

# 2021

## CHINA PACIFIC INSURANCE SUSTAINABILITY REPORT



**中国太平洋保险**  
China Pacific Insurance

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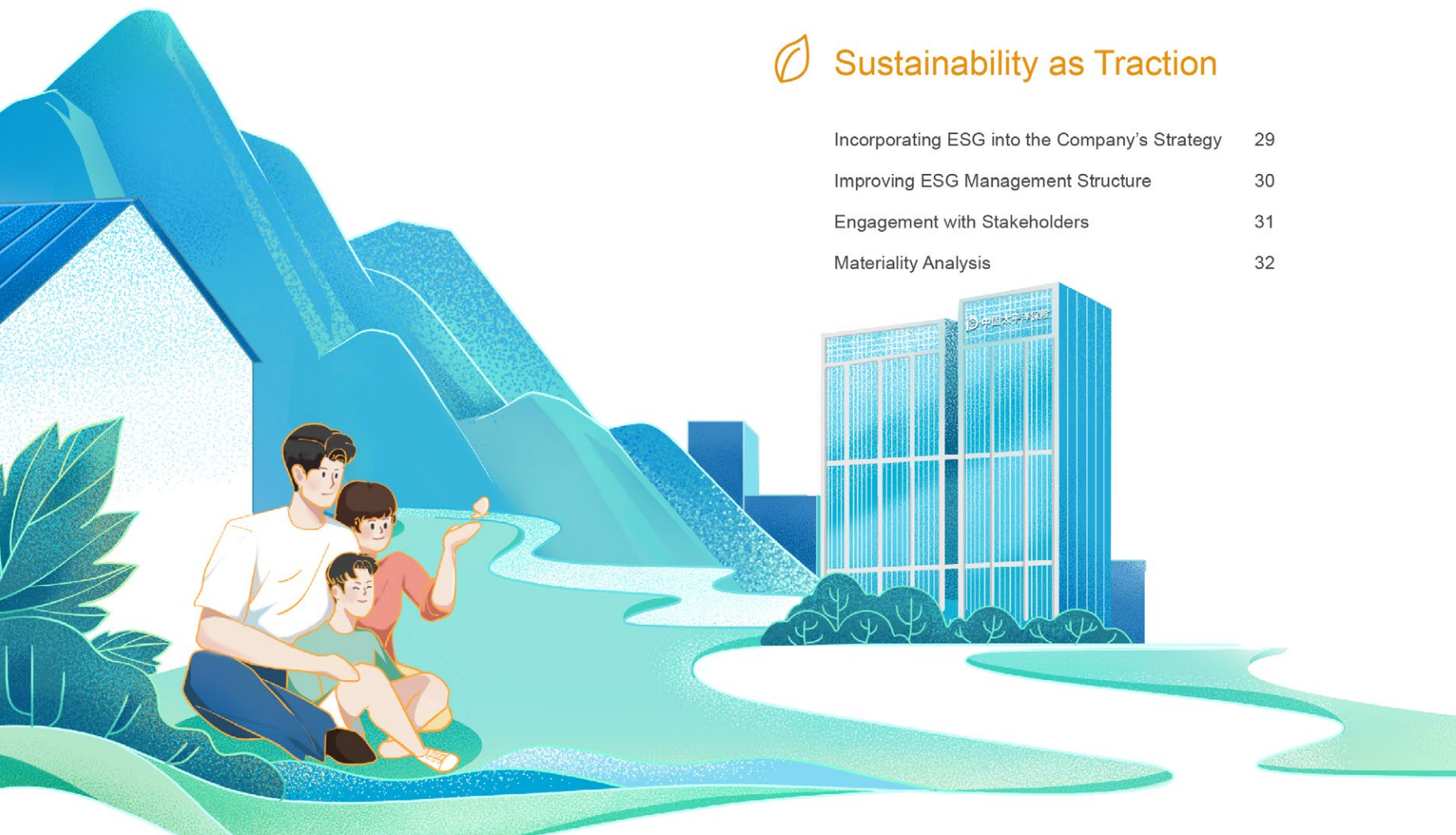
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# Introduction

## About the Report

With the concept of sustainable development deeply rooted in minds and highly recognized by stakeholders, China Pacific Insurance (Group) Co. Ltd. (CPIC or the Company) released its 2021 Sustainability Report. Based on the full contents of the original social responsibility report, it further highlights the effectiveness of CPIC's practice of ESG concept and promotion of sustainable development, and demonstrates the Company's commitment to sustainable development and building a highland of high-quality development in the industry.

### Scopes

#### Organizational scope:

CPIC and its branches, wholly-owned subsidiaries and majority-owned subsidiaries.

#### Reporting period:

Annual reporting, mainly from January 1, 2021 to December 31, 2021

### Report writing standards

This report mainly refers to: the Notice of the Shanghai Stock Exchange on the Issuance of the No.1 Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange - Regulated Operations, the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Exchanges and Clearing Limited, the ESG Reporting Guidelines of the London Stock Exchange, and the Guidance of the China Banking and Insurance Regulatory

Commission on the Construction of Institutional Mechanisms for Strengthening Consumer Rights and Interests Protection by Banking and Insurance Institutions.

This report also draws on: the FTSE Russell ESG Rating Indicator, the MSCI ESG Rating Indicator and the Global Reporting Initiative's GRI Standard Core Program.

Under the disclosure framework of the Task Force on Climate-Related Financial Disclosures (TCFD), the report responds to the implementation of UN Principles for Responsible Investment (PRI) and UN Principles for Sustainable Insurance (PSI), and complies with the SDGs.

### Reporting principles

- **Materiality Principle:** The report identifies and responds to important issues that affect the sustainable development of CPIC, and has detailed the process and results of the materiality analysis.
- **Quantification principle:** The report discloses CPIC's key quantitative ESG performance.
- **The principle of balance:** The report is facts-based and discloses both positive and negative indicators.
- **Consistency principle:** The report tries to use consistent indicators in different reporting periods, and explains any changes thereto.

### Denomination currency

Unless otherwise specified, the financial data involved in this report is denominated in RMB.

### Language

The report is written in Simplified Chinese, with Traditional Chinese and English versions attached.

### Versions

The report is available in hard copy (using environmentally friendly recycled paper) and electronically.

### Accessibility

The electronic version may be viewed on and downloaded from the websites of the SSE ([www.sse.com.cn](http://www.sse.com.cn)), HKEX ([www.hkex.com.hk](http://www.hkex.com.hk)) and CPIC ([www.cpic.com.cn](http://www.cpic.com.cn)).

### Definitions

For convenience of presentation, in this report, China Pacific Insurance (Group) Co., Ltd. is referred to as CPIC, the Company or we.

## Board Statement

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In 2021, the Board of Directors of CPIC was firmly guided by the National 14th Five-Year Plan and the 2035 Vision to implement ESG regulatory and policy requirements, continuously improve ESG performance, continuously enhance sustainable development capabilities, and promote and achieve high-quality development.

### Improving ESG governance structure.

The Board of Directors was responsible for overall supervision of ESG planning, implementation and management to ensure continuous improvement of sustainable capabilities. The Strategy and Investment Decision and ESG Committee was responsible for supporting the Board of Directors in ESG decision-making and played a central role in ESG management. The Strategy and Investment Decision and ESG Committee has set up the ESG Office as the day-to-day ESG promotion department.

**Identifying key issues.** The Board of Directors conducted a stakeholder survey to identify ESG opportunities and risks in a timely manner and identify key ESG issues for CPIC in the area of sustainable development. Based on the stakeholder survey, it further focused on key issues such as addressing climate change, serving the real economy, contributing to common prosperity, and practicing inclusive finance, and led the Company's sustainable development with ESG concepts.

### Promoting the incorporation of ESG concepts into business practices.

The Board of Directors further refined the work deployment in various areas such as sustainable insurance, responsible investment, ESG risk management, and green low-carbon operation, signed the principles of sustainable insurance and responsible investment, and further integrated the concept of sustainable development into the operation and management of CPIC. Meanwhile, in key areas such as protecting consumers' rights and interests, developing healthcare and elderly care industry, helping rural revitalization, and addressing climate change, we have improved our management system, clarified our work initiatives, and implemented them in an orderly manner.

The report discloses in detail CPIC's ESG management and practice achievements which have been reviewed and confirmed by the board in March 2022.



## Letter from the Chairman

### Work Together for a Sustainable Future

In 2021, CPIC celebrated its 30<sup>th</sup> anniversary. Thirty years of age means full of vigor and vitality, and also indicates maturity and steadiness, courage and commitment. CPIC's growth and development has been associated with its fulfillment of social responsibility. **It is the mission of CPIC to take responsibility for the country, to do our duty for the people and to dedicate ourselves to the society.** Being responsible for the society has become the self-driven force behind the development of CPIC. With responsibility in mind, we are ambitious; with aspirations in heart, we are determined.

On the road of taking responsibility, **we have advanced with the times our social responsibility concept, continued to expand our social responsibility map, and become more and more socially responsible. From focusing on stakeholders to ESG to sustainable development,** every step of our actions, every transmutation, and every point of growth is in symbiosis with social responsibility. From this year onwards, we will rename our Social Responsibility Report to **Sustainability Report** to fully disclose our sustainable development philosophy, planning and actions, which is a determination, a commitment and an enhancement.

In 2021, with the courage to go over the peak and climb a new one, and the vigor to keep on running, we firmly **set sustainable development as a higher pursuit of social responsibility, and marched steadily on the road of sustainable development with clearer and clearer direction and more and more confident steps.**

--**We escorted the country's needs with all our might,** participated in major strategies based on the country's needs, and promoted the construction of a new development pattern.

--**We did our utmost to meet the needs of the people,** followed the people-oriented philosophy to weave a dense network for people's livelihood and solidly facilitated the common prosperity.

--**We extended warm hands to meet the needs of the society,** fulfilled our responsibilities for the society, jointly built the warm homeland and constructed a good social ecology.

In this year, the brand of CPIC public welfare cause became more distinctive. "**CPIC green**", "**CPIC blue**" and "**CPIC red**" have constituted a colorful picture of CPIC public welfare cause, and depicted a moving picture of responsibilities, which were recognized by the employees, customers and

the society. CPIC has become the leader of sustainable development.

2021 marks the 30<sup>th</sup> anniversary of CPIC. Standing at the new starting point, **we adhere to the people-oriented philosophy** and regards the concern for human fate as the new guide and norm of social responsibility. **We insist on long-termism** and considers sustainable development as the new impetus and direction of social responsibility.

**Centered at the people's welfare, we rendered delicate service to broader number of people.** There is no greater happiness in the world than to strive for the happiness of the people. We are mindful of the people's aspirations for a better life, and we are **implementing a big health strategy** to solve the medical problems faced by the general public. We engaged in various government medical insurance cooperation programs covering 145 million people, participated in 35 Huiminbao programs covering 21 million people, and have a dedicated 400-member team of CPIC Healthcare Steward to provide 7×24 services. We **entered the healthcare and elderly care industry** to meet the increasingly growing needs of the people for healthcare and elderly care. We has established 10 "CPIC homes" in nine cities including Chengdu, Dali, Shanghai and Hangzhou and has preliminarily completed the layout in the healthcare and elderly care industry nationwide. We **facilitated rural revitalization** and consolidated and expanded the fruits of poverty alleviation. We covered 7.62 million registered poor households in our target poverty alleviation program and won the honorary title of "National Advanced Group for Poverty Alleviation". We have implemented our "Poverty Prevention Insurance" in more than 1,000 counties and regions, writing a new chapter of facilitating rural revitalization and inclusion.

**Guided by the ecological civilization, we seek harmonious development between both human and nature.** Developing ecological civilization and promoting green, low-carbon and circular development is the essence of sustainable development. We constructed green financial service system to aid the civilized development path with production developed, affluent life and good ecology. **We were bold to be the pioneer in implementing green insurance.** We served the low-carbon circular economy and offered nearly one trillion yuan of new energy insurance. We are the first one to implement zero-carbon China International Import Expo and green sustainability insurance to form a demonstration in the industry. We have been implementing the wildlife accident insurance to advance biodiversity protection. **We were bold to be the pioneer in implementing green investment.** We participated in green investment in the fields of energy, environmental protection, water conservancy and pollution prevention in the

form of creditor's right investment, equity investment, asset support and industrial fund. We issued the first ESG insurance asset management product and rolled out the products themed at carbon neutrality. **We were bold to be the main force in implementing green operation.** We coped with the climate change-related risks through product innovation and technological innovation, followed the green standard in building CPIC homes, safeguarded the water tower of China by engaging in CPIC program of protecting Sanjiangyuan public forest of 1,500mu and continuously improved the energy utilization efficiency of data center.

**Followed the higher standard, we enhance the momentum for sustainable development.** Faced with the challenges posed by the epidemic and uncertainties, we were guided by the advanced sustainable development concept and **formulated the sustainable development strategy.** We strengthened the top-level design and worked out the ESG strategy and action plan. The Board of Directors set up the "Strategy and Investment Decision and ESG Committee" to professionally steer the sustainable development. **We signed the international principles of sustainability** and became the second enterprise that signed the UN Principles for Sustainable Insurance and the fourth asset owner that signed the UN Principles for Responsible Investment in mainland China. We also signed the "Belt and Road" green investment principle and established higher standard for sustainable development which we will conscientiously follow. **We cultivated soft power of sustainable development.** We implemented digital transformation, built big data platform, explored intelligent-based development, and vitality of innovation and creativity surged in the technology filed. "CPIC service officer" brings services to every aspect of our life. The service around us, lifelong service and exquisite service enable high-quality experience and the "CPIC service officer" spreads the warmth of "customer first".

Getting up steam, being vigorous and persevering. Looking into the future, **we will forge the traction, support, influence and synergy for sustainable development, and create a new highland for high-quality development of the industry. We will insist on doing the "difficult" things, the "right" things and the "real" things, proactively serve the national strategy, strive to solve the problems related to people's livelihood, comprehensively help achieve the dual carbon goal and work hard to create a harmonious home. We will insist on financially moving forward** and responding to the new needs of the times, practicing insurance supply-side reform, and innovating in products and services to benefit the broadest number of people.

We are in a time of challenge and hope. **The future lies in the shining light of the concept of sustainable development, and in the struggling figure of every striver. Let's work together and make concerted efforts for sustainable development to create a better new world in the post-epidemic era!**



## About CPIC

CPIC is an insurance group company established on the basis of the former China Pacific Insurance Corporation, which was founded on May 13, 1991. Headquartered in Shanghai, it is an industry leader in China, and also the first insurance company listed in Shanghai, Hong Kong and London.

With a full range of insurance licenses, including life insurance, property insurance, pension insurance, health insurance, agricultural insurance and asset management, CPIC provides customers with comprehensive risk prevention solutions, wealth planning and asset management services.

### Corporate culture >>

#### Mission:

Be a responsible insurance company

#### Vision:

Become the leader in the healthy and stable development of the industry

#### Core corporate values:

Integrity, life-long stability, pursuit of excellent, innovation and win-win

#### Social responsibility concept:

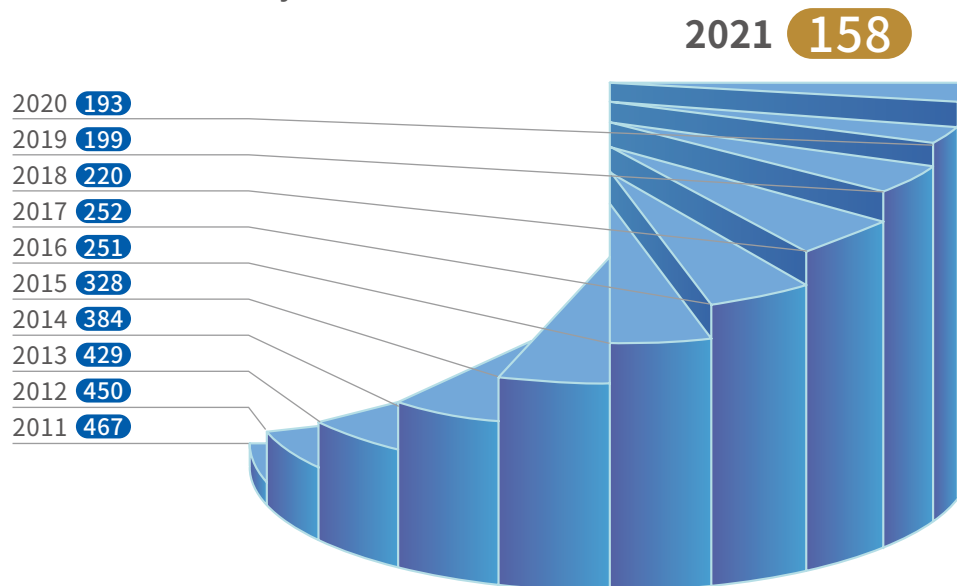
Take up the responsibility for the country, do our duty for the people and contribute to the society.

#### Brand slogan:

A Drop of Water at Ordinary Times,  
A Vast Water of Pacific Ocean at  
Difficult Times.

## Our Growth

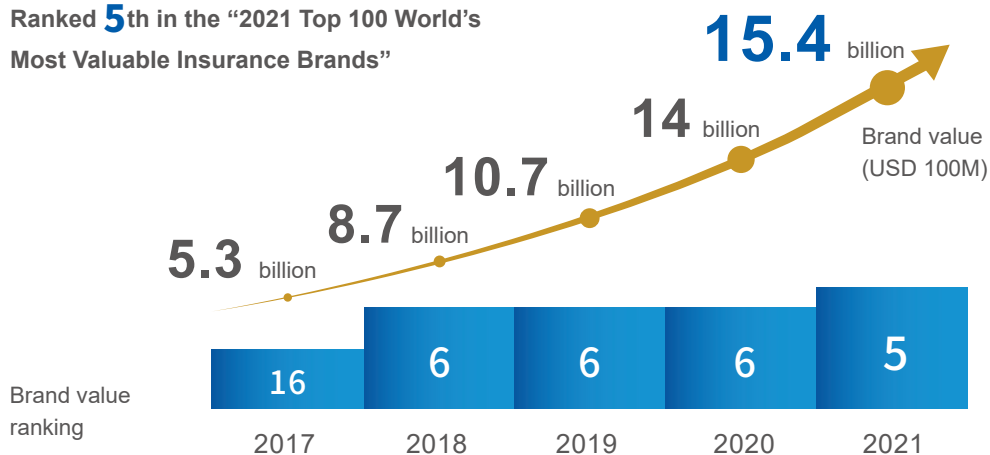
Listed on Fortune Global 500 for  
the 11th consecutive year



## Brand Finance

Ranked **119**th in the “2021 Top 500 Global Brand Values”

Ranked **5**th in the “2021 Top 100 World’s Most Valuable Insurance Brands”





## Annual Highlights Performance

### Financial performance

	2021	2020	2019
Group operating income (RMB M)	440,643	422,182	385,489
Group net assets (RMB M)	226,741	215,224	178,427
Group number of customers(10,000)	16,839	14,894	13,998

### Environmental performance

	2021	2020	2019
GHG emissions per capita (tons of CO <sub>2</sub> equivalent/person)	0.93	0.98	1.43
Number of electronic policies (10,000 copies)	61,444	43,524	21,881
Number of video/teleconferences (Times)	25,906	20,125	18,763

### CSR performance

	2021	2020	2019
Number of employees (Persons)	114,108	118,119	116,811
Female employment rate (%)	52.91	53.20	53.10
Corporate annuity participation rate (%)	85	87	86
Training hours per capita (Hours)	98.0	37.8	40.4
Donation and sponsorship (RMB M)	81	75	50

### Corporate governance performance

	2021	2020	2019
Number of employees participating in anti-corruption training (Person-times)	17,131	12,691	—
Percentage of female executives (%)	27	27	14
Number of investor services (Times)	650	—	—
Number of board meetings (Times)	6	10	9

## Awards and Honors

### Environmental protection



#### Golden ESG Award

CPIC ranked second among insurers included in the Sina Golden Kylin Top 500 Chinese ESG Enterprises list, and won the Golden ESG Award.



#### Business Herald Carbon Neutrality Pioneer

CPIC won the “21st Century Business Herald Carbon” Neutrality Pioneer Enterprise.



#### ESG Green Company Star

CPIC was awarded the honor of ESG Green Company Star by *Investment Times*

### CSR



#### National Advanced Group for Poverty Alleviation

CPIC Property Insurance and its Inner Mongolia Branch Poverty Alleviation Working Group won the title of “National Advanced Group for Poverty Alleviation” granted by the CPC Central Committee.



#### Responsibility Model Award

CPIC won the “YICAI The Corporate Social Responsibility Ranking in China” Responsibility Model Award for 12 consecutive years.



#### CSR Development Index

CPIC ranked third among insurers on the list of CSR Development Index Top 300 Enterprises released by the Academy of Social Sciences.



#### Outstanding Typical Enterprise

CPIC was included in the Shanghai Corporate Social Responsibility Report as an “Outstanding Typical Enterprise”.



#### 2021 Philanthropy Program Award

Caring Older People with Cognitive Impairment Program Series launched by Shanghai CPIC Blue Public Welfare Foundation won the 2021 Philanthropy Program Award at the 11th Philanthropy Festival and Corporate Social Responsibility Carnival.



#### 2021 Model Employer in China

CPIC won the 51job.com “2021 Model Employer in China”.



## Corporate governance

### Outstanding Board and Executive Director awards in 2021

CPIC's ninth Board of Directors of and Chairman Kong Qingwei won the Board and Executive Director awards in the "Listed Companies" category of the Directors of the Year Awards 2021 from the Hong Kong Institute of Directors.

### Special prize of Shanghai Financial Innovation Award

CPIC won the special prize of Shanghai Financial Innovation Award issued by Shanghai Municipal People's Government for issuing global depository receipts (GDR) and going public on the London Stock Exchange.

## Technological innovation

### Top 10 Best Application Award

CPIC's Compliance Zhida AI consulting system won the Top 10 Best Application Award for 2021 China Financial Technologies & Financial Institutions from the Yangtze River Delta Fintech Research Institute.

### Top Ten Technological Outcomes in the Digital Transformation of State-owned Enterprises

CPIC's Cat series automated testing platforms won the Top Ten Technological Outcomes in the Digital Transformation of State-owned Enterprises from the State-owned Assets Supervision and Administration Commission of the State Council.

### Digital Innovation Excellence Award and Digital Innovation Potential Award

CPIC won Digital Innovation Excellence Award and Digital Innovation Potential Award in the 2021 Shanghai Municipal State-owned Assets Supervision and Administration Commission State-owned Enterprise Digital Transformation and Innovation Competition.

## CPIC services

### Best Insurance Service Quality Index performance

In the first half of 2021, CPIC Property Insurance, CPIC Life Insurance, and CPIC Health Insurance recorded the best Insurance Service Quality Index performance among property, life and health insurance providers.

### Golden Bull Award for Insurance Asset Managers

CPIC AM won the Golden Bull Award for Insurance Asset Managers at the first "Golden Bull Award for Insurer Investors in China" selection hosted by China Securities Journal.

### 2021 Golden Shell Award for Best Pension Manager

Changjiang Pension won the 2021 Golden Shell Award for Best Pension Manager from the 21st Century Business Herald.

### Excellent Case of Comprehensive Innovation

Huhui Insurance, a healthcare product designed for Shanghai, was selected as an "Excellent Case of Comprehensive Innovation" at the Multi-level Medical Insurance Excellent Case Selection sponsored by People's Daily Health App and Health Times.

# 01

## Contributing to National Strategies

Promoting the Opening Policy

Exploring the Healthcare Market

Supporting the Real Economy

Promoting Regional Coordination

Contributing to the “Dual Carbon” Goals

Helping Rural Revitalization

CPIC is committed to contributing to national needs and actively participate in major national strategies, to people's needs and common prosperity, and to high-quality development.





## Promoting the Opening Policy

### Serving international exhibitions

#### 📍 China International Import Expo (CIIE)

CPIC has cooperated with the CIIE for 4 consecutive years as its core supporter and designated insurer. Under the “CPIC Service Plus” model, we offered diversified full-cycle digital property, life and health insurance products across the supply chain, providing RMB 2.6 trillion of

comprehensive protection and full-life-cycle risk management for four sessions of the CIIE cumulatively. At the fourth CIIE, CPIC offered carbon neutral products in line with promoting the Carbon Zero CIIE initiative.



provided  
RMB **2.6** trillion  
of insurance for four sessions of  
the CIIE cumulatively



#### 📍 China International Fairs for Trade in Services (CIFTIS)

As a global partner and designated insurer of the CIFTIS, CPIC has provided a package of insurance protection solutions worth over RMB 260 billion for two consecutive CIFTIS. We have also held a series of seminars on green finance, aerospace, cybersecurity, copyright protection, and overseas insurance.



provided  
RMB **260** billion  
of insurance for two sessions of  
CIFTIS cumulatively

## Securing the Belt and Road Initiative

### Supporting “going out” enterprises

CPIC protected Chinese enterprises going out along the “Belt and Road”. In recent years, we have provided over RMB 1 trillion of protection for “going out” Chinese enterprises, covering more than 700 representative major projects across over 100 countries, including 59 new energy projects covered by RMB 59.6 billion in 2021.

### Guaranteeing the safety of overseas personnel

To meet the growing insurance demand of overseas employees, in 2018, CPIC launched the “Safe Abroad” Overseas Employee Accident Insurance Program. As of the end of 2021, the program had covered over 200,000 employees from more than 600 enterprises.



provided over RMB  
**1** trillion of protection for  
“going out” Chinese enterprises



provided  
**59.6** billion of protection  
for new energy projects

covered over  
**200,000**  
employees

the “Safe Abroad”  
Overseas Employee  
Accident Insurance  
Program

served more than  
**600**  
enterprises

## Exploring the Healthcare Market

### Participating in the Healthy China strategy



provided online healthcare services based on a **400**-member professional medical team managed by CPIC Healthcare Steward

Aside from tapping potential in the insurance market, CPIC has explored the healthcare market in line with the Healthy China strategy.

#### 🔗 CPIC Healthcare Steward

In April 2021, Guang-Ci CPIC Internet Hospital opened, providing online healthcare services based on a 400-member professional medical team managed by CPIC Healthcare Steward, the first internet healthcare brand independently developed by CPIC. Based on

regional healthcare providers, CPIC provides one-stop personalized healthcare solutions integrating treatment, medicine and insurance services to families.

#### Case

#### CPIC Healthcare Steward aids epidemic prevention and control

From late 2021 to early 2022, COVID-19 occurred in some cities. CPIC Healthcare Steward has launched a green channel for online consultation service, providing unlimited free online consultation service for 15 days for citizens in Xi'an, Zhengzhou, Tianjin, Suzhou and Baise, and organizing manpower to ensure response within 60 seconds and 24-hour standby. In addition, 30 volunteers from the Tianjin medical team of CPIC Healthcare Steward fought against the epidemic in Dongli District of Tianjin, which has a high population density, a high proportion of senior citizens and many requests for door-to-door testing, transforming themselves into a warm force in the winter with their actions.





To better serve people and the wider society, CPIC actively participated in the creation of a multi-level healthcare insurance system, and expanded the coverage of inclusive insurance.

### Huiminbao

Based on the principle of localized customization strategy of "one city, one policy", CPIC actively promoted the implementation of urban customized commercial medical insurance (Huiminbao) projects in various places, formed the overall solution of "Taihuibao" and built a sustainable "CPIC Model" industry benchmark. Since May 2020, CPIC, as the main insurer, has undertaken the Huiminbao business in 8 cities including Shanghai, Jiaxing, Shaoxing, Quzhou, Zibo and Zhoushan, and actively participated in the Huiminbao business in Chengdu, Guangzhou, Hangzhou, Beijing, Hainan, Hunan and other places, gradually forming a positive interaction among "medical insurance, medicine and medical care". As of the end of 2021, CPIC had participated in 35 Huiminbao, protecting more than 21 million people, one fifth of those covered by Huiminbao across China.

### Serious illness insurance

As a dedicated serious illness insurance provider, CPIC greatly promoted China's medical system reform, and the creation of a multi-level healthcare insurance system. As of the end of 2021, CPIC had launched 61 serious illness insurance programs, providing RMB 6.1 billion of protection for 100 million people from 54 cities in 15 provinces (municipalities and autonomous regions).

### Long-term care insurance

CPIC has been a pilot insurer under the government-led, market-based National Long-Term Care Insurance Program implemented by several insurers. As of the end of 2021, CPIC had protected over 48 million people in 21 national pilot cities and 18 local pilot cities, and around 2.9 million claims had been paid.



participated in

**35** Huiminbao programs

covered more than

**21** million people



providing RMB

**6.1** billion

of serious illness insurance programs

serving

**100** million people



protected over

**48** million people

around

**2.9** million

claims were paid

## CPIC Blue Passports



covered more than

**18** million customers

handled

**130,000** claims

## CPIC Homes



in

**9** regions nationwide

built

**10** CPIC Homes

offered more than

**12,000** beds

## CPIC Blue Passports

CPIC Blue Passports provides health management, medical access and high-end medical services before, during and after diagnosis. It aims to offer families with home basic healthcare services, access to Grade A Class 3 hospitals, and long-term care. By the end of 2021, it had covered more than 18 million customers, and handled 130,000 claims. Policy holders may, according to their condition and medical history, make appointments with experts from over 2,800 public hospitals in nearly 400 key cities including Beijing and Shanghai.

## Entering the elderly care industry

**Building CPIC Homes nationwide**

CPIC created a “Golden Triangle” supported by three pillars of wealth management, healthcare and elderly care. CPIC Homes make the pillar of elderly care. By the end of 2021, CPIC had built 10 CPIC Homes in 9 regions nationwide, offering more than 12,000 beds as the second largest insurer elderly care provider in China.

CPIC Homes provide entertainment, care and medical services, meeting the demand of customers of different age groups. CPIC aims to create a CCRC chain brand that provides customer-oriented, intelligent and standard elderly care. In October 2021, CPIC opened Chengdu International CCRC and Dali CCRC, providing a solution to elderly care in an aging society.



### 📍 Three types of customers

CPIC fully serves the three pillars of old-age security, covering the three major areas of government pensions, institutional pensions and individual pensions. Changjiang Pension, a subsidiary of CPIC, has been deeply involved in the annuity business for a long time. In 2021, CPIC, as the fiduciary of China's last occupational annuity program — the Tibet Autonomous Region Occupational Annuity Program, became the fiduciary of all the 33 occupational annuity management regions, and thus participated in the pension reform of governmental bodies and public institutions.

## Supporting the Real Economy

### Serving micro, small and medium-sized enterprises (MSMEs)

CPIC has developed several preferential inclusive products that meet the financing needs of MSMEs.

#### 📍 Quick Loan Insurance

CPIC has developed a product called "Tifangbao", which has the functions of financing and social management, and reconstructed the business process of bank mortgage loans, so that the customers of small and micro enterprises can choose to apply for "Tifangbao" when they apply for loans from banks. The product is designed to solve the pain points in the renewal of loans for micro and small enterprises. In the evaluation of the China Insurance White Elephant Award, the product was recognized as the "Annual Virtuous and Sincere Insurance Product". As of the end of 2021, CPIC had helped about 70,000 small and micro businesses borrow RMB 100.2 billion from 53 partner banks.



helped about  
**70,000** small micro businesses  
 borrowed RMB  
**100.2** billion

#### 📍 Exclusive Insurance

Exclusive Insurance, which falls into the category of credit enhancement insurance, aims to create a new channel through which MSMEs may access short-term small loans. As of the end of 2021, it had help 210,000 MSMEs borrow RMB 29 billion from banks and other financial institutions.



helped  
**210,000** MSMEs  
 borrowed RMB  
**29** billion

## Financing infrastructure

CPIC follows national development strategies and industry trends, and invests to support the regional economy and people's livelihood projects, providing strong support for national infrastructure construction.

By the end of 2021

in the field of transportation infrastructure



CPIC has invested more than RMB **53** billion.

Among them, 20 are highway projects with an investment size of about RMB 40 billion; 5 are rail transportation projects with an investment size of about RMB 9.3 billion; and 3 are port logistics projects with an investment size of over RMB 4 billion.



CPIC invested about RMB **69** billion in projects in the Yangtze River Basin to support the integration of the Yangtze River Economic Belt; and about RMB **22** billion in projects in the less developed regions of central and western China to drive the upgrading of surrounding industries through transportation infrastructure.

in energy and water conservancy



CPIC has invested over RMB **11.3** billion.

Among them, 2 are energy projects with an investment size of about RMB 9.2 billion and 3 are water conservancy projects with an investment size of about RMB 2.1 billion.

## Propelling technology-driven development



Promoting  
space  
exploration

In 2021, CPIC won the bid for the launch, preliminary in-orbit operations and in-orbit operations of the Fengyun-3 05 satellite as the lead insurer. In recent years, CPIC Property has protected the Gaojing-1 01/02 satellites, Xingyun-2 satellite, Qilu-1 satellite and Beijing-3 satellite as the lead insurer, exclusively underwrote the launch of Kuaizhou-1A and Kuaizhou-11 rockets, and participated in almost all commercially insured major national satellite launch projects.



Enabling  
biomedical  
R&D

CPIC developed a series of innovative insurance products that promote biomedical R&D, such as clinical trial liability insurance, bioscience product liability insurance, and intellectual property enforcement and infringement loss insurance. We have protected hundreds of clinical projects of China's leading pharmaceutical companies at home and abroad, and some pilot projects related to Class I and Class II vaccines and biomedical liability insurance.

## Promoting Regional Coordination

### Encouraging creation in the Greater Bay Area

CPIC has taken the initiative to blend into major national regional strategies, establish and improve the institutional mechanism for large regional development, and construct new growth poles in key regions.

CPIC established the Greater Bay Area Working Group, and developed a three-year action plan.

Specifically, we set up the Greater Bay Area Innovation Center to expand Huiminbao business, and create a personal credit insurance system; deepened strategic cooperation with local government and enterprises to advance the insurance package project; and recorded substantially improved local insurance performance with a bigger market share, greater internal contribution, and growing innovation capacity.

In December 2021, CPIC Life Insurance (H.K.) Company Limited was established, with the mission of innovating offerings, and creating a diversified service system integrating healthcare, elderly care and wealth management based on resources from both inland China and Hong Kong. A range of customized solutions, such as the Greater Bay Area High-end Healthcare Program, CPIC Blue Passports 2021 Celebration Version, and Greater Bay Area Version will be launched successively.



invested more than RMB

**100** billion

in the Great Bay Area cumulatively

### Promoting the integration of the Yangtze River Delta

CPIC greatly facilitated the integration of the Yangtze River Delta. In 2021, we signed the Framework Agreement on Promoting the Establishment of Five New Cities by State-owned Financial Institutions, focusing on supporting infrastructure and public services in new cities. Furthermore, CPIC Property Insurance and CPIC Life Insurance entered into a strategic agreement with local governments on deepening the integration of the Yangtze River Delta, and CPIC Capital partnered with

the local government in urban renewal. CPIC has also, together with its financial peers, created the Yangtze River Delta Integrated Demonstration Zone Urban Financial Integration Innovation and Development Alliance, to promote urban financial integration. In Shanghai, Suzhou and Zhejiang, CPIC coordinated with local governments to launch innovative green insurance pilot programs, trying to lead the formulation of industry standards.

### Promoting the coordinated development of Beijing-Tianjin-Hebei

CPIC is service-driven to further promote resource sharing and product service integration in the Beijing-Tianjin-Hebei cooperative zone, promote information linkage, experience

replication and talent cultivation in the region, and strengthen the linkage of capital and liability in the region.



## Contributing to the “Dual Carbon” Goals

### Green insurance

CPIC launched a range of innovative insurance offerings that support the creation of an efficient clean energy system, reduce pollution and energy consumption, and effectively address climate changes, so as to comprehensively promote China’s green economic and social transformation, contributing to China’s high-quality development.



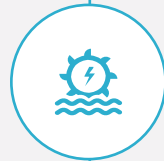
Under the new high-quality development pattern, CPIC has deepened its ESG practice with the national "3060" dual carbon target as its guide. Relying on strengths in insurance and investment, we have made solid progress in promoting carbon peaking and carbon neutrality.

#### Environmental pollution liability insurance



Since 2008, CPIC has been engaging in the R&D and promotion of environmental pollution liability insurance products, an effort to strengthen supervision and management of enterprises’ environmental protection and environmental damage prevention practices. As of the end of 2021, CPIC Property Insurance had provided more than RMB **9.6** billion of protection for over **6,000** enterprises nationwide against environmental risks. Moreover, CPIC creatively combined safety liability insurance with environmental pollution liability insurance, to help enterprises achieve eco-friendly, safe and energy-efficient operations.

#### Clean energy insurance



CPIC has been providing life-cycle protection and professional risk control solutions for clean energy (e.g., solar, wind and nuclear energy) projects, including the Donghai Bridge Demonstration Project, China’s first offshore wind farm in 2008. As of the end of 2021, CPIC had provided more than RMB **50** billion of protection for hydroelectric projects, nearly RMB **100** billion for photovoltaic projects, and participated in **8** offshore wind farms in China. Besides, CPIC has cumulatively provided more than RMB **100** billion of protection for the operations of **29** offshore wind farms. In 2021, CPIC provided RMB **24** billion of protection for the operations of 46 nuclear power reactors in China.



### Carbon allocation pledge insurance

In 2021, CPIC created the “carbon allocation + pledge + insurance” model together with Shanghai Environment and Energy Exchange, Shenergy Carbon Technology Co., Ltd., and Bank of Communications, and issued the first carbon allocation pledged loan guarantee policy under the model. An innovative attempt to achieve the “dual carbon” goals, the model creates a new way to link insurance with carbon trading.



### Quality Water Insurance

In 2021, CPIC's Taipu River Quality Water Insurance is the first water quality insurance program designed for the Yangtze River Delta Demonstration Area. CPIC analyzes water quality based on periodic water quality reports provided by professional detectors to predict any possible risks. A volunteer team composed of young CPIC employees has been established to patrol along the river periodically.



### Yunnan Wild Animal Liability Insurance

CPIC made more efforts to protect biodiversity. CPIC Yunnan Wild Animal Liability Insurance program has covered the whole Yunnan Province, benefiting more than **150,000** householders over the past 10 years. Behind the well-known “Odyssey of Wild Asian Elephants” was the insurance protection provided by CPIC. CPIC Property Insurance Yunnan Branch was selected as the only partner insurer of the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity.

## Green investment

CPIC committed itself to green financial system innovation, an effort to promote China's green economic transformation. Through debt investment programs, equity investment programs, asset support programs, and industrial funds, we directly participated in the investment and construction of green projects related to clean transportation, renewable energy, resource efficiency, recycling, pollution prevention, among others. By the end of 2021, the Company's cumulative green investment was approximately RMB 23.3 billion. Since 2018, CPIC has issued a total of nearly RMB 15 billion in green-related claims and equity investment plans, covering various fields such as energy conservation and environmental protection, clean energy, ecological environment, green upgrading of infrastructure, and green service industries.

In May 2021, Changjiang Pension issued the first ESG insurance asset management product in the pension insurance management market, guiding investors to actively fulfill their social responsibilities and sharing sustainable development outcomes. In August, CPIC AM issued its first insurance asset management product to protect assets related to carbon neutrality, for the purpose of improving investors' carbon neutrality awareness, and sharing carbon neutrality results.



cumulative green investment was approximately RMB

**23.3** billion

issued a total of nearly RMB

**15** billion in green-related claims and equity investment plans

## Green operations



## Reducing GHG emissions

In strict accordance with the Work Plan for Controlling Greenhouse Gas Emission during the 13th Five-Year Plan Period issued by the State Council, CPIC intensified the management of waste gases, greenhouse gases and solid waste. This includes regularly monitoring and analyzing GHG emissions and solid waste, optimizing the source management of greenhouse gases and other air pollutants, and developing and implementing relevant pollutant management measures.

## Advocating carbon neutrality

In 2021, CPIC organized two carbon neutrality training sessions, to help employees understand the “dual carbon” goals, and realize that it is their responsibility and mission to contribute to the goals.

**CPIC promoted green lifestyles.** On the World Environment Day, we launched green action initiative “Travel Emissions Calculator” to advocate green travel by foot, bicycles, and public transportation, leading people to a healthier and greener life.

**CPIC created an ESG brand.** To spread green ideas, and build a green brand image, CPIC created an ESG brand of “Together, We Create a Green CPIC”, under which, systematic green ideas were spread through on unified green-themed designs.







the online substitution rate of life insurance preservation exceeding

**90%**



the subscription rate of electronic letters reaching

**83%**



### Promoting paperless operations

CPIC vigorously promoted green operations, continuously expanding and upgrading the online service capability of the whole process, with the online substitution rate of life insurance preservation exceeding 90%; reducing energy consumption and emissions and encouraging the use of electronic endorsements, policies and letters to reduce resource consumption, with the subscription rate of electronic letters reaching 83%.

### Increasing resource and energy efficiency

CPIC actively promoted energy-efficient technologies and products, while eliminating high-energy-consuming facilities and equipment. We regularly inspected and eliminated substandard faucets and pipes according to national standards, installed infrared switches, and took various measures to reduce water consumption.

To save electricity, we created a centralized lighting control system that controls public areas such as hallways, stairwells and foyers, used LED lamps, and required that “lights and electric devices must be turned off when not in use”. In addition, office air conditioner temperatures were limited at 20°C in winters and 26°C in summers.

CPIC established the CPIC e-Office, CPIC e-Procurement and CPIC e-Travel digital systems which allow online office, procurement approval and travel reimbursement; encouraged paperless office to minimize the use of paper; and constructed more green buildings for self-use (headquarters and branches) and business purposes.

### Creating intelligent green centers

Buildings like the CPIC Luoqing Data Center, and IT Disaster Recovery, R&D and Backup Center are eco-friendly and economical samples in terms of construction and operations. During construction, pollution control, recycling, waste management, energy efficiency optimization and air quality were well planned to reduce energy and resource consumption.

As for operations, an AI energy efficiency mode was adopted to adjust the chilled water temperature, and air conditioner fan speed and temperature according to the load. We made full use of natural cooling sources and adjusted the UPS operating mode. CPIC Tianlin Data Center, CPIC Chengdu Data Center and CPIC Luoqing Data Center all recorded different degrees of downward adjustment in full-load PUE in the past three years. These centers have been certified with China National Standard Level A for Service Rooms, Germany’s TSI L4, and LEED V4 Silver Award for Data Centers.

### Building green elderly care communities



the existing CPIC Homes may reduce about

**5,000** tons

of CO<sub>2</sub> emissions per year

CPIC creatively constructed green elderly care communities that consume and emit less. CPIC Homes, relying on cutting-edge green building and elderly care technologies, such as intelligent age-friendly systems, human-friendly facilities, indoor air monitoring system, and PM2.5 removal ventilation system, create a safe, convenient, and green living environment for older people. Buildings are constructed

and operated in line with green building standards. The existing 10 CPIC Homes may reduce about 5,000 tons of CO<sub>2</sub> emissions per year.

### Green public services

#### Afforestation in the Three-Rivers Headwater Region



In 2020, CPIC launched the Three-Rivers Headwater Region Afforestation Program in Qinghai Province. As of the end of 2021, the whole group had donated RMB 23.3 million to the second phase of the project, including an Employee Forest and a Partner Forest covering about 1,500 mu (approx. 100.5 ha.). In 2022, CPIC will start the third phase of afforestation of no less than 500 mu (approx. 33.5 ha.), to create a green

public welfare platform for communication with customers, and consolidate China's "Water Tower".

The afforestation project is expected to absorb more than 24,000 tons of CO<sub>2</sub> in in the next 30 years, and continue to progress.



a Partner Forest covering about  
**1,500** mu (approx. 100.5 ha.)



expected to absorb more than  
**24,000** tons of CO<sub>2</sub>

#### Green lifestyle

CPIC encouraged employees to live a low-carbon life by consuming moderately and eco-friendly. This includes reducing food waste, wearing and washing clothes in simple and eco-friendly way, using durable

household products, classifying waste, and travelling by foot, bicycle, train, bus and other low-carbon travel modes.

## Helping Rural Revitalization



Anti-Poverty Insurance covered more than

**1,000** counties



helped nearly

**400,000** people vulnerable to poverty

## Organizational guidance

CPIC has established a joint meeting system, and property and casualty insurance and life insurance companies have set up offices to help rural revitalization. Under the general requirements of “building rural areas with thriving businesses, pleasant living environments, social etiquette and civility,

effective governance, and prosperity”, we set the goal of creating an innovative product and service development model that promotes rural vitalization and the high-quality development of agriculture, rural areas, and rural people, leading the industry in this regard.

## Upgrading the “Anti-Poverty Insurance”

Anti-Poverty Insurance is China’s first commercial insurance solution to poverty launched by CPIC in 2017. In 2021, CPIC comprehensively upgraded the solution at the product, service and technical levels, an effort to consolidate gains in poverty alleviation, and promote rural vitalization.

At present, Anti-Poverty Insurance has covered more than 1,000 counties, providing over RMB 23 trillion of protection for nearly 400,000 people vulnerable to poverty, and RMB 1.339 billion of claims has been paid, an effort to contribute to common prosperity.

## Bringing innovation into offerings targeting agriculture, rural areas, and rural people

CPIC creatively developed 619 products in line with the “One Country, One Product” strategy, and sold the first “Village Collective Economic Income Insurance” policy in China. We also offered the Pig Farming Insurance Package, e-agricultural insurance FAST technical services, and comprehensive financial services, to help ensure the stable production of the animal

breeding industry. Under the new model of “insurance + futures + contract farming”, we provided total cost insurance or total income insurance for the Lishu County National 100,000-ha. Green Food Materials (Corn) Standardized Production Base Core Planting Cooperatives, ensuring the protective farming led by the cooperatives.

As of the end of 2021, CPIC Property Insurance and CPIC Anxin Agricultural Insurance had developed 3,355 agricultural insurance products covering more than 240 crop varieties, and set up 3,750 CPIC rural service stations in 31 provinces, autonomous regions and municipalities, supported by the all-year efforts of more than 10,000 rural insurance coordinators.



developed

**3,355** agricultural insurance products



set up

**3,750** CPIC rural service stations

# 02

## Sustainability as Traction

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**Incorporating ESG into the Company's Strategy**

**Improving ESG Management Structure**

**Engagement with Stakeholders**

**Materiality Analysis**

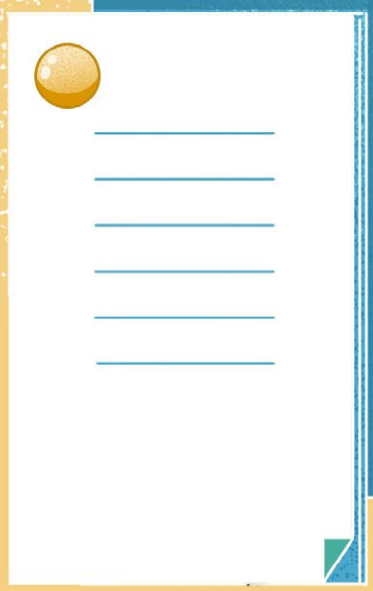
CPIC incorporates ESG into its corporate strategy, clarifies its development vision and key principles, improves ESG management and enhances stakeholder dialog to lead sustainable development.





中国太平洋保险

ESG



## Incorporating ESG into the Company's Strategy

### ESG vision

Guided by Xi Jinping's thought on socialism with Chinese characteristics in the new era and the thought on ecological civilization, CPIC implements the new development concept based on the new development stage, adheres to the road of high-quality development, gives full play to its professional advantages in insurance protection and capital utilization, builds a green and low-carbon operation model, actively constructs a sustainable development capacity for the future, comprehensively shapes a sustainable development culture, promotes the formation of a harmonious coexistence and mutually beneficial development pattern between the Company and the ecological environment, economic and social stakeholders, and enhances the sustainable value creation capacity for customers, employees, shareholders and society.

### Main principles

**Adhering to high-quality development.** Through the establishment and continuous improvement of ESG governance system, we will further enhance the Company's ability to serve the national strategy, real economy and people's good life, promote the quality improvement of business portfolio, improve the efficiency of resource use, help reduce costs and increase efficiency, strengthen the overall risk control capability of the Company and achieve long-term sustainable development.

**Upholding the system concept.** Based on the overall development of the Company, we take a holistic approach, and take into account the current and long-term aspects, costs and benefits, and promote the gradual incorporation of ESG concepts into the management process on the premise of meeting regulatory requirements and market trends and in accordance with our own development foundation.

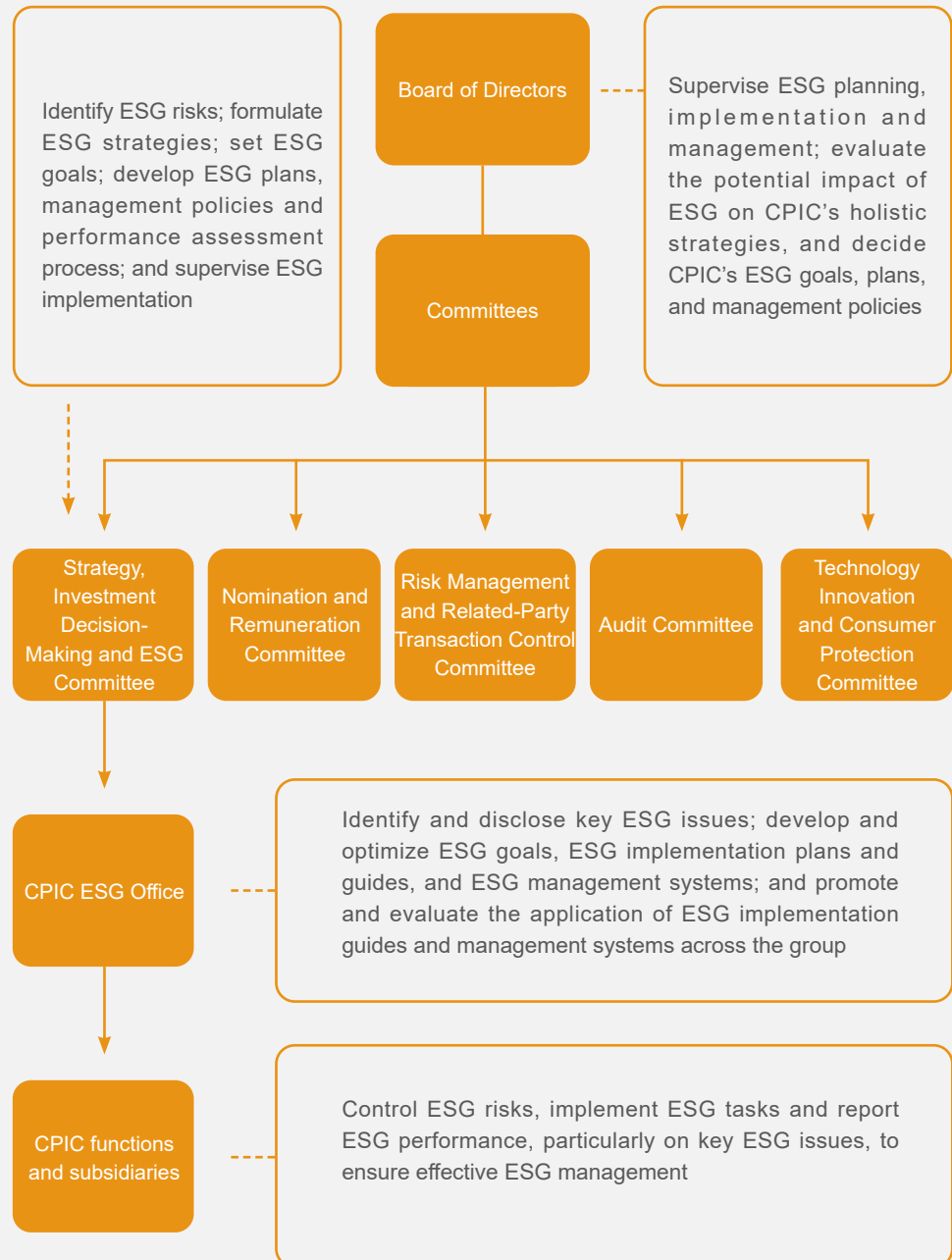
**Insisting on openness and integration.** We fully benchmark ourselves against advanced ESG practices at home and abroad, actively promote the organic combination of management experience and application of tools from mature markets and the Company's practices, and explore a sustainable development path with CPIC characteristics. We continue to improve the level of ESG disclosure, become an active advocate and practitioner of the concept of sustainable development, and build a sustainable brand.

**Holding the bottom line of risk control.** Continuously enhance ESG risk identification and resilience, and improve ESG risk control system and capacity building.



## Improving ESG Management Structure

CPIC has built ESG top-level design and governance structure, incorporated ESG concept into its management, and is actively building ESG-related systems and processes.



## Engagement with Stakeholders

Stakeholders	Stakeholders	Communication channels
 Customers	<ul style="list-style-type: none"> <li>• Required products and services</li> <li>• Excellent customer experience</li> <li>• Protection of customer rights and privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Customer demand survey</li> <li>• NPS monitoring</li> <li>• 95500 Customer Service Line</li> <li>• Customer service and care activities</li> <li>• Social media</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>• Effective communication channels</li> <li>• Increasingly improved salaries and benefits</li> <li>• Promising careers</li> <li>• Healthy and safe working environment</li> <li>• Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Workers' congress</li> <li>• Department communication meeting</li> <li>• OA and instant messaging platform</li> <li>• Supervision, training, technical support</li> <li>• Employee cultural, sports and care activities</li> </ul>
 Shareholders	<ul style="list-style-type: none"> <li>• Solid operating margins</li> <li>• Well-established corporate governance mechanism</li> <li>• Transparent information disclosure</li> <li>• Increasingly improved risk management</li> <li>• Compliance and integrity</li> <li>• Protecting minority shareholder rights</li> </ul>	<ul style="list-style-type: none"> <li>• General Meeting of Shareholders</li> <li>• Periodic reports and information disclosure</li> <li>• Roadshows and reverse roadshows</li> <li>• Capital Market Day</li> <li>• Social media</li> </ul>
 Partners	<ul style="list-style-type: none"> <li>• Achieving win-win cooperation</li> <li>• Leading industry innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing of practical experience</li> <li>• Engagement with local governments on development needs</li> <li>• Intensive collaboration with partners</li> <li>• Participating in industry policy research</li> <li>• Intensive inter-industry and cross-industry cooperation</li> </ul>
 Society	<ul style="list-style-type: none"> <li>• Addressing sudden disasters and accidents</li> <li>• Public welfare</li> <li>• Responding to social concerns</li> <li>• Promoting financial insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance knowledge popularization activities</li> <li>• Public welfare programs</li> <li>• Promoting Rural Vitalization</li> <li>• Supporting sports and cultural events</li> <li>• Media engagement</li> </ul>
 Environment	<ul style="list-style-type: none"> <li>• Creating an eco-friendly environment</li> <li>• Creating an ecological civilization</li> </ul>	<ul style="list-style-type: none"> <li>• Disaster prevention, damage reduction, climate change mitigation</li> <li>• Eco-friendly products and services</li> <li>• Green buildings and operations</li> <li>• Green investment and insurance</li> <li>• Afforestation</li> </ul>



## Materiality Analysis

### Materiality analysis method

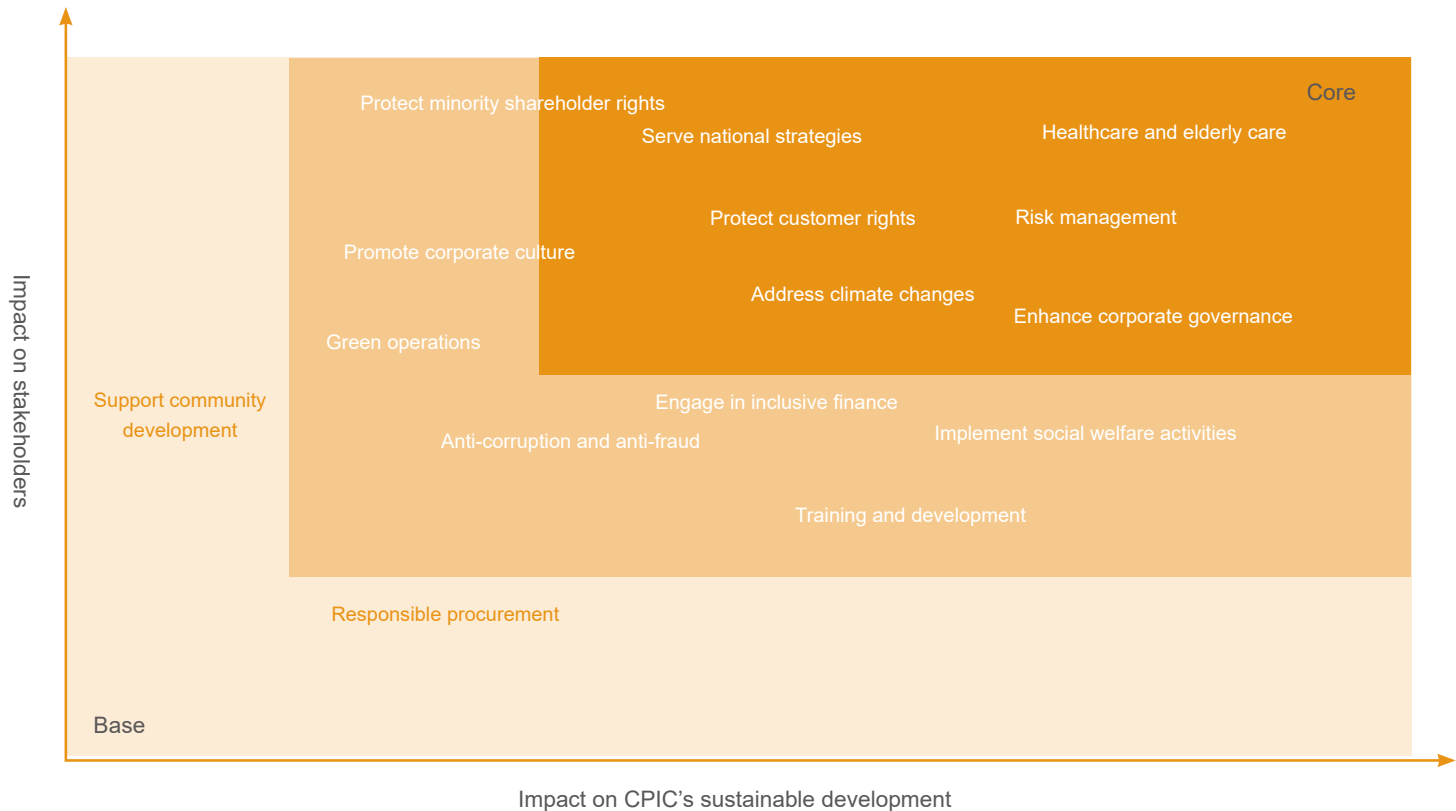
Materiality analysis is an important part of CPIC's key sustainability issue analysis and prioritization according to its development strategies and stakeholder's expectations. Materiality analysis was conducted both internally and externally. Internal analysis was based on the feedbacks

of CPIC's management and employees; while external analysis was informed by CPIC's stakeholders, such as suppliers, governments, regulators, and shareholders who are affected by CPIC's business activities, products and services and are expected to affect CPIC as well.

### Materiality analysis results

CPIC did intensive research and created a list of material issues. Based on the 732 valid questionnaires collected and engagements with stakeholders, we comprehensively assessed the impacts

of identified material issues on external stakeholders and CPIC, and finally selected 15 issues closely related to CPIC to be incorporated into reporting.



2021 Sustainability Report Materiality Analysis Matrix

# 03

## Sustainability Pillars

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**Corporate Governance**

**Risk Management**

**Technological Innovation**

**Intellectual Property**

**Data Security**

CPIC improves corporate governance, identifies and responds to ESG risks, focuses on the big data field, stimulates innovation and creativity, and forms a sustainable development support force.





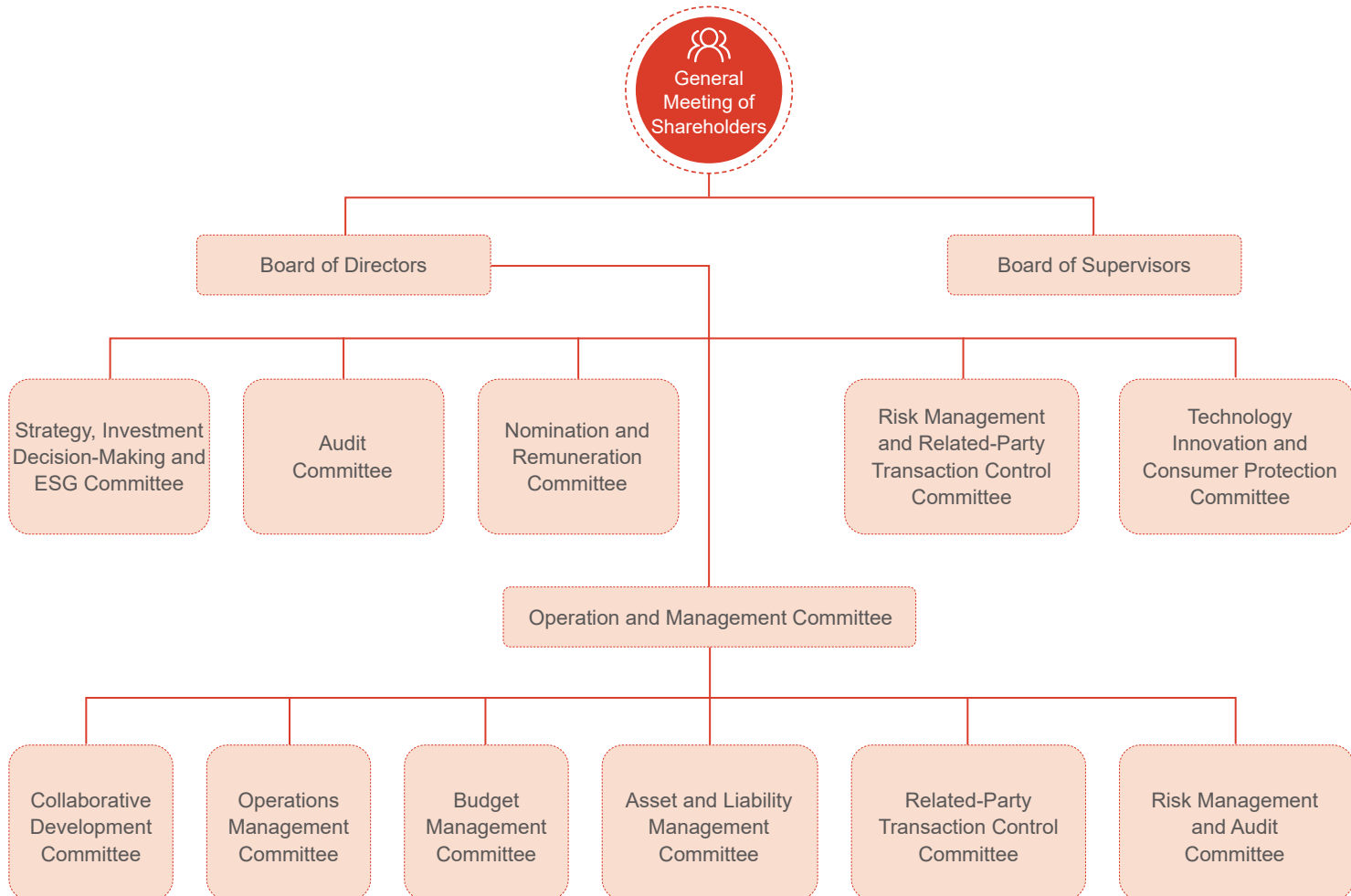
## Corporate Governance

### Optimizing the corporate governance structure

In accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Insurance Law of the People's Republic of China and other relevant laws and regulations, CPIC has established a corporate governance

system composed of the General Meeting of Shareholders, Board of Directors, Board of Supervisors and senior management, so that the power, decision-making, supervisory and implementation bodies promote, supervise and restrain each other.

CPIC has created a mature corporate governance structure, thanks to continuous improvement of the corporate management system, full integration of internal resources, and enhanced engagement with the capital market.



In 2021,



CPIC held general meeting of shareholders

**1**



reviewed and approved

**13** proposals



held board meetings

**6**



reviewed and approved

**82** proposals

## Implementing the diversification policy

CPIC has developed its diversification policy. The board's Nomination Committee comprehensively considers the gender, age, cultural backgrounds, educational backgrounds, professional experiences, skills, knowledge levels and tenures of director candidates when reviewing the qualifications of director candidates and making recommendations to the board; and regularly evaluates the structure, number of members and composition of the board. As of the end of 2021, the board had 15 directors, of which 87% were external directors and 27% were female directors. Besides, these directors are leaders and experts from various fields, with the experience of working at international financial institutions, including senior executives of leading international insurance institutions, well-known economists, asset management experts, senior lawyers, Internet marketing management experts, etc.

## Protecting minority shareholder rights

CPIC effectively protected the rights of shareholders, especially minority shareholders, relying on relevant systems and procedures. Independent directors expressed objective, impartial and independent opinions on issues related to minority shareholder rights, such as profit distribution plans, executive compensation, and major related-party transactions. According to relevant regulatory requirements, online and offline general meetings of shareholders were held, where major issues affecting minority shareholders were discussed and voted, and votes of minority shareholders were separately counted and disclosed.

## Disclosing compliance information according to law

Listed in Shanghai, Hong Kong and London, CPIC strictly abided by the new Securities Law of the People's Republic of China, as well as relevant regulatory requirements, and information disclosure regulations, to ensure that real, accurate and complete information was disclosed timely and fairly through legal information disclosure platforms, so that investors at home and abroad may have a comprehensive understanding of CPIC's development strategies, operations and governance. CPIC was rated "A" by the Shanghai Stock Exchange for excellent information disclosure in 2020-2021.

CPIC prepared periodic reports featuring more targeted, effective and extensive information disclosure in compliance with laws and regulations. Periodic reports included the 2020 annual report, 2021 semi-annual report (interim report) and quarterly reports. Temporary announcements were also timely and fully disclosed according to domestic and foreign regulatory requirements, to ensure compliant and synchronous disclosure in the three markets.



## Risk Management

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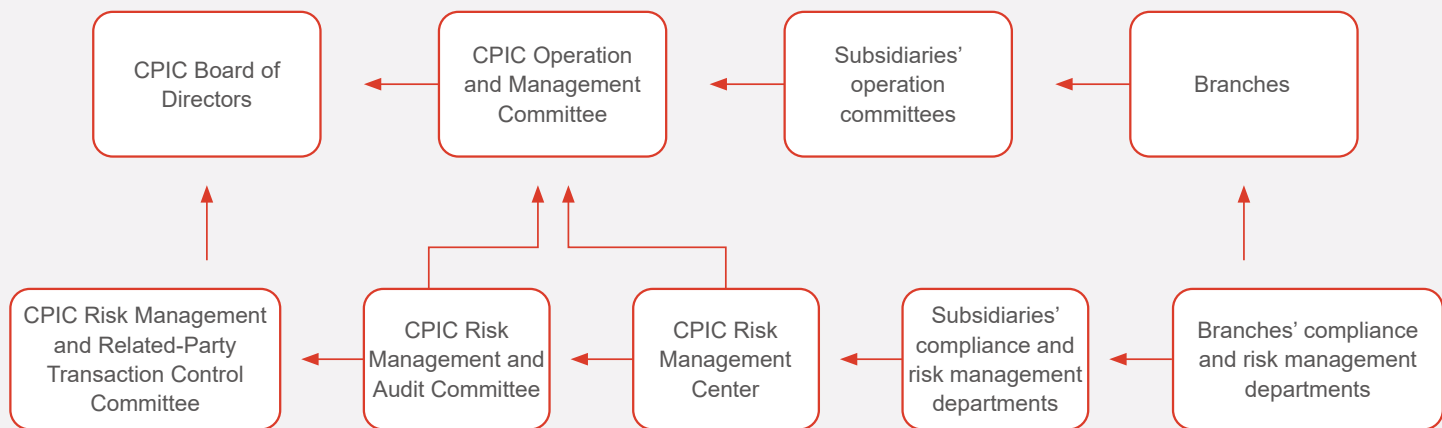
### Risk management system

CPIC has created a group-wide risk management organizational structure where the Board of Directors assumes ultimate responsibility, the management acts as direct leadership, and risk management departments implement decisions with the support of relevant functions. The boards at the group and subsidiary levels are the highest decision-making bodies of risk management, assuming ultimate responsibility for their risk management systems and performances.

CPIC's headquarters and insurance and asset management subsidiaries have all established independent risk management departments. They make sure that risk management decisions made by the management are implemented by various departments through organizing, guiding and supervising practices.



### CPIC Risk Management Organizational Structure



CPIC has achieved integrated risk management to guide and supervise various departments and subsidiaries, ensuring that risk management is implemented in line with CPIC's risk management goals and policies, using core risk measurement tools and database

provided. CPIC has been improving the coordination mechanism of the Group's risk control, compliance and internal audit work to further smooth the communication and transmission of information and share professional capabilities in major risk control. Subsidiaries, while maintaining their

own risk management systems and setting up necessary firewalls, managed their own risks in line with fundamental goals and policies, systems and procedures, and methods and tools defined by CPIC.

## ESG risk management

### Key ESG risks of concern to CPIC

#### Risks posed by climate change

**Physical risks:** Risks arising from the interaction of climate change-related hazards with the vulnerability of human and natural systems. They represent economic losses due to the increasing frequency and severity of extreme weather events (e.g., storms, floods, and heat waves) associated with climate change, as well as the impacts of long-term changes in climate patterns (e.g., ocean acidification, sea level rise, etc.).

**Transition risk:** Financial risk resulting from uncertainties caused by policy adjustments, technological innovations or restrictions, and shifts in market preferences and social norms during the transition of society to green and low-carbon development.

#### Risks associated with an aging population

China is facing the problem of population aging, and the consequent increase of one-child families, childless families, spouseless elderly, and widowed elderly greatly increases the risk of relying on family for elderly care. Meanwhile, as people's living standards improve, health problems such as sub-health and chronic diseases are becoming more prominent, and the demand for daily health management is increasing.

#### Risks associated with infectious diseases

Since its onset, the COVID-19 has become the most important variable affecting global economic trends, causing deaths and significant economic losses around the world. The risks associated with the uncertainty and long-term nature of the COVID-19 should still not be underestimated.

### Measures taken by CPIC to deal with ESG risks

Focusing on the requirements of ESG risk management, the ESG Office of CPIC group coordinated with the relevant departments of the group's risk control line and subsidiaries to identify and evaluate ESG risk issues and formulate risk management measures from the three aspects of insurance, investment and operation.





## Impact of ESG risks on CPIC

## CPIC's approach to ESG risk

## Insurance Aspect

Insurance development is closely related to the external environment such as natural, economic and social conditions. Changes in the external environment, such as a sudden epidemic, may affect economic development, wealth income, and risk perception, which in turn may pose risks to the development of insurance operations.

## Investment Aspect

Insurance funds are playing an increasingly important role in supporting social construction. With a wide range of investment projects and investment fields, there may be projects where the funds are not in line with environmental and social development requirements, resulting in corporate governance risks as well as environmental and social risks.

## Operation Aspect

In the context of the overall green transformation of China's economic and social development, financial enterprises should set an example by being low-carbon enterprises, or they may face the risk of losing their low-carbon competitiveness. Although the epidemic in China has been largely controlled, the global trend of the pandemic has not been effectively curbed and high vigilance should still be maintained.

- Establishing response plans and training mechanisms for climate risks
- Developing catastrophe insurance, index insurance
- Applying advanced catastrophe risk assessment techniques and tools
- Promoting the construction of the three pillars of old-age care and developing special products and services such as old-age communities and medical care for major diseases
- Practicing sustainable insurance principles
- Integrating ESG concepts into the investment project decision-making process and innovating responsible investment methods with insurance characteristics
- Vigorously carrying out green investment, focusing on supporting projects in the fields of green transportation, clean energy, resource conservation, recycling, pollution prevention and control
- Investing and laying out in the field of medical and health industries upstream and downstream of the elderly and retirement industry, we have built 10 elderly care communities and constructed online and offline hospitals
- Practicing the principles of responsible investment and "Belt and Road" green investment
- Advocating green office, improving the efficiency of resource use and proper waste disposal
- Advancing the "CPIC Sanjiangyuan Ecological Public Welfare Forest" project to enhance the carbon sink capacity of the Sanjiangyuan area
- Safeguarding the health of employees, complying with the government's epidemic prevention policy, and developing and implementing a regular epidemic prevention mechanism
- Implementing responsible procurement to manage environmental and social risks in the supply chain

## Anti-Money laundering

### Improving the compliance system

In strict accordance with the Anti-Money Laundering Law of the People's Republic of China, CPIC formulated the Measures for Money Laundering Risk Management to clarify requirements for anti-money laundering. Furthermore, an anti-money

laundering system was established to supervise and guide anti-money laundering practice at subsidiary level, and training sessions and investigations were conducted to fight against money laundering.

#### Case

#### Subsidiaries developed management systems to strengthen anti-money laundering



CPIC Property Insurance developed the Administrative Measures for Anti-Money Laundering Information Security Protection and Confidentiality, CPIC Life Insurance published the Notice on Optimizing the Customer Money Laundering Risk Classification Process, CPIC Health Insurance revised the Measures for Anti-Money Laundering Information Security Protection and Confidentiality, and Changjiang Pension revised the Regulations on Money Laundering Risk Self-Assessment.



### Conducting compliance assessments

CPIC conducted money laundering risk assessments within the framework defined by the People's Bank of China, and defined its own assessment indexes and systems. At the subsidiary level, CPIC Property Insurance and CPIC Life Insurance conducted anti-money

laundering assessments, created index systems, developed inspection response plans, and organized response drills. Asset management companies, with existing self-assessment models, optimized sub-items, weight settings, data use rules, and division of responsibilities. CPIC Health Insurance

launched its anti-money laundering self-assessment program ensured by external consultant. Changjiang Pension created a technology-based money laundering risk management system, to speed up its 2.0 anti-money laundering system transformation.

## Anti-fraud work

CPIC strictly abided by relevant national laws and regulations, and showed zero tolerance for corruption and fraud. Institutionally, CPIC formulated the Interim Provisions on Anti-fraud in accordance with laws, regulations and regulatory provisions, to clearly define anti-fraud priorities, responsibilities of related departments, and whistleblowing, investigation, handling,

reporting, accountability, risk monitoring, internal audit, and self-assessment procedures. Through these procedures at group and subsidiary levels, we may collect information, and investigate and handle cases timely. Employees involved in fraud will be punished heavily according to corporate regulations, and if a crime is constituted, employees involved will be

dismissed. At the corporate culture level, CPIC has always attached great importance to compliance culture, and held compliance training sessions at various levels to improve the legal awareness of employees.

## Compliance promotion

CPIC conducted more than 40 anti-money laundering training sessions at the group and subsidiary levels for executives, department heads, key employees, or all employees, and participated in more than 20 external training sessions held by professional training providers, industry associations, consulting companies, and law firms, to improve the professional

skills of anti-money laundering personnel. Furthermore, various types of education activities themed on anti-money laundering laws and regulations, combating illegal fundraising, and preventing telecom fraud were conducted on different platforms, to expand the influence of anti-money laundering education.



conducted more than

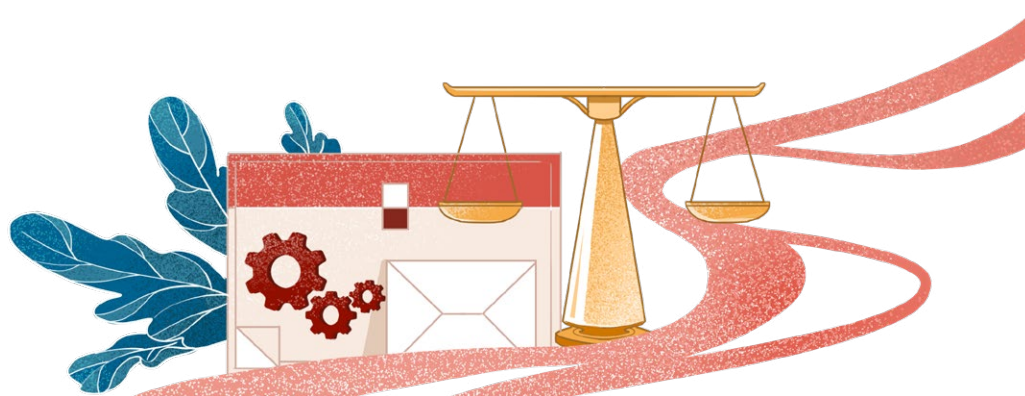
**40** anti-money laundering training

sessions at the group and subsidiary levels for executives



participated in more than

**20** external training sessions



## Technological Innovation



data collected every day were more than

**100** million pieces averagely

## Creating big data platforms

CPIC created a big data application blueprint, a data-based coordination mechanism, and a multi-level data governance organizational structure. Data governance policies were also developed in line with the principle of “group-wide continuous, adaptive, objective and effective data governance”. Moreover, we developed corporate data standards, performed an data asset inventory, created a basic middle data platform, and completed universal data storage, so as to effectively support data sharing, and data-driven upgrading and transformation.

CPIC relocated Luoqing Data Center, which means three data centers have been built in Shanghai and Chengdu, providing core business units with hardware that process “100 million-row datasets in seconds”. Also, efforts were made to speed up the creation of a middle data platform that merges data from various sources across the group. Averagely, more than 100 million pieces of data were collected every day.

## Implementing digital transformation



CPIC greatly promoted intelligent digital offerings online, so that customers may enjoy thoughtful services more conveniently. In terms of smart services, CPIC Life Insurance launched “Cloud Counter” which enables customers enjoy services anywhere, any time through video communication. CPIC Health Insurance offered “Smart Claiming” in Ningbo relying on reliable decentralized blockchain technology, creating a new model in which CPIC proactively pays claims.

CPIC continued to promote digital intelligent insurance. This includes optimizing R&D responsibility allocation, setting up CPIC Fintech Co., Ltd., exploring a market-oriented operation mechanism, and establishing a digital intelligence research institute to study and develop cutting-edge technologies. The proportion of independent R&D of the Company's core systems is gradually increasing. We had productive cooperation with academic and technological institutions, and made significant progress in the R&D of key technologies such as AI and blockchains, which can be proved by our high awards at AI competitions at home and abroad.

## Exploring intelligent operations

### AI: improving service efficiency

CPIC assigned time-consuming repetitive tasks to robots, as part of our new intelligent operation model. CPIC Property Insurance used intelligent robots to replace workers for 250,000 hours a day, creating “lights-out factories” in operations. CPIC Life

Insurance used AI and video interactions to promote products online, and offered remote dual-recording service, so as to shorten the insurance application process, and support the marketing team.



CPIC Property Insurance used intelligent robots to replace workers for

**250,000**  
hours a day

### IoT Intelligent Insurance: optimizing risk management

At the World Artificial Intelligence Conference 2021, CPIC released "IoT Intelligent Insurance" to explore the new value of AI-led insurance technology. The product uses an IoT platform to digitalize risks involved in vehicle, corporate property and agricultural insurance, and creates the

“Insurance + Service” new operation model where the focus of insurance management is shifted from loss compensation to risk management and governance for individuals, businesses and governments.

### YY Service Robot: providing intelligent answers

The intelligent customer service robot of life insurance, "YY Service Robot", is embedded in the key journey of customer experience such as insuring and service, loaded with common notifications and other scenarios to quickly respond to customer

requests and provide multi-scene active and accurate services. "YY Service Robot" achieves agile configuration in 1.5 days, an intelligent response rate of 87.6%, and a one-time resolution rate of 92%.



intelligent response rate

**87.6%**

one-time resolution rate

**92%**

## Intellectual Property

In accordance with the Copyright Law of the People's Republic of China, Regulations for the Implementation of the Copyright Law of the People's Republic of China, Patent Law of the People's Republic of China, and other relevant laws and regulations, CPIC issued the Measures of CPIC for the Comprehensive Management of Property Rights, Measures of CPIC for the Management of Trademarks, and other internal regulations. Protecting external intellectual property rights, including purchasing genuine software, and using authorized images, has become a part of our operations.

As for internal intellectual property management and maintenance, we encouraged invention and innovation, and applied for various patents. As of the end of 2021, CPIC headquarters had registered 367 trademarks, and submitted 20 invention patent applications, and two design patent applications. Besides, the copyrights for 42 software works and four other works had been registered.

CPIC launched the "Patent Operation under the Digital Intelligent Finance Strategy" training program, to improve employees' awareness of IP rights, and mitigate operational and compliance risks caused by the lack of relevant knowledge.



registered

**367** trademarks



submitted

**20** invention patent applications



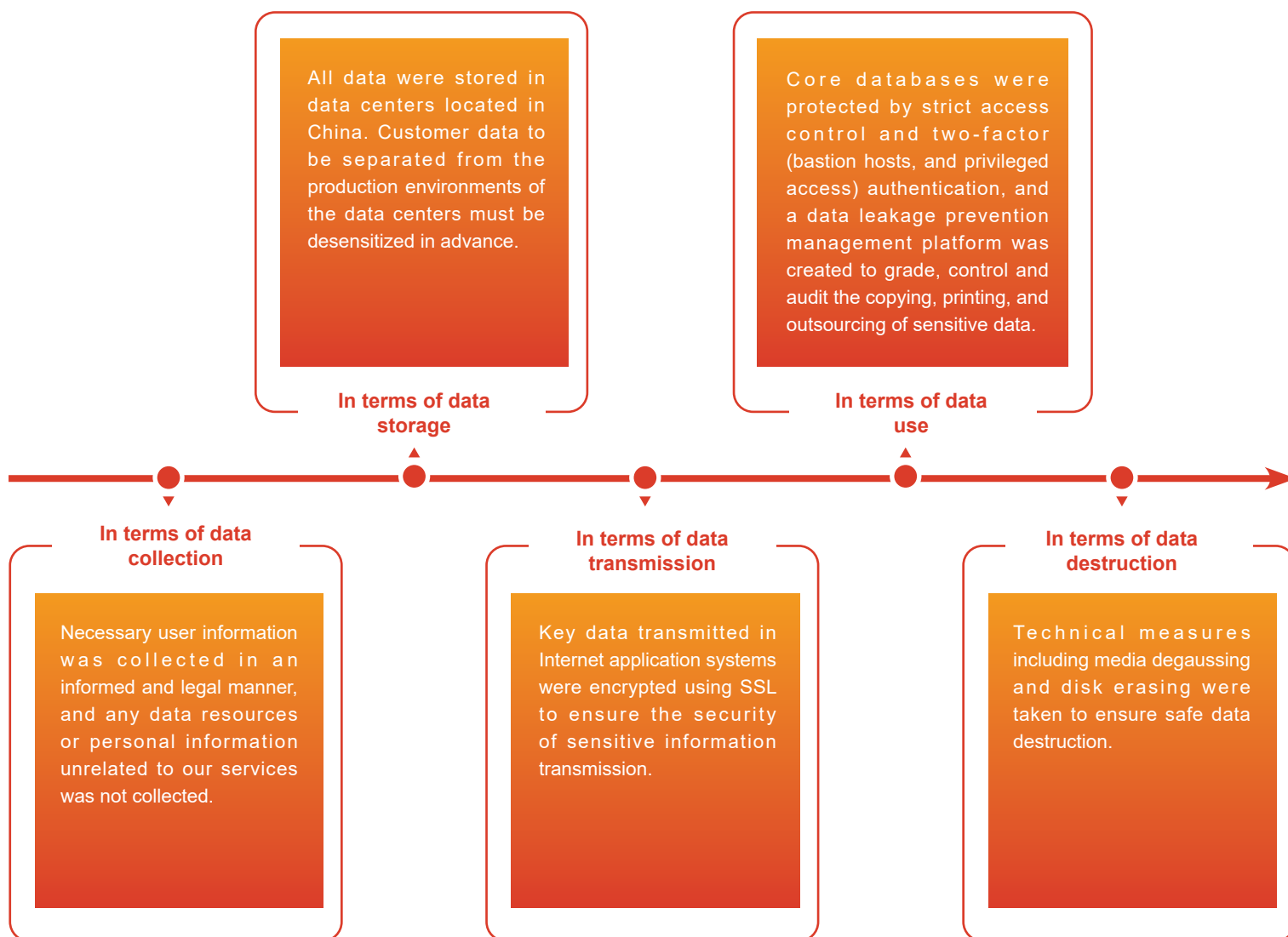
registered copyrights for

**42** software works and four other works

## Data Security

CPIC always attaches great importance to data security, and has formulated a set of data security management regulations to define the confidentiality, integrity and availability of customer data. These regulations include the Interim Measures for Data Security Management, Measures for Customer Information Management,

Internet Security Negative List, Negative List of Customer Data Security, Measures for Data Leakage Management, and Specifications for Graded Protection of Information Systems. In 2021, CPIC did not receive any regulatory penalties for violating customer information management regulations.



# 04

## Influence of Sustainability

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**Caring for Employees**

**Building a Customer-Centric Service Brand**

**Building Win-Win Partnerships around ESG**

**Community Service and Social Responsibility**

**Wonderful Culture and Sports Activities to Jointly Create a Better Life**

CPIC practices the people-centered development concept and shares the fruits of development with stakeholders such as employees, customers, partners and society to build a harmonious home and create a better life together.







驰援河南

## Caring for Employees



the Labor Contract covered

**100%** employees



## Employment policy

We value a harmonious and stable relationship with our employees. In accordance with the Labor Law, Labor Contract Law, Trade Union Law, Provisions on Collective Contracts, and other relevant laws and regulations, CPIC signed the Collective Contract, and Collective Contract for Female Employee Protection with the Labor Union based on negotiations periodically, and signed the Labor Contract with all employees. In addition to fully paying employees on a monthly basis in line with the Labor Law, we also further optimized the career development mechanism, designed a multi-channel, multi-group, multi-level career development path, and created a differentiated salary management system, to help them achieve personnel development, and motivate them with incentives provided based on their performance, value and contribution.

According to the “stabilizing employment” and “ensuring employment” requirements made by the State Council, we recruited more young people through various channels, contributing to social stability. Moreover, we considered ESG factors,

regional equality, gender equality and employee turnover rate in the recruitment process. We provided employees with paid annual and welfare leave, and regularly developed employee leave plans to protect their right to enjoy paid leave. We also covered employees with five mandatory insurance programs, one mandatory housing fund, commercial insurance, and enterprise annuity in accordance with the law, providing them with comprehensive protection. To protect the rights and interests of employees, we held trade union and employee representative meetings regularly, and entitled employee representatives to fully protect all employees by exercising their democratic rights. In accordance with the Law on the Protection of Women’s Rights and Interests, Special Rule on Labor Protection of Female Employees and other relevant laws and regulations, we formulated the Collective Contract for Female Employee Protection, and strictly abided by provisions regarding maternity leave, equal payment and welfare, and equal career development opportunities specified therein.

### Changing the role of insurance agents

CPIC redefined the role of insurance agents. CPIC Life Insurance launched the “Long Journey” program, a step towards sustainable development. It set the vision of “creating the best customer experience as a long-termist in the insurance industry”, and the strategic goals “One Best, Two Stables, Four Progresses” (providing the best customer experience; pursuing stable market value growth and a stable market position; making progresses in channel diversity, healthcare, digitalization and talent development). The Company announced the global recruitment program for “Long Journey Partner”. The program aims to create a long-term career development platform for ambitious future insurance agents, and build a high-quality competent sales team through comprehensive empowerment.



### Health and safety



provided RMB  
**7,944,400**

of financial supports

to  
**4,024** employees  
impoverished due to major  
diseases

CPIC cares about the physical and mental health of employees and provides them with a comfortable and safe working environment. Institutional supports include the Measures for the Management of Offices and Workplaces, Regulations on Company-Wide Smoking Cessation (Trial), and other rules regarding workplace safety and sanitation. In addition, we regularly carried out safety and environmental inspections to eliminate potential safety hazards; and organized fire drills, emergency first aid training, and key safety personnel qualification training to improve employees' safety awareness and emergency response skills.

CPIC provided employees with an insurance package containing critical illness insurance, supplementary medical insurance, personal accident insurance, tax-preferred health insurance, and family

property insurance, and also the COVID-19 Insurance to address the threat of the pandemic. Physical examinations, as well as workplace exercise, physical fitness and psychological counseling activities were organized to promote the mental and physical health of employees. We also held lectures on the prevention and treatment of common diseases, and invited physicians to interpret medical examination reports and provide medical services. Employees and their families may access family doctors, video consulting, health management, and outpatient appointment services through the CPIC Healthcare Steward platform.

In 2021, CPIC provided RMB 7,944,400 of financial supports to 4,024 employees impoverished due to major diseases, natural disasters, emergencies, and tuition payment, which eased their financial pressure.

## Development and training

CPIC issued the Guiding Opinions on the Work of Young Employees in the “14th Five-Year Plan” Period, and launched a young employee training camp, to promote the rapid development of young employees. For management trainees, we arranged job rotation and mentors for them, and developed the “Learning Map for CPIC Headquarters Management Trainees”, helping them make solid progress towards their goals along the right paths in an environment integrating management, training and learning. We also developed a trainee director plan which combines training with primary-level practices. By the end of 2021, the team of property & casualty insurance and life insurance of CPIC became more younger, with the proportion of members of post-70s rising to 42%.

We created a trinity training system composed of company, lines/departments, and employees. We encouraged employees to participate in external training independently according to their roles, and provided resource and financial supports.



### Case

#### Learning & Innovation Center

CPIC set up the Learning & Innovation Center, an effort to implement the mission of “making learning a mode of production”. We launched the “1331” work plan, that is, to “build 1 scenario-based base, develop 3 core competencies, encourage 3 types of trainees to learn online, and launch a set of operational measures”, so as to realize the goal of “serving main business, serving themes, and serving the organization”. To promote learning and innovation, CPIC designed 71 courses independently, created 1,312 courses with external partners, and introduced 660 external courses. The center has so far held 801,294 hours of learning activities for 418,571 people, including employees, partners and visitors. Through digital learning platforms, high-quality education sources have been provided to employees, enabling them with the power of knowledge.



had

**2,043** courses



provided learning activities for

**418,571** people



the center has so far held

**801,294** hours

## Building a Customer-Centric Service Brand

CPIC has been practicing the customer-centric business philosophy to build the excellent supply capacity of "CPIC service" and improve the people's sense of access to insurance service, sense of happiness and sense of security.

## Implementing the "Service Officer" system

CPIC further improved service quality to meet diverse customer needs for products and services. In 2021, CPIC launched the innovative four-level "Service Officer" system at the group, head office, branch company and sub-branch company levels, which promoted the integration and management of "CPIC services". **Nearly 800 senior executives** engaged with customers as "**service officers**", under the mission of "infiltrating service cells into operational transformation".

## Improving customer services with NPS

CPIC has had a system for continuous improvement of customer service since 2015, and introduced a customer experience evaluation tool, NPS (Net Promoter Score), to find out customer demands through questionnaire surveys, experience, discover pain points in service, and develop improvement plans.

### CPIC's *White Paper on Residents' Pension Planning and Risk Management*

CPIC and the World Social Security Research Center of the Chinese Academy of Social Sciences jointly compiled the *Never Aging for a Good Life-White Paper on Residents' Pension Planning and Risk Management*, which deeply discusses the current situation of the aging society and the characteristics and needs of the elderly clientele for insurance.

### CPIC Life Insurance's "Service Blue Book"

At the Customer Service Festival in May 2021, CPIC Life Insurance released its Service Blue Book, making a commitment to transparent and informed policy life-cycle service against higher standards.

### Telling good "CPIC service" stories

We have gone deep into the grassroots level to dig out and tell the story of CPIC service, and produced a series of documentaries on "CPIC service" such as *Our Elephant and Guarding Henan*.



### CPIC Property Insurance's "Service Map"

CPIC Property Insurance replaced the administrative map with "Service Map", to improve the efficiency of service resources. The map further improves online tool accessibility, and provides functions like visualized accident investigation and transparent claim settlement, so that customers can have a more secure service experience.



## Actively paying disaster claims

In 2021, CPIC has responded to a total of 58 major natural disasters with a cumulative compensation of RMB 1,982.56 million. For example, after the occurrence Henan Floods and Typhoon Fireworks, we quickly participated in relief and started claim payment.

In major disasters and accidents, CPIC has done a good job in disaster prevention and damage prevention, rescue and relief, and active compensation claims to help resume production and life. Over the past 30 years, CPIC has paid more than RMB 1.07 trillion of claims.



responded to a total of  
**58** major natural disasters

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**1,982.56** million



over the past 30 years,  
CPIC paid more than RMB

**1.07** trillion of claims

### Case

#### CPIC participated in relief in Henan

CPIC quickly started claim payment after heavy rains attacked Henan on July 20. On the evening the same day, CPIC's 30 rescue vehicles rushed to Zhengzhou from across Henan. Aside from participating in rescue efforts in Zhengzhou, Xinxiang, Anyang and Hebi, we also found places for the preservation of more than 10,000 damaged vehicles. On and from July 22, 10 experts went to Henan to provide onsite guidance, and 22 branches in Shanghai and Fujian assigned 129 disaster relief backup personnel to Henan, together with 180 survey and rescue vehicles, and professional equipment.

Since a large number of vehicles were damaged during the disaster, CPIC simplified claim payment process, including skipping the steps of on-site inspection and providing accident certificate, driver license and driving license, and provided free rescue service. A total of 47 vehicle claim payment stations and 27 community services stations were set up, so that customers may claim conveniently. To help enterprises recover from the disaster, CPIC prepaid a to corporate customers.



## Providing comprehensive services

### Improving offline customer experience

CPIC created an “online + offline” intelligent customer service center integrating the functions of service application, brand promotion, customer experience, and customer management, so as to offer policy life-cycle services to customers, and upgrade offline services, in line with responsible, intelligent and thoughtful “CPIC Services”.

### Optimizing the online service process

CPIC launched new online service functions, an effort to provide customers with efficient and convenient one-stop services. Relying on mobile preservation (agent-side) and office Weibo account/App (customer-side), and remote service tools such as “Smart Cloud Insurance” and “Cloud Counter”, customers may easily access services.



CPIC “Cloud Counter” uses technologies such as biometric identification, big data risk control analysis, and intelligent routing, to provide non-contact remote video services over physical counters, so that customers may take their terminals as service contacts to enjoy services at home. This can effectively protect the safety of both customers and workers during the pandemic. In 2021, more than 1.2 million customers bought over 1.4 million policies via the “Cloud Counter”.



“Cloud Counter” served more than

**1.2** million customers



bought over

**1.4** million policies

## Protecting consumers

In accordance with the Guiding Opinions of the China Banking and Insurance Regulatory Commission for Banking and Insurance Institutions to Strengthen the Development of Systems and Mechanisms for the Protection of Consumer Rights and Interests, Administrative Measures for Handling Consumer Complaints in the Banking and Insurance Industry, and other relevant regulations, CPIC established a series of consumer protection systems, such as the Administrative Measures for the Protection of Consumer Rights and Interests, Measures for the Management of Customer Complaints, and Operational Procedures for the Review of Consumer Protection Documents (Trial).

To effectively protect customer rights and interests, CPIC established an efficient complaint mechanism to ensure timely feedback of customer opinions and suggestions, created an open and transparent product liability disclosure mechanism, and greatly promoted financial education across the group.

In 2021, CPIC established the Consumer Rights Protection Department to coordinate consumer rights protection, strengthen product and service review, improve the quality of complaint handling, implement special audits, and improve the operational mechanism for consumer rights protection.

### Establishing complaint management systems

CPIC has taken the *Monitoring and Evaluation Program for Branch Complaints Management (Trial)* as an important assessment indicator for branches. There are also other complaint management systems regarding internal communication and coordination, information sharing, and collaboration. An accountability system has been established to identify, investigate and punish those who are directly or indirectly responsible for losses caused by work mistakes, poor performance, and dereliction of duty. Complaint channels have been disclosed on the official website and official Weibo account, and in workplaces, there are complaint handling areas with professional complaint handling personnel. Furthermore, we created a collegial mechanism for handling complex cases, and further improved complaint management systems, plans and measures.





## Conducting consumer education

CPIC outlets provided the function of “Consumer Protection” on their official Weibo accounts and other self-media platforms in the “Internet Plus” model, and introduced financial consumer protection approaches, consumer protection laws and regulations, as well as financial supervision polices through “Financial Risk Case Study”, online questionnaire surveys, and consumer education activities. These efforts aimed to help consumers protect their rights according to law, receive financial education, and improve risk awareness.

CPIC also provided consumer education areas in workplaces, to spread financial and insurance knowledge, offer consulting services, and organize illegal fundraising prevention activities through audio slogans, posters, publicity materials, and consulting service stations, for the purpose of enabling consumers to stay away from and resist illegal financial activities.

CPIC specially conducted financial education programs in rural areas and enterprises, helping the public, particularly older people, students, and poor people to realize the importance of addressing risks through insurance, to rationally choose and correctly use financial products and services, and to improve the awareness of rights protection as financial consumers.



## Building Win-Win Partnerships around ESG

### Establishing partnerships

#### Establishing more strategic partnerships

CPIC continuously deepened partnerships with the central ministries, provincial and municipal governments, industry leaders, and local leading enterprises, based on the principle of “strategic cooperation, openness, and win-win relationships”. In 2021, CPIC had new strategic partners for collaborative development from new industries and regions, which expanded its partner to 591. Among the 121 partners who had signed strategic cooperation agreements with CPIC, 78% were provincial (autonomous region/municipal/ city under separate state planning) governments.

#### Deepening cooperation with foreign peers

CPIC further deepened cooperation with leading international insurers, such as Swiss Re and Sumitomo Mitsui, expanding cooperation from insurance to healthcare, financial technology, overseas asset management, and sustainable development. In 2021, CPIC had over 120 strategic engagements with more than 80 strategic customers, regarding signing strategic cooperation agreements, developing strategic plans, and promoting



strategic partners for collaborative development reached

## 591



## 121

 partners

signed strategic cooperation agreements with CPIC



## 78%

 were provincial governments


innovation-driven development. CPIC established partnerships and developed joint action plans to promote strategic cooperation in insurance, and contribute to national strategies.

We created a WeChat Official Account called “Go Shopping” where our strategic partners may sell their preferential products and services to and buy products and services from each other.



**Guiding ESG integration into the supply chain**

CPIC formulated the Measures for Supplier Management to establish a supplier management mechanism, and standardize procurement and supplier management, and developed a graded management system for supplier selection and evaluation. We further optimized the procurement and supplier management processes, promoted digital management, and created a supplier management system that integrates supplier selection, evaluation, and use.

Supplier may participate in selection through such channels as public invitation, internal and external recommendation, and self-recommendation. Suppliers intending to participate in procurement were required to register at the procurement department and sign the ESG Commitment Letter.

Suppliers were selected in strict accordance with relevant national and internal regulations, legal selection process, the principle of “openness, fairness, impartiality, competition and efficiency”, and project requirements. Unreasonable requirements, discrimination and differential treatment were strictly forbidden. Suppliers identified as having improper conduct were excluded,

and priority was given to those meeting ESG requirements.

CPIC incorporated sustainability into supply chain management to ensure a stable supply chain. Specifically, we focused on the identification and mitigation of environmental and social risks; and prepared more than three suppliers for each project to ensure the overall stability of the supply chain. In term of supplier integrity management, we punished suppliers who violated laws, regulations and CPIC’s rules during procurement, such as disrupting the procurement order, seeking benefits through manipulation, fraud and other improper means, or failing to perform contracts without legitimate reasons. Such violations fall into regulatory, general and serious violations.

In 2021, the total number of centralized procurement suppliers of CPIC was 576.



centralized procurement suppliers

**576**

## Community Service and Social Responsibility

CPIC built community service platforms to encourage employees, customers and other stakeholders to participate in community development. We formulated the Measures for the Management of Donations, and offered help to disaster-hit areas, poverty-stricken areas, poverty alleviation targets, and disadvantaged groups. During the reporting period, our donations totaled RMB 78.2134 million.



donations totaled RMB

**78.2134** million

### CPIC Blue launched social welfare campaign

In January 2021, CPIC Blue Public Welfare Foundation launched its first flagship social welfare campaign — Caring Older People with Cognitive Impairment Program Series. This three-year campaign contains four programs: the “Ten Thousand” program (early screening for 200,000 people), “Thousand” program (professional training for 3,000 people), “Hundred” program (500 intelligent experience scenarios), and “Ten” program (30 themed activities).

The campaign launched by Shanghai CPIC Blue Public Welfare Foundation calls for “one-on-one care for older people with cognitive impairment”. Nearly 103,800 employees and sales partners from 101 teams participated in the campaign.



Nearly **103,800**

employees and sales partners from 101 teams participated in the campaign



### PIC donated to Shanghai Children's Home

CPIC has donated to Shanghai Children's Home for 26 consecutive years. This year, CPIC donated together with customers and partners, which improved the influence of social welfare.



has donated to Shanghai Children's Home for **26** consecutive years



## Wonderful Culture and Sports Activities to Jointly Create a Better Life

### Promoting the spirit of Chinese women's volleyball team

According to the characteristics of Chinese women's volleyball team, CPIC customized an RMB 630 million insurance program that meets the life-cycle requirements of the players and coaches. CPIC Healthcare Steward and CPIC Blue Passports were also incorporated into the program to ensure that services are provided both online and offline. The "Cheer for Women's Volleyball Team" online initiative covered 11.5 million customers, of which more than 600,000 customers directly participated in it.

CPIC promoted cultural and sports development, and healthy and civilized lifestyles by providing insurance protection for relevant events and activities, in line with the "Healthy China" initiative.



### Escorting the 10th China Flower Expo

As the brand partner and designated insurance provider of the 10th China Flower Expo, CPIC customized an insurance package, providing more than RMB 350 billion of protection for the event. At the expo, we set up two booths — "CPIC

Garden" and "CPIC Homes" — to tell stories around the theme of "Convenient, Lifetime and Customized Services". The expo attracted 80,000 visitors, and more than 100 groups of partners, news media, and social organizations.

### CPIC comprehensively served the Asian Games Hangzhou

As an official insurance partner of the Asian Games Hangzhou, CPIC provided a package of protection integrating property, life and health insurance for the event. We launched the "CPIC e-Insurance for Asian Games Hangzhou" 500-day countdown clock for the 19th Asian Games, and are the exclusive insurer of the first township-level epidemic control insurance program for the Asian Games Hangzhou 2022. CPIC

also leads the life-cycle risk management for the event, and has completed a risk management plan, providing both insurance and risk management services. We carried out brand activities such as "Meet the Women's Volleyball Team - Help Realize the Dream in Asian Games" and "Happy Travel" dedicated Asian Games events to spread Asian Games culture and enhance the influence of Asian Games.



covered

**11.5** million customers

more than

**600,000** customers

directly participated



provided more than RMB

**350** billion

of protection for the Flower Expo



# 05

## Sustainability and Coordination

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**Principles for Sustainable Insurance (PSI)**

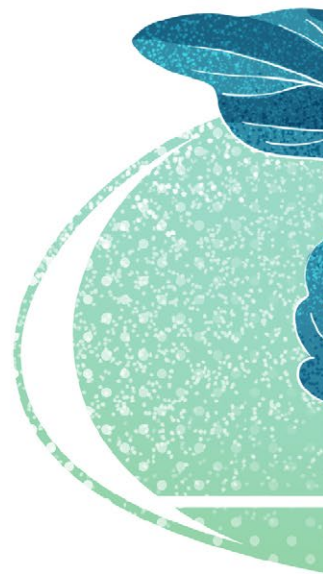
**Principles for Responsible Investment (PRI)**

**The “Belt and Road” Green Investment Principles (GIP)**

**The UN Sustainable Development Goals (SDGs)**

**ESG Indexes Selected by CPIC**

Faced with the challenges of the epidemic and uncertainty, CPIC has taken the advanced sustainable development concept as its guide and consciously followed it, undertaken the social responsibility of economic transformation, taken the innovative path of sustainable development, and striven to become the leader of the industry.





## Principles for Sustainable Insurance (PSI)

CPIC signed the Principles for Sustainable Insurance (PSI) in 2021, becoming the second enterprise in mainland China to sign the PSI. These principles, advocated by the United Nations Environment Programme Finance Initiative (UNEP FI), create a global practice framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities.

CPIC will improve the long-term mechanism for serving green development, and bring greater innovation into green financial products and services, particularly for energy technology innovation, low-carbon transformation of traditional industries, climate change response, and environmental governance, ultimately creating green insurance brands.

### Principles for Sustainable Insurance

We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

### Our Actions

In our ESG top-level design, the Board of Directors is the highest decision-making body that promotes the integration of ESG factors into daily operations by functions and subsidiaries, to ensure the effectiveness of ESG management.

We held an ESG summit with Swiss Re.

We co-hosted an ESG summit with Shanghai United Assets and Equity Exchange and UBS.

We launched the Huhui Insurance, a supplementary commercial medical insurance program customized for Shanghai as the lead insurer.

The first policy of the Forest Carbon Sequestration Insurance, which was innovatively developed by CPIC and the Chinese Academy of Tropical Agricultural Sciences, was sold in Hainan.

We will disclose PSI performance on an annual basis, and have established an accountability mechanism to address problems arising from implementing the PSI.









## Principles for Responsible Investment (PRI)

CPIC signed the UN Supported Principles for Responsible Investment (“PRI”) as an asset owner and investment manager in 2021, becoming the fourth asset owner in mainland China to sign the PRI.

We joined the PRI for the purpose of fulfilling social responsibility, promoting sustainable development, and better seizing ESG investment opportunities.

CPIC undertakes to follow the six principles of responsible investment, actively explore ESG integration into operations, pursue long-term value-oriented investment, promote the integration of economic, social and environmental benefits, actively fulfill social responsibilities, and contribute to the construction of a sustainable global financial system.

Principles for Responsible Investment	Our Actions
 <p>We will incorporate ESG issues into investment analysis and decision-making processes.</p>	<p>In line with the principle of “long-term value-oriented investment”, national policies, and prudently selected high-quality investees with promising market prospects, clear development strategies, innovative core technologies, and sustainable business models.</p>
 <p>We will be active owners and incorporate ESG issues into our ownership policies and practices.</p>	<p>We released the Yangtze River Delta Pension Finance Green Development Report together with China Business Network, discussing the integration of pension finance with green development in Shanghai. This practice set an example of pension finance green development for the rest of China.</p>
 <p>We will seek appropriate disclosure on ESG issues by the entities in which we invest.</p>	<p>We identified risks such as climate change and project investment according to the ESG disclosure requirements of the Shanghai Stock Exchange, Shanghai United Assets and Equity Exchange, and London Stock Exchange, as well as ESG rating indicators provided by FTSE Russell and MSCI.</p>
 <p>We will promote acceptance and implementation of the Principles within the investment industry.</p>	<p>We launched the first ESG insurance asset management product — Jinse Zengying No. 6, taking the first step towards ESG integration into pension insurance management. This guided investors to fulfill their social responsibilities and share the outcomes of sustainable development.</p>
 <p>We will work together to enhance our effectiveness in implementing the Principles.</p>	<p>We reached a strategic cooperation on healthcare with Sequoia China. Long-term insurance assets were invested in healthcare, including biomedicine, medical equipment, healthcare services, and digital healthcare.</p>
 <p>We will each report on our activities and progress towards implementing the Principles.</p>	<p>We will regularly disclose our PRI performance, and address problems occurring during PRI implementation, to ensure effective PRI implementation.</p>

## The “Belt and Road” Green Investment Principles (GIP)

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CPIC Property Insurance signed the “Belt and Road” Green Investment Principles (GIP) in January 2022. These principles aim to incorporate low-carbon and sustainable development issues into projects in countries along the Belt and Road, and ensure that new investment projects along the Belt and Road are environmentally friendly, climate-adaptive and socially inclusive. The GIP calls for joint efforts in line with the UN 2030 SDGs, commitments under the Paris Agreement, and Common Prosperity along the Belt and Road.

As part of its GIP efforts, CPIC Property Insurance will further promote ESG integration into insurance, contributing to the “dual carbon” goals, and China’s high-quality development.



## The UN Sustainable Development Goals (SDGs)

The UN SDGs create a blueprint for a better and more sustainable future for human beings. CPIC took action in the three dimensions of society, economy and environment.

SDG	Our actions
	<ul style="list-style-type: none"> <li>• We promoted rural revitalization, consolidated and expanded the results of poverty eradication, covered 7.62 million poor households in our targeted poverty alleviation program, and won the honorary title of "National Advanced Group for Poverty Alleviation".</li> <li>• We implemented the "Poverty Prevention Insurance" in more than 1,000 counties and regions, writing a new chapter of facilitating rural revitalization and inclusion.</li> </ul>
	<ul style="list-style-type: none"> <li>• We developed a variety of innovative agricultural insurance products such as insurance + futures, price insurance, income insurance, and quality assurance.</li> <li>• We innovated smart services and upgraded "e-Agricultural Insurance" to provide risk insurance for agricultural production and promote the agricultural production and development.</li> </ul>
	<ul style="list-style-type: none"> <li>• We developed financial products and services covering insurance, pension and healthcare, and built CPIC Homes that provide entertainment, care and medical services.</li> <li>• We had launched 61 serious illness insurance programs, providing RMB 6.1 billion of protection for 100 million people from 54 cities in 15 provinces (municipalities and autonomous regions).</li> <li>• We provided online healthcare services based on a 400-member professional medical team managed by CPIC Healthcare Steward, the first internet healthcare brand independently developed by CPIC.</li> </ul>
	<ul style="list-style-type: none"> <li>• We launched the "Responsibility Lights up the Future" campaign, to help more than 60 Hope Primary Schools, drawing more social attention to the education of children in poverty-stricken areas.</li> </ul>
	<ul style="list-style-type: none"> <li>• We opposed gender discrimination, and provided fair and equitable opportunities in recruitment, training, salary, career development, promotion, etc.</li> </ul>

 <p>6 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> <li>• We launched the Taipu River Quality Water Insurance, analyzes water quality based on periodic water quality reports provided by professional detectors to predict any possible risks.</li> <li>• We launched a series of programs, such as the CPIC-Guizhou Rural Drinking Water Debt Investment Program, and CPIC Hanjiang Shed Renovation Debt Investment Program, to support local infrastructure construction.</li> </ul>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> <li>• We have participated in property insurance projects for the top five domestic hydropower plants such as Three Gorges, Baihetan and Wudongde, and have exclusively/principally underwritten employer's liability insurance for the builders and operators of the top five hydropower plants for many years.</li> <li>• We supported wind power, photovoltaic power, and nuclear power projects, promoting the sustainable development of government and enterprise customers, and the society as a whole.</li> </ul>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>• We create comfortable working environments, good working atmospheres, and sound salary and welfare systems for employees; attached importance to their career development; and provided them with a complete training system.</li> <li>• We cared about the physical and mental health of employees, including creating a comfortable and safe working environment for employees, and regularly organizing physical examinations, physical fitness and psychological counseling activities.</li> </ul>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> <li>• Through debt, equity and industrial funds, we directly participated in investment in new energy, water conservancy, environmental protection and other green projects advocated by national policies.</li> <li>• We have provided nearly RMB 1 trillion of protection for “going out” Chinese enterprises, covering more than 700 representative major projects across nearly 100 countries, including 59 new energy projects covered by RMB 59.6 billion in 2021.</li> </ul>
 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> <li>• We committed ourselves to reducing regional economic development inequalities, deepening the supply-side reform of agricultural insurance services, continuously increasing investment in agricultural insurance infrastructure construction, improving the agricultural insurance service network system, and innovating ways to support and benefit farmers.</li> </ul>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> <li>• We participated in social governance innovation, including providing liability insurance for food safety, environmental pollution, subway operation and urban safety.</li> <li>• We had participated in 35 Huiminbao programs, protecting more than 21 million people.</li> <li>• We improved catastrophe risk management capacities, and created a scientific catastrophe risk assessment model, a risk radar system, and a comprehensive command platform for catastrophe risk management.</li> </ul>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>• We promoted paperless office; upgraded paperless technologies such as e-policies, e-invoices and e-documents</li> <li>• We advocated online meetings and strictly controlled offline meetings</li> <li>• We evaluated suppliers and gave priority to eco-friendly suppliers and energy-efficient materials.</li> </ul>
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>• We developed a variety of weather index insurance and catastrophe insurance products, to help industries vulnerable to climate change mitigate disaster risks</li> <li>• We participated in green finance by investing in environmental protection, energy efficiency and clean energy projects</li> <li>• We promoted the construction of green buildings, the use of green cleaning equipment and energy-efficient lamps, and the development of green office habits.</li> </ul>

	<ul style="list-style-type: none"> <li>• We Launched the Three-Rivers Headwater Region Afforestation Program, to combat desertification, curb the loss of biodiversity, protect the ecological environment, and help creation a harmonious relationship between man and nature.</li> <li>• We dedicated to wildlife protection, and have underwritten Yunnan wildlife liability insurance for ten consecutive years, achieving province-wide coverage and benefiting more than 150,000 farmers in 10 years.</li> </ul>
	<ul style="list-style-type: none"> <li>• We established effective mechanisms to eliminate all forms of corruption and fraud through reporting channels, daily risk monitoring, internal audits and self-inspections.</li> <li>• We held compliance training at various levels to improve the compliance awareness of employees.</li> </ul>
	<ul style="list-style-type: none"> <li>• We conducted strategic cooperation with governments and enterprises in financial technology, business innovation, and healthcare-ecology integration.</li> <li>• We joined the UN PSI and UN PRI.</li> </ul>

## ESG Indexes Selected by CPIC

ESG index	Remarks
Hang Seng China A Corporate Sustainability Benchmark Index	Included
CSI 300 ESG Leaders Index	Included
CSI 300 Benchmark ESG Index	Included
Beautiful China ESG 100 Index	Included

# 06

## Disclosure of Climate-Related Financial Information

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**Governance**

**Strategies**

**Metrics & Targets**

**Risk Management**

Extreme weather such as heavy rainfall and high temperature has aroused global concern on climate change. CPIC embeds addressing climate change risks into the Company's operations and investments, conducts climate change risk identification and assessment, and gradually builds a new model of green and low-carbon development.



## Governance

On the basis of incorporating climate risks into the corporate governance framework, CPIC has further integrated them into its risk management and internal control processes. It has established climate-risk-related positions in the board of directors, senior management and functional departments to identify, analyze and manage environmental risks and opportunities, and enhance the Company's ability to respond to risks such as climate change and environmental pollution.

## Strategies

As a leading comprehensive insurer in China, CPIC has started a positive strategic upgrade from CSR to ESG. We deeply explored green development, and incorporated ESG into operations and management, promoting China's high-quality development. CPIC has fully incorporated the ESG concept into the Company's management. It identifies climate and environmental risks, develops response strategies, optimizes operational systems, and promotes the integration of relevant indicators and requirements into the daily operations of each functional department.

## Risk Management

Climate change-related risks include those associated with the transition to low-carbon economies and those associated with the physical impacts of climate change. In recent years, China has been encountering more frequent extreme weather events, with heavy rainfall, high temperatures, urban waterlogging and other risks persisting. CPIC uses high-tech risk management tools to respond to physical risks caused by climate change. And through disaster prevention, disaster relief and product innovation, we disperse disaster risks and help disaster victims recover their production and life.

We have developed the *Emergency Response Plan for Major Natural Disasters or Major Fire, Production, Traffic Safety and Other Accidents and Disasters*, which applies to the occurrence of floods, typhoons, earthquakes and other severe natural disasters and accidents. According to the damage caused by major natural disasters, we activate the corresponding level of emergency response plan.

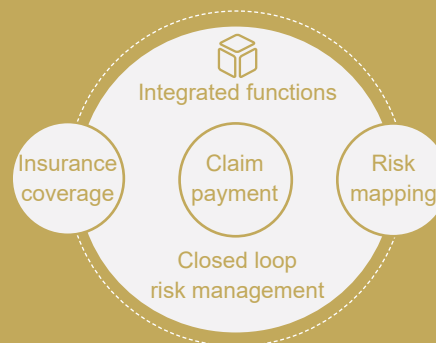
We established a scientific catastrophe risk assessment model, risk radar system and comprehensive command platform

for catastrophes, and gradually improved the capabilities of catastrophe pricing, catastrophe warning and disaster mitigation. We formed good cooperation and technical exchange with major reinsurers in the market for catastrophe insurance reinsurance to enhance risk diversification capability and special technical accumulation.

For more information, please refer to P39-40 of this report.

### Case CPIC created the "Risk Radar" disaster early warning and risk assessment information platform

The "Risk Radar" platform independently developed by CPIC integrates the functions of insurance coverage, claim payment, and risk mapping based on geospatial data, natural disaster data, real-time meteorological data and insurance business data. It provides real-time risk management services based on GIS technology, and conducts damage prediction, geographic cumulative risk assessment, and automatic weather disaster warning based on detailed indicators such as historical incidence, hazard grade, impact range and duration of more than ten types of disaster weather events such as typhoon, rainstorm, and hail.







In cooperation with specialized weather technology companies, we have launched "weather index insurance" to compensate for agricultural losses caused by climate change. This serves to encourage local governments and farmers to take the initiative in disaster prevention, mitigation, and relief, and can help farmers cope with extreme disasters in a more timely and effective manner, strengthening their ability to cope with climate change. Meanwhile, we also monitored and forecasted major catastrophic weather events to provide a basis for decision making by government departments at all levels in organizing disaster prevention and mitigation actions, and provide information services to disaster-sensitive areas and grassroots residents.



We have created the brand "e-Agricultural Insurance FAST", which uses Internet technology to realize one-click release of underwriting and compensation information, provide agile services of weather warning and weather proof and monitor the whole process of risk of crop growth targets. Through technologies such as graded remote sensing damage estimation and business big data analysis, we make agricultural insurance more in line with individual needs.



"e-Agricultural Insurance" enables weather index insurance. Agricultural weather index insurance, as an innovative application combining green insurance and digital technology, addresses the traditional service model in which agricultural protection is costly, inefficient and poorly experienced. CPIC Property & Casualty Insurance, a subsidiary of CPIC, is a partner of the Digital Agricultural Weather Index Insurance Program of the International Finance Corporation (IFC) of the World Bank Group.

## Metrics & Targets

To cope with climate change and achieve the goal of "peak carbon emission and carbon neutrality", we cannot do without the important role of financial enterprises in industrial transformation, technological innovation, capital financing and risk prevention. During the 14th Five-Year Plan period, CPIC plans to carry out the following work: in the aspect of insurance, we will create innovative green insurance products to support customers to cope with the physical risks and transition risks brought by climate change, and combine the unique protection function and risk control thinking of the insurance industry

to promote the development of green industries; in the aspect of investment, we will actively practice responsible investment and green investment, and actively promote the transformation and upgrading of high pollution and high emission enterprises in the industrial chain through creditor's right investment plans, equity investment plans, asset-backed plans and industrial funds, actively support the development of green industries, play the advantage of insurance capital, participate in the investment and financing activities of green energy projects such as environmental protection, new energy, energy conservation, etc.,

and provide financial support for the transformation of the economy to a green one; in the aspect of operation, we will carry out jurisdiction-wide carbon accounting and further implement a series of emission reduction initiatives based on the achieved results to achieve substantial emission reduction until we achieve our goal of becoming a "carbon neutrality" enterprise.

For data on scope 1 and scope 2 greenhouse gas emissions from CPIC, please refer to P73 of this report.

## Environmental Performance

### Emissions

Waste Gas Emissions	2021	2020	2019
NOx emissions (kg)	19,219	21,196	35,474
Sulfur dioxide emissions (kg)	160	303	437
Particulate matter emissions (kg)	1,818	2,023	3,202
Nitrogen oxide emission density (kg/RMB 100 M)	4.36	5.02	9.20
Sulfur dioxide emission density (kg/RMB 100 M)	0.04	0.07	0.11
Particulate matter emission density (kg/RMB 100 M)	0.41	0.48	0.83

### GHG Emissions

GHG Emissions	2021	2020	2019
GHG emissions (Scope 1)( tCO <sub>2</sub> e)	5,931	4,255	3,692
GHG emissions (Scope 2) ( tCO <sub>2</sub> e)	99,993	102,556	145,933
GHG emission density (scope 1) ( tCO <sub>2</sub> e/RMB 100 M)	1.35	1.01	0.96
GHG emission density (scope 2) ( tCO <sub>2</sub> e/RMB 100 M)	22.69	24.29	37.86

Note: 1. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

2. The greenhouse gas emissions in 2021 is calculated according to the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises, Power Generation Facilities (revised in 2021) issued by the Ministry of Ecology and Environment, and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories issued by the Intergovernmental Panel on Climate Change (IPCC).

## Solid Waste

Solid Waste	2021	2020	2019
Hazardous waste			
Lead-acid batteries (kg)	9,449	—	—
Toner powder (kg)	2,980	—	—
Printer drum (kg)	105,801	—	—
Toner cartridge (kg)	1,489	—	—
Printer ribbon (kg)	1,235	—	—
Lamps (kg)	13,837	—	—
Non-hazardous waste			
Household waste (kg)	8,064,328	—	—

## Usage of Resources and Energy

Usage of Resources	2021	2020	2019
Natural gas usage in buildings (m <sup>3</sup> )	1,914,525	1,943,781	1,686,504
Natural gas efficiency in buildings (m <sup>3</sup> /RMB 100 M)	434.48	460.41	437.50
Electricity consumption in buildings (kWh)	168,742,558	102,864,519	177,715,122
Electricity efficiency in buildings (kWh/RMB 100 M)	38,294.62	24,364.97	46,101.22

Note: 1. The main sources of energy consumption are natural gas and purchased electricity.

2. The energy consumption data is calculated according to the Consumption of Electricity and Fuel and the conversion factor provided by the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2008).

Water Resources	2021	2020	2019
Total water consumption (t)	2,375,863	1,418,710	3,075,993
Water efficiency (t/RMB 100 M)	539.18	336.04	797.95

Data Center Resources	2021	2020	2019
Tianlinlu Data Center PUE	1.82	1.70	1.74
Chengdu Data Center PUE	1.54	1.55	1.75
Luojing Data Center PUE	1.55	1.60	2.48
Tianlinlu Data Center electricity consumption (10,000 kWh)	2,395	2,880	3,002
Chengdu Data Center electricity consumption (10,000 kWh)	3,623	3,371	3,142
Luojing Data Center electricity consumption (10,000 kWh)	2,140	1,280	211

Note: PUE=Total data center equipment energy consumption/IT equipment energy consumption

Paper Usage	2021	2020	2019
Office paper usage (kg)	494,722	357,769	578,917

## Electronic Performance

Electronic Performance	2021	2020	2019
Annual E-policies (10,000)	61,444	43,524	21,881
Proportion of mobile life insurance (%)	87	85	87
E-invoices (10,000)	3,218	4,248	2,730
Mobile service endorsements (10,000)	4,419	4,959	4,682
E-approvals (10,000)	3,552	3,363	3,238
E-letter subscription rate (10,000)	32,645	29,677	26,979

SMS notifications (10,000)	220,770	232,184	188,110
E-signatures (10,000)	20,262	17,027	10,522
Mobile claims (10,000)	863	729	771
Teleconferences (Times)	436	732	1,191
Video conferences (Times)	25,470	19,393	17,572

## Social Performance

### Anti-corruption

Anti-corruption Training	2021	2020	2019
Number of people trained (Persons)	17,131	12,691	—
Training hours (Hours)	12,843	9,515	—

### Employment

Number of Employees (Persons)	2021	2020	2019
Total number of employees	114,108	118,119	116,811
Number of new employees this year	12,823	14,558	22,241
Number of foreign employees	33	73	3
Number of disabled employees	137	139	104

Number of Employees (Persons)	2021	2020	2019
By gender			
Number of male employees	53,733	55,282	54,789
Number of female employees	60,375	62,837	62,022
By employment type			
Number of contract employees	107,000	110,940	109,600
Number of regular employees	6,815	6,796	6,784
Retired employees	293	383	427
By age			
Number of employees aged 30 and under	33,088	39,360	44,963
Number of employees aged 31-40	52,042	50,242	45,995
Number of employees aged 41-50	21,240	21,447	20,418
Number of employees aged 51 and over	7,738	7,070	5,435
By region			
Number of employees in Northern China	12,306	17,171	—
Number of employees in Northeastern China	6,327	6,890	—
Number of employees in Eastern China	44,525	44,649	—
Number of employees in Central China	15,229	13,543	—
Number of employees in Southern China	15,894	15,007	—
Number of employees in Southwestern China	13,164	13,954	—
Number of employees in Northwestern China	6,663	6,905	—

By ethnicity			
Number of Han employees	108,097	112,103	110,588
Number of minority employees	5,978	5,943	6,223

Employee Turnover Rate (%)	2021	2020	2019
Overall employee turnover rate	14.54	12.59	—

By gender			
Male employee turnover rate	15.49	14.48	—
Female employee turnover rate	13.74	10.93	—

By age			
Employees aged 30 and under	26.69	19.95	—
Employees aged 31-40	13.21	10.00	—
Employees aged 41-50	4.45	3.56	—
Employees aged 51 and over	2.28	3.73	—

By region			
Northern China	9.47	6.53	—
Northeastern China	12.57	29.27	—
Eastern China	15.74	10.30	—
Central China	14.06	11.31	—
Southern China	20.15	19.32	—
Southwestern China	16.10	16.02	—
Northwestern China	13.08	11.01	—

## Employee Health and Safety

Number of Work-related Injuries and Deaths	2021	2020	2019
Number of work-related injuries (%)	0	0	0
Number of work-related deaths (%)	0	0	0
Number of working days lost due to work injury (Days)	2,011	1,994	2,741

## Employee Training

Employee Training	2021	2020	2019
Total expenditure on employee training (RMB 10,000)	3,794	5,686	7,752
By gender			
Male employee training rate (%)	48.0	—	—
Average training hours for male employees (Hours)	93.9	38.2	38.1
Female employee training rate (%)	52.0	—	—
Average training hours for female employees (Hours)	101.7	37.4	42.5
By employee type			
Senior management training rate (%)	0.7	—	—
Average training hours for senior management (Hours)	100.8	92.2	70.1
Middle management training rate (%)	5.0	—	—
Average training hours for middle management (Hours)	93.9	55.6	42.4
Ordinary employee training rate (%)	94.3	—	—
Average training hours for ordinary employees (Hours)	98.7	36.4	38.5



## Suppliers

Number of Suppliers by Region (number)	2021	2020	2019
Northeastern China	3	2	—
Northern China	130	138	—
Eastern China	363	386	—
Central China	11	10	—
Southern China	53	44	—
Southwestern China	12	15	—
Northwestern China	1	—	—
Overseas Suppliers	3	5	7

## Consumer Complaints

2021 Consumer Complaints	Property Insurance	Life Insurance	Health Insurance
Number of complaints transferred from the supervision department (Times)	5,471	9,769	21
Number of complaints per RMB 100 M (Times/RMB 100 M)	3.61	4.66	4.32
Number of complaints per 10,000 policies (Times/10,000 policies)	0.02	0.45	1.07
Complaint handling rate (Times/10,000 customers)	—	0.08	0.08
Complaint handling rate (%)	100	100	100
Auto insurance complaints (%)	73	—	—
Non-auto insurance complaints (%)	27	—	—
Sales disputes (%)	21	11	0
Claim disputes (%)	79	47	95
Other disputes (%)	—	42	5
By region			
Eastern China (%)	35	26	57

Northern China (%)	16	21	19
Central and South China(%)	10	—	—
Northeastern China (%)	10	22	—
Central China (%)	9	14	5
Southern China (%)	15	3	19
Southwestern China (%)	8	7	—
Northwestern China (%)	7	7	—

Property Insurance Complaint Response	2021	2020	2019
Call center service indicators			
Incoming call completing rate (%)	98.62	99.28	99.81
95500 telephone service IVR satisfaction rate (%)	99.99	99.98	99.98
Claims efficiency indicators			
Average payment cycle for claims (auto insurance) (days)	8.8	10.1	9.5
Average payment cycle for claims under RMB 10,000 (auto insurance) (days)	8.7	8.6	8.3
Complaint efficiency indicator			
Timely handling rate of property insurance complaints (%)	100	100	100
One-time settlement rate of property insurance complaints (%)	95	96	96

Life Insurance Complaint Response	2021	2020	2019
Incoming call completing rate (%)	99.51	99.76	99.11
20-second service rate (%)	99.48	99.60	99.10
Incoming call service satisfaction rate (%)	96.48	96.29	94.76

Claims efficiency indicators			
Average days for payment of small claims (days)	0.20	0.21	0.21
5-day settlement rate for small claims (%)	98.30	99.07	99.28
Complaint handling efficiency			
Life insurance major complaint settlement rate (%)	100	100	100
Life insurance general complaint settlement rate (%)	100	100	99.83
Timely settlement rate of life insurance complaints (%)	100	100	99.92
Average handling days of life insurance complaints (days)	5.45	5.44	4.66

Satisfaction Indicator	2021	2020	2019
Changjiang Pension 400 Customer Service Hotline satisfaction rate (%)	98.8	99.2	97.8
CPIC Health Insurance telephone customer service satisfaction rate (%)	99.7	99.7	99.2

Penalties for Marketing and Underwriting Law Violations	2021	2020	2019
Property Insurance			
Number of penalties (Times)	31	29	11
Total fines (RMB 10,000)	604	481	238
Number of warnings (Times)	4	2	3
Life Insurance			
Number of penalties (Times)	20	24	6
Total fines (RMB 10,000)	304	297	94
Number of warnings (Times)	7	1	1

## Appendix

### Appendix 1 HKEX ESG Reporting Guide

Subject Areas, Aspects, General Disclosures and KPIs	Description	Disclosed content
<b>A1 Emissions</b>		
General Disclosure	Relating to air <sup>1</sup> and greenhouse gas emissions <sup>2</sup> , discharges into water and land, and generation of hazardous and non-hazardous waste <sup>3</sup> : (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P23
A1.1	Types of emissions and emissions data	P73
A1.2	GHG emissions and density (Scopel and Scopell)	P73
A1.3	Total hazardous waste amount and density	P74
A1.4	Non-hazardous waste amount and density	P74
A1.5	Emissions targets and paths	P23-25
A1.6	Waste treatment volume, waste reduction targets and paths	P25
<b>A2 Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources <sup>4</sup> , including energy, water and other raw materials.	P24
A2.1	Energy consumption amount and density	P74-75
A2.2	Water consumption and density	P74

1 Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.

2 Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

3 Hazardous wastes are those defined by national regulations.

4 Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.

A2.3	Energy use efficiency goals and paths	P24
A2.4	Water use goals and paths	P24
A2.5	Packaging materials	—
<b>A3 Environment and Natural Resources</b>		
General Disclosure	Policies on reducing the issuer's significant impact on the environment and natural resources	P24
A3.1	Negative environmental impacts of the business and actions taken	P25
<b>A4 Climate Change</b>		
General Disclosure	Identification and response to major climate policies that may exert impacts on the issuer.	P71
A4.1	Identification and response of significant climate events that may exert impacts on the issuer and the response actions	P72
<b>Employment and Labour Practices</b>		
<b>B1 Employment</b>		
General Disclosure	Information on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. (a) the policies; and (b) relevant laws and regulations	P36; P49
B1.1	Total workforce by gender, employment type (full time or part time), age group and geographical region	P76-78
B1.2	Employee turnover rate by gender, age group and geographical region	P78
<b>B2 Health and Safety</b>		
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) relevant laws and regulations	P50
B2.1	The number and ratio of people who died from work in the past three years (including the reporting year).	P79
B2.2	Lost days due to work injury	P79

B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P50
<b>B3 Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for fulfilling duties at work. Description of training <sup>5</sup> activities	P51
B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	P79
B3.2	The average training hours completed per employee by gender and employee category	P79
<b>B4 Labor Standards</b>		
General Disclosure	Relating to preventing child labor or forced labor: (a) the policies; and (b) relevant laws and regulations	P49
B4.1	Description of measures to review employment practices to avoid child labor and forced labor	P49
B4.2	Description of steps taken to eliminate relevant practices when discovered	P49
<b>Operating Practices</b>		
<b>B5 Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	P58
B5.1	Number of suppliers by region	P80
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P58
B5.3	Description of practices to identify environmental and social risks at each link of supply chain, and corresponding execution and supervision methods	P58
B5.4	Description of practices of urging selected suppliers to use more environmental products, and corresponding execution and supervision methods	P58

<sup>5</sup> Training refers to vocational training. It may include internal and external courses paid by the employer.

B6 Product Responsibility		
General Disclosure	Information on health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) relevant laws and regulations	P55-56
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	—
B6.2	Number of products and service related complaints received and how they are dealt with	P80-82
B6.3	Description of practices relating to observing and protecting intellectual property rights	P45
B6.4	Description of quality assurance process and recall procedures	—
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	P46
B7 Anti-corruption		
General Disclosure	Relating to prevention of bribery, extortion, fraud and money laundering (a) the policies; and (b) relevant laws and regulations	P42
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	P42
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P42
B7.3	Description of anti-corruption trainings for Board of Directors and employees	P42; P76
Community		
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P59
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sports).	P59-60
B8.2	Resources contributed (e.g., money or time) to the focus area.	P59

## Appendix 2 GRI Sustainability Reporting Standards

Index number and description		Page(s)
102-1	Name of the organization	P3
102-2	Activities, brands, products, and services	P7
102-3	Location of headquarters	P7; P90
102-4	Location of operations	P7
102-5	Ownership and legal form	P7
102-6	Markets served	P7
102-7	Scale of the organization	P7
102-8	Information on employees and other workers	P49-51; P76
102-9	Supply chain	P58; P80
102-10	Significant changes to the organization and its supply chain	P58; P80
102-11	Precautionary principle or approach	P38-41; P71-72
102-12	External initiatives	P63-68
102-13	Membership of associations	P63-68
102-14	Statement from senior decision-maker	P4-6
102-15	Key impacts, risks, and opportunities	P38-40; P71-72
102-16	Values, principles, standards, and norms of behavior	P31-32
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102-18	Governance structure	P35
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102-20	Executive-level responsibility for economic, environmental, and social topics	P30
102-21	Consulting stakeholders on economic, environmental, and social topics	P31
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	P4-6
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## Appendix 3 Contact Us

Dear readers,

Thank you for sparing time to read the China Pacific Insurance 2021 Sustainability Report. In order to better meet your needs and provide you with more valuable information, as well as to facilitate our continuous improvement of sustainability performance, we earnestly hope that you can provide valuable comments on the reports by giving us feedback through the following means.

Address: China Pacific Insurance (Group) Co., Ltd. at No.1, South Zhongshan Road, Shanghai

Department: Brand Department

Thanks!

China Pacific Insurance (Group) Co., Ltd.

March 2022



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杭州2022年亚运会官方合作伙伴  
Official Prestige Partner of Asian Games Hangzhou 2022

Z: 200120

T: +86-021-33960000

No.1, Zhongshan South Road, Shanghai, China