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# 2019

CHINA PACIFIC INSURANCE  
CORPORATE SOCIAL RESPONSIBILITY REPORT

# Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below:

**China Pacific Insurance, CPIC, CPIC Group, the Group, the Company**

refers to China Pacific Insurance (Group) Co., Ltd.

**CPIC Property, CPIC P/C**

refers to China Pacific Property Insurance Co., Ltd., a holding subsidiary of CPIC Group

**CPIC Life**

refers to China Pacific Life Insurance Co., Ltd., a holding subsidiary of CPIC Group

**CPIC AMC**

refers to Pacific Asset Management Co., Ltd., a holding subsidiary of CPIC Group

**CPIC Allianz**

refers to CPIC Allianz Health Insurance Co., Ltd, a holding subsidiary of CPIC Group

**Changjiang Pension**

refers to Changjiang Pension Insurance Co., Ltd., a holding subsidiary of CPIC Group

**CPIC AI**

refers to Pacific Insurance Aging Industry Investment Management Co., Ltd., a wholly-owned subsidiary of CPIC Group.

**Anxin Agricultural Insurance**

refers to Anxin Agricultural Insurance Co., Ltd., a holding subsidiary of CPIC Group

**CPIC Fund**

refers to GTJA Allianz Fund management Limited Company, a holding subsidiary of CPIC Group

**CPIC HK**

refers to China Pacific Insurance Co., (H.K.) Limited, a wholly-owned subsidiary of CPIC Group

**Hong Kong Stock Exchange, HKSE**

refers to The Stock Exchange of Hong Kong Limited

**RMB yuan, yuan**

refers to Renminbi yuan

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# Chairman's Address

## Be there for you and grow with you

In the long winter just passed, we went through a lot, did a lot of thinking and changed a lot. It made this year's spring especially precious and warm to us, and we hope CPIC brings our customers and the public a similar feeling.

This is the twelfth consecutive year for us to present you with a CSR report which has evolved from a few pages at the early years to about 100 pages now. As CPIC grows, there is more that we can do and should do in ever growing areas. With this report, we hope to talk to you like a friend to show you who we really are. The words, pictures and data in the report not only truthfully record our growth but also reflect our commitment to the country, society and general public as a corporate citizen.

In 2019, we continued to adhere to the basic functions of insurance and utilize every market opportunity coming our way, gradually reaping the fruits of high-quality development. Both the Group's overall business and core business performed well with increased comprehensive strength; we made the top 200 list in the Fortune Global 500 ranking for the first time with a brand value surpassing USD 10 billion for the first time; CPIC Life beat 82 competitors with 7 A ratings and came out on top in the annual comprehensive evaluation of life insurers, while CPIC P/C ranked high among 85 property insurers. Moreover, both CPIC P/C and CPIC Life have obtained the highest A rating in business operation for 4 years in a row, and the highest AA rating in service evaluation for 3 consecutive years, consolidating their industry positions as new benchmarks for high-quality development of business operation and service.



CPIC shares a future with all of its customers, employees, and shareholders, as well as every member of the industry, society, and environment. We grow together and complement each other all the time. Without you, we can go nowhere. In 2019, we closely followed national strategies to better contribute to social and economic development, and were honored to be a part of the highlights of high-quality development of China; in 2019, we served our 139 million customers with fast, streamlined and interactive insurance services, fulfilling the commitment of "CPIC Service" - responsibility, smartness, and warmth; in 2019, we continued to improve the environment of professional and business development for 900,000 CPIC people to create more opportunities for everyone; in 2019, Fang Pin Bao, a product launched in 2017, achieved huge success and won the highest national award in poverty alleviation, an indication of our success in targeted poverty alleviation the CPIC way.

In an era of tremendous changes we see them everywhere all the time. Change is the new normal. Behind this, we see the playing ground is expanding with accelerating growth and multifold achievements. Development is like a non-stop "relay race", and all we have to do is to cheer for the ones ahead of us, encourage those running with us, and help those who feel helpless. I always believe that the best compliment for a company is "enterprising", "responsible" and "accountable". These characteristics are not only the precious legacy that a company has earned after going through a certain life cycle, but also the foundation for it to go further. Along the way, in the face of various tests, we have always kept pace with the times, adhered to the right choices and directions, and integrated our corporate social responsibility into the country's development and people's well-being. Our progress comes from interacting with you, meeting your needs and surpassing your expectations. We thank you for your trust, as well as your advice and criticisms, all of which has turned into invisible forces driving and inspiring us to go forward.

To shine forever is always better than to shine first but shortly. Our aspiration is always being there for you. We spare no efforts to pursue our dream, to innovate our products and service, and to improve our practices so that we can better serve our customers, employees, shareholders, the industry, society, and environment. This is not only our aspiration but also our commitment.

The power of a ship lies in the sail and the wind; and the power of a man lies in the heart and the hand. In this new era, individually, we drift in the twists and turns of our own lives; collectively, we ride the waves of the era's big tides. The best way to meet the future is to keep going forward. A stronger motherland, a more prosperous industry, and a brighter future are all waiting for us ahead. We are eager to get on the road. Let's go forward together!

Kong Qingwei  
Chairman, CPIC



## About us

China Pacific Insurance (Group) Co., Ltd. (hereinafter referred to as “CPIC”, “the Group” or “the Company”) is an insurance group constituted on top of the China Pacific Insurance Company, a company established on 13 May 1991. The head office of CPIC is located in Shanghai. Over the past 28 years of development, through milestone steps such as business segregation, listing, and transformation, we have gradually grown into a leading comprehensive insurance group in China that is listed in both A-shares and H-shares market with abundant funds, strong value creation and risk control capabilities, and high level of professionalism.

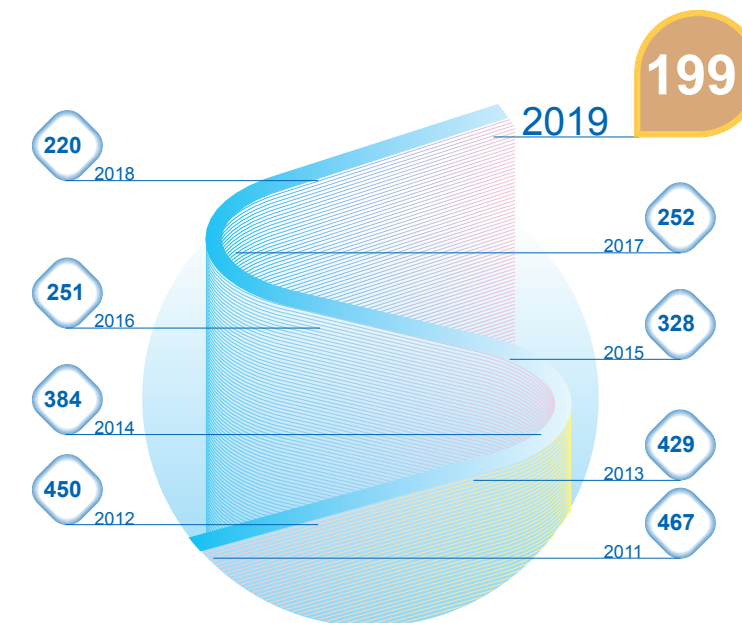
In recent years, we closely followed national strategies, pursued stable progress, and always stayed focused on the needs of the country's social development and people's well-being. Guided by the best experience of the industry and adhering to the primary function of insurance, we focused on the main business of insurance, refined business lines, and kept improving customer operation with innovative products and services, thus achieving ever-increasing strength and value growth. In 2019, CPIC saw sound and stable overall performance and increased comprehensive strength; it made the Fortune Global 500 list for the ninth consecutive year and ranked in the top 200 for the first time; and with brand value exceeding USD 10 billion, CPIC ranked

the 6th place in the World's 100 Most Valuable Insurance Brands Report for 2019 released by Brand Finance, a renowned British specialist in brand valuation and valuation of intangible assets. Moreover, we also achieved excellent results in the annual industry evaluation by regulators. CPIC Life beat 82 competitors with 7 “A” ratings and came out on top in the annual comprehensive evaluation of life insurers, while CPIC P/C also ranked high among 85 property companies. What's more worth mentioning is that both CPIC P/C and CPIC Life have obtained the highest A rating in business operation for 4 years in a row, and the highest AA rating in service evaluation for 3 consecutive years, consolidating their industry position as the new benchmark for high-quality development of business operation and service.

With a vision to achieve “industry leadership for healthy and stable development” with “best customer experience, business quality and risk control”, we gave full play to our role as a society “stabilizer” and economic “shock absorber”. We have internalized corporate social responsibility as a driving force for sustainable development and together with all stakeholders worked hard to fulfill every commitment we made. CPIC has won the highest award of the Corporate Social Responsibility Ranking in China for ten consecutive years.

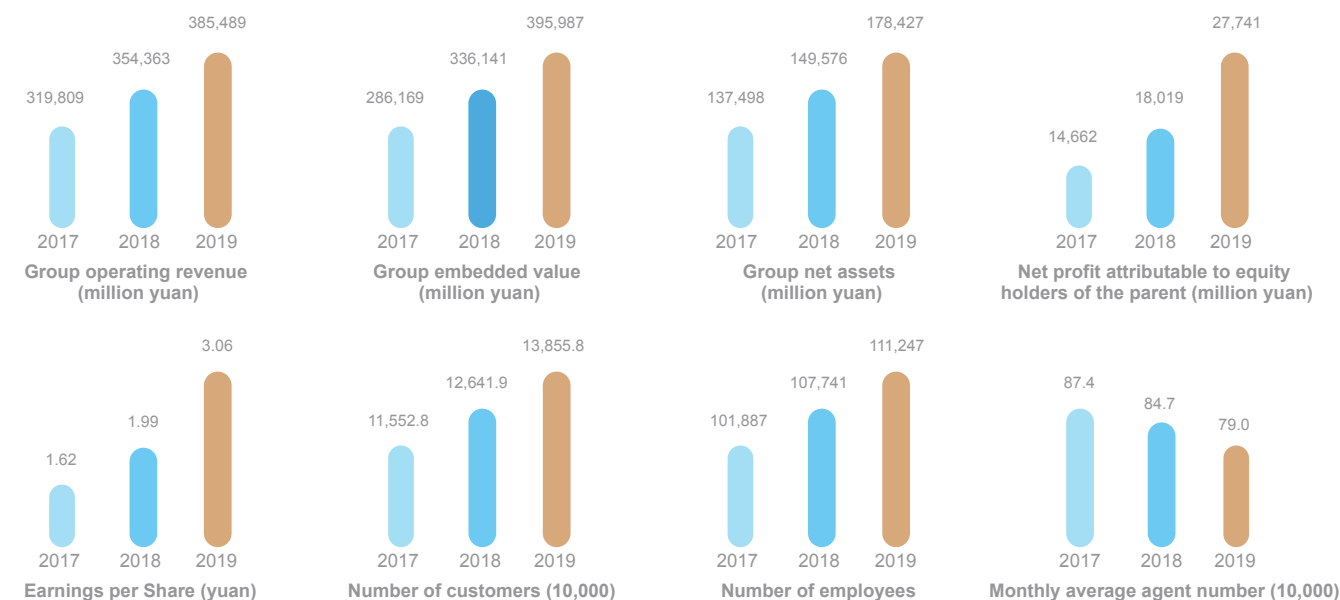
## Our growth

### Fortune Global 500 ranking



### Brand Finance The World's 100 Most Valuable Insurance Brands Report

Ranked the **6<sup>th</sup>** place in 2019



# Focus

## Follow national strategies to serve real economy

In 2019, we stayed committed to serving the national strategies and China's real economy, gave full play to the role of insurance in economic compensation, social management and financing to become a "stabilizer" and "shock absorber" of economic and social development by integrating our own development with national strategies.

### Participation in development of Shanghai (Pilot) Free Trade Zone Lin-gang Special Area

In August 2019, the State Council decided to establish the Shanghai (Pilot) Free Trade Zone Lin-gang Special Area. Responding to this important strategic move of China's further opening up, we take the initiative to seek in-depth cooperation in the Special Area with increased financial service and institutional innovation, helping to build the area into a special economic zone with growing influence and competitiveness on the international market, as well as a smart and ecologically-friendly modern urban district with developed industries, good business and innovation environment, and convenient living conditions.

In September 2019, we signed a strategic agreement with the Lin-gang Special Area Administration regarding the insurance needs in the construction and development of the area. To build a comprehensive financial insurance service platform in Lin-gang geared to the needs of the Yangtze River Delta and even the world, we promoted the "CPIC Service" to fully cover all development needs of the area, starting with five measures: support city-industry integration, promote new-type international trade, enhance the financial service function of the hub port, facilitate cross-border financial services, and attract high-end talent from at home and abroad.

We participated in the private placement of Shanghai Lingang, a listed company under Shanghai Lingang Group, and became the second largest shareholder of the company, an important step to support the construction of Lin-gang Special Area, and also a step closer towards the best practice of 'insurance serving industrial park and the real economy' featuring jointly planning, building, sharing and developing.

#### It's our mission to fight the virus together with you



CPIC launched an exclusive insurance product for the resumption of business and pandemic prevention for enterprises in Lin-gang Special Area.

To better help the enterprises in the area to re-open business in an orderly manner during the COVID-19 outbreak, we launched an exclusive product for the resumption of business and pandemic prevention for enterprises in Lin-gang Special Area. This tailor-made product features targeted protection, policy support, and strong preventive functions. If the insured has its business closed by the government because its employees was infected, it will receive compensation based on the days of production suspension as well as a lump sum epidemic prevention cost compensation. In addition, the insured will also receive special epidemic prevention service support.

The product was well received and strongly supported by the Lin-gang Special Area Administration, which provides a 50% premium subsidy to the insured, thereby helping companies within the area to obtain more insurance protection.

### Contribute to a more successful Import Expo

The second China International Import Expo was successfully held in Shanghai from 5 to 10 November 2019, attracting over 3,000 companies from 150+ countries and regions worldwide. As a key corporate partner and the designated insurance provider, CPIC followed President Xi's requirements for a more fruitful and successful Expo, and made every effort to create the Import Expo service 2.0 model offering better CPIC services, more comprehensive Insurance protection, better quality risk management, more innovative product tools and greater support.

We provided the Expo with a one-stop comprehensive insurance protection and integrated risk management solution covering P/C, life, and health insurance needs, with a combined sum assured exceeding RMB 500 billion. While offering protection in such areas as intellectual property rights, customs insurance, and network security, we also focused on personal safety protection for various participants of the Expo, offering all-rounded and full-range protection.

During the 6-day Expo, we held a number of events, including a high-level strategic summit with Sumitomo Mitsui Marine, the signing of a cooperation agreement with ORPEA, the promotion of smart travel-related insurance products. We also conducted more than 50 negotiations or contract-signing ceremonies with nearly 20 government departments at all levels, 35 provincial-level trading groups and dozens of strategic customers, helping turn the "exhibits" into "commodities", thereby attracting more global suppliers and buyers to share the innovation dividends of the Expo's spillover.

To ensure smooth claims settlement, we set aside RMB 100 million yuan of claim reserves for the Expo, and implemented fast settlement for small claims and provision of advance payment for large claims. All claims payments were directly transferred to the claimants as per the claim payment notice issued by the insurer. We also deployed a service team to the Expo consisting of capable young employees selected from CPIC's outlets nationwide to provide volunteer services, on-site services, consultation in less commonly spoken languages, insurance protection services, risk control and claims services, and emergency rescue services. For their hard work and dedication, those enthusiastic young men and women received widespread attention and praises from the Expo participants and the public.



Many visitors attracted to the "CPIC Home" booth



CPIC risk control and claims service team patrols the site

#### Highlight moments of "CPIC Blue" volunteers at Expo

On the evening of November 5th, a foreign national participating in the expo experienced a sudden illness. Upon learning it, our volunteer immediately contacted the medical rescue service to get an ambulance and arranged someone with professional medical background to accompany the patient to the hospital. We not only paid the medical expenses but also provided 24-hour care service to him.

On the afternoon of November 6, the patient recovered and was discharged from the hospital after treatment. Before going back to his country, he expressed his gratitude to the volunteers and the "CPIC Service", saying that our kind help made him feel the warmth of home despite being in a foreign country.

During the Expo, a team of emergency rescue volunteers from CPIC Allianz Health Insurance was busy working at the joint office of the Expo. All the members of this professional and capable team had received training by the American Heart Association (AHA) in first aid. In the unmanned driving and ice and snow experience areas, the two accident-prone areas, we prepared first aid kits and other specialized medical aid kits to meet the needs of on-site services. The professional services of the volunteer team won a lot of praises from the audience in the areas.



CPIC first aid volunteer made a bandage for a visitor at the Expo



# Follow national strategies to serve real economy

## Serve high-quality, integrated development of Yangtze River Delta

As a most open, innovative and dynamic region in China, the Yangtze River Delta occupies an important strategic position in the country's overall modernization and all-rounded opening. As an insurance company headquartered in Shanghai, we have established a cross-sector, cross-region, and cross-level coordination and guarantee mechanism at the group level for the Yangtze River Delta region. We are deeply involved in the national strategy for the integrated development of the Yangtze River Delta, focusing on five major areas: infrastructure interconnection, people's livelihood, ecological and environmental protection and joint governance, implementation of rural revitalization strategy, and the supply of innovative insurance products. We also actively carried out market-oriented "enterprise-enterprise" cooperation projects, and invested RMB 2 billion to participate in the establishment of the Yangtze River Delta Synergy Advantage Industry Fund to facilitate market's role in allocating resources, and contribute to high-quality and integrated development of the region.

In terms of rural revitalization, we took an active part in the integration of urban and rural development in the Yangtze River Delta. Leveraging our advantages in outlet network, services and technologies, we further broadened the coverage of agricultural insurance with innovative products and services, and offered products of cost insurance, output insurance and income insurance to boost farmers' income, contributing to the upgrading of agricultural industries.

For health and elderly care business, the "CPIC Home" program made its first breakthrough in the Yangtze River Delta in November 2019 with its Hangzhou International Retirement Community project officially kicking off. This project is designed to be a representative work of "Chinese Elderly Community 2.0" that features ancient China's Wu Yue culture and can play a positive role in promoting integrated high-quality development of the elderly care services in the region. In addition, we carried out 73 medical insurance projects in the region, including basic medical insurance, critical illness insurance, long-term care insurance, and supplementary medical insurance, covering 54.29 million customers. The annuity fund under management reached 10.8 billion yuan, with cumulative compensation of RMB 3.39 billion to 886,000 people.

For integrated development of transportation, tapping to the size and nature of insurance funds, we provided long-term financial support for key sectors and projects such as railway and highway, rail transportation, and port construction, and aviation hubs. We invested in projects such as the Yangtze River Tunnel Bridge and Shanghai-Nantong Railway, giving strong support for the development of a comprehensive transportation system in the Yangtze River Delta region.

### Facilitate financing for science and technology innovation

We are active in product innovation to boost the integration of science and technology innovation in the Yangtze River Delta. Applying the experience in science and innovation insurance gained in Zhangjiang and Lin-gang to the G60 Science & Technology Innovation Valley, we increased support to science and technology innovation centers by providing loss compensation and financing services.

After the launch of the Science and technology innovation board, in order to encourage and help the development of SMEs, especially SMEs in technology, we have developed short-term loan performance guarantee insurance products for technology-based SMEs, and actively piloted the project. The project has created a new form of loan product involving joint participation of "bank + insurer". Since its inception, the project has helped more than 330 technology-based SMEs to obtain about RMB 1 billion in loans, effectively solving the financing difficulty of SMEs.



Inauguration Ceremony of Insurance Cooperation of "5G + Intelligent Driving" Collaborative Innovation Alliance in the Yangtze River Delta

## Support rural revitalization strategy

In 2019, following the top-level design of the national rural revitalization strategy, we made it our new mission to support rural revitalization with agricultural insurance, and stepped up efforts in building an agricultural insurance brand based on "technology innovation, product innovation, system innovation, and research innovation" to better contribute to the development of the country's agriculture industry and rural areas, as well as building a well-off society in an all-rounded way and a strong modern socialist country in China.

In 2019, we developed a total of 596 agricultural insurance products, covering fields of agriculture, forestry, animal husbandry and fishing, and provided a total of RMB 387.4 billion in risk protection for 29.53 million farmers. At the same time, we also honored our social responsibilities and offered fast and efficient claims settlement to farmers hit by disasters such as the African swine fever epidemic and Super Typhoon Lekima, effectively protecting them against loss and worries.

To better serve the people, we focus on strengthening the construction of grassroots service networks. We set up 207 additional agricultural service stations in rural areas across the country in 2019, and equipped them with dedicated "agricultural service vehicles", drones, and mobile devices, etc., amid efforts to strengthen our focus on serving agriculture. We made further breakthrough in providing more targeted and convenient insurance services for agriculture, rural areas, and farmers, greatly improving our service availability, quality and capabilities for farmers.

At the same time, we continued to empower insurance with technology and launched a digital agricultural insurance operation management system based on 5G technologies and "E- Agricultural Insurance" 5.0 to greatly enhance the provision of agricultural insurance services, service efficiency and quality and to meet the needs of farmers better.



CPIC uses drones to survey cherry orchards to help affected farmers in Guizhou obtain timely claims settlement

### CPIC explores the road to rural revitalization of international metropolis in the new era with the "Jinshan Model"



CPIC actively explores the model of rural revitalization in Jinshan District, Shanghai

2019 marks the seventh year of our comprehensive rural assistance in Jinshan District of Shanghai. After an accumulative investment of RMB 35 million yuan, the results began to appear, and the "Jinshan Model" has become a successful example of our initiative to serve rural revitalization.

In 2019, in collaboration with each of our business segments, we stepped up efforts to serve rural revitalization by providing more integrated service to pump more "blood" into rural development. We participated in rural environmental governance in Jinshan District with "Agricultural Insurance+" integrated financial services, and promoted a series of projects to serve the rural revitalization strategy, such as comprehensive community governance insurance and people's livelihood insurance. We also assisted the district government in building Shanghai's first rural comprehensive assistance public management platform to offer insurance to 10,000 rural households in need and carried out dynamic online management, thus helping Jinshan District to become the leading district in Shanghai's rural revitalization strategy.



# Follow national strategies to serve real economy

## Active response to “Belt and Road” initiative

As the “Belt and Road” initiative continues to deepen with expanding cooperation between countries, business and investment activities are becoming more and more frequent, and the demand for risk protection for overseas interests has also increased. Taking full advantage of our professional advantages, we have extended our overseas business to cover more than 120 countries, serving the “Belt and Road” initiative with ever-improving professional services.

In 2019, we invested about RMB 3 billion to participate in the infrastructure construction of the “Belt and Road” related port hubs; we also invested RMB 1.2 billion in the CPIC-Shaanxi Energy Group Zhaoshipan Coal-Power Integrated Production Project, a key strategic “Belt and Road” project.

In September 2019, we signed a strategic cooperation agreement with COSCO Shipping Group, the world's largest comprehensive shipping company, to jointly participate in the development of the Shanghai International Shipping Center. We support Shanghai in becoming a bridgehead of the “Belt and Road” initiative by strengthening innovation capabilities in shipping system, technology and finance, etc., and promote the economic and trade cooperation between the countries and regions along the “Belt and Road” and Shanghai, so as to contribute more to building China into a major maritime and shipping power.

To promote the “Belt and Road” supporting services overseas, we also launched the “China-Europe Railway Transport” logistics risk survey service to provide customers with a full range of claims services as well as comprehensive risk management service. This product can draw an accurate risk profile of domestic and foreign risk survey sites in the early stage, form risk alert, suggest risk response strategy, and provide value-added services, enabling customers to effectively choose routes for cargo transportation based on their actual situation.



CPIC and COSCO Shipping Group signed a strategic cooperation agreement

## China and Russia joined hands to weave a "protection net" for enterprises "going international"

In recent years, we carried out insurance cooperation with SOGAZ Insurance Group, the largest insurance company in the Russian market, in many important projects such as the Yamal LNG project, Russia's largest energy investment project, the Sino-Russian Petroleum Transportation Pipeline Project, and the Sino-Russian On-Orbit Satellite Insurance Project.

In November 2019, we signed an insurance financial service procurement agreement with SOGAZ covering insurance mutual order issuing service, reinsurance service, and innovative service, to further enhance mutual exchange and cooperation, promote insurance convenience, effectively helping companies "go international" and protecting China's overseas interests.



CPIC-Shaanxi Energy Group Zhaoshipan Coal-Power Integrated Production Project



Tianjin Port Hub Infrastructure Construction Project

## Contribute to strategy of building China into a high-tech power

A nation will thrive when its science and technology thrives. In recent years, utilizing our strength in insurance products and services and closely following the forefront of the world's science and technology, we have been promoting in-depth integration of technology and insurance by targeting various risks in technology R&D and innovation activities to help technology companies with problems in technology R&D and commercialization. We also actively explored full-scenario collaboration between cutting-edge technology and insurance business to help turn China into a major power in science and technology.

In August, 2019, we signed a strategic cooperation agreement with Chinese Academy of Sciences Holdings Co., Ltd., a wholly-owned company of the Chinese Academy of Sciences. In the future, we will leverage our rich experience in insurance services, financial technology and industrial investment to conduct more efficient and pragmatic collaboration in technology insurance, technology transfer and commercialization, fund cooperation, life sciences and other fields to promote the development of China's strategic technology industry.

In September 2019, we signed a strategic cooperation agreement with China National Holdings Limited, a professional platform for market-oriented operation of state-owned capital, planning to invest in China State-owned Capital VC Fund Co., Ltd. This move will mainly focus on 8 key investment areas: next-generation information technology, high-end equipment manufacturing, bio-industry, new energy vehicles, new energy, energy conservation and environmental protection, digital creativity, and related professional services. It also aims to support three major technology industries - integrated circuit, artificial intelligence, and biomedicine by providing insurance support for breakthroughs in key technologies, leading-edge technologies, modern engineering technology and disruptive technologies.



CPIC signs a strategic cooperation agreement with Chinese Academy of Sciences Holdings Co., Ltd.

## Great achievements exploring ocean and outer-space



Dayang, China's scientific research ship



Kuaizhou-Chutian, China's carrier rocket

In 2019, we continued to engage in aerospace insurance to support the country's aerospace industry. Throughout the year, we underwrote a total of 16 satellite launch insurance projects (including initial in-orbit tests) involving 27 satellites; we were also engaged in 34 in-orbit insurance projects, involving 85 satellites. For example, we were the chief underwriter of the satellite launch insurance for No.1 and 2 satellites of Xingyun-2 and the launch insurance for the first six launches of carrier rocket Kuaizhou, and we also co-insured a number of major national satellite launch projects. In particular, the logo of the Company was displayed on the carrier rocket Kuaizhou-Chutian, flying into the outer-space for the first time.

While going “upwards”, we also established a unique “downwards” advantage. With rich underwriting experience in special ships and strong risk control measures, we underwrote marine insurance, P&I insurance, and maritime personnel and equipment insurance for the scientific research ship Dayang, with a total SA of over 1 billion USD; we also provided risk protection for the world's first reef-fishing boat and its sea trial project. Moreover, we are number one in providing insurance to ships in the Polar Regions.

# Focus

*Serve the public  
to build a better life*

Leveraging our advantages in insurance business and group synergy, and adhering to a responsibility-centered approach, we continued to serve people's livelihood and further channeled CPIC Service into key areas of urban governance such as public security, medical care, pension, construction safety, food safety, traffic safety, etc. We also adopted a market-driven insurance mechanism to enhance the overall risk management capability of the society amid our efforts to develop the CPIC Model of serving urban economic development and social governance.

## Help fight COVID-19 outbreak with CPIC Service

At the beginning of 2020, the COVID-19 outbreak swept across the country with Wuhan as the epicenter. At the critical moment of epidemic prevention, we quickly joined in the fight against the virus with multiple measures such as donations of funds, materials, and insurance, offering innovative products, and upgrading online services, contributing to the pandemic prevention with our responsible, smart and warm CPIC Service.

### Shoulder social responsibility with quick response and targeted support for front line

Responding to the outbreak, we quickly allocated funds and anti-epidemic materials to hard-hit areas and important positions, and donated insurance products including COVID-19 related insurance to those fighting at the front-line such as medical personnel, police, auxiliary police and village cadres all over of the country. We also made targeted efforts in facilitating business reopening some technology enterprises; and donated mobile air sterilization equipment to Shanghai Ruijin Hospital to prevent in-hospital infections and protect the health of the medical personnel and patients.

We provided care and condolences to all customers or their families through various channels, opened a green channel for claims settlement, and handle cases in a quick and simplified fashion. For example, we processed more than 70,000 trip-cancellation cases through our quick online settlement.

#### CPIC settled first outbreak case within 15 minutes

On February 1, upon receiving a report that Ms. Chen, a client from Hubei, unfortunately passed away from COVID-19 infection, we immediately opened fast track for claims, arranged staff to call her family expressing condolences and assisted them in submitting an online claims through Tai E Pei, a self-service claims tool. It only took 15 minutes to complete the payment review and make the payment for the Company's first death case during the pandemic.

"Despite the lockdown of the whole city, it only took 15 minutes to complete all the procedures of claims settlement. Thank you for your speedy and warm-hearted service," said the family, praising CPIC Service.



## Play up strength of insurance to support business reopening

Combating the impacts of COVID-19, we have taken seven measures to support the resumption of production and work: exemption of premium, donation of insurance, preferential premium rates, expansion of insurance coverage, extension of insurance periods, new products, and improved services. We also provide all-rounded financial support for three types of enterprises (anti-epidemic materials producers, anti-epidemic vaccine research and development enterprises, small and micro enterprises), and facilitate production resumption of enterprises in key areas. A total of RMB 350 million in insurance protection was provided for more than 2,400 reopened enterprises in 16 regions across the country.

### Support enterprises resuming production

To win the battle against COVID-19, the Ministry of Industry and Information Technology has stepped up efforts in organizing production resumption of key enterprises in medical equipment and epidemic control drugs and equipment.

Based on the actual needs of the above-mentioned enterprises and characteristics of the outbreak risks, we wasted no time in organizing our best technical teams to develop targeted insurance solutions, thus alleviating unnecessary worries of the production-resuming enterprises and personnel. It only took us one day to set up communication with all the production-resuming enterprises designated by the Ministry of Industry and Information Technology. One by one, we explained the protection schemes to them and offered them detailed services such as insurance consulting, risk mapping, solution matching, and policy signing as well as all the follow-up services. So far, we have provided more than RMB500 million in risk protection for 45 enterprises qualified by the Ministry of Industry and Information Technology, covering 41,400 people of reopening enterprises.

## Help ensure supply and price stability of agricultural and sideline products

For the epidemic period, in light of the country's national non-staple food supply program, CPIC launched Nong Gong Bao, a comprehensive solution that covers the entire supply and marketing chain of agricultural production, as part of its efforts to help the government solve the pain points and difficulties in the production, supply, and consumption of agricultural and sideline products.

For the production end, we upgraded our agricultural product price insurance to better protect the interests of farmers and stabilize the production volume by increasing the sum assured, lowering the claims threshold and doubling the compensation, etc.; for the supply side, we developed price insurance for agricultural products purchased from agricultural production bases outside Shanghai. When the purchasing price is higher than the sales price in Shanghai, the difference will be compensated by insurance so as to protect the income of the purchaser and stabilize the supply; for the consumption end, we developed price index insurance for urban low-income people. When the index exceeds the previously-agreed value, the corresponding price increase will be subsidized to stabilize the cost of living for low-income people.

### Stabilize vegetable prices in Shanghai

Agricultural products are essential to people's livelihood. Given the pandemic, how to stabilize the vegetable prices while ensuring the supply? Anxin Agricultural Insurance, a subsidiary of CPIC, further innovated its vegetable price insurance product, and set up a special compensation reserve of RMB 50 million to include vegetables grown in Shanghai into coverage, offering full coverage for vegetable growers in Shanghai.

After its launch, the product was well-received by major vegetable cooperatives. During the epidemic period, we insured vegetables grown in Shanghai as much as 20,000 mu per month, ensuring a daily supply of 1,500 ton and access to various affordable vegetables by Shanghai people.



## Improve availability and convenience of service with digitalization



**Serving customers on the "Cloud"**  
Over 3 million POS cases processed on "Cloud Counter"

Empowered by technology, we continued to improve our mobile online services to provide around-the-clock multi-channel online services to our customers, boosting the convenience and availability of our services during the epidemic prevention period.

At the beginning of the outbreak, we began to promote our family "video doctor" services to offer customers professional health services via the Internet. During the outbreak, more than 160,000 online consultations were conducted, with an average consultation time of 17 minutes and the longest one lasting 59 minutes, thus relieving the pressure of hospital admission and the public's anxiety to a certain extent. At the same time, a total of 340 video doctor annual cards were issued to units paired with CPIC Life, with a focus on villages where CPIC staff is stationed, covering 30,000 registered impoverished households. In response to vehicle accidents during the epidemic, we launched Hu Xin Pei, a product that adopts graded credit within the amount of RMB 5,000, and offers immediately claims settlement without damage survey and assessment.

### Video Doctor, care from the "Cloud"

"I feel my temperature is a bit high. Someone in the community has been diagnosed with the novel coronavirus pneumonia. I am worried that I could also be infected." A Ms. Jiang from Jingmen, Hubei, asked the "Video Doctor" for help. In fact, Ms. Jiang, her family, and their contacts were not infected although some of them experienced a slightly higher temperature, but it's still within the normal range. However, she had taken some medicine due to anxiety. After learning about the situation, our "video doctor" patiently explained to her, "please just pay attention to your situation at home. Drugs cannot prevent viral infection. To avoid damage to your body, you had better stop taking them." The "video doctor" also explained in detail the symptoms of and protective measures for COVID-19. The doctor's words calmed her down. Afterwards, she left a message to the "video doctor": thank you so much. If it weren't for you, I wouldn't know what to do...



**Smart service – caring for our customers**  
Video doctors received more than 100,000 online visits for up to 55 minutes  
"Hu Xin Pei" online registration exceeded 110,000

## Health + Pension to build "Healthy China"

We actively respond to the "Healthy China" policy by making great efforts to develop our health and elderly care business amid our transformation efforts. We are committed to making greater value contribution to the health industry by providing people with comprehensive and full-life cycle health services.

### Respond to aging population with "Insurance + Pension"

The nature of the pension industry and insurance industry dovetail with each other. Given a population as large as 1.4 billion and an aging society, the development of pension business is not only needed to fulfill corporate social responsibility, but also an important task to protect and improve people's livelihood for an insurance company like us. It is also a strategic opportunity for the transformation and development of the insurance industry.

In the field of elderly care services, we are committed to building an "pension insurance + retirement community + elderly care" ecosystem, and are working with ORPEA, the largest elderly care and rehabilitation institution in Europe, to build a comprehensive Chinese-Western pension industry operation and management platform. Our three-in-one full-age coverage product and service system consisting of "suburban retirement community + vacation resort + urban nursing home" is gradually taking shape.

Chengdu International Retirement Community, a "CPIC Home" project, is the first large-scale CCRC (Continuing Care Retirement Community) in China, which integrates its "half city, half forest" design with local urban style. Its excellent design that combines ecology and humanity won the 2019 Gold Nugget Awards. Dali International Retirement Community, another "CPIC Home" project, is the first vacation resort-type retirement community in China that focuses on the "vacation + health + fitness" concept. It is designed to be a "home" away from home for the elderly set in the beautiful landscape of Dali. Hangzhou International Retirement Community, the first CCRC in the Yangtze River Delta, not only boasts of a natural "oxygen bar" and abundant scenery, but also reflects the exquisite life style of Hangzhou inherited from ancient times.

In addition, we are making progress in negotiating several potential projects in Shanghai, Nanjing, Xiamen, and Wuhan. We are developing our nationwide pension business under the brand of CPIC Home, adhering to the principle of "greener, smarter, more cultured, and more flexible".

### CPIC joins hands with ORPEA

In November 2019, we signed an elderly care project agreement with ORPEA, the largest elderly care and rehabilitation institution in Europe, to expand the scope of cooperation from elderly care to project equity investment, and customer sharing, etc., which is an important move towards the expansion of CPIC Home product line to better meet the needs of urban elderly care and rehabilitation industry.

Since the establishment of the Operation and Management Joint Venture between CPIC and ORPEA at the end of 2018, the two parties have carried out all-round multi-level cooperation and been deeply involved in areas such as land purchase, product design, architectural design, and launch preparation for CPIC Home retirement community projects. Leveraging the advanced concepts and expertise of ORPEA, we developed a complete set of standard operating procedures for care, housekeeping and management for CPIC Home projects, providing attentive service to the elderly.



Renderings of "CPIC Home" projects in Chengdu, Hangzhou, Dali, and Xiamen



## Create a health management ecosystem with "Insurance + Health"

In 2019, we upgraded our health management with technology and launched our health management service brand CPIC Miao Jian Kang. We also joined hands with quality partners in the field of health management to provide customers with full life-cycle medical health management services, supporting the implementation of the "Healthy China" policy.

With the help of artificial intelligence, big data and other technological means, CPIC Miao Jian Kang provides customers with an package of "insurance + health" management solutions, and builds a digital mobile health management platform, as well as four databases (basic database, insurance database, behavior database, and biological database) that enable us to do models and analyze the medical and health big data, and offer tailor-made health management solutions to every customer. On top of that, we also launched the first health interactive insurance products of the industry - "CPIC Miao Jian Kang • Solution Hui" and "CPIC Miao Jian Kang • Solution Xiang" to provide customers with both intelligent health management and insurance protection services, which can not only help us reduce risks, but also guide users in developing good behavior habits - a solid step forward for our "insurance + health" services.

At the same time, our health insurance subsidiary continued to strengthen innovation and R&D, and developed a product series for different income groups that are combined with medical services and health management and suitable for sales through multiple online and offline channels, such as Xin•Zhen Xiang - a group medical insurance solution that covers global medical liabilities with direct billing for expenses, Ai Jia You Yue - a high-end medical insurance product customized for families, Quan Min Yun Dong - the industry's first tailor-made internet-based exercise accident insurance product, Le Xiang Bai Wan - medical insurance that provides high-level medical protection and integrated health services before, during and after hospitalization, and Fen Hong Shou Hu - the industry's first long-term commercial insurance product for breast cancer patients, etc. With those innovative new products, we can better meet the various health needs of individuals, families, and groups. At present, these products have covered more than 15 million customers.

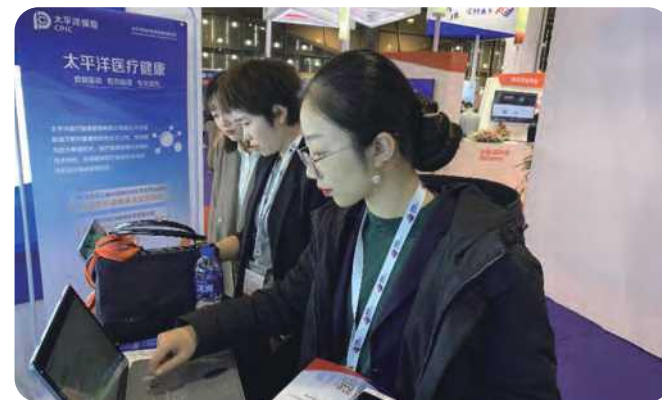


"CPIC Miao Jian Kang" Launch Ceremony

## Health check within 90 seconds

Su Jian Tong (Quick Health Check), an entry-level health management product of CPIC Miao Jian Kang, debuted at the 12th Shanghai Fair of Financial Service for Real Economy in December 2019. Users only need to put their hands on the touchpad, and in just 90 seconds, the device can analyze 9 categories of health data including cardiopulmonary, blood vessels, bones, and blood pressure data, and complete risk assessments of 12 diseases such as diabetes and hypertension.

Using artificial intelligence and Internet of Things technology, Su Jian Tong is capable of collecting real-time health data, making health management more accurate, faster and more efficient. At present, this integrated health management device has been installed in our service outlets, CPIC Home communities, and places of our cooperation channels, gaining increasing popularity among users.



Customers use Su Jian Tong, an integrated health management device

## Participate in developing multi-level medical security system with multiple measures

In recent years, adhering to the protection function of insurance, we have been actively involved in the construction of a multi-level critical illness insurance system, and built up a reputation of "responsible, professional, and win-win insurer" with good medical insurance management and service capabilities.

As of the end of 2019, we had carried out critical illness insurance business in 42 prefectures and cities of 13 provinces, covering a total of 75.87 million people, and compensating 11 million people with a total of RMB 12.9 billion in claims settlement. In addition, we have also carried out 75 medical insurance projects in 36 prefectures and cities of 12 provinces across the country, handling funds of RMB 15 billion and serving 35 million people. Our "Jiangyin model", "Jinjiang model", "Fuyang model", and "Feixi model" in the field of medical insurance management, each with their own characteristics, have been well received by the governments, regulators, and insurance participants.

As a new strategic measure to meet the challenges of aging population, we actively participated in the exploration and implementation of the national long-term care insurance system. As of the end of December 2019, we had underwritten a total of 49 such projects, serving 11 of the 15 national-level pilot cities, ranking first in the industry; we also made breakthrough in provincial-level pilot cities, serving 18 such cities and leading the industry in this regard; we covered more than 25 million customers in this area and have made over 300,000 payouts, securing a leading position in the industry. In addition, we paid close attention to the key aspects of long-term insurance and developed a full-process overall solution with CPIC characteristics. We also built the industry's first long-term care insurance exhibition hall, compiled and published books such as Theory and Practice of Long-term Care Insurance, and continued to make breakthroughs and innovations in project reporting, professional research and service.

## Keep the loving memory

In June 2019, the "Keep the loving memory" Alzheimer public welfare activity was held in the Xiong'an New District. CPIC participated in organizing this event. Focusing on the early screening, diagnosis and treatment, rehabilitation training and nursing of cognitive impairment, the event was participated by more than 10 leading experts from member units of the National Geriatric Neurological Care Alliance who carried out special lectures and free consultation activities on-site.

In recent years, we have actively participated in the long-term care social insurance projects of pilot cities, and explored the matching commercial long-term care insurance. We entered the elderly care market from a high starting point, focused on the prevention and intervention of elderly cognitive impairment, and launched the Le Xiang Bai Wan medical insurance products which provide nearly 4 million customers with high-level medical insurance covering severe Alzheimer's disease, Parkinson's syndrome and other diseases. We also cooperated with third-party service agencies to provide post-hospital care for customers.

## Participate in comprehensive urban management

In terms of food safety, we launched food safety liability insurance in accordance with market demand, and gave full play to the risk compensation and social management functions of insurance to protect the legitimate rights and interests of consumers. At the same time, as a representative of food safety liability insurers, we took an active part in the formulation of relevant food safety rules and regulations, and established a full-process food safety assurance system of our own as well as industry standards for supporting insurance services for high-risk food operating companies. In 2018 and 2019, we issued over 40 million food liability insurance policies for various food production, processing, distribution and catering companies, providing protection of nearly RMB 270 billion.

In terms of urban community management, we took the lead in introducing insurance mechanism into urban community management, and launched the Shanghai Community Comprehensive Insurance. Up to now, we have provided a total of RMB 560.627 billion of family property and personal safety insurance for 16.46 million residents and paid out nearly RMB 282 million in total.

In terms of construction project safety, we launched the first insurance product in China for interent defects in residential buildings, which has provided RMB 46.5 billion in insurance protection for more than 340 communities across the country. At the same time, we independently developed the world's first rail transportation project quality insurance clauses and received recognition from the international reinsurance market, realizing the full coverage of rail transportation quality risk management system from design to operation and maintenance. This project provides owners with a long insurance period up to 5 years and a compensation limit up to RMB 200 million, releasing more than RMB 100 million of quality assurance deposit.

In terms of traffic safety, our Tai Hao Bao project aims to provide active risk control services to commercial vehicle owners. Adopting biotechnology, image recognition, artificial intelligence, big data and other technologies, and supported by the on-board intelligent risk control equipment with integrated intelligent algorithm (ADAS and intelligent cameras) and the supporting monitoring platform, Tai Hao Bao can conduct 7\*24 online monitoring and capture of driver's unsafe driving behavior real time, and thus identify all kinds of dangerous driving and issue timely warning to reduce traffic accidents from the source. At present, Tai Hao Bao has been fully implemented in the Company, serving more than 43,000 vehicles, covering tourist chartered buses, liner buses, hazardous cargo transport vehicles, logistics transportation, and urban construction transportation.

# Focus

## Honor commitment to targeted poverty alleviation

For China, 2019 was a critical year of the fight against poverty, and we continued to improve our insurance-based poverty alleviation mechanism. Focusing on highly impoverished regions, poor regions paired with Shanghai, and other paired poor towns and villages, and leveraging our talent, technology and resource advantages, we strengthened our efforts in targeted poverty alleviation and prevention. We played an active role in fighting poverty, conveying the warmth and wisdom of insurance to poor people and contributing to the national poverty-alleviation strategy as an responsible insurer.

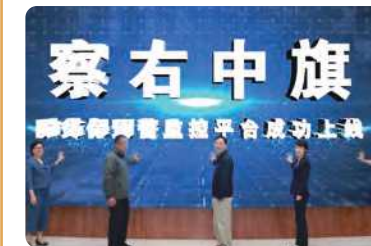
As of the end of 2019, our various poverty alleviation projects covered a total of 5.13 million registered poverty-stricken people nationwide, providing risk protection for impoverished areas with a total sum assured of RMB 2.3 trillion; Fang Pin Bao, our poverty prevention insurance product, covers 160 counties in 16 provinces across the country, providing a total of RMB 2.77 trillion of sum assured for poverty prevention to more than 80 million people facing or prone to poverty; we also raised over RMB 23 million assistance fund through our Rainbow public welfare platform for targeted poverty alleviation. All in all, we achieved remarkable results in poverty alleviation.

### Long-term mechanism for poverty-alleviation focusing on prevention

China's fight against poverty has reached a decisive juncture. Since many poor households slid back into poverty shortly after they had been lifted out of poverty, we piloted in the county of Wei, Han Dan, Hebei province the first commercial poverty-prevention insurance product, Fan Pin Bao, in October, 2017. The product aims to prevent the return to poverty due to illness, disaster, or schooling expenses by combining poverty alleviation with poverty prevention, and to help create an innovative new poverty-fighting model that features "government-insurer joint efforts, group participation, fund management and transparent operation." This product has not only helped CPIC accumulate experience of participation in social governance, but also provided an important reference for the country to establish a long-term mechanism to avoid the returning to poverty. On October 17, for its valuable exploration and remarkable achievements in poverty-prevention, CPIC won the highest award in the field of poverty alleviation - the Innovation Award of the 2019 National Poverty-Alleviation Awards, becoming the only award-winning insurance company during the 4-year history of this award.



CPIC won the Innovation Award of the 2019 National Poverty Alleviation Awards



Fang Pin Bao monitoring platform launched in Qahar Right Wing Middle Banner, Inner Mongolia



Fang Pin Bao staff carries out household verification

### Fight poverty with paired assistance as per local conditions

Responding to the calls of the China Banking and Insurance Regulatory Commission and the Shanghai State-owned Assets Supervision and Administration Commission, we signed three-year pairing assistance agreements with "two towns" (Tieshagai and Baiyinchagan, Ulanchabu, Inner Mongolia) and "three villages" (Heidouchang, Zhuopan and Shixing of Yongping County, Dali Prefecture, Yunnan) in October, 2018.

By the end of 2019, the Company had invested a total of RMB 14.5 million yuan in special poverty alleviation funds. We strive to help the "two towns" and "three villages" meet their poverty-alleviation goals ahead of schedule by deploying full-time poverty alleviation cadres, improving the living conditions, preventing poverty, and fighting poverty with agricultural insurance, health insurance, industry development and consumption.



Kong Qingwei, Chairman of CPIC, and his colleagues inspecting paired assistance in "two towns" in Inner Mongolia



# Honor commitment to targeted poverty alleviation

## Facilitate consumption-driven poverty alleviation with Rainbow

In November 2017, we launched the "Rainbow", a targeted poverty alleviation public welfare platform, to focus on the sales of agricultural and sideline products produced by poor households in poverty-stricken areas. Rainbow aims to facilitate consumption-driven poverty alleviation and provide more impetus for poor farmers to fight poverty by providing a platform where they can effectively sell their products to increase income. In 2019, a total of 115 agricultural and sideline products from 17 provinces across the country were launched on the platform. CPIC employees spent more than RMB 18 million buying products on the platform, benefiting 23,400 registered poor farmers.

All products sold on Rainbow are traceable and the seller's information is available on the platform, which is good for quality warranty. Besides helping with sales of farmer's products, Rainbow can also drive long-term development in other poverty alleviation fields.



"Rainbow", a targeted poverty alleviation public welfare platform of CPIC

## Help Cantaloupe growing with Rainbow

Cantaloupe is widely grown as a tradition in Bachu, Kashi, Xinjiang due to its good natural conditions. However, due to scattered planting, poor quality control and storage, and lack of cold chain and logistics facilities, this fruit is only sold at low prices in local bazaars.

In 2018, to support the construction of Kashi, we decided to support the local melon industry. In order to enhance the enthusiasm of melon farmers and the quality of melons, the "Rainbow" platform adopts an order-based management method, whereby orders are placed several months in advance with delivery standards that meet market requirements, thereby forcing local dealers to transform the business model and help farmers to shift from backward farming habits to standardized field management. Consequently, the yields went up, and the selling price doubled that in 2017.

In July 2019, the fruit began sales on Rainbow, and 80 tons were sold in the first month with RMB 2 million in sales, boosting the income of 643 registered poor households in Bachu County.



"Rainbow" platform technicians instruct local farmers to improve cantaloupe cultivation techniques in Bachu County, Kashi, Xinjiang

## Brave odds to help villagers

As of the end of 2019, a total of 255 outstanding CPIC cadres have been sent to 180 designated villages in 27 provinces across the country to help with poverty reduction, of which 50 have served as the first secretary of the village. They traveled to remote villages, helping villagers dig out the roots of poverty and find a path to a life of hope and prosperity.



Group photo of CPIC village cadres



CPIC cadres stationed in villages actively perform their duties on the front line of poverty alleviation

## We all listen to Secretary Lian

Gaowu Village, Shaxin Township is located in Yudu County, Ganzhou, Jiangxi Province, and was designated to receive assistance from CPIC. In 2017, Lian Xiong, who was only 26 years old then, came to Gaowu Village to lead the poverty alleviation team and serve as the first secretary.

After arriving at the village, Lian promoted infrastructure construction. Cement roads were built there to improve travel convenience for villagers. Noticing there was no pillar industry in the village, Lian carried out thorough survey and applied for a special fund of RMB 200,000 from the Company for developing an ox breeding base for the village. Now, Gaowu Village ranks high in industrial development in the county, with villagers enjoying a better life. No wonder they often say "Young as he is, we all listen to Secretary Lian."

In the flood season in 2019, Gaowu Village was hit by heavy rain many times. Landsides and floods ruined roads, farmland, and houses and school buildings. In spite of the pain from rib fractures, Secretary Lian rushed to the sites to organize relief work. Fighting many days and nights on the front line, he and the villagers defeated the disaster and the life went back to normal.



Lian Xiong helps out in field





## To customers

**Responsibility,  
smartness, warmth  
CPIC Service upgraded**

Committed to offering service with "responsibility, smartness and warmth", we continued to strengthen customer operating and improve service to gradually develop our integrated multi-dimensional CPIC Service. In 2019, we enhanced the sense of gain and happiness for 139 million customers by offering them faster service with simpler procedures, better Interaction and experience.

In the 2018 Service Evaluation of Insurance Companies released in October 2019, CPIC P/C and CPIC Life received the highest AA rating, 3 years in a row, for their service innovations and excellent service experience, becoming a new benchmark for high-quality services in the industry.

### Our achievements

- » Number of Group customers climbed to 138.56 million, and annual new customers exceeded 10 million for the fourth consecutive year
- » Newly upgraded CPIC Insurance app had 238,000 daily active users
- » Opened Zhi Xiang Jia ISC store and launched "Lingxi No. 2" intelligent robot
- » "Cloud Counter" extends counter service to customers and agents
- » Tai Hao Pei was promoted in more than 2,000 outlets across the country, and Zhuan Xiang Pei, a non-auto APP, served 220,000 customers

### Our outlook

- » Implant multiple life scenarios to offer customers full life cycle care
- » Satisfy customers' personalized needs with targeted sales and refined services
- » Improve customer interface with technology innovation
- » Leverage "Internet +" to build a one-stop insurance service ecosystem



## 1.1 Better interaction: smart online and offline insurance service

The CPIC Insurance app is an important portal for individual customers as well as for the Group and its subsidiaries to operate collaboratively, with 31.195 million users and 238,000 daily active users.

Based on extensive customer experience survey, we kept upgrading the app from the user's perspective with enriched homepage contents to deliver more convenient to customers.

At the same time, through the application of new technologies, we personalized the website content display and interaction to offer unique interface for each customer, laying a foundation for smart service and product recommendations, and message delivery.



The CPIC Insurance app interface

## Offline: Create intelligent and efficient service experience with Zhi Xiang Jia

In October, our first Zhi Xiang Jia ISC store opened in Shenzhen, marking a new upgrade of our life insurance counter service system. With online and smart technologies, the store further optimized service environment and standards, and expanded service contents. It is aimed to become a smart online and offline experience center integrating customer service with customer management while providing secure and efficient counter services.

Along with the launch of Zhi Xiang Jia, the "Lingxi No. 2" intelligent robot was also put to use in the Zhi Xiang Jia stores in Shenzhen, Beijing and other places across the country. Supported by artificial intelligence technologies such as voice interaction, image recognition, and semantic analysis, "Lingxi No. 2" can provide customers with various services such as enquiries, queuing, POS, payment, claims settlement, and insurance purchase. It was highly praised by our customers for its intelligent and efficient services.



Customers being served at CPIC's Zhi Xiang Jia store in Shenzhen



"Lingxi No. 2" intelligent robot offering insurance services for customers

## Online: "Cloud Counter" covers the "last mile" of service



Customer service staff provides "cloud counter" service to customers

Based on technologies such as biometrics, intelligent routing, remote video, and big data-enabled risk control, the Cloud Counter extends the traditional counter to our customers and agents no matter where they are. With the help of Cloud Counter, we can match the most suitable service personnel with the customers on a case by case basis, and promote the sharing of service resources and consistency in service standards across the Company. At the same time, thanks to face recognition, big data and other technologies, we can also improve service efficiency, strengthen risk identification, and better protect customer rights by conducting front-end real-time comparison and back-end multi-dimensional intelligent model review.

## 1.2 Faster response: we understand your needs in seconds

For auto and non-auto claims settlement, we released the service brands of Tai Hao Pei and Zhuan Xiang Pei, respectively. At present, Tai Hao Pei was promoted and operated in more than 2,000 institutions in 31 provincial-level administrative units across the country, and Zhuan Xiang Pei served 220,000 customers so far, becoming a prestigious brand of P/C claims.

Tai Hao Pei aims to promote the supply-side innovation of intelligent claims by reengineering auto insurance claims process with mobile tools to deliver "extremely fast, convenient, and considerate" claims service. Upgraded to version 3.0, Tai Hao Pei now features 3 new services to create a new model of intelligent claims for customers.

Zhuan Xiang Pei focuses on improving the standardization, transparency, customization, operation, process, and tools of non-auto claims services to offer services regarding small claims, VIP customers, personal accidents, risk control, customer support, and immediate response.



CPIC surveyor conducting on-site survey of customer's damaged vehicle

### Warm care for our customers traveling during the Spring Festival period

During peak passenger flow period at the end of the 2019 Spring Festival holiday, extreme weather conditions hit many places across the country. For that, we quickly kicked off emergency response plan for claims settlement. We set up many on-site service points at expressway intersections in many places, and worked with our partner units to carry out rescue work and on-site survey to help our customers out of trouble and go through claims settlement in a timely manner.

For the Spring Festival travel peaks, we utilized Tai Hao Pei and Zhuan Xiang Pei to launch on-site auto and non-auto claims service. With Tai Hao Pei, auto customers could get payments within one day for claims below RMB 10,000. We also provided red-nose driving service to female customers. And we prepared hot water and instant noodles at our on-site service stations. With Zhuan Xiang Pei, we launched services such as timely on-site survey, emergency rescue, and one-on-one service, and house calls or telephone follow-up for our customers of public liability insurance, carrier liability insurance, airport liability insurance, and travel agency liability insurance, offering customers with the most caring service no matter what kind of trouble they are in.



CPIC surveyors worked day and night doing on-site survey during the Spring Festival holiday

### 1.3 Simplified procedures: more attentive service for customers

We are committed to safeguarding the legitimate rights and interests of customers and trying our best to address their pain points and difficulties, adhering to the principle of providing "active, convenient, fast and transparent" service to customers. For example, we offer on-site service for customers with large claims, difficulties in moving around, or other difficulties; accept alternative documents from customers with difficulty in presenting certain claims materials; and set up fast track for handling customer disputes and complaints. Moreover, our mobile self-service tools such as Tai E Pei can simplify procedures and enable customers to easily apply for claims anytime, anywhere; we also launched cross-region claims settlement service and reduced the documents required for claims, making claims easier.

### CPIC Blue Passport, value-added health service program for you

In April 2019, our life insurance customer club launched "CPIC Blue Passport", an exclusive value-added health service program, which currently covers more than 7.5 million customers, including 4.75 million who have joined the critical illness Green Channel program, and 2.76 million people qualified for medical privilege services.

"CPIC Blue Passport" can provide customers with pre- and post-diagnosis health management, medical treatment, and claims services, including critical illness fast track, medical privileges, claims privileges, and comprehensive medical services, providing differentiated "quality + discount" health service project portfolio to customers with various needs. "CPIC Blue Passport" has sent out over 6 million service reminders through multiple service channels such as mobile phone self-service terminal, counter service, customer service phone, "Lingxi" robot, and account manager, etc. To date, our service network covers over 2,800 hospitals nationwide and almost all our outlets, including 50% 3A hospitals.

### 1.4 Better experience: focus on customer needs

In recent years, we have been holding customer festivals to better meet customer needs in risk management and improve customer experience amid our efforts to build an insurance service ecosystem.

### P/C Customer Festival: share our growth with you

We held 550 events in 30 days during the P/C Customer Festival 2019 participated by about 4 million customers. We displayed old policies to relive the evolving history of China's insurance industry and gave out 14,700 exclusive insurance gift packages to express our gratitude to customers. The "Evolving History" part on our website received 86,000 views and 28,000 comments.

During the event, our outlets at all levels invited car owners, individuals, enterprises and other customers to participate in the construction of service ecosystems of different types, different levels, and different regions, and share the results of the Company's growth.



P/C Customer Festival

### Life Customer Festival: Healthy and Smart Life



Life Customer Festival

We held nearly 3,000 events in 50 days during Life Insurance Customer Festival 2019 under the theme of "Healthy and Smart Life". During the period, about 1.5 million customers interacted with our agents through online and offline connections.

During the event, we officially kicked off the "Jian Kang Tai" insurance service ecosystem where our Life Customer Clubs integrate high-quality medical resources to provide customers with comprehensive health care services covering daily prevention, medical consultation, and rehabilitation care. At the same time, by synergizing the internal resources of the Group, building a customer labeling system, accurately predicting customer health service needs, we provided customers with suitable "insurance + health" services, implementing closed-loop management such as full-process digital tracking and evaluation.

We organized a number of health-specific lectures online and offline and invited customers, through CPIC official WeChat service account, to participate in online health assessments and experience medical technology in multiple scenarios on site.



## To employees

**Focus on employees -  
our greatest assets**  
**Build a healthy organization**

Employees are always our most valuable asset, and we always adhere to the principle of meritocracy. We are committed to providing a good working environment, diversified training and communication platforms, and more development opportunities to our employees so as to create a beautiful shared future with them.

### Our achievements

- » Identified 200 elite talents and 1,000 promising young talents
- » Improved seven theoretical systems and formed a new employee curriculum system
- » Brought on board 84 new internal certified lecturers and 261 part-time lecturers within the Group
- » Enriched service options for agents for exclusive products and the Digital Agency app enjoyed a monthly average of 680,000 active users
- » 95% of outlets at branch or above level established "Mommy's Cabin"
- » A total of 97 groups and 96 individuals received commendations and awards throughout the year

### Our outlook

- » Provide diversified development opportunities and resources to help employees realize their career dreams
- » Continually optimize workplace environment and boost the sense of belonging among employees
- » Organize diversified activities to help employees balance work and life



## 2.1 Optimize mechanism and create an environment for employee development

Our transformation can never be achieved without adequate talent support. We are keen on building a talent growth platform and system to improve training and promote institutional changes and breakthroughs in talent pooling and retention, thus creating a good talent development environment and enhancing organizational health.

### "Mountain Peak Plan" and "Green Mountain Plan"

In 2019, we began implementing the "Mountain Peak Plan"(for cultivating top talent) and "Green Mountain Plan"(for cultivating young talent) to develop two core teams of talent amid efforts to step up talent development.

**For the "Mountain Peak Plan",**we developed talent standards and compiled position directories. With internal recommendation, we formed a list of 200 top managers and professionals, and established supporting mechanisms to promote a regular operation of the talent plan.

**For the "Green Mountain Plan",**we identified many outstanding young talents through recommendations and talent survey and formed a list of about 1,000 candidates for the plan, covering middle-level managers, grassroots managers and professionals in various functional areas. We also established a talent management information archive and supporting mechanism to help combine talent development with talent utilization.

### Promote school-enterprise cooperation to build up talent pool

In 2019, we signed cooperation agreements with 12 renowned domestic universities, formulated rules such as the "Interim Measures for School-Enterprise Cooperation Management" and "Administrative Measures for Internship Base Management", and established 86 college student internship bases, thus setting up a platform for taking in excellent college graduates.

Under our integrated school recruitment mechanism and unified corporate image, brand, planning and implementation, we carried out campus recruitment for 1600+ positions with improved recruitment quality and efficiency. We also formulated and implemented relevant guidance, and promoted unified training path, training methods, orientation training, responsibility mechanism, and appointment methods throughout the Group for our management trainees, and organized an induction ceremony for our 367 management trainees. We also appointed instructors to our trainees to cultivate new college graduates.

### Support development of high tech professionals

We built models for the allocation of high tech professionals as well as for human resource cost budgeting, started an integrated human resources reform project targeting technological talents, explored mechanisms for scientific and technological talent management, and deployed exclusive HRBP to the technology center. We also strengthened policy support and recruitment efforts for IT talents to better meet the needs of our transformation and development.

### Build up a pool of high tech talent through mutual selection

In March, as an active exploration in the gathering, use, cultivation and retention of scientific and technological talents, our technology center held two special recruitment fairs for IT R & D engineers, big data engineers and operation and maintenance engineers at Luojing Data Center. A total of 196 people were interviewed, and 61 of them were selected as candidates for final recruitment.

With meticulous organization, standardized and human-centered recruitment processes, good interview skills and well-designed tool templates, we presented the interviewees a good brand image. For both fairs, the interviewees attendance rate was above 96%, much higher than the industry average, which reflected the recognition from the applicants.

### Optimize training to empower employees

Employees are the most valuable assets of a company. In 2019, we continued to pay attention to the career development plans and needs of our employees, built a training system based on transformation needs, launched new employee training models, and developed convenient online learning platforms, laying down a good foundation for building ourselves into a learning organization and improving employee training effectiveness to help them grow quickly and achieve their dreams.

**In curriculum development,** we formed a master plan of employee earning maps and developed learning maps for Party building, management, specialized training, and new employee learning. We also formulated an employee learning and development manual and constructed specialized and systematic tools for employee training and learning. We improved a total of 7 methodological systems including curriculum development, mentor training, lecturer training, training project implementation, training project evaluation, learning map drawing, and professional qualification. For different types of courses and developers, we would first compile the syllabus, and then mass-produce courses together with the trainers according to the syllabus and specific training needs.

### Facilitate employee learning with micro-courses

In 2019, our CPIC Institute held the "Points of Honor" activity, an online-learning program, and launched 500 new micro-courses created by company employees, covering topics such as internal control management, financial management, information technology, professional quality, corporate channel sales, operational services, auto and non-auto insurance sales, and personal insurance marketing. With useful and practical contents, these courses attracted about 40,000 learners and accumulated to a total of more than 6 million lessons and 10 million attendances.

During the event, CPIC Institute regularly released the "Points of Honor" list to stimulate interaction and learning enthusiasm among participants. Our units at all levels have responded actively and vigorously promoted the program with learning mobilization, tracking, releasing learning reports, and issuing learning rewards. Whole-process management was adopted to ensure participation and learning effect.

**In terms of trainers,** we continued to building internal part-time trainer team. Through trainer training, selection and targeted invitations, 84 new internal certified trainers were joined in the team this year, pushing the total number to 261. We also organized training for our internal part-time trainers on courses design and development and teaching skills, combing trainer training with course construction. With the "Training + Selection" approach, we managed to match courses with suitable trainers.

**For employee training,**we optimized pre-job training for newcomers and promoted unified training path, training methods, orientation training, responsibility mechanism, and job appointment methods in the training of new employees. We also strengthened the training for managers, and carried out special trainings such as supervisor coaching skills training camps to enhance their independent management capabilities. We integrated training with practical work to improve training efficiency, and further promoted the implementation of our training system, holding 61,600 training sessions of various types with 2.275 million attendants, up 4% year-on-year.



Various forms of employee training sessions



## 2.2 Boost business development by empowering agents with technology

In 2019, the monthly average number of our agents reached 790,000. How to retain them and help them develop? This is a question we have been asking ourselves and trying to figure out a better answer to. We attached great importance to the management of agents and adopted full-process management from agent recruitment to training and management. Emphasis was placed on the career development and technology empowerment of our agents. We optimized online platforms and improved offline contact points with technology to improve their service capabilities and facilitate their business development.

### Provide more service options to agents with the exclusive product service package

We developed "exclusive product service packages" for our agents, piloted the "flexible commission" program, and opened up an array of systems such as the life insurance activity management system, life insurance "Digital Agency" APP, P/C insurance documents management system, P/C customer rights center, P/C insurance Tai Sheng Huo, and the P/C customer service management system, enriching agents' options to provide multiple value-added service to auto customers acquired through life channels.

Among them, we upgraded the "Digital Agency" APP and added five new functions: customer operation support, claims assistance, online proposal, online professional training, and real-time performance query; and 2 new functions for agent leaders: team activity control and team performance query. In 2019, the average monthly active users of the "Digital Agency" reached 680,000.



### Exclusive online services, issuance of first policy with "flexible commission"

In October, as part of the "exclusive product service packages" for agents, the "flexible commission" project piloted by the CPIC P/C Shanghai headquarters and CPIC Life Shanghai branch was launched in full, and Chen Su, a CPIC agent, completed the first policy with "flexible commission" under this project – commercial and compulsory auto insurance for the Chevrolet of Mr. Han, Chen's customer.

Strictly meeting regulatory requirements and leveraging diversified service resources of the Company, the "flexible commission" project enables agents to effectively allocate sales commissions and customer service resources, and opens up new paths for agents to create customer touch points and opportunities, further develop long-term insurance business, and improve customer service capabilities.

### Facilitate onboarding with Tai Hao Chuang "online contract-signing"

Tai Hao Chuang "online contract-signing" enables agents to complete the whole on-boarding process on the app much faster because it moves the recruitment process online, front-ends the approval process for using company seal, interfaces and streamlines the electronic seal system, and accelerates inter-system interaction with real-time task notification. With "online contract-signing", new agents can, within one day, complete the whole on-boarding process from submitting an application to opening a micro store, quoting, and policy-signing.

Tai Hao Chuang "online contract-signing" is suitable for all new agents. It is the largest-scale system transformation of the Company in the past ten years for new agent recruitment and training involving 15 business processes such as recruitment, online exam, online training, face verification, etc. It improves operational efficiency and the onboarding experience of our new agents, and helps them form habits for online operation.

### Contract-signing on the cloud with "Zhi Yun Bao" remote insurance

"Zhi Yun Bao" enables remote business development model of "WeChat networking + artificial intelligence" on smart phones. With Zhi Yun Bao, the agent can share the policy information interface of Shenxing Taibao to the insured and the policyholder through WeChat, who then open the link on WeChat and confirm their identity through face verification. They can also confirm other insurance information, sign the contract, and make the payment on their smart phones to complete the whole insurance purchase process.

## 2.3 Creating healthy and enjoyable working environment

We strive to create a safe, healthy and comfortable workplace environment to enhance a sense of belonging for employees. Various activities were organized to enable employees to relax after work, relieve stress, and display their talents and improve interpersonal relationship.

### Relocation of Group headquarters, groundbreaking of global headquarters



Group headquarters on Shanghai's Bund (South)



Rendering of CPIC global headquarters in Xintiandi, Shanghai

On September 28, we held the relocation ceremony of the Shanghai South Bund headquarters building. The newly completed building is next to the Huangpu River and provides a comfortable working environment for the employees.

On the same day, our global headquarters, Pacific Xintiandi Business Center, officially started groundwork in Xintiandi, Shanghai. As a new "business card" for the future, we will strive to build this business center into a landmark and modern international business community, thus becoming another highlight of the Company's development efforts in the Yangtze River Delta and new journey towards globalization.

### Healthy and safe workplace

On a regular basis, we carried out a variety of health-related activities, lectures and safety training, aerobics, yoga, boxing, rumba dance, as well as lectures on cardiopulmonary resuscitation, shoulder and neck massage, running and jogging to enhance safety and health awareness among our employees. We continued to promote the "Mommy's Cabin" program at our grassroots-level units, with such cabins set up in over 95% of outlets at branch or above levels. We also promoted the renewal of basic commercial insurance and enterprise annuity for employees throughout the Company, and continued to explore long-term assistance models for helping CPIC employees in need.

### Warm care for our employees

In March 2019, we launched a series of lectures on mental health. The first lecture was on the theme of "Parenting adolescent children", and well-known youth psychological education experts in Shanghai were invited to give advice on the theme. The audience benefited a lot from the parent-child communication skills delivered with humor and through "role play". Following that, we also launched a series of psychological lectures on coping with workplace pressure and effective management of emotions to help our employees relieve stress and enhance their sense of happiness.



Training and lectures for employees on mental health, emergency and safety topics

### Industry's first AHA-authorized first-aid training center settled in CPIC Allianz

In August 2019, China's insurance industry's first American Heart Association (AHA) authorized first-aid training center settled in CPIC Allianz and officially launched external training. The American Heart Association is an authoritative cardiovascular disease research institution in the world, and the first-aid guidelines issued by it are recognized and used worldwide. CPIC Allianz received guidance and assessment from the AHA from various aspects such as training facilities, mentor qualifications, and training management, and successfully obtained the certification. The authorized training center provides a heart rescue course and can carry out training on basic first aid skills and cardiopulmonary resuscitation of adults, children and infants, and issue first-aid certificates certified by the AHA to the trainees after they pass the training assessment. With the certificates, the trainees are eligible to participate in first-aid activities and social welfare projects.

In addition, the "Help by Your Side" charity-themed program of CPIC Allianz carried out several first-aid training sessions for subway employees, school teachers and students, and a team of more than 50 certified first- aid volunteers were set up to reach out to people in need.

### Promote positive energy among employees

We continued to promote the construction of the honor system with a focus on on-job achievements and development. A number of our units and individuals have been awarded national, provincial, and municipal-level honors throughout 2019. Within the Group, we carried out various honor and award activities, and a total of 97 units and 96 Individuals received recognition and rewards. In 2019, through various work contests staff recommendations, we identified a large number of hard-working high-performers and good practice cases, which became role models and encouraged more CPIC people to contribute to the society.

### Jiang Jing rescued people at a subway station in Shanghai, again

During the morning rush hour on April 17, 2019, at the exit of the Century Avenue Subway Station in the direction of Lujiazui, a passenger suddenly fainted while climbing stairs. The situation was critical. Jiang Jing, an employee of the Health Management Center of CPIC Allianz, rushed to the scene as soon as she heard the emergency broadcast, and performed first-aid procedures.

This was the second time Jiang Jing rescued people in a subway station. On 12 June 2017, a 26-year-old male passenger suddenly stopped breathing at a subway station. Jiang Jing performed 15 minutes of CPR to help him recover his vital signs. The rescue was report by CCTV across the whole country.



CPIC employee Jiang Jing performed first-aid to an unconscious passenger at a subway station

### Enrich employee life outside work

To enrich employee life outside work, we explored building club communities with various mass cultural and sports activities based on local conditions which were well-received by employees. We also set up teams to participate in various competitions and exchanges within the industry, obtaining good results as well as friendship.

We continued to build the Tai Ai Pao cultural brand for running activity, and organized the Tai Ai Pao offline activities in Harbin which were participated by more than 3,000 CPIC customers and employees. Through the event, a total of RMB 240,000 was raised in public welfare donations and used to assist 120 poor students and families. We also upgrade the Tai Ai Pao app and organized various running-themed online activities, and the app currently has a total of 555,000 registered users.

To celebrate the 70th anniversary of the founding of New China, we carried out various themed activities such as poetry recitation, mountain-climbing competition and visits to revolutionary sites to display the talents of our employees and eulogize our great motherland.

### Dream together and run to a new future

To celebrate the 28th anniversary of the founding of the Company, we organized a variety of "Tai Ai Pao" running-themed activities around the anniversary day. Employees from around the country participated in the event at multiple venues such as the workplace in Shanghai, the "most beautiful track" in Hangzhou, the water park in Hebei, and the Jinji Lake banks in Suzhou, sending their "birthday greetings" to the Company.

In addition, we also participated in the "Running Egg" charity fundraising activity in Shanghai, using a 50-kilometer walking journey to practice charity, and using action to support the future of children in need.



"Tai Ai Pao" running activity



*To shareholders*

*Strengthen quality governance  
Pursue high-quality development*

Facing significantly increased domestic and international risks and challenges, we continued to pursue steady growth by strengthening Party building and leadership, improving corporate governance, and enhancing risk control capabilities to promote a balanced development of our main business. With sustained improvement in comprehensive strength, we deliver solid business results and development achievements to our shareholders and investors.

#### Our achievements

- » Group operating revenues amounted to RMB385,489 billion, of which, GWPs reached RMB347.517 billion, a growth of 8.0%; group net profits reached RMB 27.741 billion, up 54.0%; total assets of 1,528.333 billion yuan, an increase of 14.4%
- » Group customers reached 138.56 million, an increase of 12.14 million from the end of last year
- » Convened the first Party congress of the Company, a milestone event
- » Achieved outstanding performance in corporate governance, and was awarded the title of "Best Listed Company" by [www.xcf.cn](http://www.xcf.cn)
- » Maintained the bottom line for risk control in 2019, and the Group, CPIC AMC, Changjiang Pension and CPIC Allianz received no regulatory penalty throughout the year.

#### Our outlook

- » Stick to main business, pursue sustainable development, and promote transformation and upgrading
- » Guide the Company's high-quality development with high-quality Party building
- » Continue to improve risk management system and mechanism



3.1 Stay focused on insurance with growing value-creating capabilities

CPIC Life made breakthroughs in "insurance products + service" model with increasing residual margin



We expanded health and elderly care services while developing our main business. With 7.5 million people covered by CPIC Blue Passports, we handed out nearly 8,000 certificates of residence for retirement communities in our CPIC Home program; we strengthened in-depth integration with insurance scenarios, stepped up the application of new technologies and launched multiple apps such as Tai Hui Pei, Zhi Xiang Jia, He Dong Li, Zhixiang Center, Zhi Institue, and the Lingxi robot to further improve and expand our services.

P/C combined ratio stabilized with strong top-line growth



The combined ratio continued to improve with enhanced capability in high-end customer acquisition and retention, and the renewal business became the main driver of auto business growth; agricultural insurance, guarantee insurance, liability insurance and other emerging business areas maintained fast growth, and the non-auto business grew significantly to account for 30.7 % of GWPs.

Persisted in asset allocation based on liability profiles and aligned asset management with insurance business



Our asset management adhered to prudent, value and long-term investment, and was based on profiles of liability. To better serve national strategy and the real economy, we stepped up investments in infrastructure projects with high credit ratings, and adopted new investment models focusing on both equity and debt investments; we also increased investment in the central and western regions of the country to broaden the coverage of insurance funds to serve the real economy, with steady growth in comprehensive investment yield.

3.2 Drive high-quality development with the "red engine"

While improving the corporate governance structure, we also fully integrated the Party's leadership in corporate governance. In addition to incorporating the Party building clauses into the Company's Articles of Association, we gave full play to the role of the Company's 24,052 communist party members and the 2,206 Party cells in leading high-quality development of the Company with high-quality Party building, focusing on our Transformation 2.0 goal of "best customer experience, best business quality, strongest risk control capability, and leader of healthy and steady development".

Company's first Party congress, a milestone event

On 5 July 2019, the first Party congress of CPIC was successfully held in Shanghai. This was the first Party congress in 28 years since the Company's establishment. 200 Party representatives from all levels of the CPIC system participated in the meeting, and a new Party committee was elected at the meeting. Comrade KONG Qingwei delivered a work report on behalf of the Group's Party Committee. During his speech, he reviewed the main achievements and experience of the Party building of the Company in recent years, summarized the knowledge and experience of the Group's Party committee on promoting the transformation and development of the Company, analyzed the current situation, set the goal for the next five years, and further clarified the important action program to achieve the vision for the Company, highlighting the milestone significance of the new era and new journey.



The first Party congress of CPIC successfully held

Remain true to original aspiration and keep our mission firmly in mind: further stimulate transformation

Based on the requirements of the central government and our own reality, we launched a Company-wide educational activity under the theme "Remain true to original aspiration and keep our mission firmly in mind" in June 2019, in which we carried out learning and education activities, investigation and research, self-review and rectification. During the event, members of our Party committees at all levels held a total of 143 themed party lectures, organized 935 group studies, completed 164 investigation reports and more than 500 question lists, and determined 15 major areas for rectification. The event aimed to stimulate transformation, address our weaknesses, boost the morale of employees, and to provide a strong organizational guarantee and a strong spiritual drive for the Company's development.



Party committees of CPIC and Shanghai Chengtou Group Corporation launched a joint group study under the theme of "Remain true to original aspiration and keep our mission firmly in mind".



### 3.3 Optimize corporate governance and enhance management

We continue to improve and optimize the Board structure, the core of our corporate governance, to play up its role in major strategic decisions, risk management, management supervision, and fulfilling the fiduciary responsibilities to all shareholders.

In 2019, the Board took on board three external experts and scholars in new technologies, risks, and accounting as independent directors, which further improved the professional decision-making capability of the Board and diversified the composition of directors in terms of gender, region, and professional background. With a deep understanding and accurate judgment of the Company's business and development strategies, the Board clearly defined the strategic positioning of the Company, strengthened integrated management and control, and actively built and perfected a high-standard governance system featuring clear definition of roles and responsibilities, enhanced coordination, and effective checks and balances.

Focusing on high-quality development and technological innovation under Transformation 2.0, we determined ten priority tasks for the Board and promoted the effective implementation of sub-projects of "Transformation 2.0". We also strengthened the transformation efforts to boost business development, accelerated the shift of growth drivers, and improved our service capabilities. All the directors and supervisors strictly fulfilled their duties, exerted prudence in decision-making, and paid close attention to safeguarding the interests of the Company and all its shareholders.

The four professional committees under the Board - the Strategy and Investment Decision-Making Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee, looked closely into areas such as the implementation of the Company's development plan and major capital operations, internal and external audits, performance assessment and appointment and dismissal of senior management personnel, risk control, and related party transactions, participated in decision-making, and provided professional opinions for the decision-making of the Board. The Audit Committee and the Company's independent directors also call for communication meetings on the annual report in accordance with work requirements to maintain full and timely communication with external auditors and issue relevant opinions.

While strengthening the participation from external directors in decision-making, we established the Group's Experts Advisory Committee, engaging external experts as members of the advisory committee and internal experts as special researchers, and gradually established a high-level decision-making consulting platform and a high-quality research team for the Company, providing strong support for the analysis of macro-policy trends and forward-looking research in new fields and new models.

With outstanding performance in corporate governance, we were highly recognized by capital markets and industry regulators and were praised for good quality and transparency of information disclosure. In 2019, we were awarded the title of "Best Listed Company" by www.xcf.cn. In the 2018-2019 listed company information disclosure evaluation by Shanghai Stock Exchange, we received an A rating (Excellent). This was the sixth consecutive year we received an A rating since the annual evaluation mechanism was first launched.

#### More open and transparent capital market exchanges and interactions

On October 31, we held the 2019 Capital Market Open Day. The new management team of CPIC Life debuted in the event and introduced the overall development strategy of life insurance under the new cycle and specific measures in agency upgrading, value-added service and technology empowerment. It received high attention, with participation from more than 200 securities analysts and institutional investors.

In the Q & A session, analysts from CITIC Securities, Haitong Securities, and China International Capital Corporation, etc., raised questions of market interested such as how to respond to cross-border competition in the Internet, what is the prospect for new business value growth in the next two to three years, and how will technology empowerment support front-end sales, for which we provided detailed answers and explanations. The event received positive comments from the participants, who expressed satisfaction with the communication and interaction believing that the new team displayed an open and positive attitude and boosted market confidence about transformation from the dimension of team, service and technology.



CPIC's Capital Market Open Day

### 3.4 Improve risk control capability and guard bottom line of safety

Focusing on the goal of "strongest risk control capability" under "Transformation 2.0", we implemented strict risk prevention and control measures, paid close attention to major risks and key areas, tightened basic management and risk sources governance. Under targeted risk control strategies, we also sped up the establishment of an integrated risk management and control system, focusing on improving strategic service capabilities, joint action effectiveness, and risk defense capabilities, and striving to raise our compliance and risk management to a higher level.

Throughout 2019, we strictly guarded the bottom line of risk control. The Group headquarters, CPIC AMC, Changjiang Pension, and CPIC Allianz received no regulatory penalty and saw no major case in 2019. The overall risk compliance status was stable.

#### Practice integrated risk control

**Strengthen team building and improve internal audit and supervision.** Focusing on talent building and internal audit innovation, as well as transformation and risks in seven major areas, highlighting the basic management and risk control of our outlets, we promoted the pilot of the three-in-one plan (business management, internal control compliance and risk management) in the Group, CPIC P/C, and CPIC Life to continuously improve the ability to discover problems through audit, and enhance the role and value of independent supervision of the third line of defense in internal audit.

**Strengthen work coordination to form closed-loop risk prevention and control.** Focusing on persistent problems and pain points in management, we increased the coordination between internal audit and business front lines to better serve front-line development; effectively strengthened the linkage between internal audit and risk compliance, discipline inspection and supervision, and stepped up efforts to build a closed-loop process for problem detection, disposal, rectification, and accountability; further improved the "five outputs" of technology, methods, talents, information, and achievements, and strengthened the coordination of the three lines of defense, for closed-loop risk prevention and control.

**Promote healthy and stable development with innovative value-added audit services.** We arranged for the audit team to lead our provincial-level branches to visit local regulators at all levels, striving to create a good external regulatory environment; constantly innovated the contents and methods of audit value-added services, deepened the "audit report + management proposal" mechanism, and improved the ability of internal audit service in helping with the Company's value creating.



CPIC leaders and risk compliance personnel in training on prevention and handling of financial risks

#### Promote compliance by enhancing legal awareness

A speech contest on the theme "Facilitate corporate development with the rule of law" was organized by us. The speeches covered not only the new achievements in legal work research, but also how to combine our first line of defense with legal work, as well as how legal work supported the development of the Company based on the regulatory hotspots, current developments, and our business characteristics. The contest showcased the professional capability of our legal workers, and further promoted the integration of legal work and compliance management.



Contestants giving wonderful speeches in the contest

#### Initial integration of financial management and control

In terms of financial management and control, we established a fundamental financial sharing platform, shifting from decentralized to centralized management model supported by the Chengdu and Shanghai financial sharing centers. By strengthening systematization and the application of new technologies, we shifted from manual operations to automated processing for our financial processing at grass-roots level. We also reduced operational risks through standardization, improved the efficiency of basic financial operations, liberated productivity, and strengthened the ability to support operational decision-making.

At present, we have completed process and system design and iterative optimization of the six major sectors of the basic financial processes, and the financial sharing process has been piloted in batches in 118 outlets of CPIC P/C and CPIC Life branches.

## *To the industry*

*Deepen cooperation and promote  
win-win development*

We continued to deepen insurance product development for and business cooperation with various types of customers and strengthened cross-industry and cross-field communication and cooperation by combining academic study with research, laying down a solid foundation for coordinated development. We kept improving professionalism and sharing of research results, advocated insurance culture, and provided wisdom for the insurance industry to spread positive energy.

### **Our achievements**

- » Established exclusive strategic partnerships with various ministries and commissions of the Central Government, covering 63.8% of provinces, cities (including municipalities directly under the Central Government and other provincial-level cities) and autonomous regions
- » Established strategic partnerships with 15 large financial customers and corporate customers in 2019
- » Selected by all the occupational annuity programs throughout the country; Changjiang Pension achieved nation-wide coverage
- » Participated in frontier research on pensions, reinsurance and P/C insurance with increasing industry influence

### **Our outlook**

- » Deepened cooperation in multiple fields focusing on national strategies and industry hotspots
- » Summarized practical experience in self-improvement and output more excellent results to the industry
- » Consolidated and expanded cooperative relationship with partners, and continued to deepen exchanges and cooperation





4.1 Expand strategic partnerships and promote cross-field business

We continued to deepen insurance product development for and business cooperation with government, financial, and corporate customers, and strengthened synergy among our subsidiaries to improve our ability to supply strategic customers with solution packages.

Lead the industry in government customer cooperation innovation

In 2019, we actively explored the coordination with strategic customers, and for the first time formed partnerships with ministries and commissions of Central Government, signing strategic cooperation agreements with the Ministry of Industry and Information Technology, and the Ministry of Agriculture to become the only insurance company with strategic partnerships with government customers of this kind. These partnerships served as a solid foundation to play up our role as a “economy booster” and “social stabilizer” as well as to open up new ground for high-quality development.

In January 2019, we signed a strategic cooperation agreement with the Ministry of Industry and Information Technology, and participated in projects jointly launched by the Ministry of Industry and Information Technology, the Ministry of Finance, and the China Banking and Insurance Regulatory Commission such as the “Comprehensive insurance project of first (set of) major technical equipment”, “Comprehensive insurance project of first batch of new materials”, “Beijing Zhongguancun Science and Technology Park’s test and demonstration projects of first (set of) major technical equipment”. We were also the exclusive underwriter of the “Hard X-ray free electron laser device insurance project”. In 2019, relying on the platform established by the Ministry of Industry and Information Technology, we successively launched new products such as the “Comprehensive insurance of first version of software” and “Comprehensive insurance series for technology enterprises”, and actively participated in related investment projects to serve the transformation and upgrading of the country’s manufacturing industry.

In November 2019, we signed an strategic agreement with the Ministry of Agriculture on rural revitalization, with which we aim to facilitate the building of a modern agricultural industry system, production system and management system, accelerating high-quality agricultural development, improving rural human settlement environment, rural Infrastructure construction and rural public services, as well as promoting the revitalization of rural industries, talent, culture, ecology and organizations.

In addition, we also signed strategic cooperation agreements with the governments of 23 provinces, cities (including municipalities directly under the Central Government and other provincial-level cities), and autonomous regions. The coverage rate increased from 48.6% in 2018 to 63.8% in 2019. We also actively participated in promoting economic development and people’s livelihoods in various regions, helping the localities pursue high-quality development.



Selected by all occupational annuity programs, Changjiang Pension achieves nation-wide coverage

Changjiang Pension, a CPIC subsidiary specialized in pension management, continued to improve coordination to accelerate its integration into the Group and to join hands with CPIC P/C and CPIC Life to build a coordinated ecosystem to fully serve local governments by providing them with a one-stop cooperation plan on behalf of the Group which includes comprehensive risk protection, pension management, investment and financing with insurance funds, and poverty alleviation. Changjiang Pension was selected by all 30 occupational annuity programs already launched throughout the country, the best-doing insurer in this business, and shifted from a regional insurer to the one serving customers nation-wide.



Financial and corporate customers continue to grow in number



CPIC signed strategic cooperation agreement with Shanghai Electric



CPIC and East China Architectural Design & Research Institute jointly built the "CPIC Home" smart elderly care communities

We explored collaborative marketing demonstrations covering key industries such as advanced manufacturing, modern services, innovative industrial parks, and financial institutions. In 2019, we signed strategic cooperation agreements with 15 large financial customers and corporate customers such as China National Nuclear Corporation and Bank of China to form a multi-field, multi-level and multi-dimensional cooperation system, so as to implement national strategies, serve the real economy, create synergistic values, and tap new dynamism for cross-industry development.

CPIC is all you will ever need

In 2019, we set up a Postal Savings Bank of China project team led by Group headquarters. Presenting the image of “CPIC is all you'll ever need”, we entered into strategic cooperation with the headquarters of Postal Savings Bank of China (PSBC) in areas such as employees benefits, promotion of agency business, and asset-liability linkage, pushing forward the integration of our insurance services into the customer’s operation.

By strengthening cooperation in asset management and enterprise annuity investment management, and implementing debt-based projects and agricultural insurance innovation projects, CPIC and the PSBC carried out in-depth cooperation in bancassurance, cash management, custody, insurance of self-owned property, loan guarantee insurance, enterprise annuities, funds, and agricultural insurance, whereby a total of RMB 10 billion in risk protection was provided under 3 cooperation modes - BBB, BBC, and BBE.

## 4.2 Strengthen overseas partnerships to enhance influence

We worked closely with important overseas strategic partners, and continued to carry out extensive cooperation at the Group level in areas such as asset management, fintech, reinsurance, health insurance, road rescue, globalization, so as to improve strategic cooperation model and mutually beneficial cooperation mechanism to enhance CPIC's global influence in the industry.

In April, the delegation headed by Swiss President Ueli Maurer visited the Group headquarters and witnessed the signing of our strategic cooperation agreement with Swiss Re Group. In the future, we will establish closer cooperation with Swiss financial companies in the emerging areas of property and casualty insurance, product design for life and health business, and personnel training to jointly promote the economic development of the "Belt and Road" regions and cooperation in related fields.

In November 2019, we held the tenth high-level strategic summit with Mitsui Sumitomo Insurance to conduct in-depth discussions on new energy vehicles, long-term care insurance and other topics. At present, the cooperation between the two sides ranges from primary insurance to reinsurance, from the domestic market to the international market, and from traditional insurance against natural disasters and accidents to comprehensive risk management in emerging fields. The results of this cooperation have brought new impetus and vitality to the long-term development of and long-term cooperation between the two sides.

In December, we held the sixth high-level strategic summit with Allianz Group to explore the possibility of cooperation and optimization in health insurance, health services, credit insurance, etc. With the new round of technological revolution and industrial revolution gaining momentum, the two sides will join hands in building an open and collaborative AI-enabled development and innovation environment, as well as in creating an international cooperation benchmark for empowering the financial and insurance industry with technology.



The 10th High-Level Strategic Summit between CPIC and Sumitomo Mitsui Insurance

## 4.3 Promote industry exchange and pursue joint prosperity

We continue to deepen exchanges with partners and industry associations, discussing industry topics, sharing research results, and building an exchange and sharing platform to pursue common development with the industry.

### Carrying out research on urban risk governance in the Xiong'an New District

In 2019, to promote the construction of the Xiong'an New District, we launched research on the topic of the "Insurance-Based Urban Risk Governance System of Xiong'an New District", and came out with 3 research results: the Research on the Construction Engineering Insurance System and Insurance Product Innovation of Xiong'an New District, Research on the Insurance-Based Urban Risk Governance System of Xiong'an New District, and Research on the Supporting Policies for the Insurance-Based Urban Risk Governance System of Xiong'an New District. Our work laid down a solid foundation for further study on how insurance can play a bigger role in urban risk governance and what path we should take for city development in the future.

### Participate in exploration of pension system reform

Changjiang Pension undertook the launching ceremony of the "Chinese Pension Actuarial Report 2019-2050" and Seminar on Basic Pension Insurance Expenses Reduction, which discussed topics such as the development trend of China's pension system in the next 30 years, investment of basic pension fund, and how to maintain the sustainable development of the enterprise annuity and personal pension insurance facing reductions in basic pension insurance; held the 2019 Shanghai Summit of the China Ageing Finance Forum to discuss topics such as "Comprehensive service plan for occupational annuity" and "Thoughts and reflection on corporate annuity business". At the same time, as a cooperative unit, it actively participated in the "Research on Social Insurance Management of Employed Persons in New Business Forms" led by the China Social Insurance Society, giving full play to its role as a professional pension manager in promoting the construction of social security systems, and supporting the theoretical and practical exploration in the field of social security and pensions management.



CPIC undertook the 2019 Shanghai Summit of the China Ageing Finance Forum

### Promote research in the field of property insurance

Under the theme of "reducing and avoiding work safety accidents of petrochemical enterprises", CPIC P/C held the 2019 Petrochemical Industry Risk Management Summit Forum, and invited experts from the General Office of the Ministry of Emergency Management of the People's Republic of China to interpret policies such as the Measures for Implementation of Work Safety Liability Insurance and the Specifications for Accidents Prevention Technical Service on Work Safety Liability Insurance to highlight the essence of risk management - "prevention is more important than compensation".

CPIC P/C also participated in the development of the "2019 Research Report on Agricultural Insurance in China", in which it offered comprehensive and in-depth analysis of the development status of domestic agricultural insurance from three aspects: the protection level of agricultural insurance, protection leverage of agricultural insurance, and compensation of agricultural insurance, promoting the innovation and high-quality development of China's agricultural insurance.

It actively supported research projects on domestic safety liability insurance, and provided strong support for domestic insurance companies in underwriting, pricing and accident prevention services for work safety liability insurance business.

### Promote international experience sharing in reinsurance

Under the theme "Promoting Business Development with Products, Technologies, and Services", CPIC Life held the 3rd Reinsurance Forum. During the event, experts from companies such as General Reinsurance, Munich Reinsurance, China Life Reinsurance, and Swiss Reinsurance gave speeches and conducted exchanges on topics such as innovative modes of empowering the insurance industry with technology, international experience sharing in health insurance business and health management, comparative analysis of domestic and international elderly care business, interpretation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area and its impact on the life insurance industry, forward-looking thoughts on the definition of critical illness and lessons from international experience, furthering expanding the depth and breadth of cooperation between domestic insurers and internationally renowned reinsurance companies.



## To society

**Promote social development and  
people's livelihood with insurance**



Fulfilling corporate social responsibilities of an insurer, we gave full play to our role as an economic "shock absorber" and social "stabilizer". In 2019, we made 149 donations, totaling RMB 39.6626 million. In the face of disasters, we never hesitated in shouldering social responsibilities. We took an active part in public welfare undertakings - promoting insurance awareness among the public and supporting cultural and sports development, striving to meet the people's needs for a better life.

### Our achievements

- » Made 149 donations in 2019, with a total of RMB 39.6626 million donated
- » Quick response to over 100 major disaster emergencies in 2019, paying out RMB 450 million in total compensation
- » 2,098 registered employee volunteers delivered 50,000 hours of service in total
- » Carried out a variety of insurance awareness and customer experience promotion activities
- » Internalized the spirit of Chinese women's volleyball team: "Unity and cooperation, struggle for excellence" into company culture

### Our outlook

- » Further play up our role as an economic "shock absorber" and social "stabilizer", and take full responsibility in the face of emergencies
- » Carry out more public welfare projects to meet the needs of poor areas in school education and community health
- » Support culture and sports development, and create a healthy and dynamic corporate image

## 5.1 Shoulder social responsibilities in the face of disasters

In 2019, we quickly responded to over 100 major disasters such as the super typhoon Lekima, the accident at a pharmaceutical plant in Shandong province, the explosion at a chemical plant in Yancheng, Jiangsu province, and the earthquake in Yibin and Zizhong, Sichuan province, etc., paying out about RMB 450 million in total compensation. You could always find our busy service staff working at the sites of disasters or our claims people when a disaster or emergency occurs, which testifies to CPIC's unwavering commitment to responsibility.

### Improve claims service quality and efficiency with technology

On 21 March 2019, an explosion occurred at Jiangsu Tianjiayi Chemical Co., Ltd. in Chenjiagang, Xiangshui County, Yancheng, Jiangsu Province, causing more than 100 casualties at the scene. Hearing the news, we immediately launched an emergency response plan and set up a work team, obtained a list of casualties from various sources, and arranged for our surveyors in Nanjing, Lianyungang, and Yancheng to rush to the chemical plant to survey the accident and comfort the injured.

Because the leakage of chemical waste gas and waste water was involved in the accident, rescue personnel couldn't enter the site. Our staff resorted to high-tech means such as drones to survey the site and determine the damage, and assisted the factory in rescue work. We made the largest payout for a single claim among all the claims resulted from this accident, which helped a lot with the factory's resumption of production, winning praises from the local regulators and customers.

### The most beautiful helping hands in the storm



Quickly respond to the super typhoon Lekima. CPIC on-site service for auto claims

At the beginning of August 2019, the super typhoon Lekima swept across 9 provinces and municipalities in eastern China. We immediately launched an emergency response plan, and built up a strong defense line focusing on both pre-disaster prevention and disaster rescue and claims settlement. We offered speedy and high-quality claims service to customers hit by the disaster, paying out RMB 240 million in compensation. We spared no efforts in helping the disaster-stricken customers to restore their life, delivering our commitment to protecting the safety and life of the people.

#### Orderly on-site claims service

In Linhai District, Taizhou, the worst affected area, water and power outages caused many inconveniences to the residents. For that, we set up nearly 30 on-site claims service points near major roads to provide customers with claims consultation and handed out cards of service tips on how to handle flooded vehicles and how to make claims. For flooded vehicles reaching assumptive total loss standards, we would signe total loss agreement with the customers on the spot, so they didn't need to make multiple trips to go through the claims procedures but just waited at home for the claims compensation.

#### Fast service at the front line

A CPIC customer, Mr. Chen's car was flooded in Yandang Town. Due to insufficient resources, the nearby dealership store couldn't arrange a rescue. Our local outlet immediately responded and arranged a trailer. Not only did we get the car out of trouble quickly, but also completed the damage survey and claims payout within 25 minutes, wining praises and even a thank-you pennant from Mr. Chen.

The heavy rain brought by Lekima caused great damage to the walls of Ms. Liu's home in Shandong, and part of the walls peeled off. After receiving the report, our surveyor used online means to guide Ms. Liu in completing remote survey through WeChat, and opened a fast track for the claim settlement. From receiving the report to making the payout, it took only one hour. Once again, we were praised by the customer for our speedy service.

## 5.2 Serve communities with volunteer activities

### Continue with branded volunteer activities

Since the establishment of the Company, we have carried out a variety of volunteer activities for children's education. Currently we have 2,098 registered volunteers among our employees, who delivered a total of nearly 50,000 hours of service.

63 Hope Primary Schools nationwide have been built with funds donated by CPIC or received donations from us. And we have been running the education support program "Illuminate children's future with responsibility" for 12 consecutive years. Together with the general public, we have witnessed the development of these Hope Primary Schools from scratch to places for the learning and growth of hundreds of thousands of children across the country.

Back in 1996, we saved the celebration cost of the 5th anniversary of the Company and used the money to help the children in Shanghai Children Welfare House, and for 24 consecutive years since then, we have been helping and caring for the children there through various means, donating a total of over RMB 3 million in cash and RMB 1 million in materials. More than 500 CPIC employee volunteers participated in this activity.

### Education support activities in Liangshan

In October 2019, our volunteers came to the CPIC-sponsored Wangjiaci Hope Primary School in Liangshan, Sichuan province for a week-long education support activity. The school is located in a mountainous area 1800 meters above sea level. 60% of the students there are from the Yi ethnic group, and many of them come from registered poverty-stricken households. To help the school improve teaching conditions, we donated RMB 200,000 to upgrade the power and drinking water equipment, and also donated smart devices, books, sports equipment and first aid kits to the school.

Our volunteers brought the children there courses in dance, music, sports, safety, English, recitation, artificial intelligence. For the first time, they experienced the Alpha Egg teaching robot, drones, remote control toy cars, and VR glasses; for the first time, they sang their favorite songs accompanied by music; for the first time, they took an English class and learned some common phrases; for the first time, they took a volleyball class and learned about the spirit of the Chinese women's volleyball team; and for the first time, they had an outdoor drawing class, exploring the harmony and beauty of the nature. Our volunteers sowed the seed of hope in the hearts of those children.



CPIC employee volunteers giving classes to the students

## Care about the life and health of people in poverty-stricken areas

### Organize study tours for children

During the summer vacation, we organized study tours titled "Many wonders to be seen in the motherland" for children from poor families in regions worst-hit by poverty. 120 kids made trips to Shanghai, Beijing, Shenzhen, Chengdu, visiting landmarks, science and technology venues, and CPIC workplace, taking part in outdoor training activities and public welfare activities, which helped them to establish the ambition to pursue a better future with knowledge.



Sites of the study tours "Many wonders to be seen in the motherland"

We also paired up with poverty-stricken villages in Xinjiang, Guizhou, Jilin, Guangdong, Shaanxi, Henan, Chongqing, and other parts of the country to offer them assistance. In addition to dispatching capable cadres to those villages, we also arranged for our employees to visit poor villagers on a regular basis and acted as exclusive sales channel of the local agricultural and sideline products to increase the income of the villagers.

We also brought culture and first-aid classes for primary schools in remote areas, and set up health stations to help the children there broaden their horizons and strengthen their bodies. Through various health consultation activities, we introduced rich medical resources to ordinary communities and poor areas, enabling community residents and poor people to share quality medical service resources, and effectively alleviating the problem of inadequate and overly expensive medical services facing local people.



### 5.3 Step up efforts in insurance publicity campaign

On 2019 Worlds Consumer Rights Day and the National Insurance Publicity Day, we carried out a series of insurance service and experience activities across the country to promote insurance knowledge, listen to the public's voices, and improve service quality amid efforts to promote insurance awareness and enhance the image of the industry.

We protect consumer rights with more transparent claims service. We offer proactive, convenient, fast and transparent claims service to protect their legitimate rights and interests. Proactively addressing customer pain points, we offer on-site service for major claims and to customers having difficulty moving around or other special difficulties, and seek alternative proof materials for customers having difficulty in presenting required claims documents. During the Worlds Consumer Rights Day period, we set up fast track service for customer disputes and complaints. A number of convenient and fast service measures were launched to achieve more transparency in the claims process, such as claims guideline circulation, real-time query of claim progress, SMS notification of claim results, query of adjustment formula.

In addition, we launched many consumer education activities in various places across the country on the Arbor Day, the National Day of Safety Education for Primary and Secondary School Students, and the World Meteorological Day, etc., to promote insurance and health knowledge in schools, communities and rural areas.

#### Improve customer experience, turning every day into World Consumer Rights Day

During the World Consumer Rights Day period in 2019, we carried out a variety of online and offline activities. We promoted knowledge on financial and consumption safety on WeChat - "Ten questions about insurance consumption", "Eight rights of insurance consumers, etc. Acting as the "Chief Customer Service Manager", heads of our outlets across the country offered on-site or online consultations to our customers, setting up publicity columns and exhibition boards, hanging banners, posting posters, and distributing promotional leaflets or manuals to improve customers' service experience.

#### Love your country and family with insurance



Event sites of the National Insurance Publicity Day

On July 8, the National Insurance Publicity Day of 2019, we launched a series of publicity activities throughout the country under the theme "Love your country and family with insurance", playing a positive role in raising insurance awareness among the public.

In Sichuan, Jiangsu, Shenzhen, Gansu, Shanxi and other places, we offered community residents online Chinese medicine consultation, promoted long-term care insurance in local communities, invited ophthalmologists to give lectures and eye examinations to customers, and cooperated with well-known medical experts in offering free medical consultation to villagers in poverty-stricken areas, and organized health-themed activities for our customers.

In Zhejiang, Jiangxi, Shaanxi, Hunan, Shanghai, Fujian, and Xinjiang, we carried out activities such as "Party building + Public Welfare Running Activities", "Public Welfare Activities + Public Welfare Running Activities", and "Poverty Alleviation + Public Welfare Running Activities" to give full play to the role of insurance in public welfare and poverty alleviation, displaying our commitment to serving the country and the people as an insurer.

We organized blood donating activities in Heilongjiang, Jiangxi and other places to pass on the positive energy of insurance. We launched lovely Lingxi robots in our outlets in Zhejiang to improve customer service, which attracted much attention from customers.

### 5.4 Deepen cooperation in culture and sports to promote positive energy

#### Internalize spirit of Chinese women's volleyball team into corporate culture

In 2019, as the official partner of the Chinese women's volleyball team, CPIC's logo was seen on the sports suits worn by the Chinese women's volleyball team when they were playing in important competitions such as the Women's World Cup, Volleyball Women's World Championship, and Volleyball Women's Nations League, etc., which not only deepened the joint efforts in brand promotion of the two sides, but also encouraged us to benchmark the highest standards and internalize the spirit of the Chinese women's volleyball team into our corporate culture and brand genes to increase our strength to overcome difficulties and pursue transformation.

In September 2019, the Chinese women's volleyball team wearing the sports suits with the CPIC logo played well and won the Women's World Cup. The topic was covered throughout the social media, attracting more than 1 billion reviews, which greatly enhanced customer affinity and employee pride and highlighted our positive brand image.



Chinese women's volleyball team won the 2019 Women's World Cup wearing sport suits with CPIC logo

#### "Yue Xing Tian Xia" brand activities throughout China

2019 was the 11th year for us to join hands with the 140-year-old Shanghai Symphony Orchestra in holding the "Yue Xing Tian Xia" brand activities. We held the "Yue Xing Tian Xia" symphony concerts and music appreciation events in Shenzhen, Xi'an and Ji'nan, offering a feast of auditory and visual enjoyment to more than 5,000 mid and high-end customers and partners.

So far, "Yue Xing Tian Xia" has been held in more than 80% of the provincial capital cities, as well as most of the first and second-tier cities in China, becoming an important part of our efforts to promote the symphony culture and enhance customer experience, as well as our "cultural business card".



"Yue Xing Tian Xia" held in the ancient city of Xi'an

*To environment*

*Contribute to ecological  
civilization with green footprint*



We are always committed to following national strategies and responding to environmental and climate change challenges with green products and services. We continued to reduce the negative environmental impact of operations and contribute to the ecological civilization. We are keen on promoting green insurance and finance, and the balance between corporate growth and environment protection amid efforts to protect the planet earth and build ecological civilization of our beautiful motherland.

#### Our achievements

- » Cumulatively provided environmental liability insurance for 3,589 enterprises across the country, with total sum assured of RMB 11.5 billion, and launched 43 kinds of innovative weather index insurance products
- » Set up Shanghai Environmental Protection Financial Services Co. to promote green finance
- » Built a green data center which certified by China Quality and Safety Center
- » Full rollout of paperless operation, saving about RMB 180 million in cost
- » Employees donated over RMB 19 million to build a thousand mu of ecological forest in Sanjiangyuan National Park

#### Our outlook

- » To continuously optimize climate disaster insurance response measures
- » To strengthen R & D and innovation of environment-friendly products to for the optimization of ecology
- » To vigorously promote energy saving and emission reduction, and continuously reduce the environmental impact of our operation



## 6.1 Better protect our home with insurance

### Expand environmental pollution liability insurance

We actively participated in the R&D and offering of environmental pollution liability insurance products, and strengthened the supervision and management of enterprises' performance in environment protection and damage prevention, playing a unique role in dispersing environmental risks of polluting enterprises, protecting environmental interests, and reducing government's environmental pressure. As of the end of 2019, we had provided environmental liability insurance to 3,589 enterprises nationwide, with total sum assured of RMB 11.5 billion; and provided pollution liability insurance for over 1,000 ships, total sum assured at RMB 11 billion.

### Contribute to integrated development of “green” Yangtze River Delta

In the past, all parts of the Yangtze River Delta region were relatively independent in terms of environmental governance, lacking coordinated development. Under the integrated development framework, we assisted relevant departments in establishing environment access standards, setting up an environmental risk monitoring platform and information exchange platform, and gradually establishing a co-insurance and joint governance mechanism for the region. More importantly, with government support, we are expanding the coverage of environmental pollution liability insurance in the Yangtze River Delta region. We made great efforts to raise corporate environmental protection awareness and improve the ecological environment in the region through the introduction of economic leverage, helping to strike a balance between corporate development in the upstream region and environment protection in the downstream region. Results began to emerge in protecting the ecological environment and promoting green development of the Yangtze River Delta region.



Regional Environmental Governance Joint Protection Mechanism facilitates harmonious integration of Yangtze River Delta

## Respond to climate change with insurance



CPIC surveyor conducting damage survey on agricultural disaster site

Extreme weather poses great threat to agriculture. Weather index insurance brought new hope to tackle climate change. The indexation of climatic conditions can reduce the difficulty in determining losses and claims adjustment workload, cut down the moral hazards in traditional insurance, and help farmers respond to extreme natural disasters in a more timely and effective manner.

We used weather indexes such as temperature, precipitation and wind as the parameters that trigger insurance compensation. In 2019, we developed a total of 43 weather indexes insurance products such as the first domestic local meet sheep weather index insurance, high temperature weather index insurance for crayfish, and wind index insurance for wax apple, and made quick claims settlement for tea index insurance in Guizhou, hairy crab index insurance in Jiangsu, and vegetable cultivation weather index insurance in Guangdong, etc., providing protection for local agricultural production.

In addition, we provided catastrophe risk protection for customers in Xiamen, Ningbo, Xi'an, Changsha, Shenzhen, Shanghai and other places, covering personal accidents, loss of houses, government rescue liability, urban infrastructure, SME risk and other protection liabilities, with total sum assured exceeding RMB 688 billion.

### Support agricultural production with the first domestic agricultural catastrophe index insurance product

In January 2019, CPIC underwrote China's first agricultural catastrophe index insurance project in Shangluo, Shaanxi Province. This project was developed by us in cooperation with Swiss Reinsurance. We worked with the Shaanxi Provincial Government to use the special disaster relief funds to create a pilot agricultural disaster protection mechanism in Shangluo, with a total sum assured of RMB 50 million yuan.

To design products in a more targeted manner, the project team analyzed the disaster losses caused by drought and excessive precipitation to crops in Shaanxi Province over the past 38 years and developed a poverty alleviation project plan for poverty-stricken counties based on agricultural catastrophe insurance covering commonly-seen local disasters. Targeting 3 drought-related disaster causes, 2 excessive precipitation-related disaster causes, and 2 rain-storm related disaster causes over the 5 local disaster periods, the plan includes 77 compensation structures designed for risk dispersion and economic compensation for meteorological catastrophe losses.

## Strive for breakthrough in green finance

In recent years, we actively worked in the field of green finance to provide risk protection for project investment and financing and project operation in the fields of environmental protection, energy conservation, and clean energy, as well as to better support environmental improvement, respond to climate change, and promote the efficient use of resources.

Focusing on environment protection, we jointly invested with Shanghai Municipal Investment Group Corporation to set up Shanghai Environmental Protection Financial Services Co. in June 2019. The new company offers long-term loans through multiple operation modes such as debt investment, equity investment, or a combination of the two, and focuses on investments in environmental protection projects such as sewage, sludge, solid waste disposal, etc., proving "fund + service" support for ecological conservation and new urbanization in urban areas of the Yangtze River Delta, as well as effective protection for the upgrading of traditional industries in this region.



Opening ceremony of Shanghai Environmental Protection Financial Services Co. and signing ceremony of strategic cooperation agreement

### Lead insurer of the Pearl River Delta water resources allocation project

In the public bidding for the insurance of the Pearl River Delta Water Resources Allocation Project, we won the bid for the lead insurer. The project is an important water resource allocation project proposed in the Comprehensive Plan for the Pearl River Basin (2012-2030), and also one of the 172 major water conservancy projects in the country that are required by the State Council to accelerate construction. To create an intelligent ecology-friendly water conservancy project in the new era, the project plays an important role in ensuring the safety of urban water supply and economic and social development, and provides a strong strategic support for the development of the Guangdong-Hong Kong-Macao Greater Bay Area.



6.2 Reduce carbon footprint to improve environment

Promote green construction



Planning of the green industrial park where Luojing Data Center is located

Upholding low-carbon green development, we commit ourselves to green construction to reduce energy consumption and carbon emissions. Based on the planning of the green industry park where it is located, Luojing Data Center, which was officially put into operation in December 2019, adopted green construction concepts in every aspect from internal construction to usage of systems. For example, redundancy architecture design was applied to the center’s computer rooms, which are equipped with safe and reliable dual-circuit power supply and dual-circuit cooling systems and are certified by the China Quality and Safety Certification Center. At the same time, the center uses sealed cold aisle to isolate the hot and cold airflow, effectively saving energy and reducing noise; the water cooling system there used peak load shifting technology to save energy and resources, improving the balance between environment protection and economic growth.

Make the paperless operation more aggressive

We launched the "Green Action 2.0" program to promote Company-wide paperless operation. Through the application of new technologies, we fully implemented electronic invoices and saved about RMB 180 million in printing and express delivery costs while shortening the time for customers to receive the invoice. In March, we fully adopted electronic invoicing for auto business, resulting in a 90% reduction in paper-based invoicing and saving about RMB 1.5 million in SMS costs annually; in October, electronic invoicing was launched for non-auto business, also leading to considerable reduction in paper-based invoicing.

By building a unified accounting file management system, we further improved accounting file standards and electronic management processes, reducing the average working hours for managing accounting files by 3-8 days / month, improving management efficiency, and reducing the related printing, binding and mailing costs by about RMB 10 million.

At the same time, we are actively improving online and mobile digital operation capabilities. The turnaround time of digital underwriting reached an average of 3.79 minutes, an improvement of 42.83% from the beginning of the year which saves nearly 520,000 sheets of paper annually. As of October, electronic policies accounted for 54.8% of all commercial auto policies, replacing about 800,000 paper documents. Through RPA intelligent assistance and quality inspection, electronic policies improved operational efficiency and reduced operational errors.



Electronic invoicing fully adopted for auto business

"Three-in-one" delivery, more economical and convenient

We launched the "three-in-one" delivery service to send paper-based life policies and documents to customers who only want to receive written notifications. We send to each customer just one package to include the dividend notice, account notification of survival benefits and universal account statements. Previously, around 5 million universal account statements would all be posted out in January, but under the "three-in-one" model, they would be broken down and bundled with individual policies and notifications, to be sent out as a package on the effective date of each policy.

Four months after adoption of "three-in-one" delivery, nearly RMB 600,000 was saved in printing and delivery costs, with about RMB 2 million in cost saving expected each year.



"Three-in-one" delivery of life insurance paper documents

6.3 Promote afforestation to protect ecology

In early December 2019, we launched the Sanjiangyuan Public Welfare Ecological Forest Construction Project. It's China's first Sanjiangyuan ecological construction project with participation of the financial industry, and we planned to build 1,000 mu of forest in the Sanjiangyuan National Park to promote ecological conservation and green economy of the Sanjiangyuan region.

We created a platform to enhance participation in ecological governance and poverty alleviation and encouraged our employees to help improve afforestation. In just 3 weeks, more than 110,000 employees donated over RMB 19 million. In the future, we will carefully design the tree species structure and plant high quality public ecological forest in Sanjiangyuan park to alleviate the sandstorm hazards and soil erosion there and protect local ecological environment.

Join hands with CPIC to protect our home

On the evening of 4 January 2020, the "Yue Xing Tian Xia" New Year Concert - Sanjiangyuan Ecological Public Welfare Forest Donation Ceremony was held in Shanghai. We signed the CPIC Sanjiangyuan Public Ecological Forest Project cooperation agreement with five parties including the Qinghai Forest and Grass Bureau, and the Sanjiangyuan National Park Administration. For the first phase of the project, RMB 15 million from the funds raised among our employees will be donated to kick off the project.

Under the theme of "Gratitude to Earth – Take Action", this New Year's concert was jointly held by CPIC and the 140-year-old Shanghai Symphony Orchestra. Besides many classics of the Vienna New Year's Concert, the repertoire also included songs such as Love's Greetings, Light of China, and Clear Waters and Green Mountains, to show gratitude for our family, motherland, and Mother earth.



Donation Ceremony of the CPIC Sanjiangyuan Public Ecological Forest



ESG Report

CSR Management

Management system

Our social responsibility management system covers three layers - "decision-making, organization, and implementation". Each year, according to the Group's focus on social responsibility, we formulate implementation strategies and promotion plans to include environmental and social considerations in strategic advancement, and push each functional department and operating entity to integrate CSR-related work into their daily operation.

Social responsibility management system

Decision-making

The Board of Directors, Board of Supervisors, and Management Committee of the Group participate in the review and decision of major social responsibility issues, including the formulation of relevant strategies and review of annual CSR report and CSR practice projects.

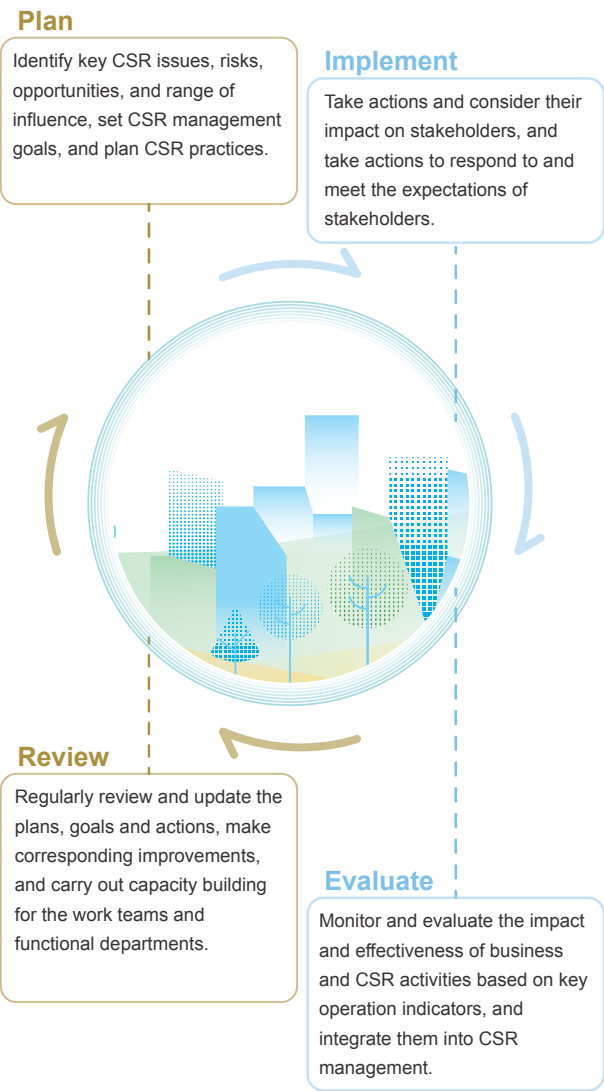
Organization

The Group's branding department has set up a CSR management team, which is responsible for coordinating daily CSR management including preparing CSR reports, organizing training and publicity activities, recording CSR indicator data, collecting and sharing excellent cases, and planning CSR practice activities.

Implementation

The functional and business departments of the Group and its subsidiaries are responsible for the centralized management of various CSR issues, and regularly submitting related management measures, performance indicators and success stories; the branding function of each branch is responsible for the local CSR promotion and organizing various CSR activities.

Social responsibility management mechanism

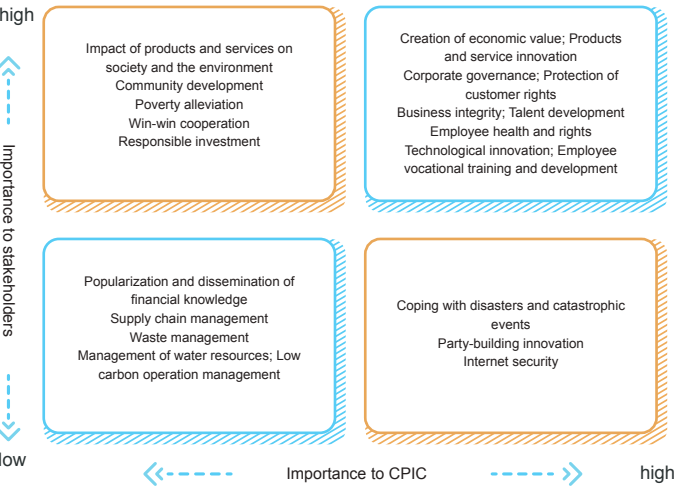


Substantiveness analysis

Based on the existing main stream reporting standards such as GRI, HKSE ESG Index (latest version), the sustainable development goals (SDGs) of the UN, as well as important documents such as the report delivered at the 19th National Congress of the Communist Party of China, we carried out a large number of preliminary studies to assess the impact of each CSR issue on CPIC and its stakeholders, and thus identified the substantive issues that have a significant impact on the economy, environment and society.

We identified 20 substantive issues that are closely related to CPIC, and invited stakeholders to assess the importance of the issues through an on-line survey questionnaire. After discussion by the Company's decision-makers and external experts, the priorities of the issues were finalized.

We matched the identified substantive issues with the compiling criteria for this report to ensure that no important issues are missed. In terms of substantiveness, we carefully divided the corresponding management methods and disclosure indicators into the corresponding departments of the Group and its subsidiaries, and collected as much information as possible.



Stakeholder Involvement



Substantive issues and boundary						
Substantive issues		ESG related	GRI Standard	Internal boundary		External boundary CustomersSuppliersCommunities
Economy						
Economic value creation			Economic performance; market performance	●	●	
Community Construction and Poverty Alleviation	Community investment		Indirect economic impact; local community	●		●
Society						
Coping with disasters and catastrophic events			Local communities	●	●	●
Employee vocational training and development,talent development	Development and training		Training and education	●		
Employee health and rights	Health and Safety; Employment; Labor code		Occupational Health and Safety; Employment; Labour Relations;Diversity and equal opportunity; non-discrimination	●		
Protection of customer rights	Product liability		Customer health and safety;marketing and marking;Customer privacy;social and economic compliance	●	●	
Popularization and dissemination of financial knowledge			Local community	●	●	●
Party-building innovation	Anti-corruption		Anti-corruption	●		
Environment						
Low carbon operation management	Emissions		Emissions,energy	●	●	
Waste management	Emissions		Materials;sewage and waste	●		
Water resources management	Resources utilization		Water resources	●		
Others						
Product and Service Innovation				●	●	
Internet security	Product Liability		Customer Privacy	●	●	
Technological innovation				●	●	
Impact of products and services on society and the environment			Local community	●	●	●
Responsible investment			Human rights assessment; local communities	●		●
Corporate governance	Anti-corruption		Governance; Anti-corruption; Improper competition	●		
Business Integrity	Anti-corruption		Ethics and integrity; anti-corruption; Marketing and marking.	●	●	
Win-win cooperation			Procurement behavior	●		●
Supply Chain Management	Supply Chain Management		environmental assessment of supplier;freedom of association and collective bargaining;Child labor;Forced and compulsory labor; social assessment of supplier	●		●

### Stakeholder Involvement

We carried out a stakeholder identification program by inviting representatives from important functional departments and the front-line and external experts to identify the internal and external stakeholders of CPIC and determine how stakeholders and the Company's sustainable development influence each other.

In addition, through various interactions with our stakeholders, we made sure that their voices and expectations could reach us quickly so we can keep improving our CSR management and practices.







Stakeholder	Stakeholder expectation	Communication channel
Customers	Needs-based products and services.	Customer needs survey
	Good products and service experience.	NPS survey and monitoring
	Rights and privacy protection	95500 Customer Service Hot-line
		Customer service and care activities Social media
Employees and agents	Open channels of communication.	Workers Congress.
	Ever improving remuneration and benefits.	Inter-departmental meeting.
	Bright career development prospects.	OA and instant messaging platform.
	Healthy and safe working environment. Achieve work-life balance.	Business supervision, training, and technical support. Recreational activities for employees.
Shareholders	Robust business performance.	Shareholders' Meeting
	Sophisticated corporate governance mechanism.	Regular reports and information bulletins
	Continuously strengthen risk management.	Roadshow and Reverse Roadshow
	Transparent information disclosure.	Capital Markets Open Day Social media
Industry	Win-win cooperation	Exchange and sharing of practical experience
	Leading industry innovation	Strengthen coordination and cooperation
		ommunicate development needs to local government and non-governmental organizations Participate in industry policy study
		Extensive within-industry and cross-industry cooperation.
Society	Respond to sudden disasters and accidents	Popularize insurance concept and knowledge
	Public welfare cause	Carry out volunteer and public welfare service programs
	Respond to hot spot issues of society.	Carry out targeted poverty alleviation programs
	Popularize the concept of finance and insurance	Media communication
Environment	Create green environment.	Provide environmentally friendly products and services.
	Build ecological civilization.	Green buildings and operation.
		Widely-participated afforestation.



Linkage to the United Nations Sustainable Development Goals

In September 2015, the United Nations formally adopted the “2030 Agenda for Sustainable Development”, and proposed 17 Sustainable Development Goals (SDGs) to mobilize global forces to achieve a series of common goals. In order to facilitate the implementation of the Agenda in China, the Chinese government issued the "Plan for Implementation of the 2030 Sustainable Development Agenda" in September 2016.

In 2019, we bench-marked the 17 goals and their importance to the Company's operations and related projects, further clarified the relationship between company development and sustainable development, and provided a directional reference for future corporate social responsibility work.

SDG Targets	Our action
	Focusing on the main business of insurance, we continue to improve our poverty alleviation mechanism with CPIC characteristics, focusing on the designated impoverished regions in Gansu, Sichuan, Yunnan, and Tibet, impoverished regions paired with Shanghai, and other poor rural areas. Adopting both the "precise poverty alleviation" and "precise poverty prevention" strategies, we play up the role of insurance in fighting poverty, fulfilling our social responsibility.
	We have developed a number of innovative agricultural insurance products such as insurance + futures, catastrophe insurance, as well as price, income, and quality related products. We also upgraded our "e-agricultural insurance" to provide risk protection for agricultural production and promote the development of agricultural production.
	We continued to explore and innovate in areas such as critical illness insurance, long-term care, and old-age security, and have accumulated a wealth of experience in products and services. We devote ourselves to creating a healthy and safe working environment for our employees through extensive recreational activities and training.
	We have always paid attention to children's education. We have donated more than 60 Hope Primary Schools throughout the country, and regularly organized employee volunteers to support rural education and helped impoverished schools improve their teaching conditions; we also actively promote the cooperation between industry and research institutes and universities, and participate in the education and training of financial and insurance professionals.
	We have long paid attention to the field of energy optimization and contributed to an environmentally friendly ecological society by underwriting and investing in the clean energy industry and innovating products related to clean energy.
	We strictly abide by laws and regulations, and besides safeguarding employee rights and interests, we constantly improve welfare benefits, vocational training systems, and career promotion channels to allow employees to share corporate development results; we improved agent retention and their career development through technology support, training programs, and benefit packages.

SDG Targets	Our action
	We continued to innovate products and services in the field of aerospace, shipbuilding, new materials, life sciences, and the first (set) major technical equipment to help the upgrading of domestic industries. We also eased the financing problems of SMEs through a variety of customized products.
	We closely follow the needs of the country's social development, and actively carry out exploration and innovation in the fields of property insurance, personal insurance, and insurance funds, to serve people's livelihood and sustainable urban development.
	We use new technologies to develop digital products and services and improve processes. We also promote transparency of processes like sales, insurance application, and claims settlement to provide great help to our agents in business development and service offering.
	We developed a number of weather index insurance and catastrophe insurance products to help mitigate disaster risks related to climate vulnerability. We also provided risk protection for project investment and financing and project operations in areas such as environmental protection, energy saving, and clean energy; we advocated green buildings and paperless operation, and participated in social welfare-oriented afforestation, contributing to the reduction of environmental footprint and improving ecology.
	We have developed products such as public liability insurance for wild animals, forest insurance and other products. While reducing social risks, we have also promoted biodiversity conservation.
	We strive to eliminate all forms of corruption and bribery, established an effective, responsible, and transparent corporate governance structure, actively carry out Party-building innovations, and maintain a high degree of sense of responsibility and mission to ensure that the Company gives back to its stakeholders while achieving stable and sustainable value growth.
	We are always active in expanding strategic cooperation with governments and enterprises, and serving national strategies, the real economy, and people's livelihood; we are deeply involved in industry development, share the results of corporate development, and commit ourselves to becoming a leader in the healthy and stable development of the industry.

The performance data for 2019 covers the whole CPIC system including: CPIC P/C (including Anxin Agricultural Insurance and CPIC HK), CPIC Life (including CPIC All), and CPIC AMC(including CPIC Fund Management Co., Ltd.)

The performance data for 2017 and 2018 only include data of the Group headquarters and its subsidiaries, excluding data of its branches or lower-level outlets.

Environment

Energy consumption and emissions

Our energy consumption mainly comes from the electricity consumption of office and data centers and canteen's use of gas. Pollutant emissions mainly come from the emission of nitrogen oxides, sulfur dioxide and particulate matter generated by employees' vehicles.

Responding to the national call for energy-saving and emission reduction, we carried out industry benchmarking, formed policies for energy-saving and emission-reduction, stipulated that in winter the set-up temperature of heating in office should not exceed 20°C, and the cooling set-up temperature should not fall below 26°C in summer; we optimized the lighting in corridors, stairwells, foyers and other public places by using energy-saving and environmentally-friendly products, and making full use of natural lighting; we advocate environmental protection by employees, such as reducing the brightness of computer screens, reducing use of indoor lights, and turning off electric equipment in a timely manner.

We actively promote green travel and minimize travel emissions. We have formulated the “Measures for the Administration of Company Vehicles” stipulating that in principle, company vehicles must not be used when public transport is available. We also encourage the convening of video conferences to lower conference fees and travel budgets.

Data Center PUE*			
Data Center PUE	2019	2018	2017
Tianlin Road Data Center	1.74	1.73	1.75
Chengdu Data Center	1.75	1.99	2.03
Luojing Data Center	2.48	-	-

\* PUE = total energy consumption of data center/energy consumption of IT equipment; PUE of Luojing Data center will gradually diminish with more equipment installed.

Data center power consumption (10,000 KWHs)			
Data Center PUE	2019	2018	2017
Tianlin Road Data Center	3002	3038	2450
Chengdu Data Center	3142	2652	2247
Luojing Data Center	211	-	-

Office buildings electricity consumption (KWHs)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters) *	4,427,591	3,847,520	3,977,622
CPIC Life	98,856,454	1,292,307	1,305,779
CPIC P&C	71,103,365	2,211,471	1,239,680
CPIC AMC	2,300,236	2,986,682	3,091,390
CPIC Allianz	309,475	196,642	130,000
Changjiang Pension	718,001	661,197	834,616

\* Power consumption has increased since the Group's new office building was put in use in 2019.

Electricity consumption per square meter (KWHs/square meter)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	117	106	110
CPIC Life	66.55	126	127
CPIC P&C	65.58	35	34
CPIC AMC	198	258	279
CPIC Allianz	37.5	38	32
Changjiang Pension	84	89	137

Natural gas consumption of office buildings (cubic meters)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters) *	419,115	149,043	124,587
CPIC Life	751,239	59,296	51,221
CPIC P&C	516,150	87,360	98,644

\* The Group moved into its new building in 2019, and its own canteen was put into use, resulting in an increase in natural gas consumption.

Greenhouse gas emission (ton of CO2 equivalent)			
Data Center PUE	2019	2018	2017
Direct greenhouse emission	3,691.76	647.29	600.78
Indirect greenhouse emission	145,932.52	56,740.65	57,376.44
Other indirect greenhouse emission	17,460.15	3,492.03	4,903.51

Pollutant emissions(grams)			
Data Center PUE	2019	2018	2017
NOx emissions	3,547,369.2	591,228.20	783,503.48
SO2 emissions	43,713.54	7,285.59	7,854.51
Particle emissions	320,271	53,378.85	82,181.81

Conference call and video conference (times)			
Data Center PUE	2019	2018	2017
Conference call	682	871	2,533
Video conference	16,135	14,836	3,396

Paper consumption and paper-saving performance

Office paper usage (Kilos)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters) *	9,680	5,797	5,736
CPIC Life	313,812	3,620	3,675
CPIC P&C	246,000	12,003	11,336
CPIC AMC	2,000	2,000	2,300
CPIC Allianz	3,711	992	982
Changjiang Pension	3,713	3,688	3,175

\*In 2019, due to the establishment of centers for sharing human resources and financial services, and efforts in the "One CPIC" management synergy initiative, office paper usage increased.

Paper-saving performance			
Data Center PUE	2019	2018	2017
Annual number of e-policies (10,000)	21,881.23	12,175.31	7,794.07
Mobile POS of Life business (%)	87	71	63
Electronic invoice (10,000)	2,595.64	4,172.10	2,441.47
Policies obtained through smart phones (10,000)	5,291.89	2,401.16	1,473.86
Electronic issuing (10,000)	3,537.72	2,878.14	1,374.00
Electronic mails (10,000)	1,975	1,416.00	673.89
SMS notice (10,000)	76,380.9	58,485.85	45,478.58
Electronic signatures(10,000)	10,522.2	10,585.35	8,967.34
Mobile claims settlement(10,000 times)	708.54	532.00	548.00

Water consumption

The consumption of water by insurance companies mainly comes from daily office water consumption.

Water consumption of office buildings (ton)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	42,245	48,572	41,289
CPIC Life	1,719,125	28,586	33,051
CPIC P&C	1,305,000	49,171	48,198
CPIC AMC	6,533	6,204	6,073
CPIC Allianz	3,090	2,585	1,992

Water consumption per capita (ton)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	22.4	37.9	32.3
CPIC Life	24.07	28.5	33
CPIC P&C	21.75	22	22.4
CPIC AMC	25.7	25	24.5
CPIC Allianz	7	11	11

Waste

We systematically manage and statistically collect office equipment that is included in the management of fixed assets, conduct regular and irregular inspections and inventory, evaluate the use of equipment, and encourage the reuse of waste materials.

Unlike ordinary garbage, used electronic equipment and devices need special treatment to prevent environmental pollution. We have three ways of disposing used electronic equipment. Firstly, we use them for development testing, which improves the utilization efficiency. Secondly, we entrust a third party to auction them off. Thirdly, we donate them.

Waste disposal			
Data Center PUE	2019	2018	2017
*Auction of electronic waste (pcs)	2,873	1,335	1,115

Environmental compliance

We have developed systematic environmental performance indicators and regularly track and collect data. The Company is not in a highly polluting industry. In 2019, we did not suffer any penalties for environmental violations or received any environmental complaints.

Society

Employment and Labor Relation  
Safeguarding legitimate rights and interests of employees

We are committed to safeguarding the legitimate rights and interests of employees and creating a harmonious and stable labor relationship. According to the relevant laws and regulations such as the Labor Law, the Contract Law, the Trade Union Law, the Collective Contract Regulations, as well as the Company's actual conditions, we negotiate with all the employees on an equal basis and sign collective contract; we also adhere to principles of equality between men and women, equal pay for equal work, anti-discrimination, refusal to employ child labor, and fight against forced and compulsory labor.

When formulating, modifying, and finalizing rules and regulations or major issues that directly involve the rights and interests of the workers, the Company will hold the trade union representative meeting or workers' representative meeting for discussion, proposals and opinions. Decisions will be made only after negotiation with the trade union or employee representatives on an equal basis. Regarding the major business changes of the Company, we will communicate with employees at least one month in advance. In 2019, we did not receive complaints about labor issues, nor did we have any labor disputes. In 2019, we further standardized the Company's labor dispute negotiation and mediation behavior and promoted harmonious labor relations.

We provide employees with various benefits according to law such as social insurance and housing fund, commercial insurance, corporate annuity, supplementary provident fund, and high temperature subsidy. To promote the stable development of our sales force, we continued to optimize the welfare system for agents, providing them with benefits like death/disability by accident insurance, death by illness, accident medical treatment, and in-patient medical insurance, and supplementary protection for designated places.

Create a smooth career path

We provide dual-career promotion channels (administrative and business direction) for employees and formulated various tutoring, rotation, and training policies to improve the management of employee career development. In addition, we set up a talent cultivation principle of "ensure diligence and performance is duly appreciated and rewarded" to create a good environment for talent growth.

Starting salary of employees (yuan)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	6,019	5,850	5,250
CPIC Life	4,000	5,475	5,475
CPIC P&C	2,192	4,585	4,460
CPIC AMC	4,000	3,000	3,000
CPIC Allianz	4,800	5,300	5,300
Changjiang Pension	2,900	2,825	2,675

Number of employees			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	1,889	2,092	1,815
CPIC Life	42,688	43,132	41,673
CPIC P&C	70,965	58,222	54,312
CPIC AMC	402	250	235
CPIC Allianz	414	348	277
Changjiang Pension	453	414	370

Number of employees by type of employment  
Labor-contract workers

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	1,762	1,966	1,672
CPIC Life	41,166	41,723	40,314
CPIC P&C	65,441	52,255	49,421
CPIC AMC	397	248	231
CPIC Allianz	401	345	274
Changjiang Pension	433	395	351

Dispatched laborers			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	123	122	143
CPIC Life	1,279	1,172	1,113
CPIC P&C	5,350	5,809	4,656
CPIC AMC	5	2	4
CPIC Allianz	13	3	3
Changjiang Pension	14	14	13

Re-employed after retirement			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	4	4	0
CPIC Life	243	237	246
CPIC P&C	174	158	235
CPIC AMC	0	0	0
CPIC Allianz	0	0	0
Changjiang Pension	6	5	6



Number of new employees

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	372	511	363
CPIC Life	5,007	1,541	1,307
CPIC P&C	16,621	8,955	4,858
CPIC AMC	57	33	35
CPIC Allianz	124	113	80
Changjiang Pension	56	69	85

Retired

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	10	6	10
CPIC Life	308	285	304
CPIC P&C	481	583	157
CPIC AMC	1	0	2
CPIC Allianz	0	0	0
Changjiang Pension	1	1	0

Number of employees who returned to work from maternity leave/paternity leave

The number of female employees who took maternity leave

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	64	55	45
CPIC Life	1,445	1,222	21
CPIC P&C	1,714	1,312	28
CPIC AMC	10	7	7
CPIC Allianz	9	7	6
Changjiang Pension	11	12	5

Number of male employees who took paternity leave

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	43	46	46
CPIC Life	394	292	5
CPIC P&C	688	609	15
CPIC AMC	4	5	1
CPIC Allianz	4	9	4
Changjiang Pension	15	9	6

Number of female employees who returned to work from maternity leave

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	56	53	45
CPIC Life	1,078	1,042	21
CPIC P&C	1,315	1,099	23
CPIC AMC	9	7	5
CPIC Allianz	8	5	4
Changjiang Pension	8	12	5

Number of male employees who returned to work from paternity leave

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	43	46	46
CPIC Life	392	292	5
CPIC P&C	681	592	15
CPIC AMC	4	5	1
CPIC Allianz	4	9	4
Changjiang Pension	15	9	6

Staff turnover

Resigned

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	565	211	197
CPIC Life	4,619	3,067	3,063
CPIC P&C	15,750	8,243	2,615
CPIC AMC	54	16	13
CPIC Allianz	58	42	31
Changjiang Pension	18	22	34

Dismissed

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	1	1	1
CPIC Life	130	0	0
CPIC P&C	372	27	0
CPIC AMC	0	1	0
CPIC Allianz	0	0	2
Changjiang Pension	3	1	0

The number of female employees who resigned

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	168	88	79
CPIC Life	2,475	1,661	1,633
CPIC P&C	6,566	3,383	1,299
CPIC AMC	23	6	7
CPIC Allianz	32	22	19
Changjiang Pension	7	8	7

The number of female employees who were dismissed

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	0	0	0
CPIC Life	70	0	0
CPIC P&C	176	9	7
CPIC AMC	0	1	0
CPIC Allianz	0	0	0
Changjiang Pension	1	0	0

The number of male employees who resigned

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	397	123	118
CPIC Life	2,144	1,406	1,430
CPIC P&C	9,184	4,860	1,316
CPIC AMC	31	10	6
CPIC Allianz	26	20	12
Changjiang Pension	11	14	27

The number of male employees who were dismissed

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	1	1	1
CPIC Life	60	0	0
CPIC P&C	196	18	3
CPIC AMC	0	0	0
CPIC Allianz	0	0	2
Changjiang Pension	2	1	0

Occupational Health and safety

We are committed to creating a healthy and safe working environment for our employees through measures such as health talks, first aid training, fire safety drills, and psychological counseling. According to laws and regulations such as the Women's Rights Protection Law and the Special Regulations for the Labor Protection of Women Workers, we established the “Collective Contract of Special Protection for Women Workers” in October 2016 to provide special protection for female employees to ensure that they receive safety and health protection during periods like marriage, pregnancy, maternity leave, breast-feeding, and daily work. In 2019, there was no major security accident occurred throughout the Group.

Loss of working days due to occupational injury (days)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	176	69	0
CPIC Life	1,974	0	0
CPIC P&C	495	0	154
CPIC AMC	60	63	0
CPIC Allianz	0	0	0
Changjiang Pension	36	0	15

Occupational injury, missed working hours statistics

Occupational injury (persons)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	2	2	0
CPIC Life	41	0	1
CPIC P&C	8	0	1
CPIC AMC	1	1	0
CPIC Allianz	0	0	0
Changjiang Pension	2	0	1

Demised (persons)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	0	1	0
CPIC Life	15	0	1
CPIC P&C	0	0	0
CPIC AMC	0	0	0
CPIC Allianz	0	0	0
Changjiang Pension	0	0	0

Training and education

Total expenditure for staff training (10,000 yuan)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	615	648	822
CPIC Life	2,890	7,687	3,200
CPIC P&C	4,001	5,669	817
CPIC AMC	59.41	49	37
CPIC Allianz	129	68	52
Changjiang Pension	58	113	54

Average time of staff training (senior management)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	5.83	10.72	11.39
CPIC Life	62	67	56
CPIC P&C	22	20.6	24
CPIC AMC	120	101.5	32
CPIC Allianz	143	140	117
Changjiang Pension	68	136	103.7

Average time of staff training (middle management)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	50.64	13.40	48
CPIC Life	54	55	42
CPIC P&C	19	21.5	28
CPIC AMC	30.8	31	34
CPIC Allianz	51	71	61
Changjiang Pension	49	74	60

Average time of staff training (female employees)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	53.83	29.18	—
CPIC Life	64	59.2	61.2
CPIC P&C	10	42.7	62.8
CPIC AMC	41	34.3	72
CPIC Allianz	41	30	24
Changjiang Pension	45.2	28.5	28.5

Average time of staff training (hours)

Average time of staff training (staff member)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	48.02	40.73	64.5
CPIC Life	61	47.9	61
CPIC P&C	11	12	62.8
CPIC AMC	31.5	30.7	35
CPIC Allianz	37	28	22
Changjiang Pension	42.7	28.5	73.8

Average time of staff training (male employees)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	43.51	28.28	—
CPIC Life	58	53	61
CPIC P&C	11	16	62.8
CPIC AMC	29	32	51
CPIC Allianz	42	47	26
Changjiang Pension	44.8	28.5	39

Total number of trainees

Data Center PUE	2019	2018	2017
CPIC Group (headquarters) *	33,042	72,524	63,593
CPIC Life	123,557	81,642	6,928
CPIC P&C	285,286	83,603	1,131
CPIC AMC	250	250	235
CPIC Allianz	1,627	781	1,022
Changjiang Pension	2,571	1,803	1,322

Number of trainees (senior management)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	42	11	79
CPIC Life	8,545	7,326	207
CPIC P&C	1,081	468	37
CPIC AMC	9	8	6
CPIC Allianz	169	143	128
Changjiang Pension	63	128	70

\*2019年“太保学院”培训平台更新，以往统计口径为登录次数，新平台统计口径为课程学习次数



Number of trainees (mid-management)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	2,047	1,320	2,156
CPIC Life	43,315	25,423	3,470
CPIC P&C	7,898	1,350	168
CPIC AMC	16	17	19
CPIC Allianz	74	114	150
Changjiang Pension	515	682	455

Number of trainees (general employees)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	30,953	71,193	61,358
CPIC Life	71,697	48,205	3,246
CPIC P&C	276,307	81,475	941
CPIC AMC	225	225	211
CPIC Allianz	1,384	524	744
Changjiang Pension	1,993	993	797

Diversity and equal opportunities

We strictly follow the "Labor Law" and other laws and regulations. We strictly ensure employment equality, with no discrimination against "gender, ethnicity, marital status and child bearing, religion, and hepatitis B virus carriers". We insist on providing equal opportunities for career development for everyone. The percentage of employees receiving regular performance assessment at all levels is 100%.

We have stipulated in the "Collective Contract for Special Protection of Female Employees" that, in hiring or setting up positions, except for those types of job or position that is not suitable for female employees, female employees may not be refused or excluded from competition on the grounds of gender. And the employment or competition criteria may not be tightened for female employees.

Number of trainees (female employees)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	14,708	19,887	—
CPIC Life	73,908	47,968	3,756
CPIC P&C	139,457	40,960	527
CPIC AMC	111	103	97
CPIC Allianz	983	378	527
Changjiang Pension	1,167	739	545

Number of trainees (male employees)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	18,334	22,912	—
CPIC Life	49,649	30,204	3,182
CPIC P&C	145,829	42,843	817
CPIC AMC	114	147	138
CPIC Allianz	644	403	496
Changjiang Pension	1,405	1,064	777

Age of employees

The number of employees (30 years old or under)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	738	860	591
CPIC Life	14,172	15,491	15,568
CPIC P&C	29,666	22,339	249
CPIC AMC	115	55	68
CPIC Allianz	122	100	81
Changjiang Pension	150	127	86

The number of employees (31-40 years old)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	802	804	772
CPIC Life	16,854	16,204	14,935
CPIC P&C	27,699	22,739	450
CPIC AMC	202	130	116
CPIC Allianz	230	197	156
Changjiang Pension	208	188	176

Employee ethnic composition

Ethnic Han (persons)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	1,843	1,921	1,649
CPIC Life	40,256	40,707	39,251
CPIC P&C	67,262	55,332	1,069
CPIC AMC	387	243	227
CPIC Allianz	400	337	267
Changjiang Pension	440	382	339

The number of employees (41-50 years old)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	257	223	262
CPIC Life	9,140	9,109	8,876
CPIC P&C	10,817	10,406	314
CPIC AMC	76	56	45
CPIC Allianz	51	44	33
Changjiang Pension	77	69	76

The number of employees (51 years old or above)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	92	79	83
CPIC Life	2,522	2,328	2,294
CPIC P&C	2,783	2,640	145
CPIC AMC	9	9	6
CPIC Allianz	11	7	7
Changjiang Pension	18	11	13

Ethnic minority (persons)

Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	46	45	23
CPIC Life	2,432	2,425	2,422
CPIC P&C	3,703	2,846	49
CPIC AMC	15	7	8
CPIC Allianz	14	11	10
Changjiang Pension	13	13	12

Gender composition of staff - all employees

Female (persons)				
Data Center PUE	2019	2018	2017	
CPIC Group (headquarters)	740	784	770	
CPIC Life	25,948	26,125	25,354	
CPIC P&C	34,690	27,953	26,439	
CPIC AMC	186	103	97	
CPIC Allianz	249	211	160	
Changjiang Pension	209	191	167	

Male (persons)

Data Center PUE	2019	2018	2017	
CPIC Group (headquarters)	1,149	1,298	1,045	
CPIC Life	16,740	16,984	16,308	
CPIC P&C	36,275	23,064	27,683	
CPIC AMC	216	147	138	
CPIC Allianz	165	137	117	
Changjiang Pension	244	223	184	

Male (persons)

Data Center PUE	2019	2018	2017	
CPIC Group (headquarters)	69	67	60	
CPIC Life	2,280	196	10	
CPIC P&C	2,766	142	124	
CPIC AMC	23	22	22	
CPIC Allianz	7	6	9	
Changjiang Pension	7	6	7	

Gender composition of management

Female (persons)

Data Center PUE	2019	2018	2017	
Female (persons)	28	27	23	
CPIC Life	1,103	57	3	
CPIC P&C	729	28	58	
CPIC AMC	9	3	3	
CPIC Allianz	0	0	1	
Changjiang Pension	2	3	2	

Number of employees with disabilities (persons)

Data Center PUE	2019	2018	2017	
CPIC Group (headquarters)	0	0	0	
CPIC Life	57	0	1	
CPIC P&C	47	1	1	
CPIC AMC	0	0	0	
CPIC Allianz	0	0	0	
Changjiang Pension	0	0	0	

Anti-corruption

We conscientiously studied and carried out the country's strategic deployment of Party management and fully implemented the Party's requirements for clean government. We formulated documents such as the “Measures for Implementing the Responsibility System for Party Members' Work Style” and the “Assessment for the Responsibility System for Party Members' Work Style”, and included party-related work performance into the KPI system; we established a regular inspection and evaluation mechanism to review and report existing problems in a timely manner. We also formulated the "Interim Provisions for Conflict of Interest", and carried out incumbent and exit audits for senior executives. We also formulated the "Measures for the Implementation of the Major Decision-Making System (Trial)", continuously improved the corporate governance structure, and effectively strengthened the Company's anti-corruption construction.

Product development liability

We continued to improve our internal product R&D mechanism. Prior to the launch of any product, we would carry out all the necessary processes such as market research, scientific statistical analysis, "brainstorming" of the development team, in-depth investigation by the marketing team, product design, and repeated demonstration and measurement to ensure that the product complies with the relevant policies and regulations.

Product and service provision

Protection of consumer rights is an important basis for the healthy and sustainable development of the insurance industry. We actively respond to the requirements of the CIRC on improving the protection of consumer rights, and continuously optimize the entire process of service management including information acquisition, sales, insurance application, process consulting, claims settlement, and complaints handling, etc. to provide consumers with quality and reliable service. We formulated the "Management Measures for Anti-Insurance Fraud" to effectively prevent the risk of insurance fraud and protect the interests of insurance consumers. We also launched the “National Management System for Property and Casualty Customers Complaints”, which realized the full-process digital management of consumer complaints. The Company also upgraded the original internal complaint processing standards to the industry complaint management standards to promote the continuous improvement of customer complaint management.

CPIC Life

Key indicators for Call Center services (%)

Data Center PUE	2019	2018	2017	
Call put-through rate	99.11	99.46	98.37	
Percentage of calls answered within 20 seconds	99.10	99.77	94.59	
Service satisfaction rate for incoming calls	94.76	80.1	99.31	

Key indicators for claims efficiency

Data Center PUE	2019	2018	2017	
Small amount claims turnaround time (days)	0.21	0.28	0.31	
Small amount claims settled within 5 days (%)	99.28	99.14	99.11	

Complaint handling efficiency

Data Center PUE	2019	2018	2017	
Closure rate of major complaints (%)	100	100	100	
Closure rate of general complaints (%)	99.83	100	100	
Timely closure rate (%)	99.92	99.64	99.65	
Average complaint processing time (days)	4.66	2.67	2.35	

CPIC P/C

Key indicators for Call Center services (%)

Data Center PUE	2019	2018	2017	
Call put-through rate	99.81	98.67	99.99	
Call put-through rate	99.98	99.91	99.84	

Key indicators for claims efficiency (days)

Data Center PUE	2019	2018	2017	
Average claims settlement period (for claims under 10,000 yuan)(motor business)	9.5	10.86	11.06	
Average claims settlement period (non-motor business)	8.3	9.5	10.83	

Complaints handling efficiency (%)

Data Center PUE	2019	2018	2017	
Timely closure rate	100	100	100	
One-time closure rate	96	97.44	96.10	

Changjiang Pension

Indicators for customer satisfaction (%)

Data Center PUE	2019	2018	2017	
Satisfaction rate of 400 service hot-line	97.8	96.8	96.25	

Penalties due to violation of marketing and underwriting rules

CPIC Life

Data Center PUE	2019	2018	2017	
Number of penalties	6	11	2	
Penalty amount(10,000 yuan )	94	127	48.5	
Number of warnings	1	3	1	

CPIC P&C

Data Center PUE	2019	2018	2017	
Number of penalties	11	19	6	
Penalty amount(10,000 yuan )	237.5	378	81	
Number of warnings	3	1	0	

Data security and privacy protection

Given the increasingly popularity of the Internet, data security has become an important issue for the corporate world. It is not only related to the smooth operation of enterprises, but is also about customer information protection. We have always attached great importance to data security protection. On top of complying with national laws and regulations, regulatory requirements and meeting customer needs, we have established a series of data security regulations as well as a protection mechanism covering the entire life cycle of data to effectively fulfill the Company's data security obligations in the process of data collection, storage, transmission, usage, and destruction. In this year, there was no case of regulatory punishment against us due to violation of customer information management regulations.

In terms of regulatory compliance, we have established a management system for information security and personal information data protection that complies with the ISO27001 and ISO29151 standards. In addition, we go through annual certification reviews every year to ensure the system meets the latest international standards.

In terms of management regulations, we have formulated documents such as the "Customer Information Management Measures" "Internet Safety Negative List", "Customer Data Security Negative List", "Data Leakage Management Measures" and "Regulations on the Protection levels for the Information Systems" to ensure the availability, confidentiality, completeness and availability of customer information.

In terms of data collection, the Company will notify the customer in the form of notifications and reminders before collecting customer information, and collects people's information in a lawful and legitimate manner and refrain from collecting data and personal information that are not related to its provision of services.

In terms of data storage, all the Company's data is stored in data center, and there is no overseas storage. If customer data need to be separated from the data center's production environment, a desensitization process will be implemented in advance.

In terms of data transmission, we encrypt the transmission of the key data of the Internet application system with SSL encryption technology to ensure the safe transmission of sensitive information.

In terms of data usage, we adopt strict access control and dual authorization (bastion host, and privileged account authorization) to perform security control on the Company's core database, and deploy a data leakage prevention management platform across the Company to achieve leveled control and audit of the copying, printing and distributing of sensitive data.

In terms of data destruction, we adopt technical measures including degaussing of media and soft erasing of disks to ensure effective data destruction.



Responsible Investment

We always focus on the main business of insurance, and adhere to the principle of “value investment, long-term investment, and shrewd investment”. We also actively use insurance funds to support the implementation of major national strategies and serve the development of the real economy.

In addition, we established a sophisticated credit risk system and developed policies such as the "Measures for Credit Rating Management" and "Credit Rating Due Diligence System". When doing credit rating, we give full consideration to the external economic environment, industry characteristics, corporate governance and internal management, credit history, and personnel quality of the assessed enterprise, avoiding overcapacity and zombie companies. And we give credit support to those companies who conform to economic and social development, contribute to environmental protection, and who are socially responsible. We have set up a on-watch pool, an early warning pool, and a sell pool based on the credit risk of open positions, and established a quick response and handling mechanism.

CPIC AMC			
Data Center PUE	2019	2018	2017
Number of alternative investment projects	89	76	69
Number of alternative investment projects with environmental benefits	7	6	6
Number of alternative investment projects with social benefits	53	41	36

Changjiang Pension			
Data Center PUE	2019	2018	2017
Number of alternative investment projects	55	18	37
Number of alternative investment projects with environmental benefits	12	2	8
Number of alternative investment projects with social benefits	13	3	6

Economy

Economic performance

Solvency adequacy ratio			
Data Center PUE	2019	2018	2017
CPIC Group(%)	295	301	284
CPIC Life(%)	257	261	245
CPIC P&C(%)	293	306	267

CPIC Life key business indicators (million yuan)			
Data Center PUE	2019	2018	2017
Life insurance premiums	212,514	202,414	175,628
New business value	24,597	27,120	26,723

CPIC P&C key business indicators (million yuan)			
Data Center PUE	2019	2018	2017
P&C insurance premiums	132,979	117,808	104,614
Combined ratio (%)	98.4	98.4	98.8

CPIC AMC(million yuan)			
Data Center PUE	2019	2018	2017
Third-party AuM	194,790	177,891	147,179

Changjiang Pension key business indicators (million yuan)

Data Center PUE	2019	2018	2017
Enterprise annuities entrusted assets (million yuan)	90,120	74,501	65,628
Enterprise annuities AuM	84,329	77,227	71,704

Distribution of economic value (million yuan)			
Data Center PUE	2019	2018	2017
Remuneration and benefits	24,084	21,733	19,612
Donation and sponsorship	50	26	17
Total tax paid	12,227	14,242	10,285

Corporate annuity participation rate (%)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	100	100	100
CPIC Life	88.6	88.6	91.8
CPIC P&C	65.57	89.99	100
CPIC AMC	100	100	100
CPIC Allianz	59	60	66
Changjiang Pension	100	100	100

Market Performance

We further developed performance-based remuneration scheme to improve the competitiveness of our remuneration. At the same time, in light of the “Work Plan (Pilot) for Compensation System Reform for Professional Managers of State-owned Enterprise under Municipal Administration”, we carried out pilot remuneration reform for our professional managers to stimulate their innovation and sense of responsibility. In addition, we have also formulated the “Rules for CPIC Internal Talent Market Recruitment” to stimulate the vitality of our employees and promote orderly flow of people within the Company.

Supply chain management

Our supplier types include IT, equipment and materials, engineering and service. For supplier screening standards, we give full consideration to factors such as the supplier’s qualification, product and service quality, price, operation, and negative behaviors if any. To ensure transparency and fair competition for procurement, we have developed a series of policy documents such as the "Supplier Management Provisions", the "Centralized Procurement Management Measures", and “Rules for Supplier Management (Trial). We also adopted the principle of transparency and fairness for procurement. The disciplinary inspection and supervision department of the Company is responsible for supervising the non-compliant behaviors in centralized purchasing activities and handling complaints. In 2019, there was no supplier cooperation was terminated due to a significant negative impact on the economy, society and the environment.

Our minimum wage/ local minimum wage (%)			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	299	226	215
CPIC Life	261	215	238
CPIC P&C	198	168	199
CPIC AMC	162	124	130
CPIC Allianz	194	219	230
Changjiang Pension	117	117	116

Localization ratio of CPIC HK's employees

Localization ratio of CPIC HK’s employees (all employees) (%)			
Data Center PUE	2019	2018	2017
Localization ratio of employees	79	84	95
Proportion of non-local employees	21	16	5

Localization ratio of CPIC HK’s employees (the management) (%)			
Data Center PUE	2019	2018	2017
Localization ratio of employees	25	0	0
Proportion of non-local employees	75	100	100

Number of domestic suppliers			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	587	569	502
CPIC Life	526	128	15
CPIC P&C	663	50	100
CPIC AMC	58	52	58
CPIC Allianz	274	120	100
Changjiang Pension	124	124	331

Number of foreign suppliers			
Data Center PUE	2019	2018	2017
CPIC Group (headquarters)	6	9	6
CPIC Life	0	0	0
CPIC P&C	1	1	0
CPIC AMC	0	0	0
CPIC Allianz	0	1	1
Changjiang Pension	0	0	0

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# About This Report

This report is the 11th CSR report released by China Pacific Insurance (Group) Co., Ltd. The report provides a paper version (printed with recycled paper) and online version; you can browse or download this report at [www.sse.com.cn](http://www.sse.com.cn) or [www.cpic.com.cn](http://www.cpic.com.cn).

## Reporting period

The reporting period is from 1 January 2019 to 31 December 2019. Unless otherwise specified, the data and cases in this report were disclosed from CPIC Group and its wholly-owned subsidiaries, holding subsidiaries, and branch offices.

## Compiling criteria

This report adopted the new version of the "Environmental, Social and Governance Reporting Guide" issued by HKSE, and the FSSS of the Global Reporting Initiative (GRI), drawing reference on the "Core Programs" for disclosure. At the same time, this report also referred to the "Guidance on Social Responsibility"(ISO26000) released by the International Organization for Standardization, the "Reporting Guidelines for Corporate Social Responsibility" issued by the Shanghai Stock Exchange, and the National Standard of the People's Republic of China "Guidelines for Social Responsibility" (GB/T36000-2015). In addition, we have also reviewed the UN Sustainable Development Goals and linked the main sections of the report with the specific goals. Details can be found in the "Performance Report" section.

## Indicator and information gathering

Indicators disclosed in this report are highly relevant to corporate social responsibility issues, and the data and cases in this report were collected from the CPIC Group and its subsidiaries and branch offices. These channels include:  
Group's internal data collecting system and related statistical reports  
CSR best practices gathered on a daily basis  
Qualitative and quantitative information collection forms based on reporting framework  
Interviews and field studies conducted inside the Group, its subsidiaries and branch offices during the report preparation  
Analysis and consolidation of stakeholders' concerns

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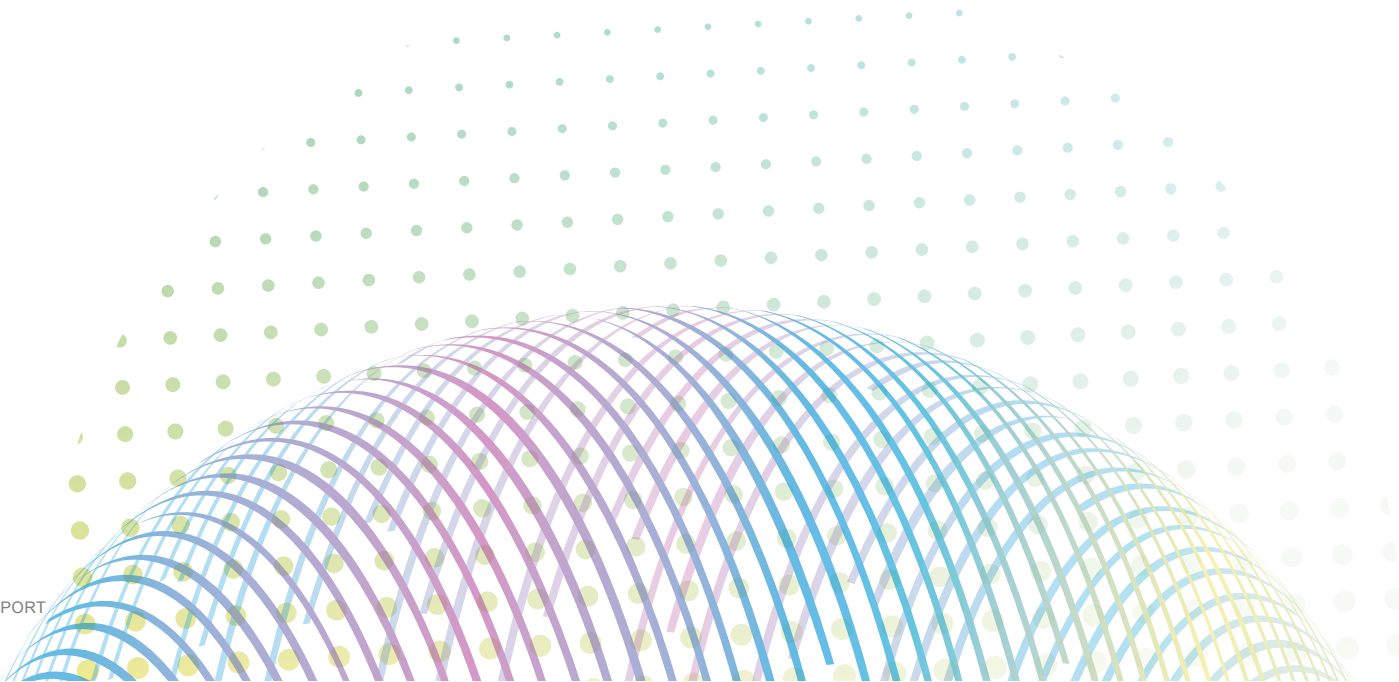
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## Please contact us at:

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Thank you!

Editorial Team of CPIC CSR Report 2019  
March, 2020



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