provided precision poverty alleviation guarantees for the needy.

Housekeeping Staff Covered by
Housekeeping Poverty Insurance

40,000 people

Subsidization Insurance Services
for Children from Poor Families

667,100 households

Farm House Insurance Service

126 million households

PICC P&C "Poverty Alleviation 100" Project

CASE

Since 2016, PICC P&C has innovated and explored the "Poverty Alleviation 100" project in Sihong County, Suqian City, Jiangsu Province, a national pilot poverty alleviation reform pilot area. We fully insured the local low-income population at RMB 100 per person per year, thus bestowing a sense of security when it comes to their children's schooling, their family's property, and medical treatment. Due to the preciseness of the project, it's comprehensive coverage and it's sustainability, the "Poverty Alleviation 100" was quickly replicated and promoted in many regions across the province. As of the end of 2019, the "Poverty Alleviation 100" project has provided guarantees for a total of 773,600 low-income people in the province, provided RMB 23.049 billion worth of risk coverage, and paid RMB 29.3963 million in compensation.



"Poverty Alleviation 100" Project in Sihong, Jiangsu

We Provided Risk Protection for Poverty Alleviation Cadres

CASE

In 2019, under the guidance of the State Council Leading Group Office of Poverty Alleviation and Development, PICC has provided 380,000 poverty alleviation cadres with Accident or Health Insurance, RMB 200.8 billion in risk protection, paid compensation of RMB 33.85 million, participated in insurance donations in 5 provinces, and effectively provided guarantee services for poverty reduction cadres.

Underwriting Services
for Poverty Alleviation
Cadres

380,000 people

Provided Insurance
Amount RMB

200.8 billion

Compensation Paid
RMB

33.85 million



Poor people in Liuba County express their gratitude to the busy PICC cadres who help the poor by sending water to the fields

PROMOTING GREEN DEVELOPMENT AND SERVING THE CONSTRUCTION OF AN ECOLOGICAL CIVILIZATION

PICC actively participate in green finance innovation, establish a complete green insurance product system, support the green transformation of traditional industries and the construction of beautiful villages. PICC adhere to the concept of responsible investment, support the development of a low-carbon economy, help fight the battle against pollution, and contribute to the construction of an ecological civilization power.

Developing Green Insurance

PICC has compiled a comprehensive green insurance product catalog, and has formed a green insurance product system covering multiple industries such as forestry, shipping, plantation, aquaculture, new energy, heavy metals, petrochemicals, hazardous chemicals, and hazardous waste disposal.

We participate in the construction of environmental risk administration systems and assist in the green transformation of traditional industries. We have created an "Insurance + Service" Environmental Pollution Liability Insurance model to help participating companies improve their pollution control and environmental management. In 2019, the company's Environmental Pollution Liability Insurance provided RMB 13.87 billion in insurance for 7,350 companies. We have steadfastly advocated for the underwriting of Pollution Risk Insurance products such as Ocean Protection and Indemnity Insurance, Coastal Inland Protection and Indemnity insurance, Fuel pollution Liability Insurance, Inland Hazardous Chemical Pollution Liability Insurance, Petroleum Insurance, and Nuclear Energy Insurance. In 2019, we insured 7042 ships, with a total gross tonnage of 59.08 million, and the underwriting limit for ship pollution liability exceeded RMB 4.6 trillion. In 2019, the company's Oil Protection and Indemnity Insurance coverage was RMB 817.9 billion, Oil and Gas Field Exploration and Development Insurance coverage RMB 310.4 billion, Nuclear Power Operation Insurance coverage RMB 109 billion, Nuclear Power Project insurance coverage RMB 25 billion, and First Set (Nuclear Power) Insurance coverage RMB 5.5 billion. We have guided social capital to invest more in clean and green industries by increasing credit for Guarantee Insurance. As of the end of 2019, we had used Loan Guarantee Insurance to help green companies obtain RMB 264 million worth of financing.



We support the development of green agriculture and the construction of a beautiful countryside. We actively participate in environmental pollution risk management in the planting, aquaculture, and agricultural product processing industries. According to the requirements of environmental protection and administration in agricultural product areas, we included Environmental Pollution Liability caused by natural disasters and accidents into our comprehensive insurance coverage of planting or breeding. We helped develop Forest Insurance, covering 1.158 billion mu of forest area in 2019, which accounts for 35.09% of all national forest areas. We improved the system of harmless treatment to dead animals, promoted insurance for African swine fever, and assisted the government in the prevention and control of epidemics.

We get involved in green quality control and support a green lifestyle. In the field of green transportation, we explored UBI-based mileage-based insurance and Car Sharing Insurance, and stood behind the concept of green travel consumption. In the field of green buildings, we introduced third-party risk management service agencies and explored the use of insurance systems to ensure the implementation of energy

conservation and environmental protection targets. In the field of green food, we actively participated in the construction of a nationwide tracing platform to track the quality and safety of agricultural products, control brand quality and establish a PICC certified catalog, ensuring the quality and safety of agricultural products from the source of production. In the field of drug recovery, we launched "Innovative Drug Replacement Liability Insurance" to encourage residents to take the initiative in recycling expired drugs and reduce the cost of recycling.

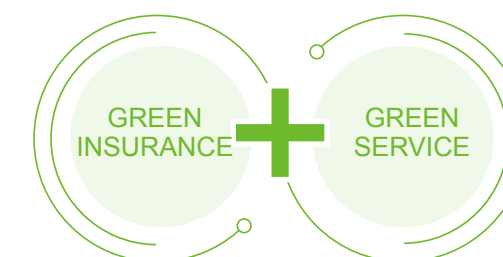
PICC P&C Issuing China's First "Green Building Performance Liability Insurance"

CASE

PICC P&C innovated and developed the first domestic Liability Insurance product in the field of green building performance. It was launched in Chaoyang District, Beijing, and focused on solving the problem of shifting green buildings from simply green design into actual green operation. By introducing a new model of "Green Insurance + Green Services", this product employs a third-party green building service agency to prevent and control important links at all stages of project start-up, design, construction, and operation to ensure that the target building meets the stringent requirements of green building operation evaluation. If the building fails to achieve the green operation top-rank standards stipulated in the contract, the insurance company will must undergo physical restoration and pay monetary compensation to protect the rights and interests of the relevant parties.



Launch of the first Liability Insurance product in the green building performance field



Practicing Responsible Investment

We use various types of green investment principle documents as guidance, incorporate investment analysis of environmental, social, and governance (ESG) elements in the decision-making process, and strove to achieve stable long-term investment returns as well as promote sustainable economic and social development. By initiating the establishment of an equity debt investment plan, we provided financial support for enterprises in industries such as clean energy, energy conservation and environmental protection, as well as clean production to assist in the development of a low-carbon economy. As of the end of 2019, the group had launched a total of 9 green financial products, with a total scale of RMB 14.51 billion. Among them, there are 7 products for debt investment plans which total RMB 11.02 billion; 2 products for equity investment plans which total RMB 3.49 billion.

PICC Capital—Debt Investment Plan for Lu'an Clean Energy Demonstration Project

CASE

In 2019, PICC Capital completed the establishment of the RMB 3 billion "Debt Investment Plan for Lu'an Clean Utilization Energy Demonstration Project" for the construction and replacement of debt for Shanxi Lu'an Mining Co.'s "Integrated Demonstration Project of Clean Utilization, Electricity and Heat of 1.8 million Tons High-sulfur Coal", thus helping traditional coal companies come into the clean energy sector. This project is a benchmark project for the upgrading and transformation of the traditional coal industry in Shanxi Province, and has had both a prominent and exemplary effect on the clean use of energy there.

PICC Investment Holding-- Tianjin Ziya Real Estate Debt Investment Plan

CASE

In 2019, the "PICC Investment Holding-- Tianjin Ziya Real Estate Debt Investment Plan" continued to support the development of Tianjin Ziya Circular Economy Industrial Zone, with a total investment of RMB 700 million. This zone is the first National Economic and Technological Development Zone with a circular economy as its leading industry. It has been named a "National Circular Economy Pilot Park" by the National Development and Reform Commission and other ministries. It focuses on the development of waste electronic information products, scrapped automobiles, rubber and plastics processing, new energy, energy saving, and environmental protection industries, as well as the intensive processing and re-manufacturing of mechanical and electrical product waste.

SERVING THE REAL ECONOMY AND PROMOTING SUSTAINABLE ECONOMIC DEVELOPMENT

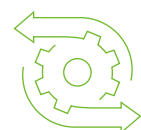
PICC promote further structural reforms on the supply side of insurance, continuously strengthen service functions, and intensify product innovation. With the core approach of "Insurance Protection + Direct Investment of Insurance Funds", we have achieved positive results by supporting the implementation of major national strategies, safeguarding major project constructions, promoting the development of new and emerging strategic industries, and increasing financing services for private, small, and micro enterprises, as well as science and technology innovation enterprises.

Supporting the Construction of a Manufacturing Power

We continue to safeguard key national strategic projects. Through insurance for the first (set) of key technical equipment, Short-term Export Credit Insurance, and Construction Project Performance Guarantee Insurance, we built an underwriting and service system that meets every project's risk management needs and actively provides support for key national projects. In recent years, we successively underwrote major projects such as the Long March V Important Load, the China Civil Aviation Joint Fleet, and the "Hualong One" three-generation nuclear power unit. We underwrote a total of 1,081 national key technical equipment insurance projects, and provided RMB 56.9 billion in risk protection for enterprises through insurance for the first (set) of key technical equipment in 2019.

Cumulated underwrote national key technical equipment insurance projects

1,081 projects



Provided insurance for enterprises through insurance for the first set of key technical equipment RMB

56.9 billion

We focus on ensuring the development of strategically emerging industries. We provided comprehensive Property Insurance, Business Interruption Insurance, Key R&D Equipment Insurance, and other products for the development of advanced manufacturing industries and high-tech enterprises. We resolved enterprise R&D risks, and support the industrialization of innovation efforts. New technology and emerging industry insurance services are mainly concentrated in high-tech fields such as biology and new medicine, electronic information, advanced manufacturing and automation, new materials, new energy and energy conservation. In 2019, we provided RMB 5.31 billion in risk coverage through new material insurance.



We fully support the protection of intellectual property rights. We developed Intellectual Property Insurance and have continued to improve our Intellectual Property Insurance product system. In 2019, PICC P&C and the State Intellectual Property Office renewed the *Intellectual Property Insurance Strategic Cooperation Agreement* to continue to develop exclusive strategic cooperation in the field of Intellectual Property Insurance. We focused on comprehensive protection of intellectual property risks, and developed new products such as Infringement Loss Insurance for trademarks and geographical indicators. We also worked on developing Intellectual Property Asset Assessment Professional Liability Insurance, and Intellectual Property Pledge Financing Guarantee Insurance. In 2019, we underwrote 3,864 Intellectual Property Insurance businesses, with RMB 15.8 billion worth of insurance.

Intellectual Property Insurance Business

3,864 Businesses



Insurance amount RMB

15.8 billion

PICC P&C helped bring in the 300th launch of the Long March rocket

CASE

At 0:28 Beijing time on March 10, 2019, the China Star 6C underwritten by PICC P&C was successfully launched at the Xichang Satellite Launch Center. This was the 300th flight of the Long March series of rockets, and the launch mission was completed successfully. As a staunch supporter of China's space industry, PICC has provided insurance services to China's aerospace industry for over 30 years. We have provided insurance protection for 91 satellites across 68 projects and have paid more than RMB 4 billion in compensation.

We have provided insurance

coverage for 91 satellites

across 68 projects



Total compensation in excess of RMB

4 billion



At 20:45 on December 27, 2019, the Long March 5 Yaosan rocket carrying the China Star 19A, which was underwritten exclusively by PICC P&C, and was successfully launched at Hainan Wenchang Satellite Launch Center.

PICC P&C Intellectual Property Insurance Product System

CASE

Since the signing of a strategic cooperation agreement with the State Intellectual Property Office in 2014, PICC P&C, together with professional colleges and universities and reinsurance companies such as Lloyd's Club, have successively developed an Intellectual Property Insurance product system with a total of 15 exclusive insurance products including Liability Insurance, Credit Insurance and Guarantee Insurance. Intellectual Property Insurance has been promoted in 20 provinces and 86 prefectures and cities. As of the end of 2019, we had provided RMB 46.4 billion in risk coverage for 21,000 patents from more than 13,000 enterprises. Though these actions we strongly supported national technological innovation.

Total insured companies

13,000 enterprises

Total insured patents

21,000 patents

Total insured amount RMB

46.4 billion

Suzhou method

Using the method of "Guaranteed Insurance + Direct Investment of Insurance Funds", we conducted intellectual property pledge financing, which combines insurance with loans and investments.

Zhongshan method

In the patent pledge financing business, we innovated via the introduction of the "Government + Insurance + Bank + Assessment Company" model to mutually tackle risks.

Deyang method

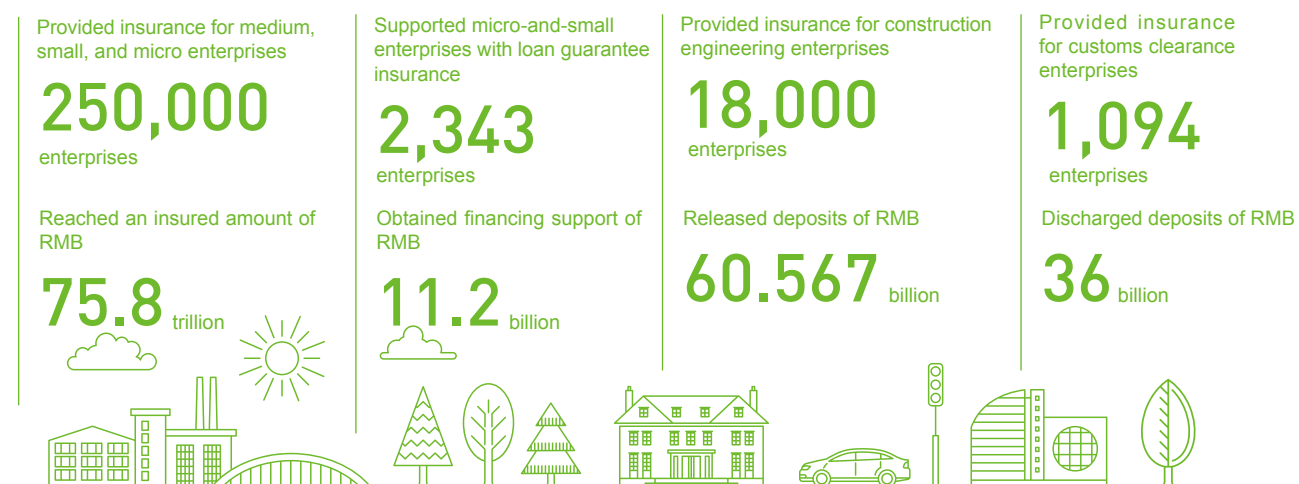
By combining "Loans, Insurance, and Financial Risk Compensation", we provided patented pledge financing services.

PICC P&C actively explored multiple regional Intellectual Property Insurance service models

Serving Private, Small, and Micro Enterprises

We regard serving private, small, and micro enterprises as an important entry point in contributing towards general socioeconomic development. Providing integrated financial services for the private economy is the central theme of our business. We work simultaneously on the insurance side and the investment side, and take multiple measures to fully support the sustainable and healthy development of private, small, and micro enterprises.

On the insurance side, we provide credit enhancement services through products such as Loan Guarantee Insurance, and effectively invest credit resources to private enterprises. By establishing a risk sharing system between the government, banks and insurance, we formed business models such as "Zhengyinbao Insurance" to jointly support the development of medium, small, and micro enterprises as well as private enterprises. In 2019, we provided insurance for 250,000 medium, small and micro enterprises, totaling RMB 75.8 trillion in insurance. We granted RMB 11.2 billion to 2343 micro-and-small enterprises by providing financial support via Loan Guarantee Insurance. We explored innovative business models for Guarantee Insurance, released margin occupancy, and improved the capital turnover rate for private enterprises. By developing Performance and Tariff Guarantee Insurance for construction that is in-progress, we did away with cash guarantees and bank guarantee letters, effectively revitalizing deposit funds for private enterprises, and substantially increasing capital usage effectiveness. In 2019, we discharged RMB 60.567 billion for 18,000 construction engineering companies, and discharged RMB 36 billion for 1094 customs clearance companies.



On the investment side, we provide long-term, low-cost funding support for private, small, and micro enterprises through various forms of equity investment, private equity funds, special products, as well as stocks and bonds. In terms of equity investment, we invested in a number of private enterprises and promoted the transformation of the private economy and the conversion of new and old kinetic energy. As of the end of 2019, our cumulative investment reached RMB 7.374 billion. In terms of private equity funds, we provided financing support to private enterprises by investing in market-oriented private equity investment funds. As of the end of 2019, our cumulative investment reached RMB 5.952 billion. In terms of special products, we developed the industry's largest bail-out fund, "Anwen Investment Series 1-6 Special Products", worth RMB 30 billion. With regard to the use of innovative insurance funds, we advocated "Support for Agriculture and Small-sized Enterprises" inclusive finance to expand into private, small, and micro enterprises. We promoted the Suzhou Venture Capital Fund and other models, and provided integrated financial services such as investment, financing and insurance. As of the end of 2019, the "Support for Agriculture and Small-sized Enterprises" financing program had offered loans of RMB 29.1 billion, and had served 376,000 micro-and-small enterprises and individuals. Agricultural support financing amounted to RMB 6.68 billion and served more than 8167 farmers; financing for micro and small enterprises amounted to RMB 400 million; financing by way of external support totaled RMB 21.93 billion.



PICC P&C "Zhengyinbao Insurance"

CASE

"Zhengyinbao Insurance" is a cooperative loan system backed by government-funded risk funds. It utilizes bank loans as its base and is protected by Guarantee Insurance. In recent years, PICC P&C has continued to optimize its resource allocation, put more "Zhengyinbao Insurance" resources into the private sector, and focused on improving the availability of private enterprise financing. In 2019, we provided 25,600 private enterprises with RMB 10.837 billion worth of insurance through "Zhengyinbao" insurance products.



Launch Ceremony for "Green Loan Insurance" Zhengyinbao Insurance Project of PICC P&C Insurance Huzhou Branch of Zhejiang Province

"Zhengyinbao Insurance"
Insurance Business

25,600 Businesses

Provided risk protection RMB
10.837 billion

"Zhengyinbao" Insurance Business

CASE

Established in 2016, PICC Capital Suzhou Science and Technology Insurance Investment Fund looks into utilizing insurance funds "Investment + Financing + Insurance" to directly invest in small and micro enterprises in science and technology. It is a Technology Insurance Package Policy that includes property, liability, patents, etc. and insurance credit enhancement services. Building on this, the fund invests insurance funds into small and micro enterprises through equity or debt, and acts as a new financing channel for enterprise development. As of the end of 2019, a total of 14 batches of investments with a total of 117 transactions were completed with a total amount of RMB 400 million. 98 SME technology companies were supported, including 13 companies listed on the New Third Board and 70 high-tech manufacturing companies.



Supporting Regional Development

We assist in the coordinated development of national and regional strategies. Guided by major regional development strategies such as the coordinated development of Beijing-Tianjin-Hebei, the construction of Xiong'an New District, the development of the Yangtze River Economic Belt, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and the integration of the Yangtze River Delta, we actively promoted the early pilot implementation of insurance product service innovation and business model reforms to try and create a high-quality development model area. By participating in the coordinated development of Beijing-Tianjin-Hebei, we underwrote and invested in a number of important projects such as: Beijing Daxing New Airport, the urban sub-center theater, the renovation of the Binhai New Area sewage pipeline network, Jincang, Jinshi and other related highway construction projects and Xiong'an New District construction projects (Jingxiong Railway Passenger Dedicated Line from Beijing to Xiong'an New District, Xiong'an High-speed Railway Station Building Project, Beijing-Xiongxi Expressway, Beijing-Xiongxi Railway No.4 Electric Power Reconstruction, etc.)

We serve the construction of the "Belt and Road". We participated in many large-scale infrastructure projects as an exclusive or lead insurer, including Pakistan's Qasim coal-fired power station, "China-Cambodia Friendship Road" Golden Port Expressway, Argentina's Tambolar water conservancy hub, etc. Through these kinds of projects we have helped Chinese companies "go global". We continued to expand the breadth and depth of Export Credit Insurance, and provided enterprises with comprehensive risk protection services. We established an overseas service network covering nearly 200 countries and regions. As of the end of 2019, we had provided insurance for 59 countries along the "Belt and Road", with a cumulative risk liability of RMB 1.3 trillion.



PICC AMC—China Railway Construction Debt Investment Plan

CASE

PICC AMC set up a "China Railway Construction Debt Investment Plan" worth RMB 11.5 billion to support key projects that involve national regional economic development. These projects include: the Beijing New Airport North Line Expressway, which plays a role of the horizontal linking of Beijing-Tianjin-Hebei and their respective developments, Deyang to Jianyang Expressway in Sichuan Province, which constitutes an important city ring of the "Chengdu-Chongqing Economic Zone" of the Yangtze River Economic Belt, and Hunan Anci Expressway, which is located in the core area of the "Midstream City Group" in the Yangtze River Economic Belt.

PICC P&C Underwrote the "Pakistan Qasim Coal-fired Power Plant Project"

CASE

Pakistan's Qasim coal-fired power plant project is the first energy project in the "China-Pakistan Economic Corridor". It has a total investment of USD 2.085 billion and an average annual grid-connected power generation capacity of 9 billion kWh. It will have a profound impact on changes in Pakistan's national power structure, will reduce power generation costs, and significantly improve people's overall livelihood. PICC P&C, as the lead insurer, has undertaken more than 70% of the shares, thus responding to the national "Belt and Road" initiative with actual actions and giving incentive for more and more Chinese companies to "go global".



PICC P&C underwrote "Pakistan Qasim Coal-fired Power Plant Project" as a lead insurer

INTEGRATING WITH SOCIAL GOVERNANCE AND ASSISTING WITH ADVANCES IN ADMINISTRATION MODERNIZATION

PICC has built a new risk reduction management model, and promote the transition of insurance from "Post-disaster Compensation" to "Pre-disaster Prevention", as well as "Risk Mitigation" to "Risk Reduction". PICC has actively responded to climate change and pushed for Catastrophe Insurance development that would help enhance societies risk prevention capabilities. PICC has aimed to modernize the national administration system and administration capacity.

Serving Social Governance

We vigorously develop Comprehensive Administration Insurance, promote "Coordinated Actions between the Police and Insurance Company", and assist the government in "Streamlining Administration, Delegating Powers, and Improving both Regulations and Services". We focused on developing Public Security Insurance, Comprehensive Community Insurance, and other types of insurance, thereby establishing a new public security prevention system that connects "Pre-event Prevention" and "Post-event Compensation". We also improved the responsibility system for mass-prevention and mass-administration, and helped to improve the overall effectiveness of grassroots security prevention. In 2019, we offered RMB 3.3 trillion worth of Public Security Insurance to the public. We actively advocated for the "Coordinated Actions between the Police and Insurance Company" model. All 36 provincial branches of P&C cooperated with local traffic police departments to form an effective method of co-governance between insurance companies and traffic management departments across the country, thus alleviating urban traffic congestion. We have continued to expand the scope of "Two Stations, Two Members" to further improve road traffic management in rural areas, stop accidents at their source, resolve disputes, improve services, and promote harmony.

PICC P&C "Coordinated Actions between the Police and Insurance Company" model

CASE

PICC P&C strengthened its cooperation with various departments such as public security and traffic management to digitally integrate traffic accident handling processes along with insurance claims processes, and successfully explored a new service cooperation method with the "Coordinated Actions between the Police and Insurance Company" model. At present, there are more than 330 cities covered by "Coordinated Actions between the Police and Insurance Company", with more than 3.3 million people being covered. Among them, the "Speeding Up the Processing and Claim Settlement" service has served more than 1.28 million members of the public (including 400,000 non-PICC customers). We have set up more than 2,100 Chejiaguan service outlets and handled more than 1.64 million businesses (including nearly 500,000 non-PICC customers). We have provided nearly 100,000 smart examinations for vehicles; set up nearly 6,000 "Two Stations, Two Members" service outlets, and served more than 320,000 people (including more than 110,000 non-PICC customers).



Coordinated Actions between the Police and Insurance Company" model

* Using the "Two Stations, Two Members" service model, the strong suits of PICC P&C and insurance teams being in rural areas were relied upon to set up a Chejiaguan service station and a traffic safety counseling station. They were situated at the village entrance to act as traffic safety administrators and advisers, and assisted in promoting traffic safety, acted as agents for Chejiaguan businesses, and carried out traffic accident compensation and insurance agency efforts. By utilizing the advantages of insurance, we surmounted the barriers presented by traffic management in rural areas and promoted the "Double Promotion" of rural road traffic safety and insurance protection standards.

We ardently develop Liability Insurance to help build and serve a harmonious society. We paid close attention to areas of public interest such as traffic safety, environmental pollution, medical responsibility, food safety, production safety, and quality of construction projects. We used Liability Insurance to play a positive role in resolving conflicts and disputes, maintain social harmony, and improve public rights protection as well as act as a mediation tool for disputes. We set up ten safety production Liability Insurance laboratories, or operation centers, to provide technical accident prevention services for 50,000 companies, and to help improve standards for legalization, intelligence and professionalism in social governance. In 2019, we offered RMB 168 trillion worth in Public Security Insurance to the public.

PICC P&C Comprehensive Elevator Safety InsuranceCASE

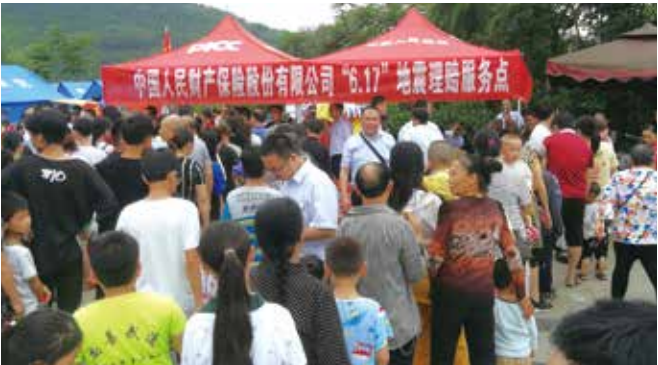
PICC P&C carried out Comprehensive Elevator Safety Insurance trials in Ningbo. Through the installation of NFC chips, we independently developed an "Elevator Guard" maintenance process monitoring system and participated in the daily risk management of the elevator throughout the process. During the process, we established an integrated risk control system for elevator safety including maintenance quality control in advance and emergency professional rescue, and gave out economic compensation after the event, amongst other things. Through all of this, a significant reduction in elevator failure rates was achieved. In 2019, we further strengthened "Maintenance Supervision" and "Quality Inspection". We increased the maintenance completion rate of insured elevators to 98% and increased the maintenance duration from 35 minutes to 55 minutes, thereby protecting hundreds of thousands of residents who ride the elevator every day.

Disaster Prevention and Alleviation

We thoroughly participate in the construction of a national emergency management system, and improve disaster prevention and alleviation service capabilities. We cooperate with the relevant government departments that deal with disaster prevention and alleviation and disaster early warning. We fully integrated into local emergency rescue setups and actively cooperated on various disasters. We quickly paid more than RMB 6.5 million on the first day of Typhoon "Lekima", prepaid RMB 10 million in emergency response funds to the "3.21" explosion in Yancheng, Jiangsu, and swiftly paid compensation of RMB 1.8 million within 24 hours for the forest fires reported in Liangshan, Sichuan. We further promoted the development of Residential Earthquake Catastrophe Insurance, carried out trials for Public Catastrophe Insurance, and explored the construction of catastrophe risk sharing systems. In 2019, PICC P&C settled more than 1.14 million claims and paid RMB 6.5 billion in disaster compensation.



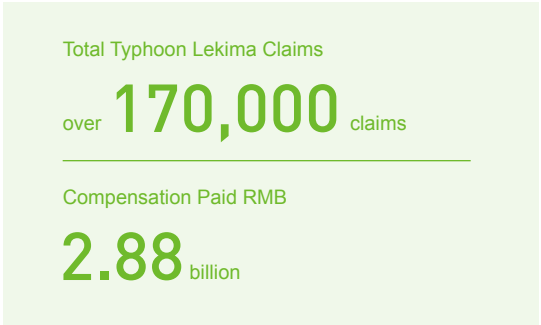
On June 24, 2019, floods and mudslides broke out in Nanke Village, Jinshuihe Town, Jinping County, Yunnan. PICC P&C surveyors rushed to the site of the disaster as soon as possible and surveyed vehicular accidents while in mud greater than a meter in depth.



In response to the earthquake in Yibin, Sichuan, PICC set up convenience service points in the disaster area overnight, and assiduously helped the local government in providing orderly convenience services and rescue work in the disaster area.

PICC P&C Responded to Typhoon LekimaCASE

No.9 Typhoon Lekima landed on the coast of Wenling, Zhejiang Province on August 10, 2019. PICC P&C immediately enacted disaster loss prevention and settlement claim measures for the typhoon disaster. PICC P&C launched a disaster emergency plan, and began the proper settlement of disaster claims. In 2019, PICC P&C settled more than 170,000 claims for Typhoon Lekima and paid RMB 2.88 billion in compensation. These disaster prevention efforts focused on strengthening early warnings before the disaster, responses during the disaster, and compensation after the disaster. Starting from when the typhoon formed on August 4 and combined with disaster prevention and loss prevention surveys that were carried out before the flood season, our response and warning of the disaster was commendable; We refined the scope of responsibility to specific areas, enterprises, garages, low-lying areas, and other underwritten targets, and ensured full coverage of the underwriting targets by referring to the disaster prevention and loss prevention work task map. Claims employees worked hard on the front line to maintain 24-hour communication. They also conducted disaster inspections on key areas, customers, and projects. Finally, they guided customers in conducting pre-disaster prevention work via calls, SMS, company websites, WeChat public accounts, and other channels.



Fought against Typhoon "Lekima"

We improve the digitized, online, smart, and standardized criteria for disaster and loss prevention. We utilized the Internet of Things (IoT), new information technology, and big data to build a nationwide emergency directory platform that supports accurate and comprehensive enterprise risk portraits. We organically integrated risk protection solutions, professional risk control services, security management platforms, and IoT technologies to build a secure factory based on the "Insurance + Technology + Service" model. We used video, radar water level gauges, pressure water level gauges, water level meters and other equipment to build a real-time monitoring and early warning system for urban waterlogging; We used video equipment, smoke detectors, water system collectors, electrical fire identification equipment and other terminals to enhance the capabilities of the IoT's fire monitoring and emergency response. We developed a Mobile Risk Control App, and provided 13,000 key enterprises with flood prevention surveys before the flood season and winter fire inspection services in 2019.

We continue to increase investment in scientific research and support public research on disaster risks. PICC P&C and the National Disaster Reduction Center set up a joint laboratory to carry out national disaster prevention and specialized alleviation research in areas such as government emergency assistance, as well as the basics, operations, and standard specifications of Disaster Insurance. We established a disaster research fund to publicly fund risk management research across all of society. As of the end of 2019, we had invested more than RMB 11 million, set up 253 research projects, funded 346 researchers, young teachers, and students from 68 universities and research institutions in China, and formulated nearly 300 research reports and academic papers.

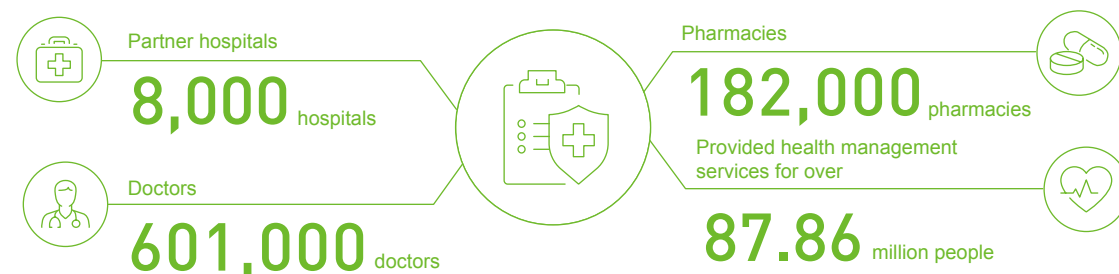
SERVING "HEALTHY CHINA" AND IMPROVING PEOPLE'S HEALTH AND WELL-BEING

PICC revolve around the "Healthy China 2030" master plan and participated thoroughly in the construction of the national multi-level social security system. In 2019, the Group's various policies on medical insurance services covered 830 million people across 31 provinces. We have built a comprehensive health insurance product system, and formed a multi-field, full-service protection chain of "Basic Medical Insurance + Critical Illness Insurance + Medical Assistance + Nursing Insurance + Commercial Health Insurance", innovated Commercial Pension Insurance products and services, and promoted the development of a healthy pension industry.

Participating in Medical Security System

We serve basic Medical Insurance, Critical Illness Insurance, medical assistance and other protection systems, and support coverage for sickness and pension. We have taken advantage of the insurance company institutional team's expertise, and participated in basic Medical Insurance management by providing services such as expense review, hospital inspection, bill verification, graded referral approval, and actuarial analysis. By strengthening the auditing and monitoring of medical expenses, we have supported the standardization of medical service practices, and have helped in mitigating the abuse of medical resources such as excessive medical treatment and erosion of Medical Insurance funds, thus saving administrative costs.

We promote the integration of health insurance and health management, and provide quality health services. We innovated and developed commercial health insurance products that cover the entire life cycle, resolutely developed Commercial Health Insurance that connects smoothly with basic Medical Insurance, and developed a series of income tax premium products. PICC P&C launched "Everyone's Health" Insurance. PICC Health launched "Haoyibao Insurance", which is Long-term Medical Insurance, and other innovative products. We actively cooperated with professional institutions in health management services. As of the end of 2019, we had cooperated with 8,000 hospitals, 601,000 doctors, and 182,000 pharmacies. We developed and provided health management services such as disease prevention, medical consultation, health consultation, health examination, health maintenance, chronic disease management, and health care. In 2019, we provided health management services to more than 87.86 million people, including medical services for 181,000 people, health consultations for 190,000 people, health examinations for 112,000 people, and health interventions for 31,000 people.



PICC Health Upgraded "Haoyibao Insurance" Long-term Medical Insurance

CASE

PICC Health upgraded "Haoyibao Insurance" Long-term Medical Insurance. Together with Alipay, we added special anti-cancer drug services and critical illness subsidy protection, increased proton and heavy ion medical reimbursement rates, and "Guaranteed Better Protection" for customers' critical illness medical rights. This was all done while optimizing smart underwriting, health notifications and other insurance application processes. We continued to protect the health of our customers by continuously improving the medical service experience. As of the end of 2019, the number of "Haoyibao Insurance" Long-term Medical Insurance customers reached 26 million.



Scan the code to learn more about "Haoyibao Insurance" Long-term Medical Insurance products

PICC Health "Healthy People" App

CASE

PICC Health has built a comprehensive health service platform that integrates pre-diagnosis health management, medical consultation services and post-diagnosis health care: The "Healthy People" App possesses functional modules which cover the entire life cycle of health management services. It has also actualized a large health ecosystem which includes medical and health services, health insurance, health education, health malls and other diversified services. As of the end of 2019, there were 5.49 million registered "Healthy People" App users, with monthly active users exceeding 210,000.



Scan the code to learn more about the "Healthy People" App

Serving the Development of Pension Industry

We innovate Commercial Pension Insurance products and support the construction of a multi-level pension insurance system. We actively served in the construction of the Three-pillar Pension Insurance System, participated in the management of basic pension insurance funds, and vigorously expanded enterprise (vocational) annuities. As of the end of 2019, PICC Pension had managed more than RMB 120 billion in assets. We actively developed Commercial Pension Insurance products, and PICC Life developed three Income Tax Deferred Retirement Insurance products. In 2019, PICC Life carried out housing reverse mortgage pension insurance business trials in 29 cities, and 11 trial institutions have underwritten 12 orders.

We set up services for institutions like elderly communities in various ways and increase the supply of social pension resources. PICC Life actively built a health and pension ecosystem of "Insurance + Medical Care and Tourism", as well as the Yiyuan pension community which operates in Dalian. With insurance products and pension services as our core, we provided a full range of high-level, high-quality and accurate services for elderly customers.

We actively participate in initial trials for Long-term Nursing Insurance and help build the national care insurance system. In 2019, China expanded the scope of the Long-term Nursing Insurance system trials. The Group undertook a total of 74 Long-term Nursing Insurance projects that covered 30 cities and municipalities in 16 provinces, and served 22.6356 million people.



PICC Long-term Protection Insurance commissioners provided volunteer services in long-term care nursing institutions.

PICC Life Insurance Dalian Yiyuan Senior Health Care Community

CASE

On October 25, 2019, PICC Life Dalian Yiyuan Pension Community was officially put into operation. This community is the first senior health care community project for PICC. The community provides than 1,100 elderly care/wellness units. At present, 323 elderly care units are in operation amongst the first-phase nursing homes, which are equipped with comprehensive aging and barrier-free facilities. They are also equipped with health management centers, talent entertainment areas, fitness and health care areas, and other functional areas. In addition, they provide services such as 24-hour housekeeping and special nutrition catering, enabling customers to experience a meticulous integration of health care, medical care, and a comfortable lifestyle.

PICC P&C "Senior Care Insurance"

CASE

In July 2019, PICC P&C Guangdong Branch signed cooperation agreements with the Guangzhou Civil Affairs Bureau, Guangzhou Nursing Home, Guangzhou Ci'aijia Nursing Station, etc., and formally launched an elderly severe disability care project. The project provides care services up to RMB 500 per person per month for urban and rural residents in Guangzhou who are over 80 years old. Medical care is provided by the city's 163 designated service agencies. At the same time, PICC P&C established an Elderly Care Insurance Service Team and provided consultation services via the 95518 hotline as well as area outlets to ensure that qualified applicants enjoyed high-quality Elderly Care Insurance services.

CONCENTRATING ATTENTION TO RISK PROTECTION STRIVING TO BECOME A CORPORATE CITIZEN

- 32 Providing More Intimate Service by Creating a Smart and Convenient Customer Experience
- 37 Putting Shareholders Minds at Ease by Establishing Standardized and Transparent Corporate Management
- 42 Ensuring Employees Happier by Creating a Harmonious and Enterprising Corporate Atmosphere
- 46 Making Smoother Cooperation through Mutually Beneficial Partnerships
- 48 Creating a More Livable Environment by Adhering to Environmental Protection Concepts such as Low-Carbon Operation
- 50 Committing to Public Welfare by Helping the Underprivileged, and Showing Benevolence Towards Society



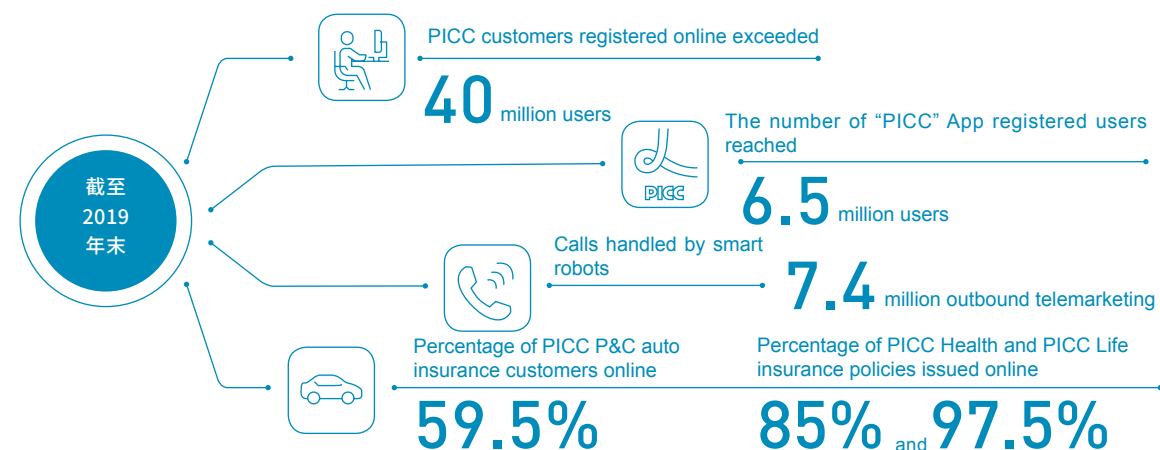
PROVIDING MORE INTIMATE SERVICE BY CREATING A SMART AND CONVENIENT CUSTOMER EXPERIENCE

PICC adhere to the principle of being "Market-oriented and Customer-centric", and actively promote the construction of a new business model of "Insurance + Technology + Service". Through technology empowerment and improvement of the service system, we continuously improve the customer experience, protect customer information and legal rights, and provide customers with high-quality insurance products and services.

Promoting Technology Empowerment

We insist on making it about the customer by accelerating digital strategies and improving both the adaptability of customer service and digital lifestyles. The Group has thoroughly pushed for the construction of a new IT architecture that will accelerate the upgrading of core business systems. We released the "PICC Cloud" platform which is a new backbone network. We advocated for the construction of the North Information Center, and strove to build a new IT architecture of "Data Interconnection and Interoperability in the Back-end, Flexible and Common Services in the Mid-stage, and Unified and Standardized Display in the Front-end". This new IT architecture lays a digital foundation for smart operations, optimized customer service, and an enhanced customer experience.

We continuously optimize the customer contact experience and improve the level of our online and smart operations. Using the construction of a series of customer contacts and mobile Internet portals such as the "PICC" App as a guide, we relied on the construction of e-commerce platforms, 95518 smart customer service platforms, and the introduction of NPS management tools to extensively promote the collaborative development of group customer contacts, management of the overall customer experience, and the intensive sharing of service resources. As of the end of 2019, the "PICC" App had 6.5 million registered users. The comprehensive e-commerce portal was launched for trial operation. 95518 smart customer service covered nearly all business units. Smart robots handled 7.4 million outbound telemarketing calls, 59.5% of PICC P&C auto insurance customers went digital, whereas 85% of PICC Health insurance policies and 97.5% of PICC Life insurance policies were issued online. The number of Group customers registered online exceeded 40 million.



We vigorously promote scientific and technological claims settlements, and improve the efficiency and service capabilities of the claims settlement process. PICC P&C continued to go forward with the O2O Smart Matching Service model through systems such as smart claim dispatch and WeChat claims, which greatly improved the response speed and service speed of auto insurance claims. An entire auto insurance claim can be completed in just over ten minutes, and the smart claim dispatch rate in 2019 showed a year-over-year increase of 11.86%, and the average payment period for reporting cases was sped up by 11.55% year-over-year. PICC P&C has continuously improved the efficiency of loss determination in complex claims by strengthening the use of technical claims tools. The first thing was to shorten loss determination time from 15 days to 1 day by using the industry's first electronic control systems for automobiles. Secondly, the self-developed "Engine Connecting Rod Disassembly-free Measuring Tool" shortened the loss determination time of the wading car engine from 3-5 days to 30 minutes, significantly improving customer service efficiency. PICC Health improved the Internet insurance customer experience. The time limit for medical claims decreased from 5.95 days in 2018 to 1.87 days in 2019, and the time limit for critical claims decreased from 28 days to 20 days.

"PICC" App Officially Released

CASE

On April 11, 2019, the Group held the launch conference for the "PICC" App in Beijing. The "PICC" App is the first integrated platform that fully supports IPv6 large-scale applications and 5G network communication with domestic financial institutions. It is the Group's first comprehensive application that uses the new generation of unified technology architecture, and the first integrated platform that supports user queries and individual insurance policy management within various PICC companies. It integrates policy issuance, security / revision, claims settlement, renewal, and customer service. It applies cloud computing, artificial intelligence, IoT, big data, mobile Internet, and many other cutting-edge technologies. It is an important step in PICC's continual push for advanced, high-quality mobile Internet applications with high-end user experience. As of the end of 2019, there were 6.5 million registered "PICC" App users, with monthly active users exceeding 1.2 million.



Scan the code to learn more about the "PICC" App

95518 Smart Customer Service Platform

CASE

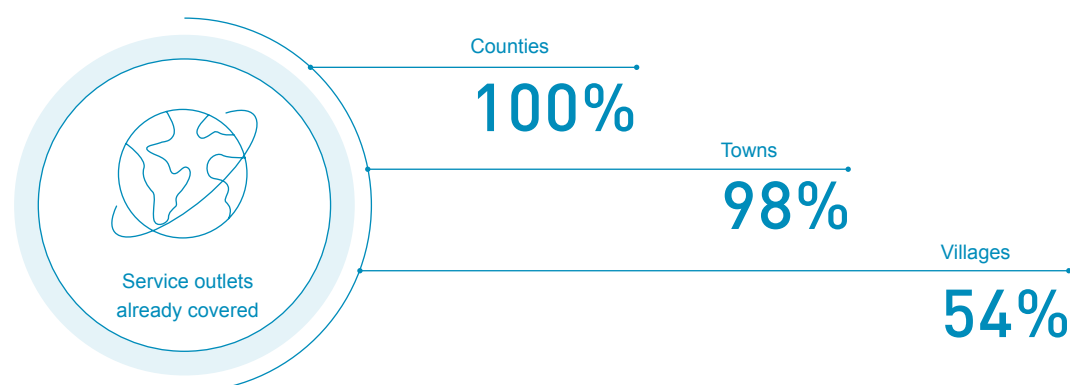
In 2019, PICC upgraded and launched the group's unified customer service number 95518. The 95518 smart customer service platform introduced a smart voice navigation system that automatically identifies customer needs based on the customer's natural language description, shortening service time and improving service efficiency. The 95518 smart customer service platform also provides services via WeChat and web pages at the same time, shifting a single manual customer service to the "Smart Robot + Manual Service" model with responses always occurring within 24 hours, not only enhancing the customer experience, but freeing up artificial telephone resources and easing the operating pressure on the customer service center.



PICC P&C Chongqing Branch's call center used the 95518 smart customer service platform to provide customers with auto insurance reporting services.

Improving Service System

We continue to expand our service network and optimize how the customer journey is managed. We continued to improve the layout of service outlets and promote the integration of community stores and rural networks. PICC's insurance service outlets have covered 100% of counties, 98% of towns, and 54% of villages. Through customer journey workshops, seminars, symposiums, and more, we have sorted out and screened the key points in the customer journey, and formed optimization projects around those key points to improve the customer experience. The projects cover online and offline customer contacts, awareness, and insurance application, conservation, claim settlement, services, renewal and other insurance business processes, and strive to improve the customer experience.



PICC continues to improve its basic insurance service capabilities



We improve working systems and listen to customers. We continued to carry out service standardization construction efforts by forming a complete process management system via standardization, implementation, supervision, inspection, assessment and evaluation, thus bringing about a closed-loop customer service management system. We regularly track and monitor customer service evaluation indicators around key issues such as sales, claims and consulting; We entrust third-party survey agencies to conduct insurance customer satisfaction surveys with a structured questionnaire through CATI and phone text messages, and constantly devise new improvement measures based on the results of the survey. In 2019, PICC P&C Insurance obtained a "AA" rating from the insurance company service evaluation conducted by the CBRC for the third consecutive year, which is the highest rating obtained by any participating insurance company.

PICC P&C's "Whole-hearted Service" Activities

CASE

PICC P&C's claims outlets across the country set up thousands of "Whole-hearted Service" stations during the holidays. Through the one-stop new mode of "Quick Processing, Quick Settlement", we have shortened the overall claims period, allowing customers to experience quality claims services such as receiving money when their car is not yet repaired. For non-PICC insured customers, service commissioners also actively assisted in completing the insurance claims process to ensure that car owner issues can be resolved as quickly as possible. During Spring Festival, Customer Day and National Day in 2019, the company set up a total of 1,838 "Whole-hearted Service" stations nationwide, serving nearly 251,100 customers (including 67,500 non-PICC individuals).



PICC "Whole-hearted Service"

Maintaining Customer Rights and Interests

We improve management systems and strengthened customer information security protection. In accordance with the *Cybersecurity Law of the People's Republic of China*, *Information Security Technology - Personal Information Security Specification* and other laws and regulations, we formulated and issued the *Administrative Measures for the Unified Information Security Policy of PICC (2019 Edition)*, *Administrative Measures for the Management of PICC Information System Architecture* and other management systems to build customer information security defenses. In 2019, no customer privacy information leaks occurred.

PICC P&C participated in the "West Lake Battle of Words• Cyber Security Conference" in 2019

CASE

In April 2019, the "West Lake Battle of Words• Cyber Security Conference" 2019 was held in Hangzhou, Zhejiang, with the theme of "Security: Enabling the Digital New Age". PICC P&C Zhejiang Branch participated in the conference as the only insurance company to receive an invitation, and set up a booth on site. At the beginning of the year, PICC P&C successfully issued the country's first cyber information security special risk policy. It was a package policy of network information security risk protection schemes that covered: cyber security and privacy liability protection, business interruption losses, cyber blackmail and ransom payments, digital asset replacement costs, incident response costs, etc.

We respond proactively to customer demands and protect consumer rights. We supervised the handling of insurance consumer complaint cases in accordance with PICC *Interim Measures for the Management of Insurance Consumer Complaints*. We carefully analyzed and investigated customer calls, letters, visits, websites, and mailboxes, and responded to customers in a timely manner to achieve "Early Detection, Early Handling and Early Reporting "; we also launched a Consumer Rights Protection Education and Publicity Week with the theme of "Consumer-centric Optimization of Services", disseminated insurance knowledge to consumers, smoothed out channels to further enhance rights protection, and safeguarded consumers' immediate interests.

Number of Insurance Consumer Complaints

Item	Complaints per RMB100 million premiums (Unit: case/RMB100 million)			Complaints per 10,000 policies (Unit: case/10,000 policies)		
	2017	2018	2019	2017	2018	2019
Year						
PICC P&C	3.35	2.41	2.35	0.08	0.03	0.01
Industry ranking	56	68	62	57	68	73
P&C insurance industry average	4.65	4.14	6.21	0.03	0.02	0.58
PICC Life	2.66	1.84	1.03	1.37	0.73	0.3
Ranking	14	30	46	9	30	54
PICC Health	3.05	11.14	6.2	1.84	0.73	0.29
Ranking	11	2	4	4	31	56
Personal insurance industry average	1.69	1.52	1.2	0.47	0.36	0.45

Note: The 2019 data shown in the table is taken from the *Notice of the Consumer Protection Bureau of the China Banking and Insurance Regulatory Commission on Insurance Consumer Complaints in the First Three Quarters of 2019* (Y.B.J.X.B.F. (2019) No.3).

"Working Together for 70 Years, Expressing our Gratitude, and Getting Back to Business" Customer Day

CASE

In 2019, during the customer day with the theme of "Working Together for 70 Years, Expressing our Gratitude, and Getting Back to Business", the Group organized for subsidiaries to carry out publicity activities for the protection of consumer rights and strengthen the protection of insurance consumer rights. Through various contacts both online and offline, we have held a total of 17,739 events for the protection of consumer rights. More than 1.47 million people participated in these events, 13.32 million copies of promotional materials were distributed, 606 reports were published on traditional media, more than 10,000 messages were published online, and nearly 890,000 consumer risk alerts or consumer warning messages were issued through various channels.



PICC P&C Jiangsu Branch launched a publicity campaign for the protection of consumer rights

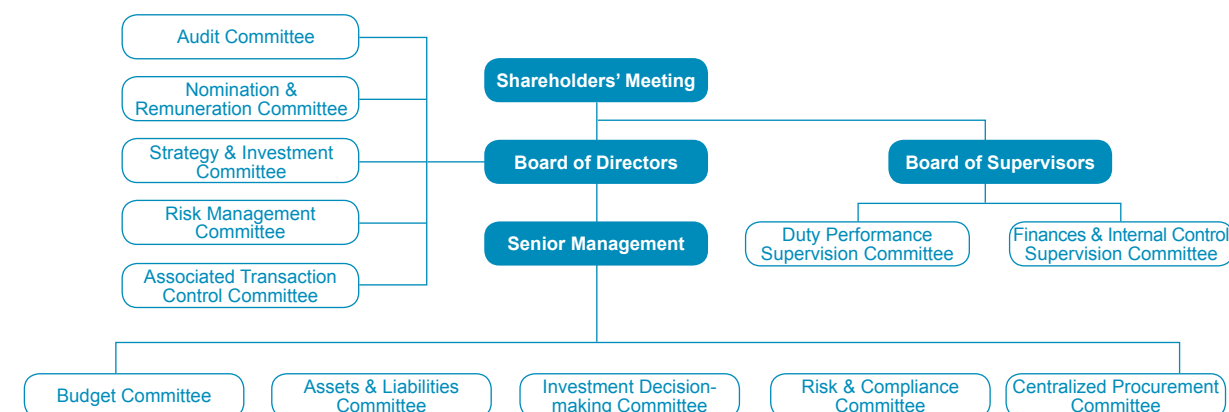
PUTTING SHAREHOLDERS MINDS AT EASE BY ESTABLISHING STANDARDIZED AND TRANSPARENT CORPORATE MANAGEMENT

PICC continuously strengthened corporate oversight, improved its administration structure and systems, improved administration standards, all while continuing to operate the company and disclose information in accordance with laws and regulations. We also adhered to our no-tolerance stance on systematic risk. Through all of this, we ensured the company's stable development and continued to strive to enhance the value we can present to our shareholders.

Strengthening Corporate Oversight

We strictly abided by the Company Law of the People's Republic of China and the Insurance Law of the People's Republic of China. We established and improved upon our administration in accordance with the relevant regulatory requirements of China Bank Insurance Regulatory Commission, the listing rules of the Shanghai Stock Exchange, the Hong Kong Stock Exchange, and the company's Articles of Association structure. We took all of these rules and regulations, applied them to the companies actual conditions, and improved upon our administration systems.

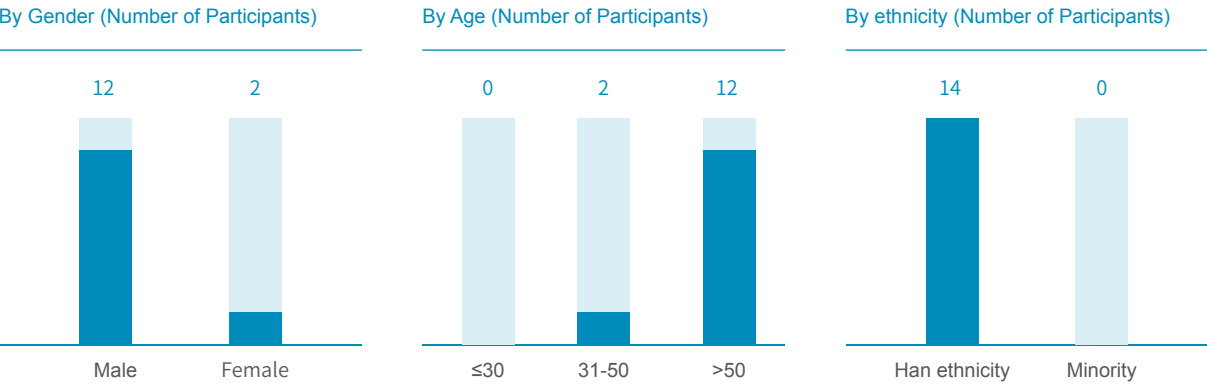
Corporate Structure



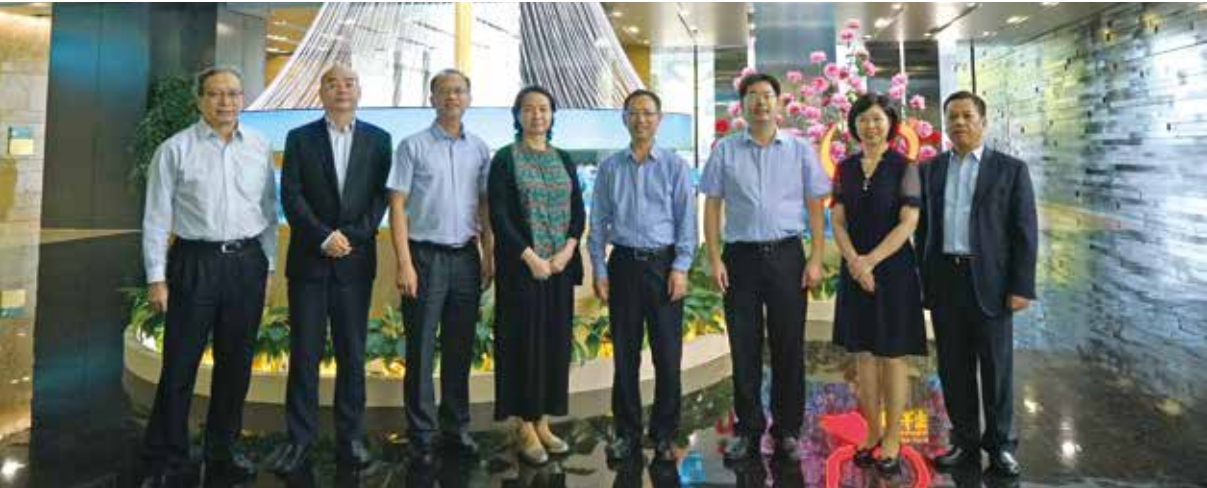
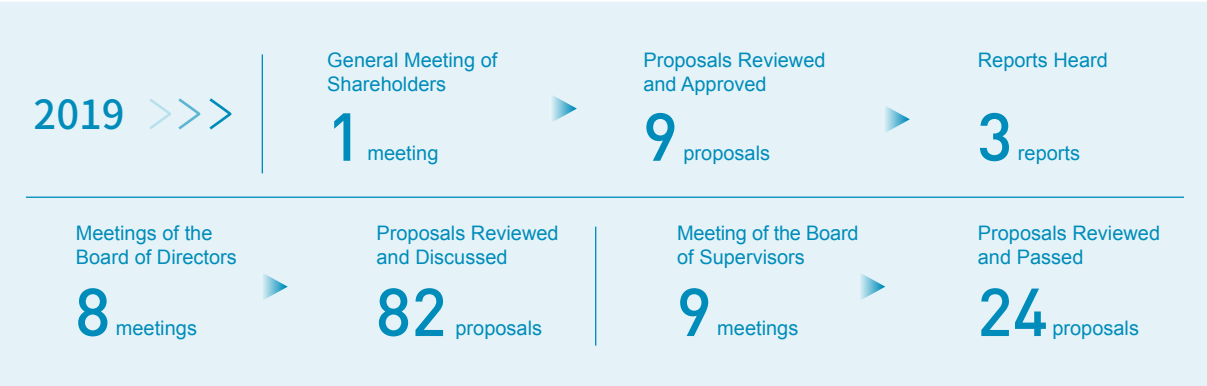
The general meeting of shareholders, the Board of Directors, the Board of Supervisors, and senior management have independently performed their respective duties and obligations in accordance with the company's articles of association, and all decisions and operations were done in accordance with the law.

- ▶ The general meeting of shareholders, as the company's highest authority, exercises shareholders' rights and fulfills shareholders' obligations. The general meeting of shareholders is held once a year, whereas improvised meetings are held as needed.
- ▶ The Board of Directors, as the company's decision-making body, is responsible towards the general meeting of shareholders, implementing the resolutions made by the general meeting of shareholders, convening at least four regular meetings per year in accordance with the Articles of Association, and convening improvised meetings as needed. It consists of Audit Committee, Nomination & Remuneration Committee, Strategy & Investment Committee, Risk Management Committee and Associated Transaction Control Committee. Each committee expresses their opinions and suggestions to the Board of Directors on issues within the scope of their respective responsibilities. Meanwhile, each committee has its own working rules that specify relevant responsibilities and operation procedures. Issues related to social responsibility are regularly reviewed at board meetings.
- ▶ The Supervisory Board, as the company's supervisory body, is responsible for the general meeting of shareholders. It supervises the performance of directors and senior management personnel as they perform company duties in accordance with the company's Articles of Association. It holds at least one regular meeting every 6 months and holds improvised meetings as needed. It monitors the performance of the directors and senior executives in the two professional committees below it, as well as the company's finances, internal control and major risks.
- ▶ According to the decisions made by the Board of Directors, senior management conducts business and accepts supervision through the professional committees in accordance with laws and regulations.

2019 Formation of the Board of Directors



Note: On January 20, 2020, due to being transferred, Mr. Bai Tao resigned as Executive Director, Vice Chairman, President and member of the Strategy & Investment Committee under the Board of Directors. Mr. Tang Zhigang also resigned as Executive Director, Vice President, and Directory Member of the Risk Management Committee under the Board of Directors, member of the Associated Transaction Control Committee under the Board of Directors and secretary of the Board of Directors. On March 18, 2020, due to her age, Ms. Hua Rixin resigned from her position as Non-executive Director and as a member of the Risk Management Committee under the Board of Directors.



In September 2019, the Group's equity directors were went to Shenzhen to look into the practices behind the construction of a financial industry integrated marketing system, and were tasked with the campaign of making its presence known in key cities, thus supporting the "3411 Project".

Standardized Information Disclosure

We disclose information in accordance with all relevant laws and regulations. We have formulated the *Administrative Measures for Information Disclosure*, *Administrative Measures for Internal Reporting of Major Information* and *Administrative Measures for Suspension and Exemption of Information Disclosure*, stipulated the information disclosure system according to the A + H information disclosure principle of "More Rather Than Less, Strict Rather Than Loose, and Early Rather Than Late"; We clarified the main content of the group company's information disclosure efforts, including the responsibilities of all parties, as well as registration, recording, disclosure processes, disciplinary requirements, and other matters. We established a standardized information disclosure process and related working systems, disclosed information in a fair and timely manner, and ensured that the information disclosed was true, accurate, and complete.



Miao Jianmin, Secretary of the Party Committee and Chairman of the Group, delivered a keynote speech on the open day for investors

We actively strengthen communication with investors. In 2019, after the annual, semi-annual and quarterly results were released, we held performance communication meetings for domestic and foreign investors, and held an open day for our investors on November 1 to fully explain the company's development to it's investors. Miao Jianmin, Secretary of the Party Committee and Chairman of the Group, delivered a keynote speech at the meeting, "Resolutely move forward with the '3411 Project', optimize business models, and continuously enhance our ability to create value". Relevant subsidiaries of the group introduced their latest project achievements in the transformation of development, technological innovation and service innovation. This open day attracted widespread attention from both the market and the media. Hundreds of investors, analysts, and media outlets participated by attending the event in person, calling in, and watching live broadcasts. More than 90,000 people tuned in to watch the broadcast.



Investors Open Day showcased the Group's latest achievements in technological innovation

No Systematic Risk

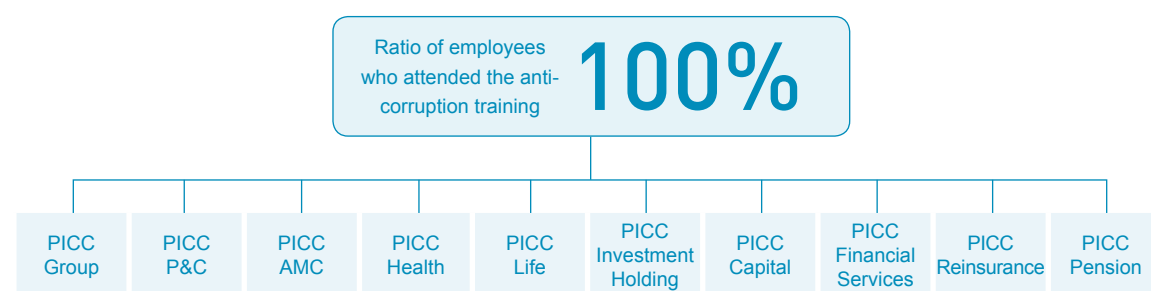
We strengthen comprehensive risk management and hold fast in our no tolerance stance on systemic risk. We strictly abided by the *Insurance Law of the People's Republic of China*, *Anti-Money Laundering Law of the People's Republic of China*, *Administrative Measures for Compliance of Insurance Companies*, *Administrative Measures for Anti-Money Laundering in the Insurance Industry*, *Guidelines for Risk Management of Insurance Companies (Trial)*, *Basic Guidelines for Internal Controls of Insurance Companies* and the listing rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. We have established a comprehensive risk management system with PICC *Comprehensive Risk Management System* as the basic system, supplemented by specific risk management methods, and top to bottom integration. We established a vertical and horizontal risk management architecture. Vertically, the architecture involves the Board of Directors, the Management and operating departments, and covers PICC 's business segments and branches at all levels; horizontally, the "Three Lines of Defense" for risk management cooperate with each other while working according to the division of responsibilities.

We strengthen risk dynamic monitoring and risk control in key fields. We formulated the Group's implementation plan to prevent and mitigate major financial risks, and continued to promote the implementation of work measures; we optimized risk performance assessment, ensured risk compliance assessment was applied to all departments and subsidiaries of the Group, and consolidated risk management responsibilities; We established a dynamic risk monitoring and evaluation system, carried out monthly, quarterly, and annual risk analysis, evaluation and reporting, as well as weekly reports on risk events; We also strengthened risk investigation and risk identification in key fields, and improved initiative and foresight in risk management.

We further strengthen internal control foundations and promote the construction of grassroots internal control systems. We organized an overhaul of the Group's internal control manual, strengthened internal control management and construction of key positions, and evaluated annual internal control; We promoted the construction of the Group's grassroots internal control systems and the establishment of a long-term system for internal control.

We carry out special actions and consolidate the compliance management foundation. In 2019, the company deployed the China Banking and Insurance Regulatory Commission to "consolidate the results obtained from controlling chaos and promoting compliance construction", and further organized the investigation and rectification of chaos in the market; We launched a "Mine Clearance Operation" and further strengthened the risk prevention and control of illegal fundraising; We organized multi-level compliance training and advocated various forms of compliance culture; we strictly implemented relevant anti-money-laundering obligations and improved anti-money-laundering management; we established and improved anti-corruption measures, carried out anti-corruption education, and enhanced anti-corruption and anti-degeneration capabilities.

Anti-corruption Training in PICC and Some of Its Affiliates in 2019



PICC "Illegal Fundraising Prevention Month"

CASE

In May 2019, as part of the effort to raise awareness on illegal fundraising, PICC organized an "Illegal Fundraising Prevention Month" campaign company-wide. Each subsidiary strengthened "External Propaganda and Internal Education." By pushing promotional materials on WeChat public accounts and Weibo, organizing special training sessions, producing warning slogans, sending text message reminders, setting up a complaint hotline, and more, we conducted targeted training and publicity for employees, marketers, and consumers.

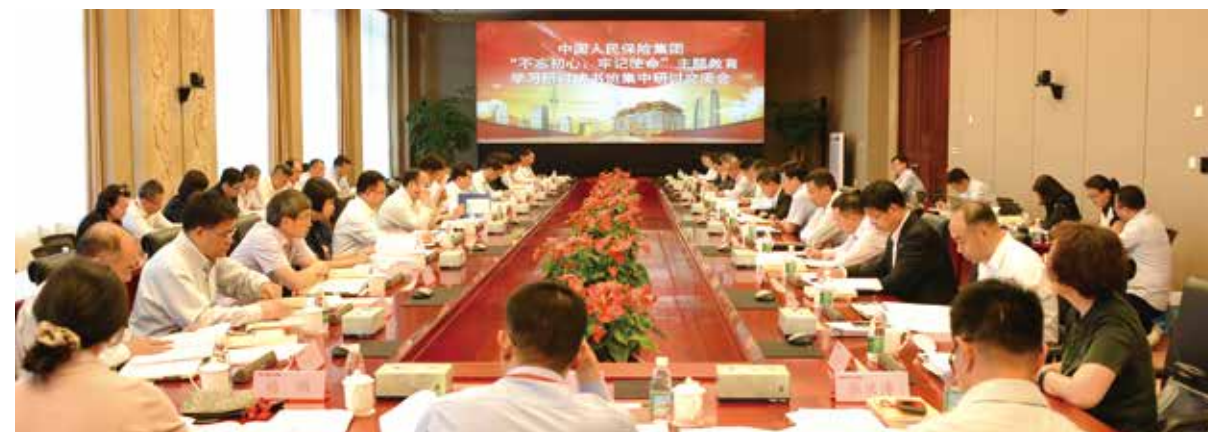


PICC Life Insurance Guangdong Branch Launched a publicity campaign to prevent illegal fundraising

Adhering to the Leadership Role of Party-building

PICC adhere to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, carry out the attitudes conveyed by the 19th National Congress of the CPC, touch on the general requirements and organizational path of the party's construction in the new era, and promote the high-quality development of the group with high-quality party building.

With political construction as the backbone, we incorporate the CPC Central Committee's decisions into PICC. We have formulated the Group's direction and ideas by supporting Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as well as the decisions made by the CPC Central Committee. We have incorporated the decisions made by the CPC Central Committee on high-quality development and social livelihood protection into PICC's action plans, thus deepening insurance supply-side structural reforms, optimizing business models, and applying them into applicable results that serve the real economy and people 's livelihood. In 2019, focusing on General Secretary Xi Jinping's important speeches, instructions, and major decisions and deployments of the CPC Central Committee, the Group conducted 13 studies within the Central Team of the Party Committee, and held special meetings in the Party Committee which covered more than 70 discussion topics.



In June 2019, the Group held a five-day study seminar on the theme of "Remains True to Its Original Aspiration and Keeps Its Mission Firmly in Mind".

We heighten political awareness, pushing thematic education forward as a great political task. In 2019, in accordance with the unified departments of the central government, we conducted in-depth educational activities on the theme of "Remains True to Its Original Aspiration and Keeps Its Mission Firmly in Mind" in two phases company-wide. The Group's Party Committee closely followed this theme, and using the motto of "Keeping True to Our Original Aspiration, Undertaking the Mission, Finding Gaps, and Focusing on Implementation", promptly mobilized, deployed and promoted the orderly development of thematic education. Party organizations, party members, and cadres at all levels persisted in doing their best to enhance their education, and took the initiative in rectifying and applying solutions to problems. The party leadership and party building of the Group have been continuously improved. A total of 6,924 party organizations and 77,565 party members participated in the thematic education, with all party organizations and party members being covered. In the 2nd Party Building Innovation Achievements Exhibition and Exchange Activities organized by the Banner Magazine of State Organs Work Committee of the CPC, the Group's Party Building Innovation Achievements were granted one "Top Ten" and two "Top 100".



New South Road Marketing Department of PICC P&C Datong Branch of Shanxi Province Launched a thematic education campaign



Ningbo Cixi branch jointly Launched thematic education activities

ENSURING EMPLOYEES HAPPIER BY CREATING A HARMONIOUS AND ENTERPRISING CORPORATE ATMOSPHERE

PICC strictly comply with the *Labor Law of the People's Republic of China*, the *Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, and the *Law of the People's Republic of China on the Protection of Rights and Interests of Women* and other laws and regulations. We establish a sound human resource management system including staff recruitment, education and training, performance evaluation, salary and benefits, etc.. We resolutely put an end to any discriminatory behavior based on race, region, gender, disability, nationality, or any other criteria. We prohibit the use of child labor and all forms of forced labor, and strive to create a favorable and harmonious working environment with equal treatment, development opportunities, health, and safety for all employees.

Creating Harmonious Workplace

We create a standardized employment system and build a harmonious and stable working relationship. We formulated and improved the employee recruitment and on-boarding process, and established an integrated recruitment system coordinated by the Group; We strictly enforced the human resource management system, provided employees with equal opportunities, and implemented equal pay for equal work. No child labor has occurred. The minimum notice period in the existing policy and employment contract is consistent with the relevant requirements in the *Labor Contract Law of the People's Republic of China*.

Number of employees (Unit: Person)

Type	2017	2018	2019
On-the-job employees	188,229	198,457	198,951
Dispatching employees	27,133	18,636	17,616
Sales employees	780,585	818,256	870,032

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

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

Gender	2017	2018	2019
Male	94,364	100,081	101,322
Female	93,865	98,376	97,629

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

Age	2017	2018	2019
< 31	64,532	67,220	61,884
31-50	104,178	112,174	117,112
> 50	19,519	190,63	19,955

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

Academic degree	2017	2018	2019
Master's degree and above	7,905	8,720	9,338
Bachelor's degree	98,978	107,961	112,254
College diploma	65,287	66,658	63,989
Other	16,059	15,118	13,370

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

Type	2017	2018	2019
Newly recruited	30,911	27,942	17,242
Resigned	11,549	12,976	12,109
Dismissed	294	347	516
Retired	1,892	2,065	2,120
Other	1,516	1,785	2,007

Employment and turnover rate

	2017	2018	2019
Employment rate	16.42%	14.08%	8.67%
Turn over rate	7.30%	7.75%	7.41%

Notes: 1. Employment rate = newly recruited employee number / number of contracted employees on December 31 of the current year;
2. Turnover rate = number of lost employees / number of contracted employees on December 31 of the current year; wherein, number of lost employees = number of resigned + dismissed + retired employees

We fully respect the employees' right to know, right to participate, right to express, and right to supervise. We protect their legitimate rights and interests. We have established nearly 2,500 trade union organizations at all levels in accordance with the *Labor Law of the People's Republic of China*, the *Constitution of the Chinese Trade Union*, and the *Regulations on the Work of Enterprise Trade Unions*, and have more than 200,000 union members, of which 100% are contract workers. We have established a corporate democratic system based on worker representation. Issues involving employees' immediate interests should be reviewed by the Worker Assembly. Group companies and subsidiaries have established corporate-level Worker Assemblies, and agencies at all levels have established nearly 1800 Worker Assemblies. We actively advocated for the construction of a collective contract system. The collective agreement signed with our employees covers issues such as special protection for female employees, as well as occupational health and safety protection for workers. By the end of 2019, we have pushed for nearly 50 units to sign collective contracts and nearly 20 units to sign special contracts for female employees. We established nearly 600 labor dispute mediation organizations in labor unions, and pushed to build 211 female care rooms at the grassroots level.

We established trade union organizations at all levels with around

2,500 organizations

Enrollment rate of contract workers

100%

We established labor dispute mediation organizations in the trade union with around

600 organizations

We pushed for the construction of care rooms for female workers at the grassroots level

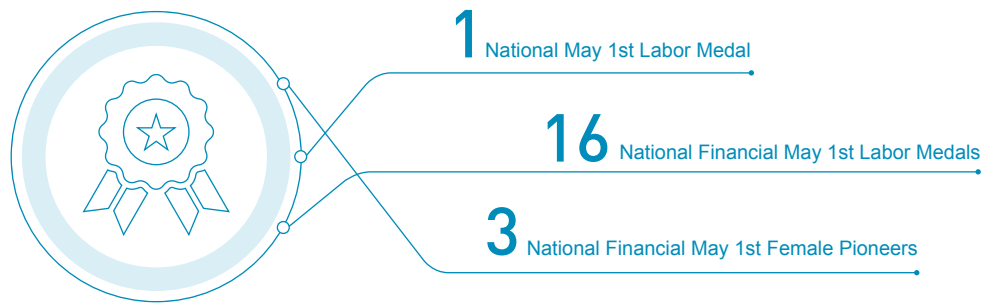
211 organizations

Focus on Talent Cultivation

We improve the top-level design of group education and training, and promote the institutionalization, standardization, and scientification of group education and training. We have formulated the Opinions on the Implementation of the *National Cadre Education and Training Plan for 2018-2022* and the Administrative Measures for the Education and Training of Group Companies and other systems, established a system that covers training for new employees, training for leading and reserve cadres, and various business ability training. We extensively used internal and external, online and offline resources to improve the quality of our employees.

We formulate "Three Systems" for human resources management to fully mobilize and inspire the management team to take the initiative and become more creative. We formulated the *Interim Measures for the Management of Personnel System*; allocated human resources in a scientific and rational manner; we formulated the *Management Measures for Rotation of Posts*, encouraged employees to work in different subsidiaries and different posts so as to broaden their overall quality and capability; we regulated the *Job Category Management Measures* and established a career development path for employees.

We improve the quality of the group's cadre team and broaden the growth path of cadres. We have established systems for: employee multi-channel growth and promotion, cadre practice training, rotation exchanges, post exchanges, and job postings to local governments. We smoothed out and normalized communication channels for headquarters and system cadres, and created a wider space for cadre growth. In 2019, 1 person in the group won the National May 1st Labor Medal, 16 people won the National Financial May 1st Labor Medal, and 3 people won the National Financial May 1st Female Pioneer.



Average training time for the employees each year in hours (Unit: Hour)

	Male	Female
PICC Group	66	66
PICC P&C	85.4	92.4
PICC AMC	36.24	34.13
PICC Health	107	107
PICC Life	137	137
PICC Investment Holding	50	57
PICC Capital	45	45
PICC Financial Services	91.8	87.31
PICC Reinsurance	55	55
PICC Pension	70	70
PICC Hong Kong	18	18

"PICC Live Class"

CASE

In line with the trend of mobile learning, PICC effectively utilized advanced technology tools to open a "PICC Live Class" which relied on the Baohutong Integrated Video System. This Live Class covered the four major categories of party building, professionalism, sales, and general knowledge, and was gradually shared as a quality training resource company-wide in all regions and all levels. Since its launch, there are now more than 140,000 registered users, and about 102,000 cadre employees at all levels of the system have participated in the training, which has effectively broadened the opportunity for cadres and employees, particularly grassroots employees, to receive high-quality training, and fully enjoy the high-quality training resources offered by the system.



"PICC Live Class" course *Artificial Intelligence and Big Data Empowerment Service and Management*

Caring for Employees

We provide comprehensive welfare guarantee. We have paid "Five Social Insurances and One Housing Fund" to employees on time, applied for Commercial Supplementary Medical Insurance, implemented an enterprise annuity plan, and developed an attendance and vacation system that complies with national regulations. We care for female employees. In 2019, the Group companies set up a "Mommy Hut" for pregnant employees, and served more than 300 female employee-times throughout the year. To provide support and guarantees for retirees, we formulated the *Administrative Measures for Supplementary Medical Care for Retirees*, which improved the supplementary medical management system and guarantee measures for retired personnel.

Number of female employees taking childcare leave in 2019

	2018	2019
Number of employees entitled to childcare leave	3,515	3,184
Number of employees taking childcare leave of the current year	273	273
Number of employees who actually returned from childcare leave	245	239
Number of employees who should return from childcare leave	245	239
Number of employees on the job 12 months after returning from childcare leave	235	225
Return rate of employees after childcare leave (%)	100	100
Retention rate employees after childcare leave (%)	96	94

Notes: 1. The data covers the headquarters of PICC and head offices of the subsidiaries.
2. Return rate after childcare leave = number of employees who actually returned after childcare leave/number of employees who should return from childcare leave.
3. Retention rate of employees enjoyed childcare leave = Number of employees on the job 12 months after returning from childcare leave/number of employees returned from childcare leave.

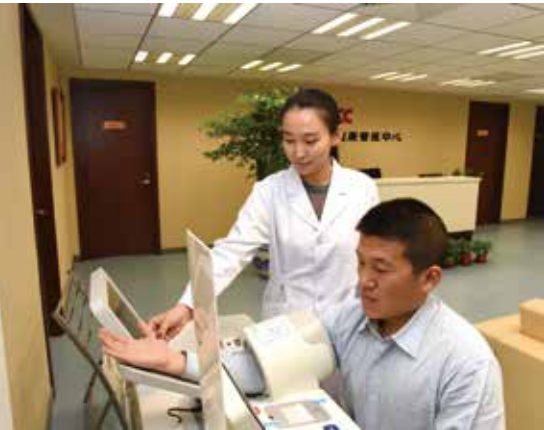
We provide a healthy and safe work environment. During its operation, The Group has never had positions that constitute occupational health hazards. At the same time, we provide various protection measures and service programs, including national Statutory Labor Insurance and company-provided Supplementary Labor Insurance. We have carried out and developed educational materials, publicity and various lectures on health, and have provided health education to the best of our ability. The Group company provides employees with physical therapy services, traditional Chinese medical diagnosis and treatment and workplace disease diagnosis and treatment services.

We provide care and assistance to employees and their families in times of difficulty. We continued to organize the "PICC Employees' Appreciation Day" event. In 2019, we held a donation ceremony for the Group's headquarter employee care fund in Beijing with the theme of "Hands Joined in Compassion, Eyes Together in Fondness", and received a total of RMB 4.2225 million in donations.

24-hour family doctor and chronic disease management health services for employees

CASE

The group's labor union actively explored the potential offered by 24-hour family doctor and chronic disease management health services, and provided staff and their family members with health management services. Throughout the year, we provided nearly 600 medical examinations for current and retired employees, provided green channel services such as outpatient and inpatient medical treatment for nearly 200 people, provided physical therapy services for 1,000 people, provided workplace disease diagnosis and treatment for 1,000 people, provided Chinese medicine diagnosis and treatment services for 600 people, provided testing by medical devices for more than 400 people, provided professional consultation services and health guidance services for more than 300 employees and their families, handled various Medical Insurance-related businesses for about 50 people, and provided medical service guarantees for various large-scale events and retired person activities for more than 20 people.



Employees were provided with health management services

MAKING SMOOTHER COOPERATION THROUGH MUTUALLY BENEFICIAL PARTNERSHIPS

“ While adhering to the concept of “Open Cooperation, Mutual Benefit”, PICC has extensively cooperated with governments, enterprises, industries and universities. By leveraging our expertise in insurance services, we have strengthened government-enterprise interactions, promoted business cooperation, promoted industry exchanges, and achieved mutual benefits for all involved. ”

Strengthening Strategic Cooperation

We promote strategic cooperation with local governments, national ministries and commissions, and large enterprise groups. In 2019, The Group signed strategic cooperation agreements with 23 institutions. There are 9 local government partners, including Shanghai, Sichuan, Jiangxi, Chongqing, Qingdao, Guangxi, Xiamen, Gansu, and Shandong; 10 enterprises, including Tencent, China National Nuclear Corporation, China Galaxy Securities, China UnionPay, China Three Gorges Corporation, China Everbright Group, State Grid Corporation of China, Inspur Group, Hong Kong China Travel, China Merchants Holdings; 4 banks, including SPD Band, Minsheng Bank, Agricultural Bank of China, and Bank of Communications.

Promoting Industry Communication

We hold industry exchanges and cooperative efforts, and earnestly participate in the research towards various industry standards and pressing issues. We participated in a number of domestic and foreign industry organizations, tracked global insurance industry developmental and policy trends in a timely manner, and participated in the formulation of industry research, planning, and standards; we strengthened coordinated actions between the academic and insurance industries, established joint laboratories, and promoted theoretical and practical innovations in insurance; we increased academic cooperation between well-known universities and research institutes, and carried out specialized research on risks, disasters, major reforms, and other policies that are of general concern to society. For many years, the Dao series of research reports from PICC P&C have conducted research on cutting-edge risk management theories and practices, new technology applications and business models, and more, with the aim of helping society manage risks via insurance.

We carried out cooperative research on *Research on Using Insurance Mechanism to Improve Beijing's Urban Governance Level* CASE

In 2019, at the invitation of the Beijing Municipal Bureau of Finance, the Institute of Finance and Banking of the Chinese Academy of Social Sciences, PICC P&C Disaster Research Center, PICC AMC, PICC Health and PICC Life Beijing Branches and other internal and external institutions jointly formed a task force to conduct in-depth research on *Research on Using Insurance Mechanism to Improve Beijing's Urban Governance Level*. Based on the current situation of Beijing's urban governance, the task force analyzed the risk issues faced by Beijing in this area, putting forward specific and operable suggestions from the perspective of insurance participation in urban governance. The task force formulated 18 specific projects and a directory of 71 insurance products for insurance participation in Beijing governance.

We constructed a joint laboratory for environmental insurance and risk research CASE

In May 2019, PICC P&C and Tsinghua Suzhou Environmental Innovation Research Institute signed a cooperation agreement on the co-construction of a joint laboratory for environmental insurance and risk research at Tsinghua University. The first domestic environmental insurance school-enterprise joint laboratory was officially listed. PICC P&C will use the joint laboratory as a vehicle to accelerate the development and design of environmental insurance products. It will also support service solutions, look into creating a package policy for environmental risk management, and promote the implementation of the “Insurance + Technology + Service” business model in the environmental protection field.



Signing ceremony for joint laboratory for environmental insurance and risk research

Some of the industry organizations that PICC is a part of (in no particular order)

Association	Membership
Geneva Association (GA)	Director
Asian Financial Cooperation Association (AFCA)	Standing council member
International Union of Marine Insurance (IUMI)	Member
International Credit Insurance & Surety Association (ICISA)	Member
International Union of Credit & Investment Insurers (BERNE)	Member
Association of Corporate Counsel (ACC)	Member
Federation of Afro-Asian Insurers and Reinsurers (FAIR)	Member
International Health Insurance Association	Member
Green Finance Committee of the China Finance Association	Standing Council Member
The Insurance Association of China	Honorary President
The Insurance Society of China	Vice Chairman
China Association of Actuaries	Member
Insurance Asset Management Association of China	Member
China Disaster Prevention Association	Initiating unit, Vice Chairman Unit
China Maritime Law Association	Vice Chairman
China Association of Actuaries	Standing council member
China Institute of Internal Audit	Standing council member
Securities Association of China	Member
China Association for Public Companies (CAPCO)	Member
The Listed Companies Association of Beijing	Member
The Hong Kong Chinese Enterprises Association	Member
The Hong Kong Chinese Enterprises Association	Member
China International Contractors Association	Member

Optimizing Supplier Management

We improve supplier management systems. We have formulated a series of sunshine procurement management regulations such as *PICC Supplier Management Measures*, and *PICC Service Supplier Management Rules* in accordance with the *Law of the People's Republic of China on Bid Invitation and Bidding*, *Several Provisions on Strengthening Centralized Purchase Management of State-owned Financial Enterprises* and other relevant laws and regulations, and by referencing relevant provisions of the *Government Procurement Law of the People's Republic of China*.

We strengthen supplier evaluation. To improve the quality of our supply partners, we evaluated them from multiple angles, including contract performance, service standards, service quality, integrity, and credibility, as well as the implementation of supplier standards.

We standardize supplier procurement. By following the principles of “Openness, Fairness, Unbiased” and “Honesty and Credibility” we selected suppliers via the preferable method of bid invitation and competitive negotiation for centralized procurement projects, and implemented a mandatory supplier replacement system . For different procurement projects, we gave extensive consideration to compliance with environmental protection, employee occupational health, and safety standards. We also considered energy conservation and consumption reduction, as well as anti-corruption and anti-fraud.

CREATING A MORE LIVABLE ENVIRONMENT BY ADHERING TO ENVIRONMENTAL PROTECTION CONCEPTS SUCH AS LOW-CARBON OPERATION

PICC is an advocate for the environmental protection concept of “Green Office and Low-carbon Operation”, and proactively responded to the government's call for energy conservation and emissions reduction. PICC employed effective measures to achieve resource conservation in order to build an environmentally friendly enterprise.

Conserving Resources

The company's resource consumption mainly comes from the water, electricity and natural gas used in the offices, as well as the gasoline and diesel used by vehicles in the business development process.

We constructed energy-saving facilities and carried out energy-saving renovations, established and improved rules and regulations on energy conservation and emissions reduction, and used sub-table statistics to understand the electricity consumption situation in a timely manner. We improved the power factor of electrical equipment, and gave preference to new energy-efficient light sources and high-efficiency energy-saving lamps to reduce energy consumption and carbon dioxide emissions. We gradually expanded the scope of environmental related data collection and disclosure, and improved the statistical caliber of said data.

Energy structure and consumption of some offices

	Year	Headquarters of PICC	PICC P&C	PICC Health	PICC Life	PICC Financial Services	PICC Hong Kong
Electricity consumption(KWh)	2017	3,530,469	5,765,499	320,122	1,578,822	-	71,139
	2018	4,082,981	5,128,340	471,803	1,765,696	95,747	96,339
	2019	3,598,689	5,278,456	577,921	1,717,196	129,411	111,275
Natural gas (m ³)	2017	61,580	49,158	0	-	0	0
	2018	63,833	63,036	0	26,708	0	0
	2019	61,064	54,438	0	33,425	0	0
Electricity consumption per capita (kWh/person)	2017	2,619.04	4,898.47	825.06	2,824.37	-	1,394.88
	2018	3,035.67	4,231.30	1,084.61	2,838.74	1,063.86	1,605.65
	2019	3,110.36	4,107.75	1,275.76	2,442.67	1,294.11	1,766.27
Natural gas per capita(m ³ /person)	2017	45.68	41.77	0	-	0	0
	2018	47.46	52.01	0	42.94	0	0
	2019	52.78	42.36	0	47.55	0	0

Note: The data in 1.2017 and 2018 have been revised to exclude the impact of the data of the areas leased from PICC's own office building in Beijing.
2. "Headquarters of PICC" indicates the total energy consumption of offices and public areas in the headquarter buildings of PICC, including the offices of PICC and its subsidiaries that work in the headquarters building (such as PICC AMC's office in Beijing, PICC Investment Holding, PICC Capital, PICC Reinsurance and PICC Pension).
3. Data of PICC Health, PICC Financial Services, and PICC Hong Kong indicates the energy consumption of leased floors.
4: "-" indicates no relevant data available.

Gasoline consumption of official vehicles at some company headquarters (Unit: Liters)

Year	PICC P&C	PICC Health	PICC Life
2017	34,778	43,123	22,535
2018	29,964	32,392	20,168
2019	26,602	27,562	20,011

We increased both our usage and maintenance of energy-saving and water-saving equipment in order to achieve a water-saving effect. Some offices used recycled water to reduce resource consumption. In 2019, PICC Building, PICC P&C, and PICC Life used 6300 tons, 20088 tons, and 8318 tons of recycled water respectively. All the sewage generated from daily operations is discharged into the sewage treatment system.

Water Consumption of Some Offices

Year	Year	Headquarters of PICC	PICC P&C	PICC Health	PICC Life
Water consumption (tons)	2017	9,629	21,288	-	3,380
	2018	12,260	22,371	908	4,739
	2019	11,664	21,375	3,660	5,878
Water consumption per capita (tons/person)	2017	7.14	18.09	-	6.05
	2018	9.12	18.46	2.09	7.62
	2019	10.08	16.63	8.08	8.36

Note: 1. The data for 2017 and 2018 has been revised to exclude the impact of the data of the areas leased from the PICC's own office building in Beijing.
2. "Headquarters of PICC" includes the offices of PICC and its subsidiaries that work in the headquarters building (such as the PICC AMC's office in Beijing, PICC Investment Holding, IPICC Capital, PICC Reinsurance and PICC Pension).
3. PICC health data refers to the water consumption of the leased floor. The 2018 data only includes water consumption from the Liuliqiao site from September to December.
4: "-" indicates no relevant data available.

Reducing Waste Emissions

The company's waste emissions mainly came from greenhouse gases from the offices and exhaust from vehicles in the business development process, as well as office wastewater and solid waste.

We have been working in compliance with the *Notice on Further Regulating Emissions Inspection and Strengthening the Supervision and Management of Motor Vehicles* issued by the Ministry of Environmental Protection; we have regularly maintained and monitored corporate business vehicles and other vehicles for claim settlement for emissions to ensure that our gas emissions comply with environmental standards on vehicle emissions and other laws and regulations; we have encouraged the use of video and telephone conferences for work exchanges to reduce carbon emissions caused by business trips.

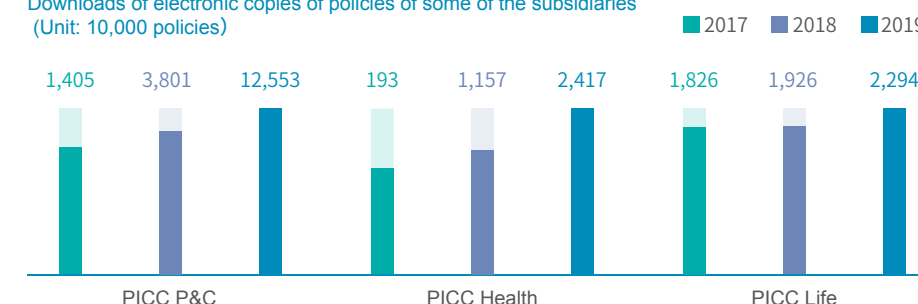
Greenhouse gas emissions of some offices

Green house gas emissions	2017	2018	2019
Electricity emissions (tCO ₂ e)	6,873.42	7,102.12	6,963.04
Natural gas combustion emissions (tCO ₂ e)	239.44	332.06	322.01
Gasoline consumption emissions (tCO ₂ e)	220.02	180.78	162.49
Total emissions (tCO ₂ e)	7,332.88	7,614.96	7,447.54
Per capita emissions (tCO ₂ e/person)	2.36	2.15	2.04

Notes: 1. The greenhouse gas emissions include direct emissions (scope 1) and indirect emissions of energy (scope 2). Other indirect emissions are excluded from the disclosure of greenhouse gas emissions in this report.
2. The emissions factor corresponding to electricity consumption adopts the average emissions factor 0.6101tCO₂/MWh.
3. For the calculation of greenhouse gases, please refer to the *Guidelines for Carbon Dioxide Accounting and Reporting of Enterprises (units) in Beijing*.
4. The calculation scope for total emissions covers the group headquarters, PICC P&C, PICC Health, PICC Life, PICC Financial Services, and PICC Hong Kong.
5. The calculation scope for per capita emissions covers PICC P&C, PICC Health, and PICC Life.

Based on the *Notice on Further Promoting the Classification of Domestic Waste in Public Institutions* and the *Regulations on the Management of Domestic Waste Classification in Beijing*, we formulated the *PICC Building Waste Classification Scheme*, established and improved the operation systems behind waste classification, and signed service contracts for the cleaning and transportation of domestic garbage, kitchen waste, and hazardous waste with qualified units, thereby achieving a near seamless integration of the sorting, cleaning, and recycling of domestic waste; We regularly maintained facilities and desktop computer equipment in the offices, and destroyed those that had exceeded their lifespan and were unusable via identification by technical personnel in accordance with regulations. We also actively promoted the concept of a paperless office and encouraged customers to download electronic copies of insurance policies.

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

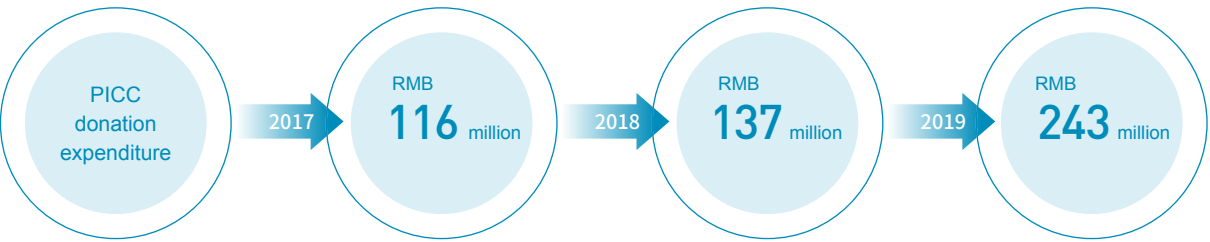


Notes:
1. PICC P&C data is the sum of the total downloads from the Elife electronic system as well as the hits generated from the electronic document integrated management system.
2. PICC Health data is the number of the electronic policies provided.
3. PICC Life data is the sum of the number of e-commerce online sales policies and the data of remote sales, direct sales, and E-China (App). The 2017 data is revised accordingly.

COMMITTING TO PUBLIC WELFARE BY HELPING THE UNDERPRIVILEGED, AND SHOWING BENEVOLENCE TOWARDS SOCIETY

PICC uses the PICC Charity Foundation as a professional platform for charity. We continue to increase our charitable donations towards poverty alleviation, medical health, education support, disaster relief, and other fields. We encourage hundreds of thousands of our employees to follow suit and participate in volunteer activities.

Increasing Public Welfare Donations



We increase our donations toward poverty alleviation and lift impoverished regions out of poverty. In 2019, we donated RMB 12 million to Huachuang of Heilongjiang Province, Liuba of Shaanxi Province, and Ji'an and Le'an of Jiangxi Province to help improve the capabilities of poverty alleviation and sustainable development. We funded projects such as the renovation of dilapidated housing for impoverished people recorded in the Registration System in Ji'an County, Jiangxi Province, and played an active role in winning the fight against poverty.

We increase health donations and improve health standards in impoverished regions. We further strengthened the "Mothers Health Express" charity brand and donated a total of 13 "Mothers Health Express" programs to Linxia Prefecture of Gansu Province and Nujiang Prefecture of Yunnan Province. Through this public welfare project, we provided local women with physical examinations, disease treatment, and maternal health care services. We helped raise awareness about health and women and children's medical conditions amongst the local populace, helping to alleviate the plight of poverty caused by illness. We launched the "Mother Health Express" Kind-Hearted Patrol Medical Service Week in Linxia Prefecture of Gansu province, providing direct and high-quality medical services to the people in the poor areas of Linxia, which directly benefited 6,235 people.



"Mothers Health Express"



Kind-Hearted Patrol Medical Service Week

We increase educational donations and promote the development of science and education in poor regions. We held the 2019 PICC Life Classic Reading Season event, inviting student representatives from elementary and middle schools in the country's most impoverished region, Liangshan Prefecture, Sichuan, to Xichang City to participate in work exhibitions and related activities. We also donated RMB 600 thousand to the Education Foundation of Liangshan Prefecture of Sichuan to support the construction of the Safe Drinking Water Demonstration Project for poor village schools in Liangshan Prefecture.



PICC Classic Reading Season

Carrying out Volunteer Activities

We continue to recruit volunteers and actively carry out volunteer service practices. We organized and encouraged volunteers to carry out voluntary service activities for student aid, poverty reduction, community construction, ecological environment protection, large-scale competitions and more. We continuously improved the influence, appeal and attraction of PICC's volunteer service. We continue to dedicate ourselves to helping the vulnerable groups of society in any way we can.

PICC P&C volunteer activities for public welfare

	2017	2018	2019
Service time (hour)	12,128	29,747	67,486
Number of participants (person)	5,011	18,701	28,475
Number of beneficiaries (person)	39,930	279,620	440,999

Note: This data is taken from statistics for the Volunteer Team of the PICC P&C System.



Xinjiang Youth Summer Camp



"Green Planting Together" Tree Planting Activities



STRENGTHENING COMMUNICATION WITH STAKEHOLDERS IMPROVING THE SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM

54 Communication with Stakeholders
55 Solidifying Concrete Topics
56 Social Responsibility Report Press Conference








PICC

COMMUNICATION WITH STAKEHOLDERS

We attach great importance to the participation of stakeholders, and constantly improve communication and dialogue channels in order to better understand their expectations towards us as well as the impact our operating decisions had on them. Together with our shareholders, we jointly create a mutually beneficial scenario that can continue to develop in a sustainable manner. We deliver the latest developments in corporate administration and operations to stakeholders in different ways and help them access information and make decisions. We are constantly improving the convenience and speed of communication channels. For example, we strengthened the construction of new media platforms such as the official website, Weibo, and WeChat public account in order to improve the effectiveness of communication and promptly address any concerns stakeholders have in regard to the related party's sustainable development.

During this phase, our parties of interest included shareholders, employees, customers, suppliers, partners, peers in the insurance sector, securities exchanges, government, society, non-governmental organizations, natural environment, etc. In accordance with the extent of influence the party receives from PICC as well as the degree of interdependence, we have defined key stakeholders and the degree and range of their participation in both corporate administration and decision-making.

Participation From and Communication With Key Stakeholders

Key stakeholders	Expectations of stakeholders	Participation and response
 Shareholders and investors	Stable value growth Sound financial management Perfect corporate administration and operation Clean business environment Sound risk management (including environment, society and administration) ESG rating results	Shareholders' Meeting Annual report and announcements Earnings release conference Investor Open Day Response to ESG rating agency
 Customers	Rich insurance products, convenient and high-quality services, customer rights protection, customer privacy protection	Customer Day Customer symposiums and return visits Special investigations of measure of satisfaction News media such as Weibo and WeChat public account Telephone hotline Company website and online mall
 Employees	Training and career development opportunities Rights of democratic participation Occupational health and safety Harmonious working atmosphere Satisfactory benefits and compensation system	Workers' Congress and the labor union Employee symposiums Career development plan Performance management Face-to-face and online training Mutual help and care activities
 Partners	Clean business environment Win-win partnership	Strategic cooperation agreements Standards & evaluations Industry associations
 Government and Regulatory Authorities	Support the advancement of national strategic guidelines Conduct legitimate business operations Shoulder the social responsibility befitting a state-owned enterprise and listed company in response to national strategies, and promote industry development and communication	Participate in government department working meetings and exchanges Return to the original principles of insurance to provide guarantees for society and make reports at regular intervals Support industry associations and societies by participating in the study and discussion of major issues and policies
 Society and the Public	Improve people's livelihoods Advance social governance Charitable activities	Undertaking people's livelihoods-related projects initiated by the government Volunteer activities Charitable donations and targeted poverty alleviation
 Natural Environment	Green operations Environmental protection	Product innovation Green insurance Green investment Energy saving and environmental protection

SOLIDIFYING CONCRETE TOPICS

We define concrete sustainability topics to be disclosed in the Corporate Social Responsibility Report through a comprehensive two-dimensional analysis: "Importance of Impact on Stakeholder Evaluation and Decision-making" and "Importance of Impact on Economy, Society, and Environment" . Regarding "Importance of Impact on Stakeholder Evaluation and Decision-making", we mainly consider the expectations of key stakeholders throughout communication and exchanges at different levels and perspectives during the reporting period. Regarding the "Importance of Impact on Economy, Society, and Environment", we conduct economic, environmental and social impact analysis with the participation of external professionals to objectively recognize and confirm the external influence of the existing business models and operating environments.



SOCIAL RESPONSIBILITY REPORT PRESS CONFERENCE

On April 24, 2019, PICC held the 2018 Corporate Social Responsibility Report conference in Beijing and announced to the public the achievements we made in serving poverty alleviation, the real economy, livelihood security, and social governance.

Miao Jianmin, Secretary of the Party Committee and Chairman of PICC, attended the press conference and delivered a speech. Mr. Miao Jianmin pointed out in his speech how this is the first time the Group has released its Corporate Social Responsibility Report on the Shanghai Stock Exchange and the Hong Kong Stock Exchange after successfully returning to A shares. The report not only records the efforts and commitments of PICC in fulfilling its social responsibilities over the past year, but also emphasizes PICC's dedication to serving the people and benefiting society, which they have been doing for 70 years. Miao Jianmin proposed that, as a state-owned financial enterprise, PICC should take on greater responsibilities, further advance structural reform of the supply side of insurance, strive to make developments in the real economy and the livelihood of the people, and help in revitalizing the countryside by alleviating poverty. PICC should implement the decisions handed down from the CPC Central Committee to facilitate the building of a strong Manufacturing Power. In addition, we should promote the development of green insurance, innovate insurance and investment systems, improve the social security system, and benefit society through better services and greater strength!

The display section of the press conference consisted of targeted poverty alleviation, disaster prevention and reduction, and public welfare philanthropy. During the "Targeted Poverty Alleviation" section, five workers on the front line of targeted poverty alleviation shared touching stories from the field. The venue also set up an on-site exhibition of featured agricultural products in "Pinzhenbao Insurance" e-commerce poverty alleviation and interactive experience, demonstrating the achievement of PICC's implementation of major strategies issued by the CPC Central Committee to "win the battle against poverty". In the "Disaster Prevention and Reduction" section, experts from PICC P&C introduced that in order to implement the requirements of the Central Government for "thoroughly improving the comprehensive prevention and control of natural disasters in society," PICC will continue to promote innovative practices when it comes to social governance, social catastrophe and risk reduction management, and other areas. In the "Public Welfare Charity" session, PICC Charity Foundation introduced the charitable actions of the foundation based on their dedication to insurance in recent years. Representatives of the charity recipients spoke about the improvements to local medical treatment and living standards brought about by "PICC Mothers Health Express".



Social Responsibility Report Press Conference



Miao Jianmin, Secretary of the Party Committee and Chairman of PICC, attended the press conference for corporate social responsibility report and delivered a speech

COMPANY HONORS

PICC

Ranked 121 on the 2019 Fortune Global 500 list

2019 Gold Responsibility Award - Chinese Enterprise ESG

2019 CSR Award -- Annual Enterprise Award

China Public Welfare Enterprise in 2019

Evergreen Award 2019 • Sustainable Development Risk Control Award

China Listed Company IPO Rising Star Award in the 13th China Listed Companies Value Selection

The HKIRA 5th Investor Relations Awards

The "Caring for the Elderly-Action of PICC Yellow Bracelet" case was categorized as an example of socially responsible communication in 2018-2019

Pioneering Enterprise in Financial Poverty Alleviation

PICC P&C

2019 Ark Award for Gold Medal Insurance Service

2019 Golden Tripod Award Annual Outstanding P&C Insurer

2019 Best P&C Insurer of Asia

2019 Best Brand P&C Insurer

2019 Outstanding P&C Insurer

"Integration of Finance and Insurance within the Industry, and Supporting the Rapid Development of Featured Industries" won the 2019 China Inclusive Financial Services Rural Revitalization Exemplary Case

PICC AMC

Best Insurance Asset Management Company of the Year

2019 Ark Award for Gold Medal Insurance Asset Management Company

Annual Outstanding Insurance Asset Management Company in Overall Strength

2019 "Jinlicai" Annual Asset Management TOP Award

2019 China Asset Management "Jinbei Award"

PICC Health

2019 Best Internet Insurance Product

2019 Worth Noting Insurance Service Brands

2019 Best Health Insurer

Excellent Health Insurance Product Award

PICC Life

Annual Outstanding Contribution Award for Charity

Best Activity Partner of Project Hope

Outstanding Financial Enterprise in Poverty Alleviation

Best Life Insurance Brand of the Year

Ranked on the list of 2019 Top 10 Chinese Charitable Insurers

Ranked on the competitiveness list of 2019 Top 10 Chinese Insurance Companies

PICC Capital

Pioneering Entity in Consumption against Poverty

National Advanced Unit of Ideological and Political Work in the Financial System

PICC Financial Services

Innovation TOP30 2019 in China's Fintech Industry, InsurStar2019 Top 50 in China's Insurance Technology

PICC Reinsurance

Moody's A3 International Rating

Best Innovation Award for Technology Application Scenario of China Financial Industry granted by IDC Fintech and Service Excellence Award granted by *Financial Computerizing*

PICC Pension

China Information Association, China Finance CIO Alliance Outstanding Project Award, Innovation Project Award, Breakthrough Project Award

Development Innovation Award granted by *Financial Computerizing*

PICC Hong Kong

Behr A-Level International Rating



ASSURANCE STATEMENT

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SUSTAINABILITY REPORT OF PEOPLE'S INSURANCE COMPANY(GROUP) OF CHINA LIMITED FOR 2019

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC was commissioned by the People's Insurance Company (Group) of China Limited (hereinafter as "PICC") to conduct an independent assurance of the Chinese version of PICC's Sustainability Report for 2019 (hereinafter called "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text and data in accompanying tables. We are onsite verified the data and the information which contained in the Report about the PICC head-office located at PICC Building, No. 88, Xichang 'an Street, Xicheng District, Beijing, P.R. China and perform data and information reliable traceability for the PICC Asset Management Company Limited located at 22F, Century Link Tower 1, No.1198 Century Avenue, Pudong New District, Shanghai, P. R. China and the PICC Financial Services Company Limited located at Building 2, No. 2, Jianguomenwai Street, Chaoyang District, Beijing, P. R. China. The other affiliates were not included in this assurance process.

The information in the Report and its presentation are the responsibility of the management and the relative department of PICC.

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

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

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

- evaluation of content veracity;
- evaluation of the report against the GRI STANDARDS.

The assurance comprised a combination of pre-assurance research, interviews with relevant employees including the PICC head-office which located in the PICC Building, No. 88, Xichang 'an Street, Xicheng District, Beijing, P.R. China; sampling documentation and record review and validation with affiliates bodies and/or stakeholders where relevant.

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating more than 2,600 affiliates in more than 140 countries. SGS affirm our independence from PICC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with Sustainability Reporting Auditor and CCAA ISO 14001 and ISO45001 Auditor.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the Report verified is accurate, reliable and provides a fair and balanced representation of PICC sustainability activities in 2019.

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

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

GRI STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

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

Principles

Stakeholder Inclusiveness

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

Sustainability Context

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

Materiality

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

Completeness

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

Balance

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

Comparability

The Report disclosed performance indicators of PICC in 2019. Some performance indicators were disclosed for the past three years for comparison.

Accuracy

The information in the Report was accurate. The Report disclosed more qualitative and quantitative information on performance for stakeholders.

Timeliness

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

Clarity

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

Reliability

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

Management Approach

The Report discloses the management approach of determined material topics.

General Disclosures

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

Topic-Specific Disclosures

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

Findings and recommendations

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

Limitations of assurance

Due to novel coronavirus (COVID-19) epidemic influence, onsite visit only at the PICC head-office. For the PICC Asset Management Company Limited and the PICC Financial Services Company Limited. The assurance was performed with the documentation review via web and telephone interview with relevant responsible persons of PICC, focus on sampling data and information traceability.

Signed:

For and on behalf of SGS-CSTC



David Xin Director
Country Headquarter 16/F Century Yuhui Mansion, No 73, Fucheng Road, Beijing, China
Mar. 25th, 2020

WWW.SGS.COM

CONTENT INDEX

GRI INDEX

GRI standard	Disclosure	Page
General disclosures		
Organizational profile	102-1 Name of the organization	P8 Company Profile
	102-2 Activities, brands, products, and services	P8-9 Company Profile
	102-3 Location of headquarters	P8 Company Profile
	102-3 Location of headquarters	P8 Company Profile
	102-5 Ownership and legal form	P8 Company Profile
	102-6 Markets served	P8-9 Company Profile
	102-7 Scale of the organization	P8 Company Profile
	102-8 Information on employees and other workers	P42-43 Ensuring Employees Happier by Creating a Harmonious and Enterprising Corporate Atmosphere
	102-9 Supply chain	P47 Optimizing Supplier Management
	102-10 Significant changes to the organization and its supply chain	No Change
	102-11 Precautionary Principle or approach	P40 No Systematic Risk
	102-13 Membership of associations	P46-47 Making Smoother cooperation through Mutually beneficial partnerships
	102-14 Statement from senior decision-maker	P2-3 Chairman Speech
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	P10 Company Culture
Governance	102-18 Governance structure	P37 Strengthening Corporate Oversight
Stakeholder engagement	102-40 List of stakeholder groups	P54 Communication with Stakeholders
	102-41 Collective bargaining agreements	P43 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
	102-42 Identifying and selecting stakeholders	P54 Communication with Stakeholders
	102-43 Approach to stakeholder engagement	P54 Communication with Stakeholders
	102-44 Key topics and concerns raised	P55 Solidifying Concrete Topics
Reporting practice	102-45 Entities included in the consolidated financial statements	P8 Company Profile
	102-46 Defining report content and topic boundaries	P55 Solidifying Concrete Topics
	102-47 List of material topics	P55 Solidifying Concrete Topics
	102-48 Restatements of information	P48-49 Conserving Resources
	102-49 Changes in reporting	No Change

Reporting practice	102-50 Reporting period	P1 Preface
	102-51 Date of most recent report	P1 Preface
	102-51 Date of most recent report	P1 Preface
	102-53 Contact point for questions regarding the report	P1 Preface
	102-54 Claims of reporting in accordance with the GRI Standards	P1 Preface
	102-55 GRI content index	P62-64 GRI Index
	102-56 External assurance	P59-61 SGS Assurance Statement
Material Topics		
Economic Performance	103 Management approach disclosures	P9 Economic Performance
	201-1 Direct economic value generated and distributed	P9 Economic Performance
Indirect Economic Impacts	103 Management approach disclosures	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments
	203-1 Infrastructure investments and services supported	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments
	203-2 Significant indirect economic impacts	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments
Procurement Practices	103 Management approach disclosures	P47 Optimizing Supplier Management
Anti-corruption	103 Management approach disclosures	P40 No Systematic Risk
	205-1 Operations assessed for risks related to corruption	P40 No Systematic Risk
	205-2 Communication and training about anti-corruption policies and procedures	P40 No Systematic Risk
Energy	103 Management approach disclosures	P48 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
	302-1 Energy consumption within the organization	P48 Conserving Resources
	302-3 Energy intensity	P48 Conserving Resources
Water	103 Management approach disclosures	P49 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
	303-1 Water withdrawal by source	P49 Conserving Resources
Emissions	103 Management approach disclosures	P49 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
	305-1 Direct (Scope 1) GHG emissions	P49 Reducing Waste Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	P49 Reducing Waste Emissions
Effluents and Waste	103 Management approach disclosures	P49 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
Environmental Compliance	103 Management approach disclosures	P48-49 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
Supplier Environmental Assessment	103 Management approach disclosures	P47 Optimizing Supplier Management

Employment	103 Management approach disclosures	P42-43 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
	103 Management approach disclosures	P43 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P45 Caring for Employees
	401-3 Parental leave	P45 Caring for Employees
Labor/Management Relations	103 Management approach disclosures	P42 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
	402-1 Minimum notice periods regarding operational changes	P42 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
Occupational Health and Safety	103 Management approach disclosures	P45 Caring for Employees
	402-1 Minimum notice periods regarding operational changes	P43 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
	402-1 Minimum notice periods regarding operational changes	P45 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
	402-1 Minimum notice periods regarding operational changes	P43 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
Training and Education	103 Management approach disclosures	P43 Focus on Talent Cultivation
	404-1 Average hours of training per year per employee	P44 Focus on Talent Cultivation
Diversity and Equal Opportunity	103 Management approach disclosures	P42 Creating Harmonious Workplace
	405-1 Diversity of governance bodies and employees	P42 Creating Harmonious Workplace
Non-discrimination	103 Management approach disclosures	P42 Creating Harmonious Workplace
Freedom of Association and Collective Bargaining	103 Management approach disclosures	P43 Creating Harmonious Workplace
Child Labor	103 Management approach disclosures	P42 Creating Harmonious Workplace
Forced or Compulsory Labor	103 Management approach disclosures	P42 Creating Harmonious Workplace
Local Communities	103 Management approach disclosures	P14-29 Assisting in Targeted Poverty Alleviation and Reducing Poverty in China P50-51 Committing to Public Welfare by Helping the Underprivileged, and Showing Benevolence Towards Society.
Supplier Social Assessment	103 Management approach disclosures	P47 Optimizing Supplier Management
Customer Health and Safety	103 Management approach disclosures	P28-29 Serving “Healthy China” and Improving People’ s Health and Well-being
Marketing and Labeling	103 Management approach disclosures	P32 Providing More Intimate Service by Creating a Smart and Convenient Customers Experience
Customer Privacy	103 Management approach disclosures	P36 Maintaining Customer Rights and Interests
Socioeconomic Compliance	103 Management approach disclosures	P40 No Systematic Risk

注：103 管理方法披露，涵盖 GRI103-1,103-2,103-3.

ESG INDEX TABLE

Index	Item	Page
A Environmental		
Aspect A1: Emissions	General Disclosure	P49 Reducing Waste Emissions
	KPI A1.1 The types of emissions and respective emissions data.	P49 Reducing Waste Emissions
	KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P49 Reducing Waste Emissions
	KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P49 Reducing Waste Emissions
	KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P49 Reducing Waste Emissions
	KPI A1.5 Description of measures to mitigate emissions and results achieved.	P49 Reducing Waste Emissions
	KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P49 Reducing Waste Emissions
	General Disclosure	P48-49 Conserving Resources
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P48 Conserving Resources
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P49 Conserving Resources
	KPI A2.3 Description of energy use efficiency initiatives and results achieved.	P48-49 Conserving Resources
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P48-49 Conserving Resources
Aspect A2: Use of Resources	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The insurance company provides services for customers without product packaging materials.
	General Disclosure	P48-49 Conserving Resources
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The operation of the insurance company does not involve significant consumption of environment and natural resources and has no significant impact.

B Social		
Employment and Labour Practice		
Aspect B1: Employment	General Disclosure	P42-43 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
	KPI B1.1 al workforce by gender, employment type, age group and geographical region.	P42-43 Ensuring Employees Happier by Creating Harmonious and Enterprising Corporate Atmosphere
Aspect B2: Health and Safety	General Disclosure	P45 Caring for Employees
	B2.3 KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	P45 Caring for Employees
Aspect B3: Development and Training	General Disclosure	P43 Focus on Talent Cultivation
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P44 Focus on Talent Cultivation
Aspect B4: Labour Standards	General Disclosure	P42 Creating Harmonious Workplace
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	P42 Creating Harmonious Workplace
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure	P47 Optimizing Supplier Management
Aspect B6: Product Responsibility	General Disclosure	P34 Improving Service System P36 Maintaining Customer Rights and Interests
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	P34 Improving Service System
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	P36 Maintaining Customer Rights and Interests
Aspect B7: Anticorruption	General Disclosure	P40 No Systematic Risk
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P40 No Systematic Risk
Community		
Aspect B8: Community Investment	General Disclosure	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments P50-51 Committing to Public Welfare by Helping the Underprivileged, and Showing Benevolence Towards Society.
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments P50-51 Committing to Public Welfare by Helping the Underprivileged, and Showing Benevolence Towards Society.
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments P50-51 Committing to Public Welfare by Helping the Underprivileged, and Showing Benevolence Towards Society.

SDGS INDEX

Item		Page
SDG 1	No Poverty	P14-17 Assisting in Targeted Poverty Alleviation and Reducing Poverty in China P50-51 Committing to Public Welfare by Helping the Underprivileged, and Showing Benevolence Towards Society.
SDG 2	Zero Hunger	P14-17 Assisting in Targeted Poverty Alleviation and Reducing Poverty in China P50-51 Committing to Public Welfare by Helping the Underprivileged, and Showing Benevolence Towards Society.
SDG 3	Good Health and Well-being	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments
SDG 4	Quality Education	P43-44 Focus on Talent Cultivation
SDG 5	Gender Equality	P42-43 Creating Harmonious Workplace
SDG 6	Clean Water and Sanitation	P48-49 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
SDG 7	Affordable and Clean Energy	P48 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
SDG 8	Decent Work and Economic Growth	P42-45 Ensuring Employees Happier by Creating a Harmonious and Enterprising Corporate Atmosphere P37-41 Putting Shareholders Minds at Ease by Establishing Standardized and Transparent Corporate Management
SDG 9	Industry, Innovation and Infrastructure	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments
SDG 10	Reduced Inequalities	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments P42-45 Ensuring Employees Happier by Creating a Harmonious and Enterprising Corporate Atmosphere
SDG 11	Sustainable cities and communities	P14-29 Adhering to the Original Principles of Insurance Deeply Integrating into Socioeconomic Developments
SDG 12	Responsible Consumption and Production	P18-19 Promoting Green Development and Serving the Construction of an Ecological Civilization P48-49 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
SDG 13	Climate Action	P48-49 Creating a More Livable Environment by Adhering to Environmental Protection Concepts Such as Low-carbon Operation
SDG 14	Life Below Water	Not applicable
SDG 15	Life on Land	Not applicable
SDG 16	Peace, Justice and Strong Institutions	P37-41 Putting Shareholders Minds at Ease by Establishing Standardized and Transparent Corporate Management
SDG 17	Partnerships for the Goals	P46-47 Making Smoother cooperation through Mutually beneficial partnerships



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

Address: PICC Building, NO.88 West Chang'an Avenue,
Xicheng District, Beijing, China

Postcode: 100031

Tel: 86-10-69008888

Website: www.picc.com