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2020 CHINA PACIFIC INSURANCE ESG REPORT



(A joint stock company incorporated in the People's Republic of China with limited liability)

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 subsidiary of CPIC Group

CPIC Life

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

CPIC AMC

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

CPIC HK

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

CPIC Health

refers to Pacific Health Insurance Co., Limited, a subsidiary of CPIC Group

Changjiang Pension

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

Anxin Agricultural Insurance

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

CPIC AI

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

SSE

refers to Shanghai Stock Exchange

LSE

refers to London Stock Exchange

Hong Kong Stock Exchange, HKSE

refers to The Stock Exchange of Hong Kong Limited

RMB yuan, yuan

refers to Renminbi yuan

Board's statement

In 2020, China Pacific Insurance successfully issued its Global Depository Receipts (GDRs), becoming the first insurance company in China to be listed in Shanghai, Hong Kong and London simultaneously. Standing on the new platform of international development, CPIC continues to improve corporate governance, actively builds up its core competitiveness, and strives to become a "leader in the healthy and steady development of the industry". ESG (Environmental, Social, and Governance) disclosure and corporate performance in terms of customers, shareholders, employees, business partners, local communities, and industry regulators are important manifestations of corporate governance capabilities and level of internationalization, thus attracting increasing attention from investors.

Board of directors of the Company (“the Board”) comprehensively supervises the Group's ESG planning, implementation and management to ensure continuous improvement of sustainable development capabilities. In accordance with relevant ESG management and disclosure requirements of the SSE, HKSE, and LSE, and based on China's 14th Five-Year Plan, the Board identifies and evaluates ESG risks, and optimizes arrangements in areas such as green insurance and investment, elderly health service, and coordinated regional development; further improved ESG management system and integrated ESG indicators into business operations; established an ESG information disclosure mechanism with CPIC characteristics to promote communication with stakeholders and boost the Company's sustainable operation and development.

Optimized management structure. To implement ESG management more effectively, the Board changed its former Strategy and Investment Decision-Making Committee to the Strategy and Investment Decision-Making and ESG Committee and set up a Group ESG Office under the committee to handle daily ESG work.

Considered material topics. The Board determined, evaluated and ranked 15 material topics including adapting to climate change, green operation, improving customer experience, serving national strategies, and targeted poverty alleviation, etc. as the focus of ESG disclosure.

Clarified environmental improvement measures. To promote environmental improvement, the Board developed specific measures for implementation with focus on air pollutants emission density, waste disposal rate, energy use efficiency and water consumption density.

Promoted implementation of strategic plans. The Board monitored the progress of ESG-related targets, promoted the identification of ESG risks relating to climate change, health care, and project investment, formed and implemented development plans for health, pension, agricultural insurance, and catastrophe insurance business.

This report elaborates on CPIC's management and progress of the above-mentioned work and other ESG topics, all of which were reviewed and approved by the Board in March 2021.



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Chairman's address

Together with you for 30 years

Along the Huangpu River and facing the Pacific Ocean, CPIC was established in Shanghai in 1991. Born in the land of reform and opening up, the Company has grown from an "infant" to a "toddler," a "teenager," and now a "strong man". In 2020, we ranked No. 193 on the Fortune Global 500 List, and 6th among the World's 100 Most Valuable Insurance Brands released by Brand Finance. We are also the first insurance company in China to be listed in SSE, HKSE, and LSE simultaneously.

We are fully aware that we owe our growth to the nourishment of society and support from home and abroad, so we always deem it our responsibility to serve the country and the world. Over the past 30 years, our social responsibility landscape has continued to expand, from caring for disadvantaged groups, to improving people's livelihood, to serving national strategies. We integrate CSR into every decision we make, every move we take, and every plan we develop. Small changes, when accumulated, do make a difference. Every drop counts. This is how we grow as a company and how we make the world a better place.

The "CPIC Blue" for children and the elderly. In 1996, CPIC donated its anniversary celebration fund to Shanghai Children's Home to pay for surgeries of more than 50 orphans and disabled children there. From then on, CPIC has been extending love and care to children there for 25 years in a row. Moreover, CPIC has donated funds to build over 60 Hope Project primary schools in poverty-stricken areas across the country, thus give those students better access to the outside world. An old Chinese saying goes that we should "respect the elderly and love the young as if they were our family members". To better do that, we set up the CPIC Blue Foundation, a charitable fund, to help the elderly, and launched a series of public welfare programs to care for the elderly with cognitive impairment and amnesia. Love and hope know no boundaries. We always bear in mind our social responsibility in our steady march forward.

The "CPIC Red" for fighting poverty with insurance. With 8 years of hard work, our country has won an all-round victory in fighting poverty. During this period, focusing on poor people's basic needs for food, clothing, housing, education and health care, and deeply impoverished areas, CPIC further improved its long-term mechanism for poverty alleviation through insurance by paying attention to both "targeted poverty alleviation" and "targeted poverty prevention". The Poverty Alleviation Task Force of CPIC P/C and CPIC P/C Inner Mongolia Branch were awarded the honorary title of "National Outstanding Unit in Poverty Alleviation" for their pioneering efforts and outstanding achievements in fighting poverty with insurance. More than 260 outstanding CPIC cadres went to 172 designated villages across the country for local poverty-alleviation work.

The "Pacific Green" for promoting ecological civilization. CPIC employees donated RMB19 million for afforestation of Sanjiangyuan and planted 50,000 saplings covering about 67 hectares. When completed, this project will become an ecological park with a reasonable mix of tree species, strong ecological functionality and great landscaping effect, setting up an example for garden-style afforestation in plateau areas and opening up a new journey for CPIC's carbon neutrality. CPIC will step up its efforts to promote green production and lifestyle and reduce greenhouse gas emissions through insurance, investment, risk control and afforestation.

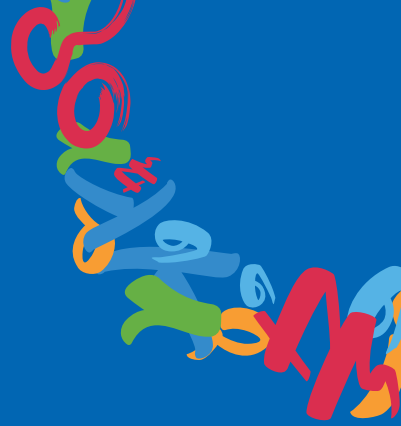
For CPIC, the road ahead will be long, and we will strive to scale new heights. Over the past 30 years, we have always paid attention to and satisfied the needs of all our stakeholders. We improved customer experience with technological empowerment; created development platforms for employees with long-term incentives; optimized governance to create sustainable value; and strengthened win-win cooperation with business partners. Moreover, we offered CPIC plans for serving national initiatives, CPIC samples for enhancing corporate governance, CPIC strategies for promoting health and pension business, and CPIC efforts for fighting COVID-19 Social responsibility has become an inexhaustible source of power for the development of CPIC.

Time and tide wait for no man. **We remain true to our original aspiration – serving our customers, employees, shareholders, stakeholders and society with responsibility, which has expanded from individuals to society, the country, and even the world. After 30 years of development, CPIC is now a mature man, capable of shouldering greater responsibilities. Value comes only when a company can shoulder its responsibilities and complete its mission.** We are committed to providing customers with excellent products and services and strive to become a great company and a leader, leading our employees, partners, the industry and the public to make the world a better place for all.

Given the challenges brought by COVID-19, sustainable development is still the "magic wand" to dispel the fog shrouding the world to reveal the path for mankind to move on. **At a new starting point for development, CPIC upholds sustainable development as the new driver and direction for its social responsibility.** We are committed to protecting the home planet, integrating ecological civilization into our development, and helping to create a more environmentally sustainable and inclusive future for all; concerned about climate change, we help to control pollution and reduce emissions and facilitate carbon peaking and neutrality through green insurance and responsible investment, thus contributing to a new development model where man and nature coexist in harmony; we motivate people with our Evergreen program, encouraging them to create greater value and shoulder responsibilities with ambition, spirit and vigor, thus creating a virtuous circle of sustainable development.

In a world undergoing tremendous changes, our determination to move forward is even firmer. 2021 is the centenary of the Communist Party of China and the 30th anniversary of CPIC. At this new starting point, we feel more responsibility and stronger motivation to take on challenges to achieve more. Let's move forward hand in hand to honor our responsibilities and fight for a better world for all !

KONG Qinwei
Chairman of the Board of Directors
CPIC Group



About CPIC

CPIC is an insurance group formed on the basis of the China Pacific Insurance Company established on May 13, 1991. Headquartered in Shanghai, it is a leading comprehensive insurance group in China and the first insurance company in China to be listed in SSE, HKSE, and LSE simultaneously.

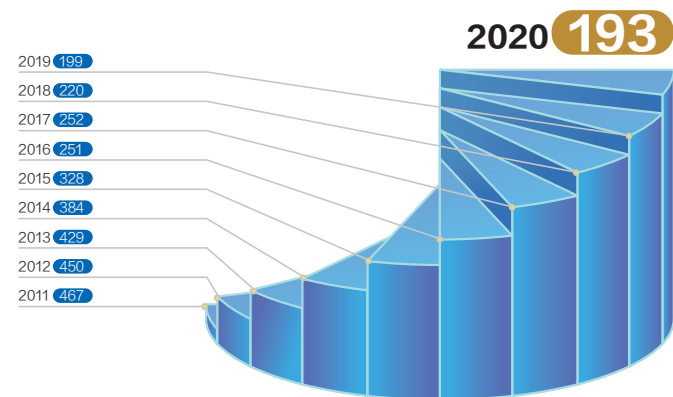
Adhering to high-quality development, and with continuous efforts in transformation, CPIC has achieved steady growth in operation results. Ranking No. 193, CPIC made the Fortune Global 500 List for the 10th consecutive year in 2020. It also ranked 6th among the World's 100 Most Valuable Insurance Brands released by Brand Finance, with a brand value exceeding USD14 billion. CPIC P/C and CPIC Life both won top A rating for the 5th consecutive year in the regulatory evaluation of business operation of insurance companies, reflecting the continuous improvement in the Company's operating capabilities and service levels.

Aspiring to be "the best in customer experience, business quality and risk control capabilities, achieving industry leadership in healthy and steady development," CPIC adheres to high-quality development and persists in "value, long-term and prudent investing". It gives full play to its role as a social "stabilizer" and economic "shock absorber". It is committed to providing "responsible, smart, and attentive" services to its 147 million+ customers, working closely with all stakeholders, and translating social responsibility into drivers of sustainable development. CPIC won the Company of the Year Award in Corporate Social Responsibility for the 11th consecutive year.



Our growth

Fortune Global 500 ranking



Brand Finance

The World's 100 Most Valuable Insurance Brands



*The year when data was released

Responsibility and honors

People's Daily Online

Ingenuity Brand Award of the 17th People's Choice Ingenuity Awards

Sina Finance

Best Insurance Company for Responsible Investment of Jinze Award

China Business Journal

2020 Excellent Competitiveness Brand Building Award for Financial Institutions

Insurance Association of China

CPIC P/C and CPIC Life won top A rating for business operation for the 5th consecutive year

Shanghai Securities News

"Jin Li Cai" Corporate Social Responsibility Award of the Year

National Business Daily

Most Responsible Listed Company of the 10th China Listed Company Word of Mouth Award

IR Magazine

Certificate for Excellence in Investor Relations

liepin.com

Top 100 "Extraordinary Employers" for 2020

Shanghai Financial Innovation Award

Our Fang Pin Bao won the first prize

China Business Network

Company of the Year Award in Corporate Social Responsibility for the 11th consecutive year

Shanghai Stock Exchange

A rating for information disclosure for the seventh consecutive year

fcmag.com.cn

Our "Security Threat Detection and Response Platform" won the 2020 Financial Technology Innovation Outstanding Contribution Award and the Development Innovation Contribution Award



2020 422,182
2019 385,489
2018 354,363

Group operating income (RMB million)

2020 2.63
2019 3.06
2018 1.99

Earnings per share (RMB)

2020 459,320
2019 395,987
2018 336,141

Group embedded value (RMB million)

2020 14,747.3
2019 13,855.8
2018 12,641.9

Group number of customers (10,000)

2020 215,224
2019 178,427
2018 149,576

Group net assets (RMB million)

2020 110,940
2019 111,247
2018 107,741

The number of Group employees

2020 24,584
2019 27,741
2018 18,019

Group net profit attributable to equity holders of the parent (RMB million)

2020 74.9
2019 79.0
2018 84.7

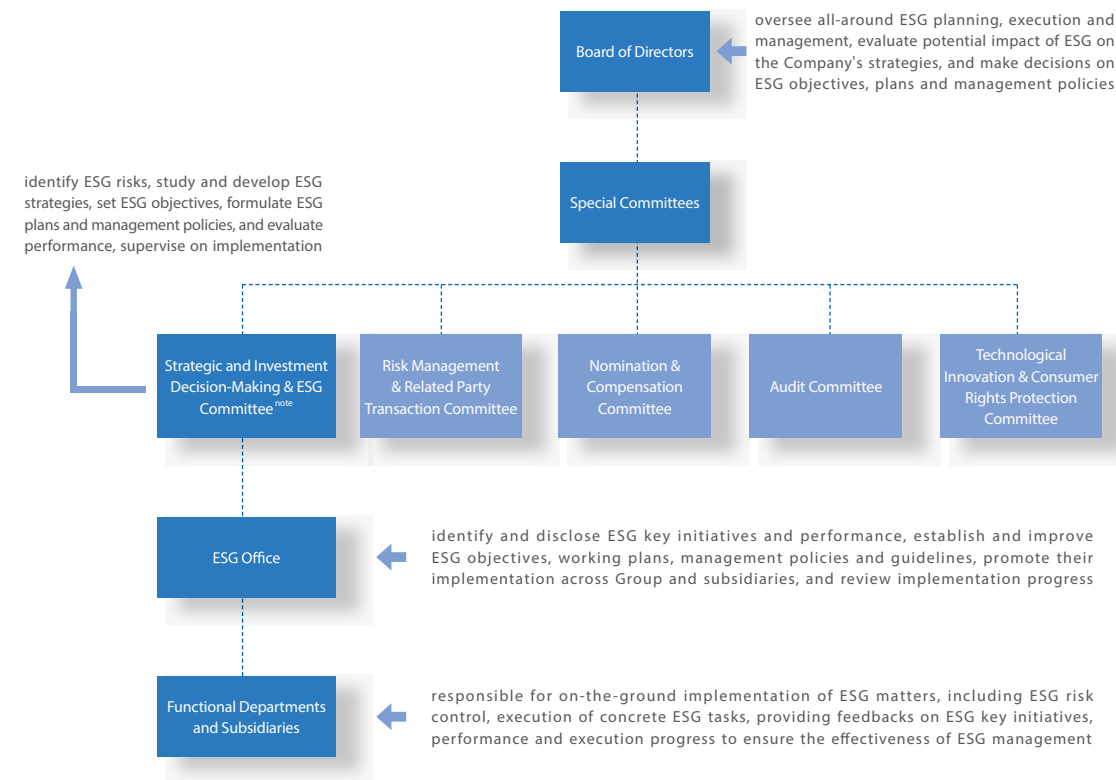
Monthly average agent number (10,000)

ESG management

ESG management system

CPIC fully integrates Environmental, Social and Governance ("ESG") into its operation and management. It identifies ESG risks, formulates response strategies, and optimizes the operating system in accordance with the ESG report guidelines. To achieve industry leadership in healthy and steady development, CPIC takes into consideration the ESG impact when implementing business operations, requiring its functional departments to integrate relevant indicators and requirements into their daily operations.

ESG management structure



Note: In March 2021, changed the name of Strategic and Investment Decision-Making Committee to Strategic and Investment Decision-Making & ESG Committee.

ESG risk identification and management

Risk management system

In accordance with various regulatory rules formulated by the China Banking and Insurance Regulatory Commission, CPIC has established and improved an integrated risk management system under the constraints of reasonable risk management objectives. The Board of Directors bears the ultimate responsibility for the Company's risk management, and has a Risk Management and Audit Committee under it to fully understand the various risks faced by the Company and their management, and evaluate the effectiveness of the Company's risk management system.



Risk identification and management

Focusing on ESG risk management requirements, CPIC's ESG Office coordinates the Group's risk control functions and subsidiaries to identify and evaluate risks relating to climate change, elderly care and health, insurance, and investment, etc., and formulate risk management measures.

Climate change risks

In the context of climate change, the physical risks of natural disasters have intensified, mainly reflected in rising sea levels, frequent occurrence of high temperatures and heat waves, increasing extreme weather events, and greater uncertainty in the impact of typhoons, etc. With social and economic growth and accumulation of material wealth, the climate risk exposure of insurance object continues to expand. CPIC has established climate risk response plans and training mechanisms and developed catastrophe insurance and index insurance. It also uses advanced catastrophe risk assessment technology and tools to effectively respond to and transfer the risks brought by climate change to society and reduce disaster-related losses.

Elderly care and health risks

China's population is aging and subsequently there will be more only-child families, childless families, elderly people without spouses and widowed elderly, which greatly increases the risks of those who depend on family for elderly care. At the same time, higher living standards mean that health problems such as sub-health and chronic diseases have become increasingly prominent, and the demand for daily health management has increased. In response to this, CPIC has made arrangements for developing elderly care and health business, supported the construction of the country's social security system for the elderly, rolled out products and services such as elderly care-oriented communities and critical illness insurance, and improved its response to the elderly care and health needs as well as its social governance ability.

External risks for insurance

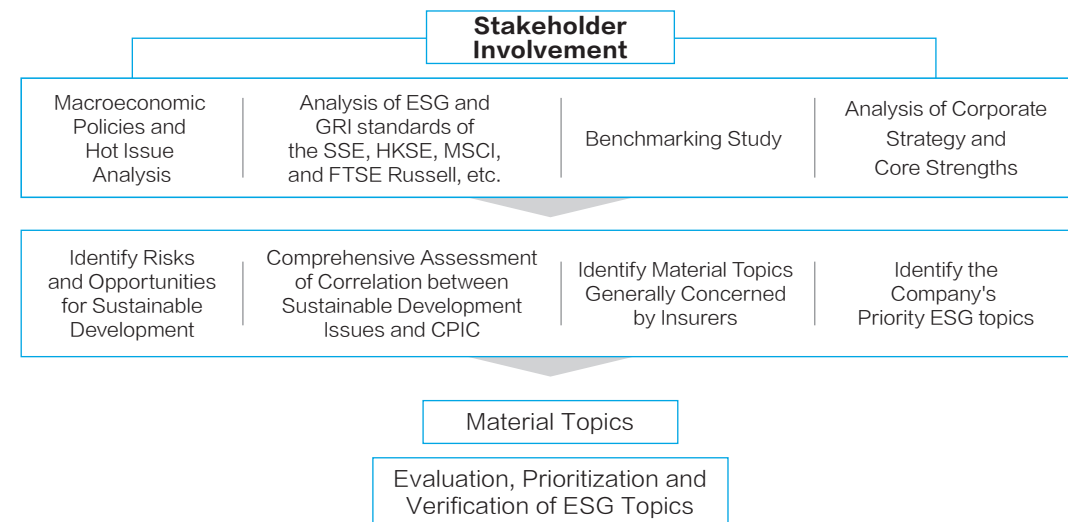
External environment such as nature, economy and society has much to do with the development of insurance. Changes in external environment, such as the sudden outbreak of an epidemic, may affect economic development, wealth and income, and risk perception, which in turn poses risks to the development of insurance operations. In this regard, CPIC is actively fighting against COVID-19, protecting people's health and supporting the resumption of work and production. In addition, CPIC promotes green insurance, resolves environmental risks, supports the development of small and medium-sized enterprises, and enhances the availability of insurance, thus realizing sustainable development of itself and society through development in harmony with the external environment.

Project investment risks

Insurance funds are playing an increasingly important role in supporting social construction. With so many investment projects and fields, funds might be invested in projects that do not contribute to the environmental and social development, which may bring risks to the Company and society. In response, CPIC has implemented ESG concepts throughout the decision-making process of its investment projects, and innovated responsible investment methods with insurance characteristics, focusing on projects in green transportation, clean energy, resource conservation, recycling, pollution prevention, shantytown renovation, and new infrastructure. The Company spares no efforts in supporting the transitioning towards green economy with responsible investments.

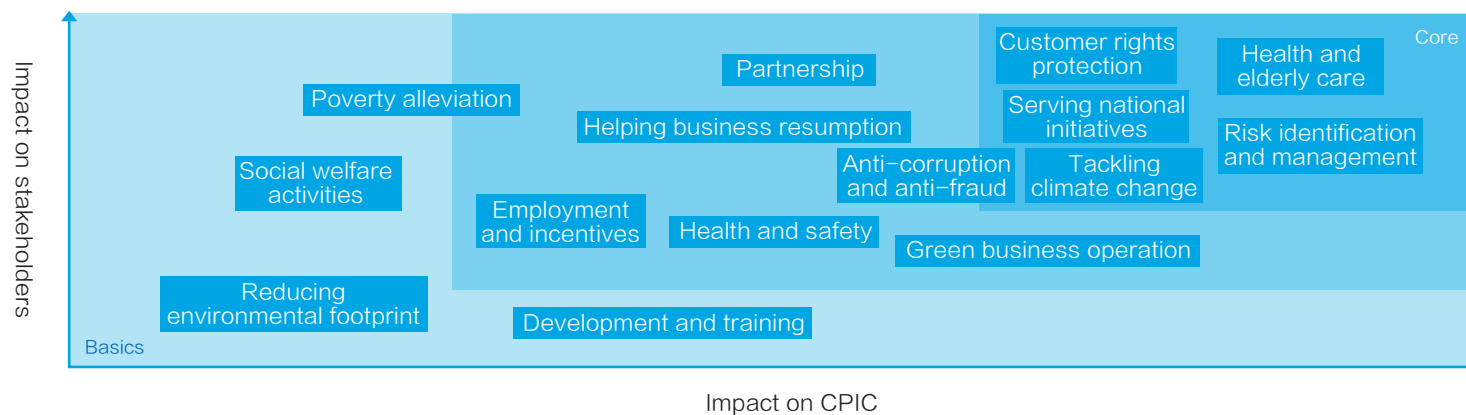
Analysis of material topics

CPIC has conducted extensive preliminary studies and analyses based on a number of domestic and foreign documents such as the ESG disclosure requirements of the Shanghai Stock Exchange, the new ESG guidelines of the Hong Kong Stock Exchange, the ESG indicator evaluation requirements of FTSE Russell and MSCI, the GRI standards, the Sustainable Development Goals (SDGs) of the United Nations, and China's "14th Five-Year Plan". We comprehensively assessed the impact of each ESG topic on stakeholders, conducted all-around assessment of the impact of various thematic topics on stakeholders and the Company by means of in-house evaluation, industry benchmarking & peer studies and interviews with stakeholders so as to determine substantial thematic topics with profound ramifications in environment, society and governance. Identified 15 thematic topics which were highly relevant for the Company via the dimensions of "significance for stakeholders" and "significance for company development".



We matched the identified material topics with the compiling criteria for this report to avoid omission of any important topic. For the material topics, we divided management methods and disclosure indicators into corresponding departments of the Group and its subsidiaries and collected as much information as possible.

Material topics and boundaries



Stakeholder expectations

Stakeholders	Stakeholder expectations	Communication channels
Customers	<ul style="list-style-type: none"> Needs-based products and services High-quality products and service experience Customer rights and privacy protection 	<ul style="list-style-type: none"> Customer needs survey NPS survey and monitoring 95500 Customer Service Hotline Customer service and care activities Social media
Employees and agents	<ul style="list-style-type: none"> Open channels of communication Ever improving remuneration and benefits Bright career development prospects Healthy and safe working environment Achieving work-life balance 	<ul style="list-style-type: none"> Workers Congress Inter-departmental meeting OA and instant messaging platform Business supervision, training, and technical support Recreational activities for employees
Shareholders	<ul style="list-style-type: none"> Robust business performance Sophisticated corporate governance mechanism Transparent information disclosure Continuously strengthening risk management Compliance and honest operation Protecting the rights and interests of minority shareholders 	<ul style="list-style-type: none"> Shareholders' Meeting Regular reports and information bulletins Roadshow and Reverse Roadshow Capital Markets Open Day Social media
Partners	<ul style="list-style-type: none"> Win-win cooperation Leading industry innovation 	<ul style="list-style-type: none"> Exchange and sharing of practical experience Communicating development needs to local government organizations Strengthening coordination and cooperation with partners Participating in industry policy study Extensive within-industry and cross-industry cooperation
Society	<ul style="list-style-type: none"> Responding to sudden disasters and accidents Public welfare undertaking Responding to hot issues of society Popularizing the concept of finance and insurance 	<ul style="list-style-type: none"> Popularizing insurance concept and knowledge Conducting volunteer and public welfare service programs Conducting targeted poverty alleviation programs Supporting sports and cultural development Media communication
Environment	<ul style="list-style-type: none"> Creating green environment Promoting ecological civilization 	<ul style="list-style-type: none"> Responding to climate change, preventing disasters, and reducing disaster losses Providing environmentally friendly products and services Green buildings and operation. Green investment and green insurance Extensive afforestation

Alignment with the United Nations Sustainable Development Goals (SDGs)

In September 2015, the United Nations passed the 2030 Sustainable Development Agenda, floating 17 sustainable development goals. To facilitate their implementation in China, the Chinese government issued Country-specific Programme for Implementing 2030 Sustainable Development Agenda of China in September 2016.

In 2020, we aligned business operation and related projects of the Company with SDGs by priority, and clearly defined the connection between our business operation and sustainable development, which points to direction of our ESG effort going forward.

SDGs	Our actions
	Centred on insurance and deepened insurance-based long-term mechanisms for poverty reduction with CPIC characteristics, focusing on officially-designated poverty-stricken regions, extremely impoverished areas, and "pair-up" regions with Shanghai and the Company. Fully leveraged our strengths in talent, expertise and resources, utilised insurance to cope with poverty, focused on lifting people out of poverty and preventing poverty, fulfilling our social responsibility.
	Developed multiple innovative agricultural insurance products combining insurance and futures, covering against catastrophes, offering price, income and quality protection. Upgraded the e-Agricultural System to boost agricultural production through risk protection.
	Continuously optimised the health care and retirement security system, served the 3 pillars of pension system, strived to improve elderly care and build a service system of "insurance + retirement + health"; committed to creating a healthy and safe work-place via diverse cultural events and training; provided sound financial support to companies, helping them combat the pandemic and resume business.
	Long-term commitment to education of children, and donated to total over 60 primary schools across China; organised volunteers to teach in rural areas on a regular basis, and improved conditions of schools in impoverished regions; actively promoted co-operation with firms and the academia, deeply involved in education and training of specialists in finance and insurance.
	Long-term commitment in energy mix optimisation, contributing to an environmentally-friendly society via underwriting and investment in clean energy industries, with development of innovative products for clean energy.
	Strictly abided by national laws & regulations, continued to improve welfare benefits, occupational training and career advancement paths on the basis of protecting employee rights and interests, to ensure inclusive development of the Company; promoted the stability and sustainable development of agents by means of technological empowerment, improvement in training and benefits; expanded campus recruitment to create jobs, focusing on impoverished areas in particular.
	Pursued innovation in products and services in industries of aerospace & astronautics, ship-building, new materials and life sciences to facilitate domestic industry upgrading; developed customised products to mitigate financing difficulties of SMEs.

SDGs	Our actions
	Keeping tabs on social and economic development needs and upholding central insurance value proposition, we expanded the scope of products and services in life/health insurance, P/C insurance and insurance asset management in a bid to contribute to a better life of the Chinese people and sustained urbanisation.
	Actively employed new technologies and developed on-line products and services, optimised processes and improved transparency of processes in sales, application, and claims handling, providing strong support to agents.
	Innovated multiple weather index insurance, catastrophe insurance products to mitigate risks in climate-vulnerable areas; intensified effort in green financing, and offered risk solutions to investment & financing and operation of environment protection, energy saving and clean energy projects; advocated green buildings and paperless work-place, donated for afforestation to reduce carbon footprints and conserve nature.
	Developed public liability insurance against losses caused by wildlife, and forest insurance, which promoted bio-diversity while lowering social risks.
	Committed to eliminating all forms of corruption and bribery, and establishing an effective, responsible and transparent governance system. Give back to stakeholders with a strong sense of responsibility, while ensuring sustainable value growth of the Company.
	Actively participated in strategic partnerships with governments and companies, supported national strategies, real economy and promoted people's well-being; deeply involved in industry dialogues and exchanges, ready to share our own experience and strive for industry leadership in healthy and steady development.

Serve China's major initiatives



CPIC leverages its advantages in risk management, economic compensation, social management, and financing to promote opening up and regional development, support rural revitalization, empower the country with science and technology, and accelerate its integration into a new development pattern.

Promote opening-up

Supporting the China International Import Expo

As a key partner and designated insurance service provider of the CIIE, since 2018, CPIC has been upgrading its service model for the CIIE to provide insurance protection and risk management for the event with extensive full-cycle insurance services, bolstering the Expo with high-quality CPIC service.

In 2020, CPIC provided the 3rd CIIE with one-stop solution covering "P/C, life, and health" insurance with SA reaching RMB 884.8 billion, as well as integrated risk management service. We offered customized "online + offline" solutions, covering areas such as insurance protection, risk management, high-end forums, procurement contracts, scene experience, smart services, etc. At the same time, we worked with our strategic customers such as Bank of China, Mitsui, Panasonic, Swiss Re in building an international communication platform.

As a strategic partner and the only designated insurance service provider of the 2020 China International Fair for Trade in Services, CPIC provided the event with a comprehensive insurance package including new types of insurance such as COVID-19 and cyber security insurance, with a total SA of more than RMB100 billion, building an "insurance +" service ecosystem for exhibitors, fair constructors, trading groups and other related parties.

Insurance for CIIE with SA reaching RMB
884.8 billion

Insurance for CIFTIS with SA of more than RMB
100 billion



Serving the "Belt and Road" Initiative

CPIC's overseas business covers more than 100 countries, providing integrated risk management and protection for companies going global. Since 2017, the accumulated SA has exceeded RMB800 billion. "Hai Wai Wu You" (Worry-Free While Abroad), our product for the safety of overseas personnel, has covered more than 150,000 people. At the same time, CPIC has established strategic cooperation with the China-Africa Business Council to provide its members with comprehensive group protection relating to enterprises and employees at home and abroad, as well as health and elderly care services.

Our overseas business covers

100+ countries

Since 2017, the cumulative SA of our overseas business has exceeded RMB

800 billion

More than

150000

customers are currently under the protection of Hai Wai Wu You

Promote regional development

Regarding the **integrated regional development of the Yangtze River Delta**, CPIC, the People's Governments of Shanghai's Qingpu District, Wujiang District, and Jiashan County jointly signed a green insurance strategic cooperation agreement to promote the construction of a demonstration zone for green and integrated regional development of the Delta. We will promote universal compensation and cross-boundary governance in the zone with co-insurance service; set up green funds to accelerate the green industry-finance co-construction; develop alignment mechanism for financial and insurance innovation to drive its transitioning towards green industries; and establish special regional institutions and innovation laboratories to explore institutional innovation.

Regarding **the Guangdong-Hong Kong-Macao Greater Bay Area**, CPIC made investments in health, elderly care, and technological innovation. We respectively issued bond investment plans with CGN Power Co. and China Southern Power Grid, helping with the development of clean energy in the Guangdong-Hong Kong-Macao Bay Area; launched exclusive critical illness insurance and medical insurance products for the Area, which can be extended to the whole Guangdong Province and also bought by Hong Kong and Macau residents.

Regarding **the coordinated development of the Beijing-Tianjin-Hebei Region**, CPIC provided risk management solutions to cities like Beijing and Tianjin for smart cities, intelligent transportation, health and elderly care, and industrial Internet, etc., and deepened cooperation with them in the fields of infrastructure, modern agriculture, and health management.

In addition, CPIC has been creating regional growth engines and innovation power sources for the coordinated development of **the Chengdu-Chongqing urban agglomeration**, the **ecological protection and high-quality development zone of the Yellow River Basin**, and the **Shanghai Free Trade Zone**.



Support rural revitalization

Boost high-quality agricultural development with product innovation

CPIC's agricultural insurance is becoming an important tool to promote the development of modern agriculture, overcome the bottleneck of rural finance, and innovate rural governance.

Since the Ministry of Agriculture and Rural Affairs launched the financial innovation pilot program to support agriculture in 2019, a total of 27 CPIC projects have been approved by the Ministry, covering new areas of agricultural insurance such as poverty alleviation insurance, income insurance, big data platform construction, and quality insurance.

In 2020, CPIC developed 732 agricultural insurance products, bringing the total number of its agricultural insurance products to more than 3,000, covering such fields as farming, forestry, animal husbandry, and fishery; rolled out innovative service models such as income insurance, "insurance + futures", and "agricultural insurance +", covering 30.04 million farmers with a total SA of RMB468.6 billion.

Case

Protecting production of green food raw materials

CPIC introduced the "insurance + futures + order-based agriculture" model into the national production base of green food raw materials (corn) in Lishu County, Jilin Province. It also jointly developed a number of exclusive products with the National Black Earth Modern Agriculture Research Institute, providing local farmers with income insurance which guarantees the insured can receive at least an income of RMB1330/mu to cover their production cost. At the same time, our E-Agricultural Insurance provides whole planting cycle remote sensing technology services covering land plotting, crops identification and monitoring, disaster warning, etc., and can form scientific planting management plans with the support from teams of planting experts.

732

newly developed agricultural insurance products

The total number of agricultural insurance products exceeds

3000

30.04 million

farmers insured

Total SA amounted to RMB

468.6 billion

Protecting farmers with accurate service

CPIC has integrated remote sensing, Internet of Things, and 5G technology, etc. into the underwriting and claims settlement of agricultural insurance, and carried out fast, efficient and accurate claims services in its response to disasters like the African swine fever, COVID-19 pandemic, floods in southern China, and Typhoon Hagupit, helping disaster-stricken farmers reduce losses and restore production and life.

In 2020, CPIC set up 503 more agriculture-oriented service stations in townships and put to use more professional equipment such as "agricultural service vehicles" and drones to provide point-to-point, zero-distance insurance services for agriculture, rural areas and farmers.

Upgrading smart service of E-agricultural insurance

CPIC launched a new version of E-agricultural insurance-FAST in 2020 and built up a digital operation management platform cluster suitable for different agricultural scenarios and covering the entire business process, solving many pain points in the agricultural insurance operation process such as complicated and time-consuming procedures.



Help build China into a major technology power

Giving full play to its advantages in insurance and service, CPIC contributes to building the country into a major technology power by providing insurance to the country's pillar projects in aerospace and nautical exploration and supporting the innovation and development of technology enterprises.

Underwriting China's major projects

In 2020, Kuaizhou-1A, a Chinese commercial space launch vehicle, sent two satellites into space successfully. CPIC provided insurance service to the launches of Kuaizhou-1A for 7 year in a row. Besides, we also underwrote the lunches of HEAD-3 and HEAD-4 satellites and the Tai Yuan popular science education satellite; we were also the exclusive underwriter of the country's first self-developed rescue and salvage engineering ship "Hua Xiang Long"; and we continued to be the lead underwriter of the country's first self-built polar scientific research ship "Xue Long 2".

Set up another

503

agriculture-oriented service stations in townships



Facilitating the marketization of technology

In 2020, CPIC deepened strategic cooperation with companies such as Chinese Academy of Sciences Holdings Co., Ltd. and China Reforms Holdings Co., Ltd., focusing on serving technology companies and their related industry chains and promoting technology innovation and technology industry development through insurance; strengthened exploration and practice in the industrialization of technologies, tech projects and parks; and customized exclusive health and elderly care insurance products for researchers. We established strategic cooperation with the General Office of the Shanghai Science and Technology Creation Center to better promote the development of the Center, exploring areas such as service models, industry-finance integration, technology empowerment, and resource integration.



Implement responsible investment

In 2020, focusing on serving the country's major initiatives, CPIC further innovated its responsible investment methods with insurance characteristics, and provided financing support to projects in the fields of environmental protection, new energy, energy conservation, shantytown renovation, and new infrastructure.

CPIC has established a sound credit risk policy and credit risk system and formulated such policies as the CPIC Credit Rating Management Measures, CPIC Credit Rating Rules and CPIC Credit Rating Due Diligence Regulations. For investment projects, we give full consideration to external ESG performance, industry characteristics, internal management, credit history, etc. to avoid risks such as excess capacity, and provide credit support to socially responsible companies aligned with economic and social development, as well as environment improvement.

RMB **2** billion

Invested RMB2 billion in the establishment of the Yangtze River Delta Synergy Advantage Industry Fund.

RMB **3** billion

Initiated the Yangtze River Pension-Ganzhou Development Investment Holding Co. Shantytown Renovation Debt Investment Plan and invested RMB3 billion to support the construction of the shantytown renovation project in Ganzhou.

RMB **4** billion

Initiated the CPIC-Jiangsu Communications Holding Co., Ltd Debt Investment Plan (Phase I), with investment of RMB4 billion for the Jiangsu Taizhou Yangtze River Highway Bridge project.

RMB **1.97** billion

Initiated the Changjiang Pension-Luneng Group Infrastructure Debt Investment Plan, invested in 8 wind power projects under Ducheng Weiye Group Co., Ltd., with total investment exceeding RMB1.97 billion.

RMB **400** million

Initiated the Pacific-Suqian Shantytown Renovation Debt Investment Plan (Phase 1), with an investment of RMB400 million yuan for the shantytown reconstruction project in two land plots in the central city of Suqian.

RMB **600** million

Initiated the CPIC-Gansu Provincial Highway Aviation Tourism Investment Group Debt Investment Plan, with an investment of RMB600 million for the construction of a section of the Shiyao-Tianshui National Expressway in Gansu Province.

RMB **3** billion

Initiated a debt investment plan for the CPIC-Guizhou Water Investment Jiayan Water Conservancy Project, investing RMB3 billion in the Jiayan Water Conservancy Project in Guizhou Province and the water supply project in Northwest Guizhou Province.

RMB **897** million

Initiated the Changjiang Pension-CFPA Micro-finance Assets Support Plan (Phase I and II) and raised a total of RMB897 million to help the low-and-mid-income groups in rural areas get rid of poverty.

RMB **365** million

Initiated the CPIC-Enshi Tourism Project Infrastructure Debt Investment Plan, with investment of RMB365 million for the first phase.

Fight COVID-19 and help business resumption



In the face of the sudden COVID-19, CPIC strove to fight the pandemic and help business resumption by providing insurance and financing support to enterprises. We are also helping the country's efforts to "ensure stability in 6 areas and protection in 6 priorities".

Enhancing enterprise capability for fighting disasters

CPIC launched a comprehensive solution to "protect one supply chain, two groups of people and three types of enterprises", and implemented seven major measures for resumption of work and production: premium exemption, free protection, preferential premiums, expanded coverage, extension of insurance period, new products, and increased service. We also implemented special protection plans in 35 key provinces and cities and established a long-lasting service mechanism, providing a total of over RMB2.8 billion yuan in SA for more than 12,000 enterprises.

Protecting manufacturers of pandemic containment materials

In the early stage of the pandemic, CPIC provided comprehensive insurance for production safety and COVID-19 relief to help business resumption of the first batch of 45 designated enterprises producing pandemic prevention materials, with a SA of more than RMB500 million; provided special insurance services to 12 key COVID-19 medical research and development projects; in the middle and late stages, we visited 1,458 upstream and downstream companies to familiarize ourselves with the needs for the resumption of work and production, and donated insurance to 300 enterprises, covering 210,000 employees.

Protecting SMEs and micro enterprises

Focusing on the 3 major pain points of micro, small, and medium-sized enterprises relating to financing, recruiting employees, and resuming business, CPIC developed a series of insurance products and services.

In response to the "financing difficulties", CPIC launched mortgage guarantee insurance such as Tai Xiang Pei, Shang Hu Dai, Fu Gong Dai, and Small and Micro Enterprise Loan Performance Guarantee Insurance to help small and micro enterprises resume business, with a SA of nearly RMB4 billion. Among them, the premium rates of SME financing guarantee insurance were reduced by an average of 50%; premiums were reduced or exempted for approximately 100,000 SMES and micro enterprises in 11 regions; insurance periods were extended and renewal premiums reduced for some enterprises. To help capital turnover for SMEs, CPIC lowered the interest rate of individual insurance policy loans, extended loan policy repayment period and grace period for payment, and exempted policy reinsurance interest, thus benefiting more than 90 million insurance policies, with SA exceeding RMB50 billion.

Provided insurance coverage with total SA of nearly RMB

4 billion

for the resumption of work and production of SMEs and micro enterprises

The premium rates of SME financing guarantee insurance were reduced by an average of

50%

Solving the capital turnover problem of SME owners and benefiting more than

90 million

insurance policies

Provided special protection for more than

12000 enterprises

With a total SA exceeding RMB

2.8 billion



To ease the "difficulties in recruiting workers", CPIC launched recruitment insurance with pilot projects for the Shanghai Construction Industry Association, China Home Service Association, the Hairdressing and Beauty Association, and the Restaurant Cuisine Industry Association to reduce business risks of enterprises and increase their confidence in resuming work and production.

In response to the "difficulties in resuming business", CPIC launched "An Xin Bao", a product for commercial districts resuming business, "An Xin You", a product for tourists, and "An Xin Gou", a product for shops. They are all first of their kinds in the industry and can provide comprehensive protection against COVID-19 for commercial districts, shops and tourists as well as protection for shops against losses caused by possible business interruption and pandemic prevention expenses.

In addition, CPIC also customized insurance products for industries greatly affected by the pandemic, for example, **Fu Can Bao** for catering companies, **Fu Xue Bao** for schools and training institutions, and **Fu Zhan Bao** for conventions and exhibitions.

Relieving financial pressure with anti-pandemic investment

Changjiang Pension and CPIC AMC subscribed for about RMB1.64 billion worth of COVID-19 prevention bonds. The funds were used for the construction of pandemic prevention facilities in Hubei Province, construction of pandemic prevention information systems, and procurement of medical equipment and anti-epidemic materials. Changjiang Pension also invested RMB500 million in affected technology companies in Hubei, effectively resolving their short-term funding shortage.

Protect people's life and health

To help the government address the difficulties of agricultural and sideline products in the production, supply, and consumption, stabilize market prices, and meet people's needs, CPIC launched an innovative comprehensive solution – Nong Gong Bao which includes price insurance for egg, vegetable, milk and income insurance for wheat, thus extending cost insurance to price and income insurance.

Regarding food safety, CPIC issued more than 330,000 food liability insurance policies to various food production, processing, distribution and catering enterprises, providing insurance coverage of more than RMB430 billion.

To improve people's life and health, CPIC promptly launched low-rate insurance products such as "Yong Gan Zhe" and "Hu Shen Fu" whose coverage was extended to cover COVID-19; and also extended the coverage of 5 accident insurance and 16 disease insurance products to cover COVID-19.

In addition, CPIC donated special insurance with a total SA exceeding RMB1.2 trillion to those who are on the front line of pandemic control, covering nearly 10 million people in the national medical care system, health care system, people's livelihood services, pandemic prevention and control, and public security. So far, a total of RMB5.255 million has been paid out to 30 front-line pandemic prevention medical staff.

Moreover, CPIC opened a green channel for anti-epidemic claims settlement, with 6 claims service commitments and cancellation of 5 claims restrictions, so as to provide better, faster, and more efficient claims to customers.



Subscribed about RMB

1.64 billion

worth of pandemic prevention bonds

Issued more than

330 thousand

food liability insurance policies

With total SA of RMB

430 billion

Donated COVID-19 related insurance with SA of RMB

1.2 trillion

Improve health and elderly care insurance



CPIC continued to optimize its health and elderly care protection system to better serve the Healthy China initiative and improve people's health; it strives to serve the country's old age support system, improve its elderly care services, and build an "Insurance + Elderly Care + Health" service model.

Launched health business strategy

In August 2020, CPIC officially launched its health business strategy to develop middle-stage capabilities for products, services, operations, and risk control, focusing on individual, group and government customer groups. We are also striving to establish big data and health industry investment funds and will set up a professional committee on health insurance development to manage the funds, aiming to build ourselves into a leading domestic health insurance comprehensive service provider in 5 years.

CPIC will jointly establish an Internet hospital with Ruijin Hospital, a top hospital in China. After establishment, the Internet hospital will utilize Ruijin Hospital's management technology and experience, as well as CPIC's advantages in commercial insurance payment integration, customer resources, and institutional channels, to solve the pain points of patients, hospitals, doctors, insurance companies and other parties, and provide customers with high-quality one-stop medical and health solutions. CPIC has also invested in Shanghai Guangci Memorial Hospital to create a full life cycle health management model, which will eventually develop into a national hospital chain serving high-end population.

Improved medical insurance management

CPIC participated in government-insurer cooperation in areas such as handling of the basic medical insurance, critical illness insurance, supplementary medical insurance, long-term care insurance. Under the "insurance + managed medical treatment + health services" model, we built up a comprehensive, full-scenario, and full-coverage health insurance service ecosystem, which helps improve the government's social management.

As of the end of 2020, CPIC's **government-sponsored medical insurance business** had covered a total of 225 government customers, 277 medical insurance cooperation projects and 125 million people. We have been running **critical illness insurance business** in 15 provinces and 54 cities across the country, covering 92 million people and having paid out a total of RMB15.9 billion to 14.27 million people. We developed the "Qinzhou Model" for targeted poverty alleviation through critical illness insurance, the "Wujin Model" which offers full coverage, uniform protection benefits, one-stop real-time settlement, and management of health files to the insured, and the "Jiangyin Model" based on the handling of basic medical insurance, a model featuring a separation of premium collection, handling, supervision, and service.



Our government-sponsored insurance business covers

125 million people

Our critical illness insurance business covers

92 million people

Paid out to a total of

14.27 million people

With accumulative compensation of RMB

15.9 billion

To help China address the challenge of aging population, CPIC has developed a "six-in-one" solution for long-term care insurance, assisted local governments in system construction and promoted implementation of relevant preferential policies. Since 2016, we have undertaken a total of 59 projects, covering 38 prefectures and cities in 19 provinces, municipalities and autonomous regions across the country, with our long-term care insurance services covering more than 35 million people, and above 1 million payouts being made. In the process, we created the "Chengdu Model" and "Shangrao Model" for elderly care and poverty alleviation, and the "Suzhou Model" for the disabled.

CPIC actively promoted **inclusive supplementary medical insurance**. We successively launched inclusive supplementary medical insurance services such as "Hui Min Bao" in cities like Chengdu, Ningbo, Shenzhen, Zibo, Xuzhou, Suzhou, Changzhou and Hunan and Hainan provinces, targeting large population groups in cities, rural areas and communities to ease medical service pressure.

"CPIC Blue Passport" is an exclusive value-added health service developed by CPIC, covering health management before, during and after diagnosis, fast medical treatment and claims service. It consists of two service packages: green channel service plan for critical illness and medical privilege service, which now covers 13 million people.

CPIC's **"Video Doctor"** online medical service enables customers to enjoy 7*24 video consultation by GP doctors without leaving home. The service now covers 2 million customers and has so far received more than 1 million calls.

CPIC drove its transformation and upgrading of medical insurance service capabilities with technological innovation. It established a big data laboratory, developed over 30 analytical models and technology patents such as "health risk score" and "precise prediction of disabled people," and continued to improve service capabilities through measures such as tightening the control of medical insurance fund fees, broadening the coverage of population, innovating value-added services, and improving customer experience. With the "health risk score," we can break down the risks of patients with chronic diseases, and include some people with diabetes in the coverage, effectively reducing patients' burden caused by chronic diseases.

Our long-term care insurance services cover more than

35 million people

We made payouts to more than

1 million people

"CPIC Blue Passport" currently covers

13 million people

"Video Doctor" service currently benefits

2 million people

Serve "three pillars" of China's pension system

CPIC has a full set of license in pension including basic pension insurance fund investment management, corporate annuity fund management, occupational annuity fund management, pension security management, and pension asset management, and vigorously serves the "three pillars" of the country's pension system: public pension, corporate annuity and occupational annuity, and individual retirement savings plan.

Changjiang Pension has been deeply involved in corporate annuity business, maintains its leading position in the corporate annuity collective plan market, and is in cooperation with many large central enterprises in corporate annuity business. Its "Changjiang Jinse Wanjing Corporate Annuity Plan" has long been a top collective corporate annuity plan in terms of the asset under management, the number of enterprises and employees served. As of the end of 2020, Changjiang Pension had been selected as the trustee of 32 occupational annuity projects nationwide. At the same time, the company participates in the entrustment and investment management of all the projects that have already started investment operations.

Development blueprint for elderly care industry

In November 2020, CPIC announced that it would invest in the construction of the 8th Pacific Care Home Elderly Community in Hanyang. Prior to this, our Pacific Care Home program had been running in Chengdu, Dali, Xiamen, Shanghai, Hangzhou, and Nanjing, and the Chengdu International Elderly Care Community had opened its experience hall. The three-in-one (elderly care, vacation, and health care) full-age coverage product and service system of Pacific Care Home is gradually taking shape – drawing a blueprint for our elderly care business development across China.

CPIC's comprehensive solution of "insurance products + elderly care community + elderly care services" has won wide recognition from the society, with nearly 10,000 resident certificates issued. The aging industry investment has become an important driving force for CPIC's Transformation 2.0 and the second wave of growth of its life business.

Expand the achievements in poverty alleviation



Focusing on the basic needs for food, clothing, education, health care and housing, CPIC stepped up its efforts in fighting poverty in the most deeply impoverished regions in China, as well as designated poor regions to which Shanghai provides poverty-alleviation relief. It further improved its long-term poverty alleviation mechanism with CPIC characteristics to better contribute to the country's poverty alleviation campaign.

In 2020, our poverty alleviation programmes covered about 7.62 million registered impoverished households nationwide and provided a total of RMB3.08 trillion in sum assured to poverty-stricken areas.

Promoting "Fang Pin Bao" for poverty-prevention

We continued to improve our "Fang Pin Bao" programme, and by the end of 2020, the programme was up and running in over 662 districts and counties of 28 provinces, autonomous regions and municipalities across the country and covered over 100 million people, accumulatively paying RMB620 million in anti-poverty assistance. A number of demonstration samples have been formed as per different regional conditions, and selected as the "Best Poverty Reduction Cases" by the first "Global Collection of Poverty Reduction Cases" jointly sponsored by China International Poverty Alleviation Center, the World Bank, and the United Nations Food and Agriculture Organization, to share Chinese experience for global poverty reduction governance. A famous documentary literature covered the development, promotion and upgrading of the Programme and vividly described the great changes it has brought to the lives of ordinary people, as well as the contributions made by the frontline poverty alleviation workers.

Case

The Poverty Alleviation Working Group of the Inner Mongolia Branch of CPIC P/C made every effort to promote "Fang Pin Bao" in 48 counties of 10 cities of the Inner Mongolia Autonomous Region, providing insurance with SA of RMB170 billion to 630,000 poor people, which prevented over 4,000 families from returning to poverty. It provided useful experience for us to leverage our strength as an insurance company to participate in social management, save government expenditures, promote social equity, and improve service efficiency.

More efforts in poverty alleviation via agricultural insurance

In recent years, CPIC intensified its targeted poverty alleviation efforts to meet the multi-faceted and differentiated insurance needs of the most impoverished regions, and launched more than 470 exclusive poverty alleviation-oriented agricultural insurance products such as the snowfall index insurance for sheep and yak from Qinghai province, price insurance for cotton/corn from the Xinjiang Uygur Autonomous Region and traditional Chinese medicinal material from Yunnan province, and income insurance for poverty alleviation-oriented industries of Tibet, with more than 20% of the coverage going to the 6 province and autonomous regions, home to China's most impoverished regions. We put in place 159 poverty alleviation innovation projects which aim to help impoverished regions fight poverty by developing local industries and empowering local people.

Covered about

7.62 million

registered impoverished households nationwide

Provided a total of RMB

3.08 trillion

in sum assured to poverty-stricken areas

"Fang Pin Bao" has covered more than

100 million

people prone to poverty

And accumulatively paid RMB

620 million

in anti-poverty assistance

Launched over

470

exclusive poverty alleviation agricultural insurance products

Offering more favorable health insurance service

Guided by China's Healthy China initiative, CPIC improved its medical and health assistance for poverty alleviation by lowering deductibles, increasing reimbursement rate, and raising limit for medical insurance to benefit the poor. Last year, the Company undertook 39 poverty alleviation-related health projects nationwide and paid out about RMB1.526 billion yuan to 2.0745 million registered impoverished people, thus creating new modes for fighting poverty with health insurance service. We continued to promote efficient and convenient poverty alleviation services, for example, expanding coverage of "Video Doctor," a telemedicine service, and smart medical insurance in impoverished areas to better meet the medical needs of local people.

Lifting "two townships and three villages" out of poverty ahead of time

In 2020, CPIC provided a total of RMB3.40 million in poverty alleviation assistance to the 2 rural townships and 3 rural villages in the Inner Mongolia Autonomous Region and Yunnan Province that we are paired up with. To address the most urgent local poverty alleviation problems, we took multiple measures and achieved remarkable results. In March 2020, we succeeded in lifting all the "two townships and three villages" out of poverty 9 months earlier than plan.

Case

Bringing agricultural insurance to Guoluo Prefecture

In Guoluo Prefecture, Qinghai Province, herders live on Tibetan sheep and yaks. Their biggest enemy is the frequent snow disasters in winter and spring. Often a blizzard can wipe out their entire work for a whole year. We visited Guoluo many times to analyze the local disaster loss data for the past 60 years. After that, we launched the snowfall index insurance for sheep and yak from Qinghai province, the first of its kind, bringing agricultural insurance to the sparsely populated prefecture. This index insurance has played an important role in resisting major natural disasters. In the past three years, CPIC has paid a total of RMB11.24 million for this insurance. "This insurance is really good. When disaster hits, our cattle and sheep are covered by insurance and we get compensation even if the cattle and sheep didn't die. We will continue to buy this insurance so that we can rest assured," said the local herders.

Made compensation payments to

2.0745 million

registered impoverished people

Paid out about RMB

1.526 billion yuan

Provided RMB

3.40 million

in poverty alleviation assistance to the "2 townships and 3 villages"



○ "Rainbow", long-term mechanism for poverty alleviation via consumption

CPIC launched the "Rainbow" targeted poverty alleviation online charity platform in 2017, on which agricultural and sideline products produced by registered poor households in poverty-stricken areas are sold. We continuously improved the process management and control for the platform, encouraged producers to improve product supply quality through market means such as order-based management, and boosted the sound development of the products and corresponding industries.

CPIC rolled out the "Rainbow Targeted Poverty Alleviation" Live-streaming marketing campaign last year. CPIC branches brought specialty agricultural products from the poverty alleviation areas into the "live broadcast room" and sell them on the Rainbow platform. Through online sales contests, we developed a team of online sales to help set up a long-term mechanism for poverty alleviation through consumption. It's an effective way to promote the platform's popularity and influence. Cumulatively, more than RMB57.8 million of sales has been achieved through the "Rainbow" platform.

More than RMB

57.8 million

of sales has been achieved through the "Rainbow" platform

Benefiting

29000

registered poor people

Case

Endorsing poverty alleviation-related products

On June 22, we launched a live-streaming marketing event to promote the sales of products from Shache County, Xinjiang. CPIC Chairman, Mr. Gu Yue, together with the deputy secretary of the Shache County Party Committee, Mr. Chen Jian, participated in the event to speak for 13 products from Shache to promote the green products among consumers across the country. The event was viewed by more than 1 million people, and nearly RMB 6 million of sales was achieved in two hours, covering products such as soy milk, sweet almond, honey, and honeycomb.

On September 16th, CPIC launched another live-streaming marketing event to promote the sales of products from Yongping County, Yunnan Province. During the live broadcast, Ms. Pan Yanhong, General Manager of CPIC Life, serving as the online marketer, enthusiastically described the product features to online viewers and gave a vivid account of CPIC's poverty alleviation work in Yongping. The event was viewed by 143,000 people online, with nearly RMB10 million in total sales.



○ Employees in poor villages for poverty alleviation

In 2020, a total of 264 employees of the Company went to 172 designated villages in 26 provinces, autonomous regions and municipalities across the country. With remarkable results in local poverty alleviation, their efforts in poverty alleviation have been highly appreciated by local industries and governments.

CPIC employees went to

264

CPIC employees were involved

172

designated villages for poverty alleviation

Case

Three-dimensional targeted poverty alleviation

"They came to our poor village from big cities, far away from home for months. It is really hard for them. They brought us things like grains and edible oil, pressure cookers, and quilts, and they installed water meters and street-lights for us. We really appreciate what they did for us!" said a villager in Kongshanling Village, Hubei Province, about the assistance from the Poverty Alleviation Working Group of CPIC. Over the past five years, the poverty alleviation team has done a lot for the villagers, such as finding water sources, building two small water plants and 3 reservoirs, laying down a pipe network of more than 30 kilometers connecting all the village households. At the same time, they tried every means to help the villagers sell tea and other agricultural products... thanks to their hard work, the village was lifted out of poverty, and CPIC and the poverty alleviation team will be remembered by the villagers forever.



○ Strengthened education and training efforts to fight poverty

In 2020, CPIC continued to promote the "10,000 cadres for 10,000 households" program, and other poverty-alleviation oriented training and education activities to motivate and empower poor people in impoverished regions to fight poverty.

CPIC carried out school-enterprise cooperation projects in the "3 ethnic regions and 3 prefectures" and explored targeted training program for poor students for its Pacific Care Home elderly care community projects. Some of the trainees got job or internship opportunities at those Pacific Care Home communities. At the same time, we organized training for those with special skills and turn them into salespersons, agricultural service personnel, forest rangers, embroiderers or drivers to increase their income.

A total of RMB

2.87 million

was donated to the "3 ethnic regions and 3 prefectures" to carry out poverty-alleviation related training and education activities



01 To customers

Improve customer experience with technological empowerment



In 2020, CPIC further enhanced technological empowerment and launched a series of people-centered technology platforms and tools to improve service efficiency and quality; optimize systems and management procedures, protect consumer privacy, and make insurance products and services safer.

Empower services with technology

Accelerated technology marketization

CPIC Fintech Co., Ltd. (under preparation) started trial operation in October 2020. In terms of operation mode, the company has five business groups (data intelligence, application development, Internet operations, cloud services and sharing platforms) and two R&D centers in Shanghai and Chengdu, with BU as its basic operation unit. The company commits itself to serving customers and adopts efficient and flat management in its operation.



Started construction of technological cooperation ecosystem

CPIC has entered into strategic cooperation in science and technology with leading technology companies and universities such as Huawei, Alibaba, Neusoft, Inspur, Lenovo, Sense Time, Shanghai Jiaotong University, and Fudan University; launched the Shanghai Jiaotong University AI Joint Laboratory and the Shanghai Insurance Exchange Blockchain Laboratory; cooperates with Huawei in projects on production operation and maintenance and big data platform capacity enhancement; and cooperates with Alibaba on data mid-office platform construction projects.

Empowered online operations

CPIC built up online technology empowerment platforms for customers, operations, partners and management.

"Tai · AI" intelligent vehicle loss assessment platform. This platform enables customers to access the entire service process on mobile terminal, saving them time for reporting, waiting for surveys and on-site surveys, and improving the efficiency of claims settlement and customer experience.

More transparent: With real-time display of the location and type of damage, as well as corresponding repair methods, accessories, work items and prices, the loss assessment process became more transparent. More professional: "Tai · AI" can identify 16 kinds of parts and 5 damage types, covering 97% of passenger car models (23,000 models), with parts and damage recognition rates exceeding 90%, which is comparable to senior claims adjusters with 8-10 years of experience.

"Hi Wen" smart service platform. It provides agents with exclusive service support anytime, anywhere. So far, it has responded to a total of 9.84 million inquiries, with the robot response rate reaching 93%, thus ensuring that customers receive more professional services.

"Tai · AI" covers

97%
of passenger car models

Parts and damage
recognition rate exceeds

90%

"Hi Wen" responded to a total of

9.84 million inquiries

Robot response rate reaching

93%

"Tai Hao Xu" renewal management platform. It can connect front-end and back-end tools, help with resources configuration, automatically schedule renewal tasks, manage customer information, support accurate application of customer profiles through big data modeling, evaluate insurance plans, and offer flexible and quick self-service renewal, meeting customers' personalized risk protection needs.

Upgrade of smart stores. With the 3 I (Intelligent, interactive, integrated) standard, we have built up smart stores where functions such as service delivery, brand promotion, customer experience, and customer operation are integrated. The cloud counter service offers customers service without leaving home. The cloud counter and physical stores complement each other to meet the differentiated service needs of each CPIC customer.

Robots and 95500 smart applications. The "Yangyang" robot offers differentiated and scene-based multi-round interactive services, with an intelligent response rate of 85.23%. With this application, customers can report a case via voice, a first in the industry. With 8 rounds of interaction and simplified process, it enhances customer experience in case-reporting.

Intelligent dual information-entering system. It provides one-stop, full-scenario services to customers, with a first-time pass rate of 83%.

Case

Online claims service

When an insurance incident occurs, the car owner can use self-service claims WeChat mini programme to report the case, make a claim, arrange repair, and ask for rescue. For loss assessment, customer can establish real-time video connection for damage assessment. For small claims, payments are made without reviewing the case. With the "Hu Xin Pei" mini WeChat programme, the user, regardless of whether a CPIC customer, can receive a credit limit, and for single-vehicle accidents where the loss amount is within the credit limit, the user can just enter the amount and get paid, and no manual review is needed. The average processing time (from reporting the case to getting the payment) is about 10 minutes.

Build a service ecosystem

With insights into the pain points and needs of customers, we offer them more customized solutions. We strive to provide them with more convenient, favorable and transparent insurance products and services by carrying out cross-subsidiary and cross-sector collaboration, breaking down barriers.

In 2020, to improve sales and customer experience, CPIC launched a series of products such as "Lao Ban Hao" and "Lao Shi Hao" to form a full-process solution integrating operations such as quotation, policy issuance, payment, customer service, and insurance plan delivery. "Lao Ban Hao" targets small and micro enterprises that are supported by the government and play an important role in job market but have weak anti-risk capabilities, providing the business owners with a comprehensive package of protection covering personal, property, and liability risks.

To improve customer experience of CPIC service, CPIC P/C, CPIC Life and CPIC Health have been holding customer service festivals every year. For 2020's customer service festival, under the theme of "Good Health and Smart Home" and focusing on people's health, CPIC carried out 2,777 featured events participated by more than 3 million customers; CPIC P/C, for its customer service festival of 2020, with the theme of "Always at your service," fully showcased its product and service innovations, and for the first time hired service experience officers nationwide amid its efforts to build up a "responsible, smart, and caring" CPIC Service brand; CPIC Allianz's festival, under the theme of "Good health to enjoy life," was live broadcast on TikTok and WeChat platforms simultaneously, and during the opening event which was participated by more than 100,000 people, the company announced the launch of the "Superhero Training Camp" and the "Customer Club".

The first-time pass rate reaches

83%

The average processing time for small auto insurance claims is about

10 minutes



Protect consumer rights and interests

Following China's Law on Protecting Consumers' Rights and Interests and other regulatory requirements, and to better protect consumer rights and interests, CPIC has set up a special committee under the Board to coordinate consumer rights protection work. We continuously improve the entire process of service management covering service consultation, product sales, claims settlement, and complaints handling. In addition, it has formulated regulations and rules on sales, complaints and advertising to ensure honesty in our sales.

Product liability reminder. CPIC attaches great importance to consumer protection. In all insurance policies, the rights and obligations of consumers are emphasized, and during the underwriting phase, we ensure that customers are fully aware of their rights and obligations by making return visits and setting a hesitation period for them. For customers who want to surrender, we would talk to them to ensure that they are aware of the rights and losses, and then initiate the surrender procedure and follow the agreed process to cancel the policy.

Institutionalized complaint management. CPIC strictly implemented the guidance of the China Banking and Insurance Regulatory Commission on strengthening the construction of consumer protection mechanisms, and established a regular reporting system for insurance consumption. CPIC P/C and CPIC Life respectively issued the "Administrative Measures for the Handling of Insurance Consumption Complaints" in 2020, which stipulate the requirements for handling insurance consumption complaints, division of responsibilities, and processing time limits, and also set up and improved their traceability management and accountability systems covering areas such as organizational guarantees, complaints early warning, complaint mediation, and supervision and evaluation. In 2020, the timely handling and settlement rate of consumer complaints was 100%, with no major consumer complaints made against us.

Customer privacy protection. CPIC established an information security and personal information data protection management system that complies with ISO27001 and ISO29151, and passed regulator's review every year. Our information and data security management system adopt the latest international standards. A series of data security management regulations such as the "Measures for Customer Information Management," "Internet Security Negative List," "Customer Data Security Negative List," "Management Measures for Preventing Data Leakage" and "Work Regulations on Hierarchical Protection of Information System" have been formulated to clarify requirements on the confidentiality, completeness, and availability of customer data. We also have set up channels such as the website and 95500 hotline to handle customers' privacy-related consultations and complaints.

During the year of 2020, the Company was not subject to regulatory penalties due to violations of customer information management regulations.

Protection of intellectual property rights. CPIC formulated regulations such as the Measures for Comprehensive Management of Intellectual Property Rights, Emergency Plan for Comprehensive Management of Intellectual Property Rights, and Measures for Trademark Management Measures, covering the acquisition, use, protection and management of intellectual property rights. We strengthened the comprehensive management of intellectual property rights of the Group and its subsidiaries to promote brand development and technological innovation, safeguard Company's intellectual property rights, and ensure smooth functioning of our comprehensive intellectual property management system. We have obtained a total of 17 software copyrights for our intellectual property such as the urban and rural residents' critical illness insurance information management platform, the smart assistant for agents, the Alpha insurance consultant, and the intelligent testing platform. We also improved employees' awareness of intellectual property rights protection through training and other methods.

Insurance knowledge education and anti-money laundering. CPIC launched the "Financial Knowledge Month" campaign to promote insurance product knowledge among consumers, remind them to keep vigilance against money laundering, and improve the safety of insurance products. About 230,000 employees and agents from nearly 4,000 organizations participated in the event, which covered more than 15 million customers. CPIC branches carried out nearly 4000 insurance knowledge promotion activities for the elderly and the poor in local communities and rural villages, covering more than 10 million consumers.



complaint mediation,

The timeliness rates of consumer complaint handling and settlement reached

100%

Obtained

17

software copyrights

Nearly

4000

organizations participated in anti-money laundering activities

The events covered more than

25 million

consumers



02 To employees

Create an employee development platform with long-term incentives



CPIC attaches great importance to the cultivation of talent. We always uphold the philosophy of meritocracy and kept improving our platform for employee development, thus giving full play to talent development to drive corporate growth.

○ Create job opportunities

CPIC cooperates with local governments to resolve local unemployment problems by participating in local on-site job fairs, creating employment opportunities, and recruiting local people.

Expanded recruitment of fresh graduates. On top of its 2020 autumn and spring campus recruitments, CPIC waged another recruitment campaign in July, offering nearly 700 positions for fresh graduates from around the world. The event attracted many outstanding college graduates at home and abroad, reserving outstanding talent in the fields of technology, insurance, pension, investment, health, etc. for the Company's Transformation 2.0 and strategy for going international.

Supported employment in poverty-stricken areas. CPIC has developed school-enterprise cooperation with vocational schools in poverty-stricken areas such as Aksu Vocational and Technical College in Xinjiang, Guoluo Prefecture Vocational and Technical College in Qinghai, and Liangshan Prefecture Agricultural School in Sichuan, setting up the "CPIC Poverty Alleviation Grant". We made great efforts to promote employment in poverty-stricken regions through measures such as offering grants and scholarships to poor students, organizing vocational skills training, providing internship opportunities, strengthening employment support, carrying out order-based talent training, etc. CPIC All has reached strategic cooperation with five medical colleges including Dali Nursing Vocational College, Zunyi Medical University, and Hunan Women's College on "order-based" training program to provide high-quality professional talents in elderly care services for the Pacific Care Home communities.

Minimum wages commitment. The Company's remuneration management adopts the 3 principles of "market benchmarking, performance orientation, and job evaluation," which ensures that the monthly remuneration paid by the Company shall not be lower than the national and local minimum wage standards.

○ Build a safe work environment

CPIC signs collective contracts with its employees and issues employee handbooks. The Company provides employees with a safe working environment to avoid occupational hazards; formulated the Collective Contract for Special Protection of Female Employees in accordance with the Law on the Protection of Rights and Interests of Women and Special Provisions on Labor Protection for Female Employees, and other laws and regulations to ensure female employees get safety and health protection in daily work and special periods such as wedding, pregnancy, maternity leave, and breastfeeding.

Committed to creating a healthy and safe professional environment for its employees, CPIC held many activities such as running, health lecture, first aid training, fire safety drill, and psychological counseling. In 2020, during COVID-19, we purchased and distributed anti-epidemic supplies, and carried out voluntary services to protect the health of employees and workplace safety. We also organized health-themed activities such as online culinary art competitions to keep employees' mind and body in a positive state; the "Happy Autumn" Running event was participated by 66 running groups and 7,900 employees of the Company; and the special team-building activity was participated by about 1,200 employees from more than 40 departments. In 2020, no major production safety accident occurred in CPIC.



Provide nearly

700

jobs for fresh graduates from universities around the world

7900

employees participated in the running activity

About

1200

employees participated in the team building activity

○ Innovate training platforms

CPIC has established a comprehensive staff training system, and formulated documents such as the Guiding Opinions on Employee Career Management, Management Measures for the Tutorial System, Management Measures for Job Rotation, Management Measures for Outbound Training, as well as guidelines for general career development and professional vocation development. In 2020, CPIC established the CPIC Corporate Innovation University to provide shared services for the Company's talent training, qualification certification, and innovation empowerment.

Optimize training system for empowerment. The CPIC Corporate Innovation University adopts a coordinated, open, and sharing learning model for different positions and employee groups, offering both general courses and professional course relating to health insurance, group insurance, auto insurance, and finance, as well as courses on compliance, network security, legitimate use of software, fire safety and so on. A total of 38,858 employees participated in online learning. Currently, our new employee training is conducted entirely online.

Building key agency teams through training. In 2020, CPIC stepped up its efforts in building 3 key agent teams (core manpower, top performers, and young agents) and promoted training on recruitment standards, system support, and overall training after recruitment. We launched the "Excellent Organization" system and core supervisor training camp; released the global dual benchmarking merit system, and promoted the merit culture centered on "altruism, goal, elegance, diligence, and mutual benefit"; held the "June 16 Partners Festival"; opened the "CG Academy" for cultivating top agents and building industry service benchmarks; and launched the "E-Pass for Large Orders" program that integrates the resources of the entire Company to provide expert services for high-end individual customers.



○ Roll out talent incentives

Promoting the Evergreen Plan. CPIC formulated and implemented talent incentive plans, and CPIC P/C and CPIC Life were the first to implement the Evergreen Plan and established a long-term incentive mechanism for key talents to encourage performance and value contribution. Focusing on key positions, outstanding talent and business front-line, encouraging internal and external competition, and adopting effective incentive mechanism, this plan aims to stimulate the vitality of teams and fully mobilize the enthusiasm of employees for career development.

CPIC e-College offered

1227

online courses

With a total length of

463

hours

The courses received

452819

views

38858

people participated in the
online learning at CPIC e-College

11273

people took the online exams
of CPIC e-College

Youth Training Camp. CPIC organized the 2020 Youth Training Camp where 108 young employees from various units received 6 days of training on topics such as execution capabilities, innovation and transformation capabilities, and risk management and control capabilities. In addition, we set up "SWAT" youth teams for specific tasks such as China International Import Expo, poverty alleviation, Tai Hao Pei, and fighting COVID-19 pandemic, cultivating talent with practical work.

○ Labor codes

CPIC has set up clear stipulations on age, professional ability, compensation and terminating employment, recruitment and promotion, working hours, holidays and vacations, equal opportunities, diversity, and anti-discrimination in regulations such as the **Guidelines for Recruitment Management** and **Management Rules for Employee Recruitment**. There is no use of child labor by the Company. We also have formulated regulations on attendance management and taking leaves, stipulating that CPIC employees generally work 8 hours a day and 40 hours a week. We encourage employees to complete their work during normal working hours. The Company and employees shall not extend working hours without authorization, and there are clear stipulations for the handling of violations. There is no forced employment in the Company.

CPIC strictly abides by the Labor Law and other relevant laws and regulations and does not discriminate on the basis of "gender, ethnicity, marital status and childbearing, religion, hepatitis B virus" in recruitment. We are committed to providing equal career development opportunities to employees, and our employees at all levels accept regular performance appraisals. It's stipulated in the Collective Contract for Special Protection of Female Employees that when hiring or organizing job competitions, except for the types of jobs or positions that are not suitable for female employees, it is not allowed to refuse to hire female employees or refuse female employees to participate in competition on the grounds of gender, or to raise recruitment and competition standards for female employees.

CPIC has formulated the Administrative Measures on Punishments for Employee Violation of Discipline and Regulation, and no employee violation occurred in 2020.

CPIC has formulated the Measures for Labor Dispute Litigation and Mediation. The labour union is responsible for interpretation, mediation, and handling of disputes as the complaint-handling department; and the Administration Department and the Legal Compliance Department are responsible for the management of employee petitions and complaints.

To better protect the rights and interests of employees, CPIC launched a new generation of digitalized human resources management system – "CPIC e-People" in 2020 to provide employees with standardized and shared HR services. Employees can make inquiries and apply for HR services through means such as internal HR hotline, online Q&A, and mobile terminals. In the future, a one-stop HR services platform will be set up to provide convenient high-quality HR service to employees, and employees will be able to obtain career development information through this platform to help improve themselves.

In 2020, the Labour Union of CPIC visited and helped a total of 4,507 employees who were impoverished due to major illnesses, natural disasters or emergencies, and children's schooling expenditure, spending RMB8.3 million yuan to alleviate the financial pressure on employees in difficulties.



In 2020, the Company aided

4507

employees in need

A total of RMB

8.3

million
was distributed to aid poor employees



03 To shareholders

Optimize governance to continuously create value



CPIC successfully issued Global Depositary Receipts (GDRs) in 2020, which not only raised funds and attracted talent but also helped optimize the shareholder structure. CPIC's governance system plays an important role in creating new momentum for the Company's transformation and development and pursuing high-quality development.

Corporate governance modernization

In 2020, in strict compliance with Company Law of the PRC, Securities Law of the PRC, Insurance Law of the PRC and other applicable laws of the PRC, relevant government ordinances and regulations, and drawing on international best practices, the Company continued to strengthen internal and external supervision to improve the soundness, effectiveness and transparency of management, putting in place a sound corporate governance with effective coordination and a sound system of checks and balances.

The Company continued to optimize the structure of the Board of Directors, giving full play to the core role of the Board in major strategic decision-making, risk management and control, and management supervision, so as to better perform its fiduciary responsibilities to all shareholders. In June 2020, the Company successfully issued and listed its GDRs on the London Stock Exchange, becoming the first Chinese insurance company to be listed in Shanghai, Hong Kong and London simultaneously, and laying down a solid foundation for the continuous improvement of its corporate governance mechanism. After the issuance, the Company successfully elected a new Board of Directors. The new Board is composed of 15 Directors, including 2 Executive Directors, 8 Non-executive Directors, and 5 Independent Non-executive Directors. External directors account for 87% of the total. The new Board has 4 female Directors, or 27% of the total, an increase from last year. Among the new Directors, there are well-known macroeconomists, chief financial officers of international leading reinsurance groups, and well-known lawyers. The composition of Directors is increasingly diversified in terms of work experience, nationality, and professional background.



The new Board of Directors has a total of	External Directors account for	Female Directors account for
15 Directors	87% of the total	27% of the total

In 2020, the new Board set up the Technological Innovation and Consumer Rights Protection Committee, and the Company became the first listed insurance company in China to set up a dedicated committee at the board level to guide technological innovation. At the same time, in accordance with regulatory requirements, the Board established the Risk Management and Related Party Transactions Control Committee to further enhance risk management and control capabilities.

After the establishment of the above-mentioned committees, the Board has five special committees under it, namely, the Strategy and Investment Decision-Making & ESG Committee, the Audit Committee, the Nomination and Remuneration Committee, the Risk management and Related Party Transactions Control Committee, and the Technological Innovation and Consumer Rights Protection Committee. Those committees conduct in-depth research on specialized issues and make recommendations for the Board's reference. In 2020, the Strategy and Investment Decision-Making & ESG Committee held 6 meetings, the Audit Committee held 6 meetings, the Nomination and Remuneration Committee held 7 meetings, the Risk Management and Related Party Transactions Control Committee held 6 meetings, and the Technological Innovation and Consumer Rights Protection Committee held 2 meetings.

In 2020, the Company convened 2 shareholders meetings, 10 Board meetings, and 6 Board of Supervisors meetings. All Directors and Supervisors performed their duties, actively participated in the meetings, made decisions based on their in-depth understanding of the content of the proposals, and safeguarded the interests of the Company and all its shareholders. Based on in-depth understanding and accurate judgment of the Company's business and development strategies, the Board adheres to high-quality development, focuses on strategy formulation and major issues, pays attention to key development issues, strengthens planning and integrated management and control, gives full play to the core functions of corporate governance, and urges the management to optimize market strategy to push the Company's development to a higher level.

In 2020, under the leadership of the Board, the Company achieved steady growth in its operating results and made smooth progress in transformation. The Company set up the CPIC Fintech Co., Ltd. to enhance technological empowerment; made the new "3-year Development Plan," began implementing health-related business strategy, and set out the direction for future development. The Board's reform efforts and decision-making capabilities have been widely recognized by the regulators, shareholders, customers, employees and society.

Integrated risk control

In 2020, to boost high-quality development, CPIC further enhanced the effectiveness of its risk prevention and control, strengthened the construction of integrated risk control system, promoted risk control culture and team building, and stimulated compliance awareness at grassroots levels.

Improved effectiveness of risk prevention and control. CPIC strives to make its risk management more efficient, sophisticated, intelligent, and professional so as to facilitate application of key projects and in key transformation areas, as well as to address the unbalanced development of risk control capabilities of units at all levels.

Strengthening risk control responsibilities at grassroots. By rolling out online risk control tools in the risk management system such as compliance management, internal control self-inspection and case management to its branches and sub-branches, the Company set up and improved a unified legal compliance internal control management platform for its institutions at all levels. Branch companies of CPIC improved their risk control evaluation mechanism for evaluating their functional departments and branches, integrating annual performance indicators with risk control evaluation indicators, and compliance and risk control requirements with daily operation and management, thus setting up an effective line of defense for risk control.

Refining risk control system. The Company made breakthroughs in risk control and created a closed loop where problems detection, resolving, and prevention are deeply connected; strengthened corporate governance both at the Group level and subsidiary level, and pushed the Group's risk control requirements through to the front-end units and business front-lines; and integrated risk management into business development, business operation, and business process to create competitive advantages and stabilize operation.

Building digitalized middle platform for risk control. The Company innovated its risk management and control methods, strengthened personnel management, optimized processes and procedures, tightened risk control responsibilities, promoted information sharing, and continuously improved its integrated risk control system; established intelligent platforms for compliance, risk detection, and investment risk early warning; and stepped up development of mid-office for the Group's risk control service sharing so as to help the Company dynamically monitor risks relating to negative publicity and regulatory penalties, and realize the early detection, early warning, and active prevention of major risks.



Prevent corruption and fraud risks

Establishing rules and regulations. CPIC has formulated regulations to fight corruption and fraud such as the Interim Provisions on Anti-fraud, Measures for the Management of Money Laundering Risks, and Interim Provisions on Avoidance of Relatives to clarify the responsibilities and control measures of related work, improve corporate governance structure, and strengthen internal supervision to prevent and oppose bribery, extortion, fraud and money laundering and other violations of laws and regulations.

Improving whistle-blowing process. CPIC has formulated regulations regarding the whistle-blowing, punishment and accountability of violations such as the Regulations on Reporting Violations, Measures for the Management of Punishments for Employee Violations of Discipline and Regulations, and Measures for Investigation of Accountability. Employees can report corruption and fraud violations via written letters, emails and phone calls. After accepting the report, relevant department will carry out investigation and issue a report. If the reported case is verified, the responsible person shall be held accountable based on the confirmed facts and responsibilities, circumstances of violations, etc., in accordance with the regulations and procedures of the Company. If a violation is suspected of committing a crime, it shall be transferred to the judicial organs. And the real-name whistle-blower shall be informed of the outcome of the reported case in a timely manner.

Strengthening training. In 2020, CPIC continued to carry out training on anti-money laundering and anti-corruption, and a total of 12,691 people participated in anti-corruption training, with a total training time of 9,515 hours. The Company conducted 1 training session for the Board, and 5 for new employees. In addition, we organized professional training for persons responsible for compliance and anti-money laundering from headquarters of the Group and subsidiaries.

Auditing our business partners. As per the Administrative Measures for the Selection and Appointment of Accounting Firms by Financial Enterprises released by the Ministry of Finance, in principle, one cannot appoint the same accounting firm (including the relevant member units of the accounting firm) as its external auditor for over 5 consecutive years. But, at the end of the five-year period, if the firm ranks among the top 15 firms based on the latest evaluation by the Chinese Institute of Certified Public Accountants and delivered high-quality audit, its appointment period can be extended after performing internal decision-making procedures. However, the whole period after extension shall not exceed 8 years. And during the above-mentioned period, the company doesn't need to conduct public bidding for the selection of external auditor.

12691

employees participated in the anti-corruption training

With a total of

9515

hours of training time



04 To society

Repay society with love and responsibility

In face of major disasters and accidents, CPIC gave full play to its role as an economic "shock absorber" and social "stabilizer" reduce losses and protect safety of people's property. It also carries out many public welfare activities to support the development of culture and sports, and the building of a better life and a harmonious society.



○ Fight disasters with fast claims settlement

In 2020, CPIC responded to 41 major natural disasters and emergencies such as floods, the "tanker explosion in Wenling on 13 June," the "Xinjia Hotel collapse in Quanzhou on 7 March," and Typhoon Hagupit, etc., paying out a total of RMB810 million in compensation.

In 2020, 836 rivers in 26 provinces in the seven major river basins across the country saw floods exceeding alarm levels, 80% more than normal years and the most since 1998. In the face of catastrophic floods, CPIC helped the disaster-stricken areas and people restore production and normal life with swift claims settlement.

From August to September 2020, three typhoons, Typhoon Bavi, Typhoon Maysak and Typhoon Haishen moved northward one after another to hit Northeast China. The continuous rainfall brought by the typhoons caused huge damage to crops, resulting in more than RMB10 billion in agricultural losses. In the face of disasters, CPIC used advanced technology such as remote sensing to determine the damages and quickly paid out nearly RMB137 million as claimed, thus contributing to the protection of autumn grain crops in the three northeastern provinces.

Case

Rushed to rescue braving storms

On 21 May 2020, a major flood occurred in Guangdong province. CPIC urgently dispatched 283 rescue vehicles to help with the rescue and relief work, and set up the "22 May Heavy Rain Rescue Platform". Flood-affected customers could call for help by just clicking a button on the platform to accurately locate his/her vehicle, which enabled us to make best use of our rescue vehicle resources. The fastest arrival time of our rescue vehicles was 20 minutes. In response to the heavy rains in Guangdong, CPIC paid out a total of RMB699 million as claimed.



Responded to

41

major natural disasters and emergencies

Paid out about RMB

810

million as claimed

Paid out nearly RMB

137

million in quick settlement of claims resulted from the typhoon in Northeast China

Paid out a total of RMB

699

million in response to heavy rains

Care for the elderly with cognitive impairment

Shanghai is the first city in China to suffer from an aging population and also the worst sufferer. Cognitive impairment is a prominent problem for an aging population. In response, the Company set up the Shanghai CPIC Blue Public Welfare Foundation in 2020 and launched a three-year public welfare program to care for the elderly with cognitive impairment. The program is composed of 4 projects: the "Wan Plan"(early screening for 300,000 elderly people), the "Qian Plan" (training for 3,000 people on cognitive impairment), the "Bai Plan" (creating 500 intelligent experience scenarios), and the "Shi Plan" (30 themed activities). The foundation will continue to carry out public welfare projects and mobilize more resources from society to care for the elderly with cognitive disabilities, focusing on further promoting education on relevant health topics, organizing training activities, and seeking cooperation with relevant institutions.



Support education in poverty-stricken areas

CPIC formulated the "Measures for the Administration of Foreign Donations" to better provide assistance to disaster-stricken areas, poverty-stricken areas and other disadvantaged groups. In 2020, it made donations to 110 poverty alleviation, anti-pandemic and education projects, and set up the Magnolia Foundation in Hong Kong, with a total donation of RMB 40.72 million.

"Illuminate the Future with Responsibility" – a program to support education in poor areas

CPIC has donated funds to build 64 Hope Project primary schools across the country and offered on-site education support for 13 consecutive years. Currently, it has more than 7,000 volunteers with a total service time of 45,000 hours.

In recent years, the "Illuminate the Future with Responsibility" program has been running in Nujiang Prefecture and Liangshan Prefecture, two deeply impoverished areas in China.

In November 2020, CPIC volunteers came to Liangshan Prefecture, Sichuan Province, and donated about RMB 600,000 and many school uniforms to a local Hope Project primary school. The volunteers brought new knowledge to the students there, broadened their horizons and enlightened their minds through themed class meetings, sports activities, and courses on sports, fine arts, music, safety, English, picture books, and artificial intelligence.

"Don't let dreams starve" – a program to donate free lunches to children in poor areas

In 2020, CPIC and the Free Lunch Fund of China Social Welfare Foundation jointly launched a special charity program – "Don't let dreams starve" to donate lunches to children in poor areas. More than 700,000 CPIC agents signed up for the program and donated RMB 9.89 million to the Free Lunch Fund.

Total donation in 2020: RMB

40.72 million

7000

plus volunteers

Total service time:

45000 hours

Donation to the Free Lunch Fund: RMB

9.89 million



Support sports and cultural development

Leveraging its advantages as an insurer, CPIC actively supports the development of cultural and sports undertakings, advocates a healthy and civilized lifestyle, and ensures that its business operations are well aligned with social development.

Served the Asian Games in Hangzhou

In 2020, CPIC became the official insurance partner of the 19th Asian Games in Hangzhou 2022, providing this largest and highest-level sports event in Asia with a package of P/C, life and health insurance products and comprehensive risk management services. CPIC will use high-quality insurance protection and comprehensive technical and HR support to help Hangzhou successfully host the 2022 Asian Games and enhance the city's image and brand amid the Company's efforts to promote all-round development of competitive sports and create a healthier and better future for the general public.



Deepened cooperation with Chinese Women's Volleyball Team

Since establishing strategic partnership with the Chinese Women's Volleyball Team in 2018, CPIC has been committed to promoting the sports of volleyball and the spirit of this team. It organized its employees and customers to watch the Women's Volleyball World Championships and the World Cup, as well as the movie Leap, a film sponsored by CPIC.

In 2020, CPIC injected RMB500,000 into the China Volleyball Development Foundation to become a "China Volleyball Development Foundation Partner Enterprise". The Company will take this as an opportunity to focus on creating comprehensive insurance services to cover the full life cycle of volleyball players and accident and injuries risks of active and retired athletes, as well as their elderly care and health needs.

Promoted the popularization of symphony

Dedicated to popularizing music education, CPIC has cooperated with the Shanghai Symphony Orchestra in holding the "Yue Xing Tian Xia" brand activities for 13 years in a row. In 2020, to popularize musical knowledge and enrich the lives of employees and customers during the pandemic, the Company launched 20 live online sessions of "Music Masters by Your Side," which attracted nearly 80,000 people to watch and interact. In addition, it launched a CPIC-themed cloud ensemble with more than 4000 participants. Among them, more than 100 CPIC customers and employees were selected to perform on stage with musicians from the Shanghai Symphony Orchestra.





05 To partners

Seek win-win cooperation with partners

CPIC integrates the concept of sustainable development into the communication with partners and the development of the industry. It continuously widens its acquaintance, strives to build a platform to connect strategic customers, and keep optimizing supply chain ESG management, so as to develop together with the industry.



Expand strategic customer base

In 2020 despite the impact from COVID-19, CPIC signed up another 103 strategic customers to bring the total number to 402 and the contract signing rate to 75% for provincial level government-type strategic customers (including governments of provinces, municipalities directly under the Central Government, and cities under separate state planning). It has initially established a strategic customer base which includes national ministries and commissions, provincial and municipal governments, state-owned enterprises, leading private enterprises, state-owned banks and national joint-stock banks, and securities companies.

CPIC successively signed strategic cooperation agreements or exchanged visits with the governments of Guangdong Province, Henan Province, Sichuan Province, Shaanxi Province, Jiangxi Province, Qinghai Province, Inner Mongolia Autonomous Region, as well as the Yangtze River Delta Green Ecological Demonstration Zone and the Shanghai Science and Technology Innovation Office; and deepened cooperation with enterprise-type strategic customers such as Bank of China, China Reform Holdings, Shanghai Futures Exchange, Shanghai Pudong Development Bank, Shenergy Group, Swiss Re Group, Shanghai Rural Commercial Bank, Huawei, Tencent Group, Vanke Group, Spring Airlines, ZTO Express, and Shenzhen Investment Holdings by signing strategic cooperation agreements or exchanging high-level visits with them.

Leveraging its strategic customer resource, the Company also held themed events to promote the business linkage between its strategic customers and explore the construction of a value chain of strategic customers.

402

strategic customers

Signed cooperation agreements with

103

strategic customers

Contract signing rate for provincial level government-type strategic customers reached

75%



Participate in industry development

In 2020, CPIC strengthened communication and interaction with partners and industry associations, actively participated in industry research, industry standards formulation, and the sharing of industry achievements and experience, in a bid to develop together with the industry.

Participated in formulating agricultural insurance standards. CPIC worked with the Insurance Association of China to formulate model clauses of the cost insurance for three staple food crops of rice, wheat, and corn, and participated in the formulation of the regulations on underwriting and claims settlement for farming, breeding, and forest insurance.

Held a seminar on electricity industry insurance. To help big electricity enterprises go global and serve the "Belt and Road" initiative, CPIC P/C hosted a seminar on the development of the electricity industry insurance in 2020, which was participated by insurance brokers of main players in the electricity industry, such as, CEFC CHINA, CHINA GUODIAN, State Power Investment, China Datong, and Sanxia Water Conservancy. Views were exchanged on topics such as the informatization and digitization of the insurance industry, and the improvement of overseas service networks.

Held the first Tai'an International Forum on Agricultural Risk Management. Shanghai Tai'an Agricultural Insurance Institute, together with the Chinese Academy of Agricultural Sciences and the Agricultural Insurance Research Center of Nankai University, successfully held the first Tai'an International Forum on Agricultural Risks Management, to share and exchange advanced experience in agricultural risks management at home and abroad, and jointly promote global agricultural risk management and support high-quality development of agricultural insurance.

Held the 9th Forum on Rural Finance and Macro-economy. Themed "Empowering the future with credit insurance," the forum was sponsored by CPIC Life to focus on long-term risk protection, smart finance, elderly care and health services. It's participated by provincial-level rural credit cooperatives unions from Henan, Yunnan, Zhejiang, Shandong, Jiangxi, Heilongjiang, Anhui, Ningxia, Shanghai, Sichuan, Guizhou, Gansu, Qinghai, Guangxi, Shaanxi, Hunan, Hebei, Xinjiang, and Guangdong.

Hosted the 3rd Yangtze River Delta Forum on Pension Finance. Changjiang Pension and China Business News jointly released the Report on High-quality Development of Pension Finance in the Yangtze River Delta, which explored how to combine pension finance with the integrated development of the Yangtze River Delta to better support the high-quality development and people's livelihood of the region. In addition, Changjiang Pension led the publishing of the Blue Book of China Insurance Pension Management.



Case

The Yangtze River Delta is the most economically developed region in China, but also suffers most from an aging population. Focusing on the topic of "High-quality Development of Pension Finance in the Yangtze River Delta", the "Report on the High-Quality Development of Pension Finance in the Yangtze River Delta" explores the development path for pension finance in the Yangtze River Delta through methods such as policy review, corporate visits, and executive interviews, and data analysis. Consisting of four parts, it explains in detail the essentials of high-quality development of pension finance, and analyzes the development status quo of pension in the Yangtze River Delta. It also summarizes the practical experiences with cases such as CPIC, and explores the path for the high-quality development of pension finance institutions in the Yangtze River Delta, providing advice and suggestions for the high-quality development of pension finance in the region and the reform of the country's multi-level pension system in terms of national politics, supply-side development of relevant institutions, and people's attitude towards the elderly support.

Strengthen insurance publicity initiatives

During the period of the World Consumer Rights Day of 2020, CPIC promoted health care and elderly care awareness among the public through smart services such as immersive experiences, live broadcasts of health lectures, and cloud assistance, which enabled people to have a better understanding of insurance through online and mobile means and experience.

On 8 July, the National Insurance Day, CPIC and its subsidiaries and branches around the country held all kinds of activities with various themes such as fighting poverty with insurance, empowering insurance with technology, enhancing health care awareness, and supporting rural areas with insurance, etc. to coordinate industry efforts and deepen industry interaction with the public.



Optimize supply chain management

To improve full life-cycle management of supply chain for sustainable development, CPIC formulated Policies on Centralised Purchases, Rules on Management of Suppliers, Provisional Implementation Rules on Management of Suppliers, stepped up coordination with suppliers to enhance their ESG capability, thus jointly promoting sustainable development with its suppliers.

In 2020, we continued to improve full life-cycle management of the supply chain and strengthened the identification and control of environmental and social risks. When choosing suppliers, priorities were given to suppliers that provide energy-saving and environmentally friendly products, and environmental protection qualifications were set up for purchasing products such as furniture, automobiles, real estate property, and printing to identify and avoid suppliers with poor environmental protection qualifications. Environmental protection requirements for products and services are used as for the qualification evaluation of suppliers. The Company regularly carries out investigation and analysis of the potential risks of its suppliers based on their qualifications, products, services, operating conditions, negative public opinions and other dimensions, and give them early warning. Priorities are given to those with excellent ESG performance when selecting suppliers. We also convene annual meetings of suppliers to advocate ESG policies.

Our suppliers include IT, equipment and materials, engineering and service providers. For supplier screening standards, we gave full consideration to factors such as supplier qualification, product and service quality, price, operation, and negative behaviours if any to ensure transparency and fair procurement procedures.

In 2020, we did not terminate cooperation with any suppliers due to major adverse impact on economy, society, and environment.



595

centralized procurement suppliers

441

non-centralized procurement suppliers

06 To environment

Protect our home planet with green action



Relying on its professional expertise, CPIC uses high-tech risk service tools to tackle the challenges of climate change and reduce climate-related losses. In 2020, it further strengthened green operations, promoted green insurance, developed green finance, and implemented carbon emission reduction actions to better contribute to ecological civilization.



Disaster prevention and loss reduction: responding to climate change

Established emergency plans for climate and other natural disasters

In accordance with the National Plan on Climate Change Plan (2014–2020) and other relevant policies, CPIC established the Emergency Plans for Major Natural Disasters or Major Fires, Production, Traffic Safety Accidents, applicable to floods, typhoons, earthquakes, etc. When a severe natural disaster or serious accident occurs, an emergency response plan of corresponding level will be activated based on the losses caused. In addition, we carried out drills for floods and typhoon as well as relevant safety education activities to ensure that employees are familiar with the contents of the floods and typhoon emergency plans for maximum effect.

Developed new technological means to fight typhoon

Climate change's impact on catastrophe risks has become more apparent, which not only poses challenges to catastrophe risk management, but also brings opportunities for the development of catastrophe insurance.

CPIC increased research into and investment in climate change and catastrophe risk mitigation, mastered the most advanced catastrophe risk assessment technologies and tools in a timely manner, and developed a "Risk Radar" system which can access meteorological centers and earthquake bureaus to provide information and quantitative assessment of natural disasters such as rainfall, typhoons, thunderstorms, geological disasters, and urban waterlogging in the next 10 days throughout the country. The Typhoon Early Warning Module of the system can automatically track the path of typhoon, develop a list of affected customers for early warning, and calculate the expected loss of the typhoon using a catastrophe model, which greatly helps with the emergency preparations of relevant units. Since its release, the Radar has helped us produce more than 370,000 risk survey reports and more than 310,000 risk improvement suggestions, and set up more than 240,000 customer risk files, effectively enhancing risk awareness and prevention capabilities of our corporate customers.

Case

Risk Radar for fighting typhoons

During the fight against Typhoon Lekima in 2019, the Risk Radar, with updates on warning area every 12 hours, developed 16 lists of early warnings, issued prompt typhoon warnings to nearly 70,000 customers, and assisted more than 6,000 companies in pre-disaster prevention, which helped achieve a loss reduction of RMB250 million for society. In the fight against Typhoon Hagupit in 2020, the Risk Radar released 6 early warning lists covering 68,578 customers; and made 1040 customer visits prior to the typhoon.

In addition, through the WeChat mini program Tai Ai Kan, CPIC provided the public, free of charge, with quantitative assessments of natural disasters such as typhoons, rainstorms, and snowstorms and related historical data for any geographical location across the country; sent out early warnings to localities prior to disasters and updated and released real-time data during disaster periods.

Responded to climate change with weather index insurance

CPIC cooperated with professional meteorological technology companies to monitor and forecast major disastrous weather events, provide decision-making support to governments and relevant departments at all levels to organize disaster prevention and mitigation actions, and provide information services for disaster-sensitive areas and grassroots residents.

370^{thousand+}
risk survey reports

310^{thousand+}
risk improvement suggestions

240^{thousand+}
customer risk files

The Risk Radar reduced loss by nearly RMB

250^{million}
during the fight against Typhoon Lekima

The Risk Radar sent out early warnings to

68578
customers during the fight against Typhoon Hagupit



In 2020, we rolled out weather index insurance programmes in 24 provinces/municipalities covering products such as vegetables, fruits, tea, flowers, traditional Chinese medicinal materials, and hairy crabs to offer cover against losses caused by climate change worth over RMB 1.46 billion in sum assured to 53,000 rural households. Weather index insurance overcame information asymmetry and enabled farmers to obtain convenient and adequate protection by indexing the degree of damage to crops caused by climate conditions such as temperature, precipitation, and wind speed.

Case

In May 2020, many places in Henan issued dry-hot wind warnings. Dry-hot wind is a common meteorological disaster for wheat in the later stage of growth. If wheat encounters dry-hot wind during the grain filling period, it will "ripe" ahead of time and the wheat grains will become dry, resulting in a decline in yields. With CPIC's innovative dry-hot wind weather index insurance for wheat, compensation will be automatically triggered when the weather conditions reach the dry-hot wind standard, which simplifies the claims procedures and ensures the interests of wheat growers.

Green insurance: protecting clean water and lush mountains

Promoted environmental liability insurance

CPIC actively participated in the development and implementation of environmental pollution liability insurance products and strengthened the supervision and management of enterprises to protect the environment and prevent environmental damage. As of the end of 2020, we cumulatively provided environmental liability insurance to over 4,360 firms in China, with SA exceeding RMB 7.9 billion.

Established green insurance system

CPIC underwrote China's first environmental liability insurance for public areas. This insurance guarantees the safety of public environment and is conducive to the healthy and stable development of regional economy. At the same time, we adopted a new insurance model of safety liability + environmental liability to help enterprises with environmental protection, safe production, energy saving and consumption reduction. We also incorporated ecological damage compensation into insurance coverage and issued guidelines for environmental liability insurance assessment.

Facilitated development of new energy

In 2020, CPIC underwrote many large power-generation firms such as the China National Nuclear Corporation, CHN ENERGY, State Power Investment, China Huadian Corporation, China Datang, Sanxia Water Conservancy, China Guangdong Nuclear Power Company, China Energy Conservation and Environmental Protection, and China Resources Group, etc., cumulatively providing SA of RMB 938.3 billion for new energy. We also promoted the application of new risk prevention and control technologies such as marine surveyors (MWS), marine rescue and specific site assessments, and developed risk control guidelines for offshore wind power generation.

Green investment: supporting transitioning towards green economic development

Following green investment philosophy, we actively participated in the innovation of green financial system and mechanism, leveraged the advantages of insurance funds to invest in fields such as clean transportation, clean energy, resource conservation, recycling and pollution control, thus providing financing support for our country's transitioning towards green development.

53000

rural households covered
by our weather index insurance

Over RMB

1.46

billion
in protection against losses
related to climate change

Provided environmental liability
insurance with SA of over RMB

7.9

Provided risk protection of RMB

938.3

billion
for renewable energy

We directly invested in green projects in fields such as energy, environmental protection, water conservation, pollution prevention and control, etc. via debt investment plans, equity investment plans, asset-backed plans and industry funds. Besides, we made indirect investments, especially via green bonds, in the construction of green finance pilot zones to support development of green finance.

As of the end of 2020, CPIC invested,

RMB

39.751

billion
in new energy

RMB

13.7

billion
in water conservation

RMB

864

million
in environmental protection

Energy saving and emission reduction: reducing environmental footprint

Built about 67 hectares of public welfare forest at Sanjiangyuan

At the end of May 2020, CPIC built about 67 hectares of forest at Sanjiangyuan, or origin of the Yangtze River, the Yellow River and Lancang River planting about 50,000 tree seedlings of 9 species including spruce, sabina chinensis, and poplar in the "Sanjiangyuan Forest for Public Welfare". When completed, this project will become an ecological park with reasonable mix of tree species, strong ecological functions, and great landscaping effects, which is highly beneficial to regional environment and the well-being of local residents, setting up an example for garden-style afforestation in plateau areas. The public welfare forest will absorb 15,000 tons of carbon dioxide in the next 30 years. For this project, the Company was awarded the "Special Contribution Award for Lands Greening in Qinghai Province" by CPC Qinghai Provincial Committee and Qinghai Provincial Government.



Contribution to construction of Chongming Ecological Island

CPIC is a brand partner of the 10th China Flower Expo in 2021. To support the Expo, it will be the title sponsor for some exhibition areas and offer tailor-made full life-cycle insurance for the event. We will take this event as an opportunity to advocate the concept of green development. We also will help Chongming District transform its ecological advantages into new development momentum to promote urban and rural development, improve living environments, and innovate resource utilization with the construction of Green Finance Demonstration Zone, Ecological Industry-Finance Zone, and Agricultural Financial Service Innovation Zone.

Built about

67

hectares
of public welfare forest

Planted

50000

tree seedlings

The public welfare forest is
projected to absorb

15000

tons
of carbon dioxide in the next 30 years

Supported ecological exploration – "Exploring the Beauty of the Yellow River"

CPIC supported the 2020 Exploring the Beauty of the Yellow River program and implemented the China Action Plan on the 2030 Agenda for Sustainable Development with practical actions. Staff members from 18 of its branches travelled with the exploration team to start from Xining and travel more than 7,500 kilometres to cover more than 30 cities in 9 provinces along the Yellow River within 2 months. During the exploration, Chinese and foreign experts in various fields conducted in-depth investigations and visits to areas along the Yellow River to study the ecological environment, resource utilization, and industrial structure, poverty alleviation, cultural inheritance and innovation of the areas along the river.

Policies and measures to reduce greenhouse gas emissions

Following requirements of the Work Plan for GHG Emission Control during the 13th 5-year Development Period issued by the State Council on greenhouse gas emissions, carbon emissions and air pollutants emissions, and the Limits and Measurement Methods for Emissions from Light-duty Vehicles (China 6) by the Ministry of Environmental Protection and the General Administration of Quality Supervision, Inspection and Quarantine, in 2020 CPIC purchased more than 600 company vehicles, all of which met the China 6 standards. We made best use of our company vehicles through effective coordination. We also advocated green travel and encouraged the use of public transportation to reduce exhaust emissions. In addition, waste water and waste gas generated in the canteens were discharged only after being treated in accordance with environmental protection standards.

Case

Developed green buildings

The first phase of our CPIC Home · Chengdu International Elderly Care Community Project was awarded the three-star green building design certificate by Real Estate Association of Sichuan Province, thus becoming the first elderly care community project in China receiving this certificate. The project adopted a combination of arbor, shrub, and grass in the outdoor greening with rational selection of species to promote biodiversity. The interior design paid attention to acoustics and implemented noise and vibration isolation measures for the living and activity space of the elderly to ensure a quiet environment. At the same time, measures such as air filtration or purification systems, and indoor air detection system were taken to detect indoor air quality and purify outdoor air. In terms of energy design, split air-conditioning and multi-couple unit system were used for the project, which saved 6% more energy compared to the current national energy-saving standards. In addition, energy-saving air-conditioning, electrical equipment, lighting equipment, and high-efficiency water-saving appliances were used to reduce the energy expenditures of customers.



Exploring the Beauty of the
Yellow River spanned over

7500 kilometres

Covered more than

30

cities in nine provinces
along the Yellow River

Purchased more than

600

company vehicles with the
China 6 standards

Energy saving by at least

6%

Policies and measures for efficient energy use

CPIC has formulated specific rules for energy conservation for office environment and equipment usage which stipulate that the office temperature should not be higher than 20°C in winter, or lower than 26°C in summer; the lighting of public places such as corridors, stairwells, halls, etc., should be under centralised control and optimised; the use of tap water should be moderate and waste of water should be avoided by turning off the water immediately after use.

Improved power usage effectiveness of our data centers. PUE (Power Usage Effectiveness) = Total power consumption of data centers / IT equipment power consumption. It is an index to evaluate the energy efficiency of data centers. The closer its value is to 1, the less energy consumption the non-IT equipment has. The full-load PUE of the Chengdu Data Center, which was put into use in 2015, was 1.75. In 2020, the PUE dropped to 1.60, an indication of initial results in energy saving and green operation of data centers. Specific measures taken included: adjustments to the wind speed of the fans of the precision air conditioning, adjustments to the temperature of the outlet water from water chillers, adjustments to the operation mode of the precision air-conditioning, and adjustments to the control parameters of BA system. As a result, about 518KW of electricity was saved.

Case

Green actions

To reduce costs and increase efficiency, CPIC P/C began to carry out green actions in 2019. It continuously promoted cost optimization through a variety of measures such as implementation of key projects, peer cases sharing, and cost disclosure. It quantified cost reduction items of RMB220 million and achieved remarkable results, increasing revenue by RMB32 million.

CPIC Life promoted paperless and green operations, and continued to expand and upgrade its full-process online service capabilities, with online comprehensive service rate reaching 75% and counter automatic POS service rate exceeding 90%; it is also committed to energy saving and emission reduction, and vigorously promotes paperless services such as electronic endorsements, electronic policies, and electronic mails to reduce resource consumption. The subscription rate of electronic mails reached 78%.

Policies and measures to reduce major impacts on environment and natural resources

CPIC follows relevant provisions of the Environmental Protection Law and the Natural Resources Protection Law to protect the environment and maintain biodiversity through insurance.

In order to protect wild animals as well as interests of all ethnic groups in Xishuangbanna Prefecture, Yunnan Province, CPIC compensates for losses caused by wild animal accidents through wild animal public liability insurance. In 2020, a total of 3,863 claims were settled, with pay-out of RMB21.13 million in compensation.

In addition, CPIC issued the first commercial ancient and rare trees insurance in Wuxi, providing comprehensive protection for ancient and rare trees against natural risks, accidents, pests and diseases, as well as third party liability (personal damage and property loss).

Environmental compliance

CPIC has formulated systematic environmental performance indicators and regularly tracks and collects data. The Company is not in a high-polluting industry. In 2020, CPIC didn't receive any punishment due to environmental violations or any environment-related complaints.

Chengdu data center's PUE dropped to

1.60

in 2020

Saving about

518^{KW}

of electricity

Settled

3863

wildlife public liability insurance
claims in 2020

Paid out RMB

21.13^{million}

in compensation

ESG key performance indicators

ESG performance report overview

In 2020, CPIC further integrated ESG concepts into its operations, using ESG as an important evaluation criterion for corporate behaviour. Guided by the latest HKSE ESG report guidelines, and with reference to the ESG requirements of FTSE Russell and MSCI, the Company analysed the weaknesses in its ESG management and practice, and proposed targeted measures focusing on ESG indicators such as risk management, climate change, product liability, human capital, and responsible investment.

CPIC attaches great importance to ESG risk management. The Company integrated ESG management concepts into its risk management system, focusing on identifying ESG risks involved in insurance operations, project investment, climate change, elderly care, and health, and analysing possible impacts on its business development. And it actively responds to ESG risks by participating in social governance, implementing responsible investment, promoting catastrophe insurance and services, and further developing its elderly care and health business. This report disclosed its ESG risk management for the first time.

Climate change is having profound impact on catastrophe risks, which has become a new hot spot to the insurance industry. Paying great attention to the changes brought by climate change, CPIC has rolled out catastrophe insurance products and services, adopted advanced catastrophe risk assessment techniques and tools, and developed climate risk response plans and training mechanisms. For extreme weather disasters such as typhoons and rainstorms, the Company did a good job in early warning, risk investigation and prevention, post-disaster rescue, and helping the disaster-stricken people restore production and life. In addition, CPIC has also developed agricultural index insurance to fight risks caused by severe weather and protect farmers' income. This report disclosed the Company's measures to address climate change for the first time.

CPIC is committed to increasing employment opportunities and protecting the rights and interests of employees. It has formulated a series of labor policies, clarified labor standards, and implemented diversified types of employment; established and strictly implemented rules and regulations relating to training and development, health and safety to protect the rights and interests of employees. In addition, it established the CPIC Corporate Innovation College, a platform of continuous learning and development for employees. In this report, the Company disclosed its related policies, as well as data on employee incentives, geographical distribution of employees, employee turnover rate, number of foreign employees, and minimum wages, etc.

CPIC takes seriously product liability management to protect the rights and interests of consumers. It continued to improve product liability notification, complaints handling, intellectual property rights protection, and consumer data and privacy protection. This report included new contents in it such as the disclosure of data relating to intellectual property rights protection, product liability reminder policies and the number of complaints, and NPS.

CPIC has incorporated the ESG management concepts and requirements into its daily operation. For responsible investment, we innovated mode of responsible investment with insurance characteristics, and focused on projects in environmental protection, renewable energy, energy conservation, resettlement of shanty town, and new infrastructure, so as to provide funding to economic and social transitioning. This report disclosed the Company's key responsible investment projects. In terms of green insurance, the Company expanded coverage of its environmental liability insurance, promoted green environmental insurance system and supported development of new energy through insurance.

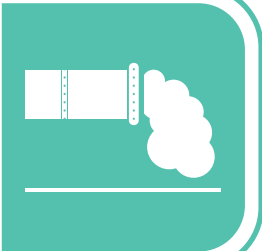
In this report, the Company reviewed its supply chain management, emphasized the role of ESG as an important criterion for evaluating and selecting suppliers, and disclosed the regional distribution of its suppliers. In 2020, it did a good job in preventing corruption and fraud risks by formulating and strictly implementing anti-corruption policies and measures and conducting anti-corruption training for directors and employees.

The relevant indicators can be found in the following part of this report, and the relevant measures and policies are detailed in the index part of this report.

Environmental protection improvement measures

Emission density
(Total emissions/
total annual revenue)

The Company surveys its emission of greenhouse gases and air pollutants in accordance with the requirements of ESG management goals and will formulate future goals with reference to the related targets of carbon peak and carbon neutrality.



Main measures: Conduct daily monitoring and analysis of emissions, optimize emission management of greenhouse gases and air pollutants at source, and establish and implement relevant pollutant management methods.

Waste disposal rate
(Reduce hazardous and non-hazardous waste at source + recycling)

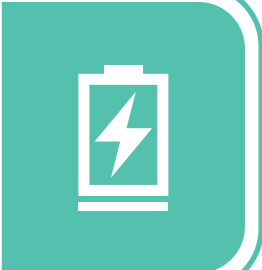
The Company surveys its hazardous and non-hazardous waste according to the requirements of ESG management goals and will formulate future goals with reference to environmental protection requirements.



Main measures: Conduct statistics survey and monitoring of waste production and treatment, improve management system, and integrate waste management mechanisms into the operations of all of its organizations.

Energy efficiency
(Total energy used/total annual revenue)

The Company surveys its energy usage according to the requirements of ESG management goals and will formulate future goals for electricity and gas usage.



Main measures: Establish and implement long-term energy conservation and emission reduction measures, formulate phased energy efficiency plans, use clean energy or renewable energy for operation and production, optimize processes, and adopt less energy-consuming technologies or equipment.

Water consumption density
(Total water consumption/
total annual revenue)

The Company surveys its water consumption in accordance with the requirements of ESG management goals and will formulate future water usage goals with reference to the requirements of intensive and economical use of water resources.



Main measures: establish and implement long-term water resources management measures, formulate phased water consumption plans, strengthen water recycling or reuse, optimize processes, and adopt less water-consuming technologies or equipment.

Data based on the statistics of the Company, unless otherwise specified

Environment

Emissions

Greenhouse gas emissions

Indicator	Unit	2020	2019	2018*
Direct emission	tons of CO ₂ equivalent	4,254.94	3,691.76	647.29
Indirect emission	tons of CO ₂ equivalent	102,555.93	145,932.52	56,740.65
Other indirect emission	tons of CO ₂ equivalent	9,446.25	17,460.15	3,492.03

Greenhouse gas emission intensity

Indicator	Unit	2020	2019	2018*
Direct emission	Tons/100 million yuan CO ₂ equivalent	1.01	0.87	0.15
Indirect emission	Tons/100 million yuan CO ₂ equivalent	26.60	37.86	14.72
Other indirect emission	Tons/100 million yuan CO ₂ equivalent	2.67	4.93	0.99

Pollutant emissions

Indicator	Unit	2020	2019	2018*
NOx emissions	Grams	21,195,603	35,473,692	591,228
SO ₂ emissions	Grams	303,159.7	437,135.4	7,285.6
Particulate matter emissions	Grams	2,023,195	3,202,710	53,379

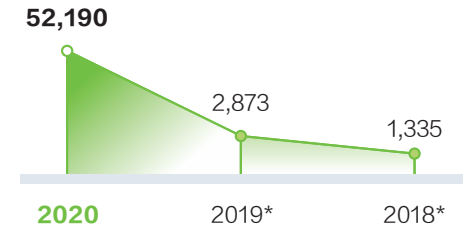
Pollutant emission density

Indicator	Unit	2020	2019	2018*
NOx emissions	Grams/100 million yuan	5,020.49	8,402.46	140.04
SO ₂ emissions	Grams/100 million yuan	78.64	113.40	1.89
Particulate matter emissions	Grams/100 million yuan	570.94	903.79	15.06

*Data based on the statistics of the headquarters.

Waste disposal

Amount of recycled electronic waste unit: (pieces)



Energy consumption

Office building natural gas consumption (cubic meters)

2020	2019	2018*
1,943,781	1,686,504	295,699

Office building natural gas usage efficiency (cubic meters/100 million yuan)

2020	2019	2018*
460.41	437.50	83.45

Consumption of water by insurance companies mainly comes from daily water consumption in offices.

Water consumption (tons)

2020	2019	2018*
1,418,710	3,075,993	135,118

Water Consumption efficiency (tons/100 million yuan)

2020	2019	2018*
336.04	797.95	38.13

*Data based on the statistics of the headquarters.

Office building electricity consumption (KWHs)

2020	2019	2018*
102,864,519	177,715,122	11,195,819

Office building electricity usage efficiency (KWH/100 million yuan)

2020	2019	2018*
24,364.97	46,101.22	3,159.42

Data Center PUE

Indicator	Unit	2020	2019	2018
Tianlin Road Data Center	/	1.70	1.74	1.73
Chengdu Data Center	/	1.55	1.75	1.99
Luojing Data Center	/	1.60	2.48	–

PUE (Power Usage Effectiveness) =Total power consumption of data centers /IT equipment power consumption.

Data center power consumption

Indicator	Unit	2020	2019	2018
Tianlin Road Data Center	10,000 KWHs	2,880	3,002	3,038
Chengdu Data Center	10,000 KWHs	3,371	3,142	2,652
Luojing Data Center	10,000 KWHs	1,280	211	–

Luojing Data Center was put into production in 2019 and its power consumption grew with the increase of its installed capacity.

Office paper usage (Kilos)

2020	2019	2018*
357,768.54	578,916.71	28,100

*Data based on the statistics of the headquarters.

Amount of office paper recycled (Kilos)

2020	2019	2018*
76,640.34	150,380.50	12,394

Paper-saving performance

Indicator	Unit	2020	2019	2018
Annual number of e-policies	10,000	43,524.01	21,881.23	12,175.31
Mobile POS of Life business	%	90	87	71
Electronic invoice	10,000	3,285.08	2,595.64	4,172.10
Policies obtained through smart phones	10,000	5,434.99	5,291.89	2,401.16
Electronic issuing	10,000	4,019.14	3,537.72	2,878.14
Electronic mails subscription rate	%	81	75	67
SMS notice	10,000	94,275.47	76,380.90	58,485.85
Electronic signatures	10,000	18,048.11	10,522.20	10,585.35
Mobile claims settlement	10,000	643.90	708.54	532.00

Conference call and video conference

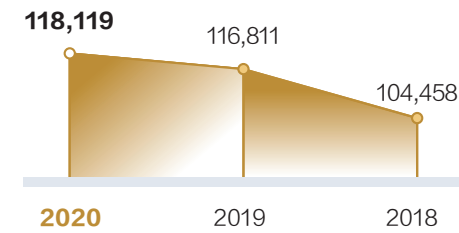
Indicator	Unit	2020	2019	2018
Conference call	times	732	682	871
Video conference	times	19,393	16,135	14,836

*Data based on the statistics of the headquarters.

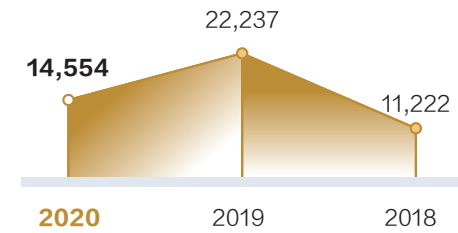
Society

Employment

Total No. of Employees Unit: (persons)



New employees of this year Unit: (persons)



Foreign employees Unit: (persons)



Disabled employees Unit: (persons)



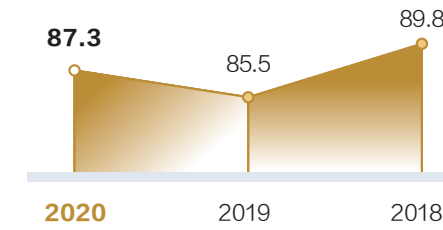
Number of employees by region

Indicator	Unit	2020	Indicator	Unit	2020
North China	persons	17,171	South China	persons	15,007
North-east China	persons	6,890	South-west China	persons	13,954
East China	persons	44,649	North-west China	persons	6,905
Central China	persons	13,543			

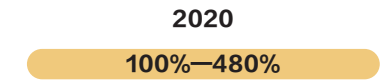
*Data based on the statistics of the headquarters.

Corporate annuity participation rate

Corporate annuity participation rate Unit:(%)

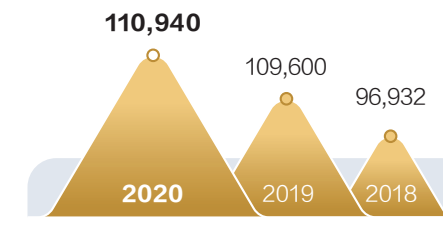


Our minimum wage/ local minimum wage Unit:(%)

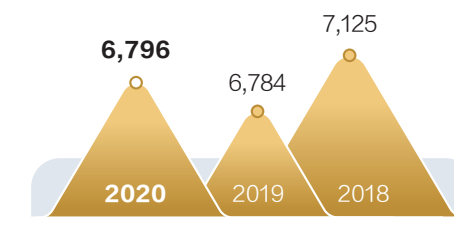


Employees by type of employment

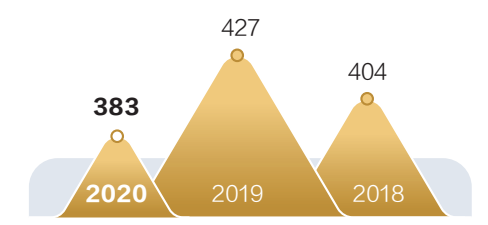
Employees under the labor contract Unit:(persons)



Dispatched laborers Unit:(persons)



Employees re-employed after retirement Unit:(persons)



The Company has no part-time employees.

Age of employees

Employees 30 years old or under (persons)



Employees 31–40 years old (persons)



Employees 41–50 years old (persons)

2020	2019	2018
21,447	20,418	20,005

Employees 51 years old or above (persons)

2020	2019	2018
7,070	5,435	5,074

Employee ethnic composition

Ethnic Han (persons)

2020	2019	2018
112,103	110,588	98,922

Ethnic minority (persons)

2020	2019	2018
5,943	6,223	5,347

Gender composition of all employees

Male (persons)

2020	2019	2018
55,282	54,789	41,853

Female (persons)

2020	2019	2018
62,837	62,022	55,367

Gender composition of management

Male (persons)

2020	2019	2018*
5,519	5,152	439

Female (persons)

2020	2019	2018*
1,923	1,871	118

Staff turnover

Resigned

Indicator	Unit	2020	2019	2018
Employees who resigned	Persons	12,485	21,064	11,601
Percentage of employees who resigned	%	10.57	18.03	11.11

Male employees who resigned

Indicator	Unit	2020	2019	2018
Male employees who resigned	Persons	6,672	11,793	6,433
Percentage of male employees who resigned	%	12.07	21.52	15.37

Female employees who resigned

Indicator	Unit	2020	2019	2018
Female employees who resigned	Persons	5,813	9,271	5,168
Percentage of female employees who resigned	%	9.25	14.95	9.33

Retired

Indicator	Unit	2020	2019	2018
Employees who retired	Persons	927	801	875
Percentage of employees who retired	%	0.78	0.69	0.84

*Data based on the statistics of the headquarters.

Dismissed employees

Indicator	Unit	2020	2019	2018*
Dismissed employees	Persons	426	506	30
Percentage of dismissed employees	%	0.36	0.43	0.03

Dismissed male employees

Indicator	Unit	2020	2019	2018*
Dismissed male employees	Persons	239	259	20
Percentage of dismissed male employees	%	0.43	0.47	0.05

Dismissed female employees

Indicator	Unit	2020	2019	2018*
Dismissed female employees	Persons	187	247	10
Percentage of dismissed female employees	%	0.30	0.40	0.02

Staff turnover by region

Indicator	Unit	2020
North China	Persons	1,122
North-east China	Persons	2,017
East China	Persons	4,601
Central China	Persons	1,532
South China	Persons	2,900
South-west China	Persons	2,235
North-west China	Persons	760

Staff turnover by age

Indicator	Unit	2020
31-40	Persons	4,972
41-50	Persons	781
51 and older	Persons	840

Staff turnover rate by region

Indicator	Unit	2020
North China	%	6.53
North-east China	%	29.27
East China	%	10.30
Central China	%	11.31
South China	%	19.32
South-west China	%	16.02
North-west China	%	11.01

Staff turnover rate by age

Indicator	Unit	2020
31-40	%	9.90
41-50	%	3.64
51 and older	%	11.88

*Data based on the statistics of the headquarters.

Occupational Health and Safety

Occupational injury, missed working hours statistics

Occupational injury (persons)

2020	2019	2018*
52	54	3

Demised (persons)

2020	2019	2018*
0	0	0

Loss of working days due to occupational injury (days)

2020	2019	2018*
1,994	2,741	132

Employees who returned to work from maternity leave/paternity leave

Female employees who took maternity leave (persons)

2020	2019	2018
2,991	3,253	2,629

Female employees who returned to work from maternity leave (persons)

2020	2019	2018
2,340	2,474	2,218

Male employees who took paternity leave (persons)

2020	2019	2018
1,058	1,148	970

*Data based on the statistics of the headquarters.

Male employees who returned to work from paternity leave (persons)



Development and training

Total expenditure for staff training (10,000 yuan)



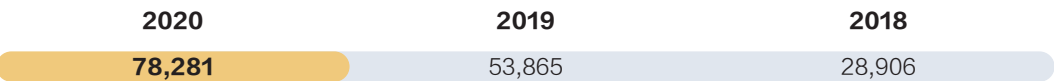
Total number of trainees



Number of trainees (senior management)



Number of trainees (mid-management)



Number of trainees (general employees)



Number of trainees (male employees)



Number of trainees (female employees)



Average time of staff training (general employees) (hours)



Average time of staff training (mid-management) (hours)



Average time of staff training (senior management) (hours)



Average time of staff training (male employees) (hours)



Average time of staff training (female employees) (hours)



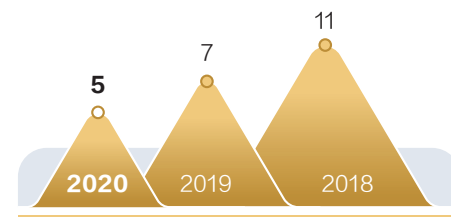
Supply chain management

Domestic suppliers

Indicator	Unit	2020
North-east China	number of domestic suppliers	2
North China	number of domestic suppliers	138
East China	number of domestic suppliers	386
Central China	number of domestic suppliers	10
South China	number of domestic suppliers	44
South-west China	number of domestic suppliers	15
Total	number of domestic suppliers	595

Foreign suppliers

CPIC Group (Total) Unit: (number)



Product liability

For insurance products, there is no need for them to be called back due to safety and health considerations, and there are no relevant data and product recall procedures. For insurance product liability reminders, quality verification, etc., please refer to P31 of this report for details.

Consumer complaints in 2020

Indicator	Unit	CPIC P/C	CPIC Life
Consumer complaints forwarded by regulator	Times	2,993	3,950
Complaints/100 million yuan of premium	Times/100 million yuan	2.04	1.89
Complaints/ten thousand policies	Times/10,000 policies	0.01	0.22
Complaints/million customers	Times/million customers	—	0.039
Turnaround time and settlement rate of consumer complaints	%	100	100
Auto insurance complaints	%	71	—
Non-auto insurance complaints	%	29	—
Sales dispute	%	27	55.4
Claims-related disputes	%	73	—

Complaints by region

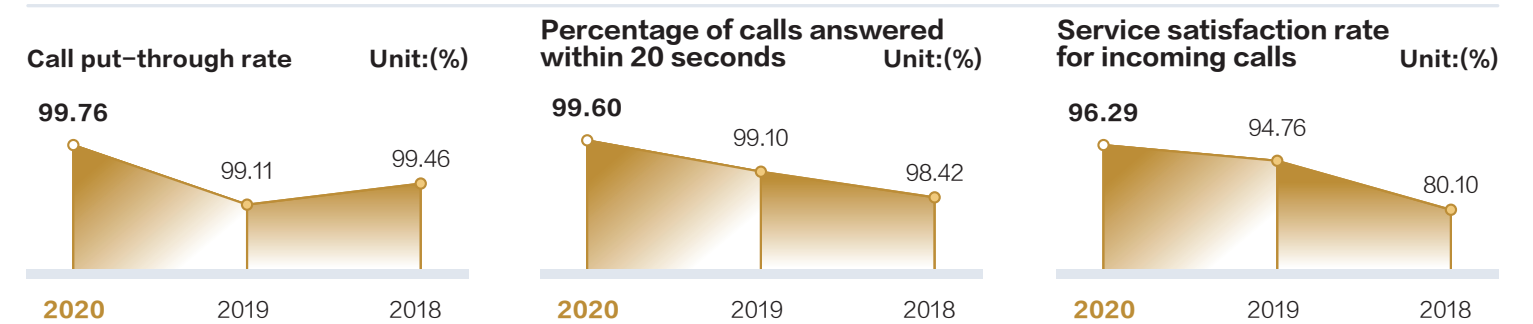
Region	Unit	CPIC P/C	Region	Unit	CPIC Life
East China	%	31	North China	%	17.2
Central and South China	%	22	East China	%	29.1

The Operation of CPIC P/C is mainly in East China and South China.

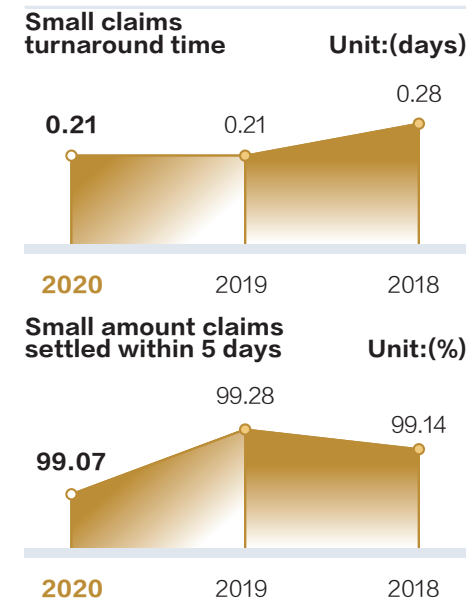
The Operation of CPIC Life is mainly in East China and North China.

CPIC Life

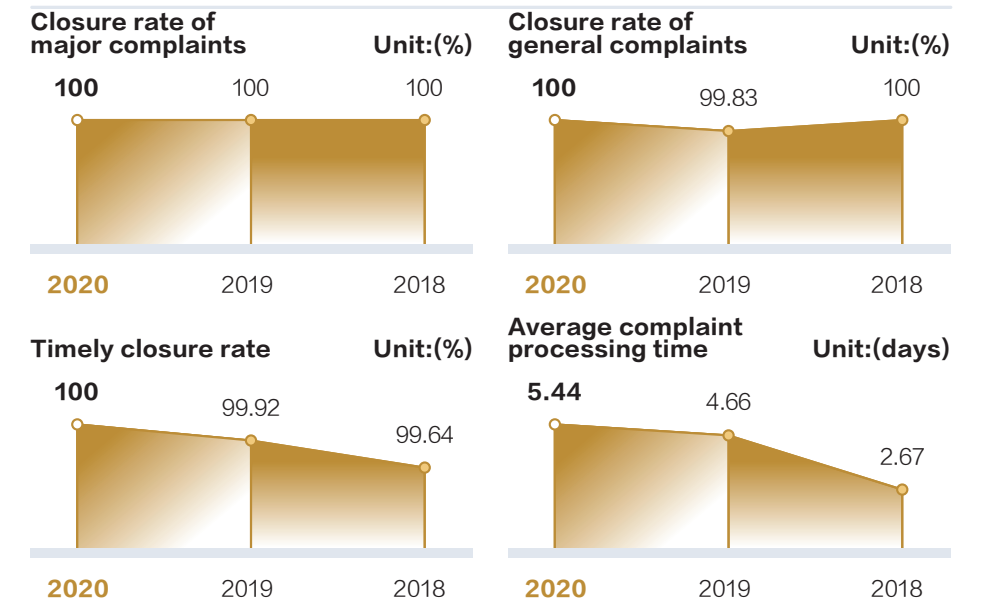
Key indicators for Call Center services



Key indicator for claims efficiency



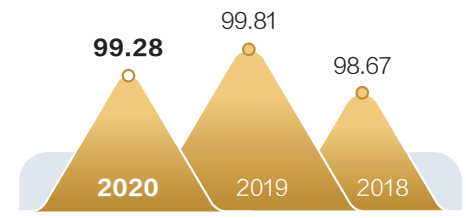
Complaint handling efficiency



CPIC P/C

Key indicators for Call Center services

Call put-through rate Unit:(%)

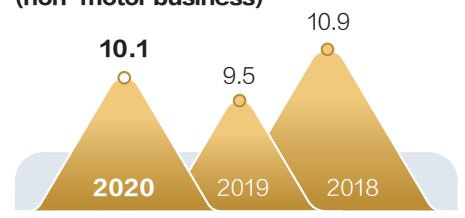


IVR satisfaction rate of 95500 call service Unit: (%)

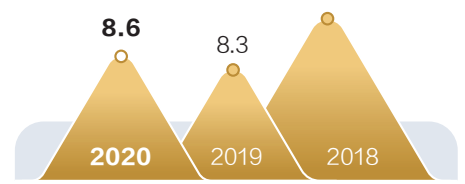


Key indicators for claims efficiency

Average claims settlement period (non-motor business) Unit: days

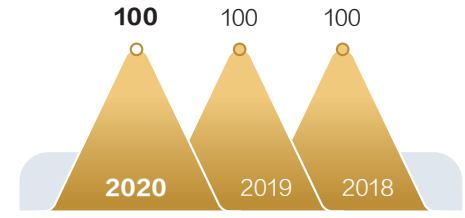


Average claims settlement period (under 10,000 yuan) (auto insurance) Unit: days

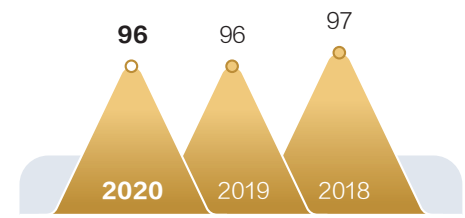


Complaints handling efficiency

Timely closure rate Unit:(%)



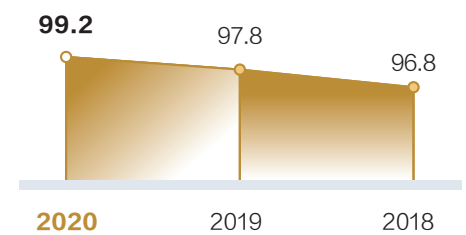
One-time closure rate Unit:(%)



Changjiang Pension

Indicator for customer satisfaction

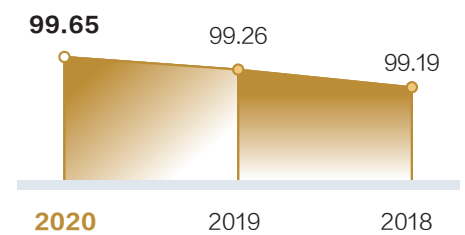
Satisfaction rate of service hot-line Unit:(%)



CPIC Health

Indicator for customer satisfaction

Satisfaction rate of call service Unit:(%)



Penalties due to violation of marketing and underwriting rules

CPIC Life

Indicator	Unit	2020	2019	2018
Number of penalties	Times	24	6	11
Penalty amount	10,000 yuan	297	94	127
Number of warnings	Times	1	1	3

CPIC P/C

Indicator	Unit	2020	2019	2018
Number of penalties	Times	29	11	19
Penalty amount	10,000 yuan	481.2	237.5	378
Number of warnings	Times	2	3	1

Anti-corruption

Anti-corruption training

Indicator	Unit	2020
Number of trainees	persons	12691
Training time	hours	9515

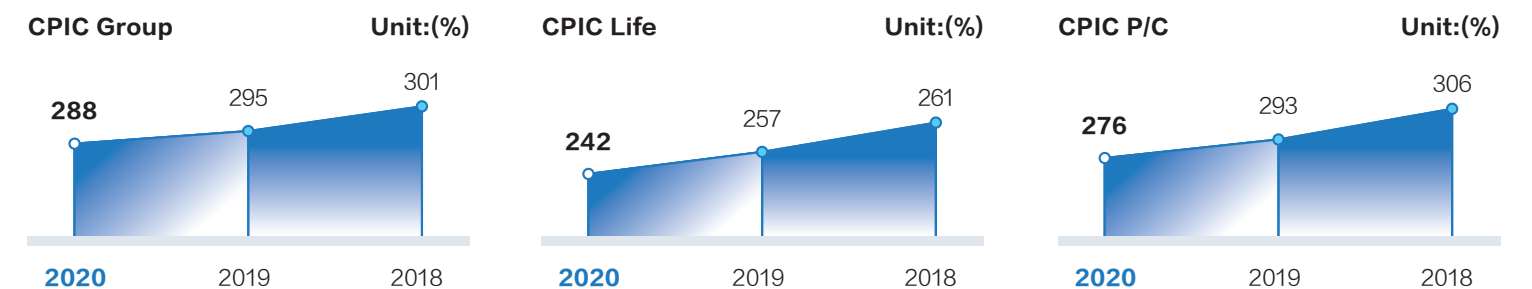
Number of raised and closed corruption cases

2020
0

Economy

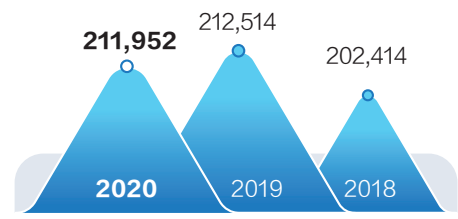
Economic performance

Solvency adequacy ratio

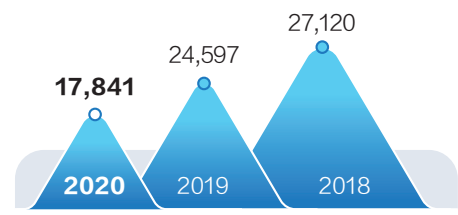


CPIC Life key business indicators

Life insurance premiums Unit:(million)

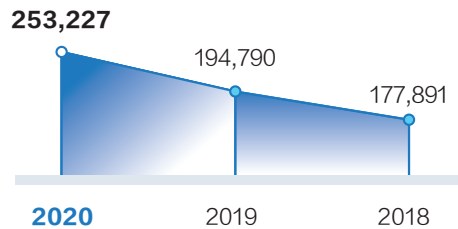


New business value Unit:(million)



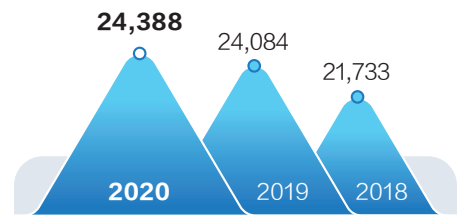
CPIC AMC

Third-party AuM Unit:(million)



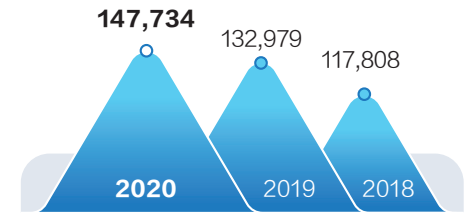
Distribution of economic value

Remuneration and benefits Unit:(million)

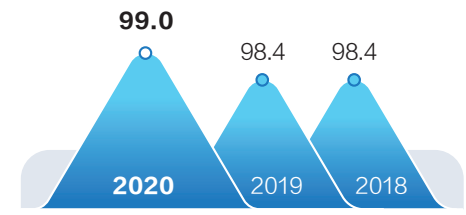


CPIC P&C key business indicators

P&C insurance premiums Unit:(million)

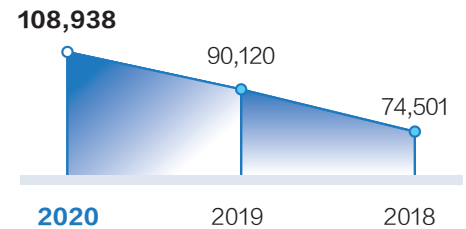


Combined ratio Unit:(%)

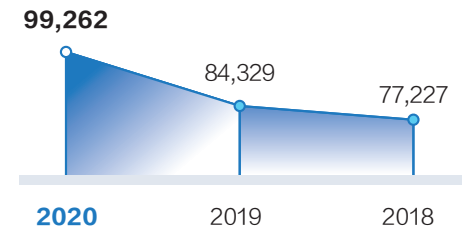


Changjiang Pension key business indicators

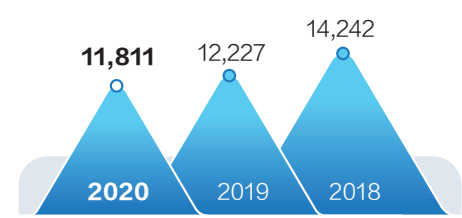
Enterprise annuity entrusted assets Unit: (million)



Enterprise annuity AuM Unit:(million)



Total tax paid Unit:(million)



HKSE ESG Index

Indicator: A1 Emission

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	49–53; 55–56
A1.1	Disclosed	56
A1.2	Disclosed	56
A1.3	Not applicable	–
A1.4	Disclosed	56–57
A1.5	Disclosed	52–55
A1.6	Disclosed	52–55

Indicator: A4 climate change

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	49–53
A4.1	Disclosed	49–53

Indicator: Employment and labor practices–B3 Development and training

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	33–35
B3.1	Disclosed	66–67
B3.2	Disclosed	66–67

Indicator: Operation management –B6 Product liability

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	31
B6.1	Not applicable	–
B6.2	Disclosed	31; 68–69
B6.3	Disclosed	31
B6.4	Not applicable	–
B6.5	Disclosed	31

Indicator: A2 Resource utilization

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	53
A2.1	Disclosed	55–58
A2.2	Disclosed	57
A2.3	Disclosed	55
A2.4	Disclosed	55
A2.5	Not applicable	–

Indicator: Employment and labor practices–B1 Employment

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	35
B1.1	Disclosed	60–63
B1.2	Disclosed	63–64

Indicator: Employment and labor practices–B4 Labor standards

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	35
B4.1	Disclosed	35
B4.2	Disclosed	35

Indicator: Operation management –B7 Anti-corruption

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	39
B7.1	Disclosed	71
B7.2	Disclosed	39
B7.3	Disclosed	39

Indicator: A3 Environment and natural resources

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	49–53
A3.1	Disclosed	49–53

Indicator: Employment and labor practices–B2 Health and safety

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	33–35
B2.1	Disclosed	65
B2.2	Disclosed	65
B2.3	Disclosed	33–35

Indicator: Operation management –B5 Supply chain management

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	47
B5.1	Disclosed	68
B5.2	Disclosed	47; 68
B5.3	Disclosed	47
B5.4	Disclosed	47

Indicator: Community–B8 Community Investment

ESG indicator	Disclosed or not	Page(s)
General disclosure	Disclosed	41–46
B8.1	Disclosed	41–46
B8.2	Disclosed	41–42

GRI Indexes

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102-4	Location of operations	8
102-5	Ownership and legal form	8
102-6	Markets served	8
102-7	Scale of the organization	8
102-8	Information on employees and other workers	9; 59
102-9	Supply chain	47; 67
102-10	Significant changes to the organization and its supply chain	47; 67
102-11	Precautionary principle or approach	11; 38-39
102-12	External initiatives	44-47
102-13	Membership of associations	44-47
102-14	Statement from senior decision-maker	3; 6
102-15	Key impacts, risks, and opportunities	11-12
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102-17	Mechanisms for advice and concerns about ethics	12-15; 37-38
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102-20	Executive-level responsibility for economic, environmental, and social topics	10
102-21	Consulting stakeholders on economic, environmental, and social topics	12-13
102-22	Composition of the highest governance body and its committees	The "Corporate governance report" section of the annual report
102-23	Chair of the highest governance body	The "Corporate governance report" section of the annual report
102-24	Nominating and selecting the highest governance body	The "Corporate governance report" section of the annual report
102-25	Conflicts of interest	The "Risk management" section of the annual report
102-26	Role of highest governance body in setting purpose, values, and strategy	6; 10
102-27	Collective knowledge of highest governance body	6; 10
102-28	Evaluating the highest governance body's performance	Official website of the Company
102-29	Identifying and managing economic, environmental, and social impacts	10-13

Index number and description		Page(s)
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102-31	Review of economic, environmental, and social topics	12-13
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102-34	Nature and total number of critical concerns	12-13
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About this report

This report is the 13th ESG 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, www.cpic.com.cn or <https://www.hkexnews.hk>.

Reporting scope

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, the ESG indicators of FTSE Russell and MSCI, 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.

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.

Contact us

Dear Readers:

Thank you for reading the "CPIC ESG Report 2020". If you have any comment or suggestion, please feel free to contact us. Your feedback will be highly appreciated and help us improve the management of our ESG.

Please contact us at:

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Editorial Team of CPIC ESG Report 2020

March 2021