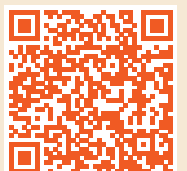


# Shaping a better world

Ping An 2020 Sustainability Report







# CONTENTS

## 01

### 04 Openings

- 06 About this Report
- 07 Executive Statement
- 10 Corporate Profile
- 12 Annual Awards & Recognition
- 14 Annual Performance Review

## 02

### 16 Feature

- 18 Winning the Fight Against Poverty and Facilitating Rural Revitalization
- 30 Fighting the Pandemic and Guarding the Safety

## 03

### 36 Sustainable Development Strategy

- 38 Sustainable Development Concepts and Management
- 39 Organizational and Governance Management
- 40 Analysis of Core Topics
- 40 ESG Comprehensive Risk Management
- 45 Improve the ESG Ecosystem in China
- 50 The SDGs Map of Ping An

## 04

### 52 Responding to National Strategy and Driving Top-Quality Development

54 Respond to National Strategies

58 Inclusive Finance

61 Technology Guides the Future

## 05

### 66 Ping An's Role and Influence

68 A Listed Company with Integrity and Transparency

78 A Responsible Investor

82 A Trustworthy Insurance Company

94 A Caring Corporate Citizen

97 An Attractive Employer

## 06

### 102 Appendix

104 Performance Report

114 Statement of the Board of Directors

116 Independent Third-party Assurance Report

118 Indexes

125 Feedback

# sbwzindo openings

- 1.1 About this Report
- 1.2 Executive Statement
- 1.3 Corporate Profile
- 1.4 Annual Awards & Recognition
- 1.5 Annual Performance Review





## About this Report

### Scope of the Report

Reporting scope: The Report is mainly about Ping An Insurance (Group) Company of China, and covers its subsidiaries.

Reporting period: From January 1, 2020 to December 31, 2020.

Reporting cycle: The Report is released annually.

### Compilation Principles of the Report

The Report is compiled in accordance with the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Limited and by reference to *Global Reporting Initiative (GRI) Sustainability Reporting Standards*.

### Data of the Report

The financial data in the Report was extracted from Ping An 2020 Annual Report, which went through independent audits of Ernst & Young Hua Ming (LLP). Other data came from the internal systems of the Company or manual collection. Unless otherwise specified, the currency in the Report is RMB.

### Assurance of the Report

The contents and data disclosed in the Report were approved by the Board of Directors of Ping An Insurance (Group) Company of China. Deloitte Touche Tohmatsu Certified Public Accountants (LLP) has carried out an independent third-party assurance on the Report in accordance with *International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE3000").

### Release form of the Report

The report is released both in hardcopy and online. The online version can be accessed at [www.pingan.cn](http://www.pingan.cn).



## Executive Statement

As a socially responsible financial conglomerate committed to original aspirations, Ping An actively responded to the call of the Party and the state and firmly served the real economy with finance, contributing its strength to social and economic development. We followed the nation's important strategies such as the Belt and Road Initiative, the Guangdong-Hong Kong-Macao Greater Bay Area, Shenzhen pilot demonstration zone for socialism with Chinese characteristics, and inclusive finance. By leveraging our edges in business, we provided risks protection for major construction projects, optimized financial resources for prioritized industries by the country, increased development power for medium, small and micro enterprises, and provided financial support for all groups and the under-developed regions. Ping An has invested and financed over RMB340 billion in Belt and Road projects, and over RMB500 billion in key construction projects in the Greater Bay Area, and has invested over RMB1 trillion in insurance funds in the real economy.

The year 2021 marks the 100th anniversary of the founding of the CPC, the first year of the 14th Five-Year Plan, the first year subsequent to completing the building of a moderately prosperous society in all respects, and the year when China sets out on a new journey of building a modern socialist country in an all-round way. Sticking to own businesses, Ping An will work to stabilize its main business, advance innovation, reforms and development, and strengthen risk control, and will also serve the real economy and ensure the well-being of the people. Meanwhile, Ping An will actively respond to the national call for carbon neutrality by 2060. We will fully upgrade Ping An Low-Carbon 100 Program, draw up the road maps for scientific carbon neutrality at a faster pace, and pursue "green company" for reducing emissions in our operation, "green finance" for realizing zero emissions in our asset portfolios, and "green charity" for advancing charitable programs for eco-environment protection, in a bid to achieve the goal of "low carbon development".



Chairman of the Company, MA Mingzhe



Ping An is dedicated to influencing society through finance and technology, creating values for its shareholders, clients, employees, communities and environment as well as partners through its expertise, and realizing the sustainable development of the Company and its stakeholders. By integrating the concept of sustainable development into corporate development strategies, Ping An has established a scientific and professional management system for sustainable development, which combined with the overall risk management system of the Company, has shaped a scientific corporate governance model that serves to improve Ping An's risk prevention and ESG value.

Co-CEO and President, XIE Yonglin



As a financial group based in Shenzhen and aiming at the globe, by relying on the double engine of "finance + technology", Ping An has been committed to the UN's Sustainable Development Goals (SDGs), especially zero poverty, zero hunger, inclusive finance, better health care, and sustainable urban facilities, and exploring the patterns to achieve such goals under China's conditions. In terms of ESG particularly, by virtue of a solid technological foundation and deep integration with internal practice, Ping An has created the AI-ESG platform that caters to China's national conditions, providing one-stop solutions to ESG implementation in China.

Co-CEO and Executive Director, TAN Sin Yin



As the first asset owner signing up to UNPRI in China, Ping An has made the commitment to the responsibilities of a Chinese financial group. In 2020, by deeply combining the principles of overseas ESG investing and concrete investment practice in China, Ping An has built up the four-in-one responsible investment system of "ways, control, tools, and application", where "ways" are the five major responsible investment principles, "control" represents ESG and investment risk management, "tools" mean the smart ESG investing platform AI-ESG, and "application" stands for application practice in an all-round way through fully integrating ESG theories with asset allocation and investment portfolios. Driven by the responsible investment system, Ping An's green investment reached RMB103.3 billion, and its social and inclusive investment reached RMB930.5 billion in 2020.

Co-CEO and Executive Vice President, YAO Bo

## Comments of External Professional Organizations

Fourteen years ago, Ping An was among the earliest listed companies to issue a social responsibility report. Over the past years, it has been continuously creating values for its shareholders, clients, employees, communities, and other stakeholders. A decade later, Ping An is doing even better in ESG. Its transition to ESG-centered sustainable development is very successful, and its performance in mainstream ESG rating systems is outstanding, making it the ESG leader and model among Chinese companies.

Deputy President and Secretary-General of Corporate Citizen Committee,  
China Association of Social Workers, ZHANG Shaoping

China's goal and policy of high-quality development have brought to the fore the high-quality development for companies. The ESG concept has provided scientific measurement in high-quality, sustainable development for Chinese companies. The reason why China Economic Information Service, Xinhua News Agency partnered up with Ping An to jointly develop the Xinhua CN-ESG Evaluation System is that because Ping An, as the world's leading technology-driven financial conglomerate, possesses advanced technology and deals with diversified financial scenarios. Xinhua CN-ESG Evaluation System is designed to help develop local standards for evaluating ESG performance of Chinese companies, create China's ESG ecosystem, and promote long-term steady investment in the industry and sustainable development of the society.

Chairman and President of China Economic Information Service, Xinhua  
News Agency, XU Yuchang

## Corporate Profile

Ping An Insurance (Group) Company of China, Ltd. ("Ping An", "the Group", "the Company" or "we") was established in Shekou, Shenzhen in 1988. The Group was the first insurance company to adopt a shareholding structure in China. It has developed into one of the three major financial groups in China. The Group's shares are listed on the Stock Exchange of Hong Kong (stock code: 2318) and the Shanghai Stock Exchange (stock code: 601318).

Ping An is one of China's personal financial service groups with the most comprehensive range of financial licenses, the widest business scope and the most compact shareholding structure. The subsidiaries of Ping An include Ping An Life, Ping An Property & Casualty, Ping An Annuity, Ping An Health, Ping An Bank, Ping An Trust, Ping An Securities, Ping An Fund and so on. Covering the entire financial services spectrum, Ping An has become one of the few financial groups in China that can provide clients with a full range of financial products and services, including insurance, banking, and investment. In addition, Ping An also actively undertakes technological innovation, builds an Internet ecosystem, promotes better financial service, improves user experience and provides medical and healthcare services for users.

Ping An has nearly 1.384 million employees and life insurance sales agents. As of December 31, 2020, the Group had about RMB9.53 trillion in total assets and RMB762.56 billion in equity attributable to shareholders of the parent company.

As of December 31, 2020,



Total assets  
RMB**9.53** trillion



Operating profit  
RMB**159.359**  
billion



Equity attributable to  
shareholders of the parent  
company  
**762.56** billion



Dividend per share  
RMB**2.20**



## Annual Awards & Recognition

In 2020, the brand value of Ping An continues to take the lead. It was recognized and well received by domestic and foreign rating agencies and media in terms of comprehensive strength, corporate governance, and corporate social responsibility, and won many awards.

### ❖ Corporate Strength

<i>Fortune</i>	21 <sup>st</sup> on the Fortune Global 500 list and 2 <sup>nd</sup> among global financial companies
<i>Fortune (Chinese version)</i>	4 <sup>th</sup> on the Fortune China 500 list and 1 <sup>st</sup> among Chinese insurers and among Chinese non-state-owned enterprises
<i>Forbes</i>	7 <sup>th</sup> on the Forbes Global 2000 list and 1 <sup>st</sup> among global multi-business insurers and among Chinese insurers

### ❖ Corporate Governance

CPC Shenzhen Municipal Committee and Shenzhen Municipal People's Government	40 People in 40 Years of Shenzhen Special Economic Zone - MA Mingzhe
<i>Institutional Investor</i>	Most Honored Companies in Asia Best IR Program Best ESG Best CEO - MA Mingzhe Best CFO - YAO Bo
<i>Asia Money</i>	Most Outstanding Company in China - Insurance Sector Best Overall Outstanding Company in China

## ❖ Corporate Social Responsibility

State Council Leading Group Office of Poverty Alleviation and Development	2020 National Poverty Alleviation Award - MA Mingzhe
Insurance Association of China	Typical case of outstanding poverty alleviation company in China's insurance industry
<i>The Asset</i>	Best ESG Investment institution in China for Insurance
<i>The Economic Observer</i>	Most Admired Company in China for the 19th consecutive year
<i>Southern Weekly</i>	Annual Model Company Award Annual Poverty Alleviation Enterprise Award

## ❖ ESG Rating

MSCI ESG Rating	A	the highest level for a financial company in China Mainland
FTSE4GOOD Index Series	Listed	
CDP Rating	A-	the highest level for a financial company in China Mainland
Refinitiv <sup>1</sup> ESG Rating	B+	
Hang Seng Corporate Sustainability Index	A	selected as the constituent of the Hang Seng Corporate Sustainability Benchmark Index

Note: 1.Refinitive is formerly the Thomson Reuters Finance & Risk practice

## ❖ Brand

Millward Brown & WPP	38th on the list of BrandZ Top 100 Most Valuable Global Brands and 1st among global insurance brands 7th on the list of BrandZ Top 100 Most Valuable Chinese Brands, 1st among Chinese insurers, and 2nd among Chinese financial brands
Brand Finance	1st on the list of the World's Most Valuable Insurance Brands 2020

# Annual Performance Review

Our Roles	Our Key Performance
<p>A listed Company with Integrity and Transparency</p>	<p>Total assets: RMB<b>9.53</b> trillion</p>
	<p>Operating revenue: RMB <b>1.22</b> trillion</p>
	<p>Operating profit: RMB<b>159.359</b> billion</p>
	<p>Integrity education is available to <b>100%</b> employees <b>2,088</b> anti-corruption training sessions were held</p>
	<p>Training on information security is available to <b>100%</b> employees</p>
	<p>Group NPS <b>48.3%</b></p>
	<p>Number of retail customers: <b>218.43</b> million</p>
<p>A Caring Corporate Citizen</p>	<p>Number of online customers: <b>598.04</b> million</p>
	<p>The total amount of responsible investment: RMB<b>1.03</b> trillion</p>
	<p>Green investment: RMB<b>103.3</b> billion</p>
	<p>Balance of green credit loans: RMB<b>35.9</b> billion</p>
<p>A Trustworthy Insurance Company</p>	<p>Social and inclusive investment: RMB<b>930.5</b> billion</p>
	<p>Balance of social and inclusive loans: RMB<b>871.5</b> billion</p>
<p>A Trustworthy Insurance Company</p>	<p>The insured amount of sustainable insurance: RMB<b>392.6</b> trillion</p>
	<p>Numbers of sustainable insurance products: <b>725</b></p>



## A Caring Corporate Citizen

Carbon emission density: **1.47tCO<sub>2</sub>e** / person

Low carbon's potential reduction: **53,092tCO<sub>2</sub>e**

Total fund for industrial poverty alleviation provided to Ping An Rural Communities Support program: RMB**29.834** billion

Total number of village and township clinics upgraded: **1,228**

Total number of village doctors trained: **11,843**

Total number of village primary schools upgraded: **1,054**

Teachers trained: **14,110**

Ping An Group's philanthropy investments: RMB**408** million

Number of volunteers from employees and agents of Ping An: **539,000**

Total volunteer hours **405,353** hours

## An Attractive Employer

Total number of employees: **36.16** thousand

Total number of agents: **102.24** thousand

Annual amount of employee remuneration: RMB**61.38** billion

Annual amount of corporate annuity: RMB**972** million

Corporate annuity covering **68.65%** of total employees

Employee long-term service scheme coverage: **37,947**

Percentage of total employees **10.48%**

Average per-capita hours of face-to-face training and online training: **33.19** hours

# Feature

## Winning the Fight Against Poverty and Facilitating Rural Revitalization

- 2.1 Overview of Results
- 2.2 The Village Officer Project
- 2.3 The Village Doctor Project
- 2.4 The Village Education Project

## Fighting the Pandemic and Guarding the Safety

- 2.5 Fighting against COVID-19 with finance
- 2.6 Fighting against the pandemic with technology
- 2.7 Fighting against the pandemic with public service



# Winning the Fight Against Poverty and Facilitating Rural Revitalization

Poverty is a challenge that all countries need to solve as they develop economically and socially. Since the 18th CPC National Congress, on the basis of comprehensively constructing a moderately prosperous society, the Chinese government has been actively bolstering poverty alleviation. 2020 saw the achievement of such a goal and the victory of the battle against poverty.



In response to the government initiatives, Ping An has launched the Ping An Rural Communities Support comprising the Village Officer Program, Village Doctor Program and Village Teacher Program to achieve poverty alleviation through three root causes: industry, healthcare and education, and building a "Three Villages", "Three Loops" and "Three Insurances" model for poverty alleviation. In October 2020, Ma Mingzhe, chairman of Ping An, was awarded the "Dedication Award of 2020 National Poverty Alleviation Award" by the State Council Leading Group Office of Poverty Alleviation and Development.

## Overview of Results As of the end of December 2020

### Industry-oriented poverty alleviation

Industry-oriented poverty alleviation focuses on talent training, capital security, technology introduction and consumption to create a comprehensive financial poverty alleviation closed loop.



Ping An has distributed  
**RMB29.834 billion**  
 for industry-oriented poverty alleviation



Directly impacted  
**150,200**  
 filed low-income families



The per capita income growth reached  
**RMB2,500**



Benefiting  
**730,000**  
 low-income households



The cumulative consumption for poverty alleviation amounted to  
**RMB479 million**  
 including RMB191 million of direct purchases in 2020

## The Healthcare support

The Healthcare support focused on rural necessary medical facilities, skills training and upgrading, and carried out the "Ping An Health Protection Action".



Total number of village and township clinics upgraded:

**1,228**



Total number of village doctors trained:

**11,843**



The mobile health checking diagnosis activities organized:

**726**



Benefiting people with health checking in poverty-stricken areas nearly

**110,000**

person-times

## Education poverty alleviation

Education poverty alleviation focused on urban-rural education disparity, training rural teachers, and promoting the "Youth Science and Technology Literacy Promotion Program".



Number of supported smart primary schools

**1,054**



Number of trained rural elementary school teachers

**14,110**



Benefiting poverty students more than

**300,000**



## Village Officer Project: creating an integrated financial poverty alleviation closed-loop

As a comprehensive financial conglomerate, Ping An leverages “finance + technology” to facilitate the industrial development of targeted poverty-stricken areas, and innovatively designs the closed-loop of Ping An’s integrated financial poverty alleviation. Through knowledge training, self-sustaining industry capacity, and product sales empowerment, Ping An provides the right approaches and procedures to precisely help the disadvantaged. While pursuing the industrial poverty alleviation work, Ping An focuses on the three loops of before industry being established, when industry being established and after industry being established, and integrates three insurance products: “Poverty alleviation insurance, traceability insurance, poverty insurance”, with “three loops” and “three insurances” as the core to constitute a whole closed loop.

### ❖ The first loop: training before the industry is established provides the knowledge and ambition to have double the effect

For the talent shortage before the industry implementation, Ping An provides pre-production training to ensure the industry’s smooth landing in advance. Under the guidance of the State Council’s Poverty Alleviation Office, Ping An, together with the China Poverty Alleviation Promotion of Volunteer Services, has started a training course for entrepreneurial leaders in poverty-stricken villages to select and train entrepreneurial leaders together with the local government, which covers those who are on the frontline of poverty alleviation in a targeted manner, promoting the return of local talents to the villages, and indeed creating a “permanent poverty alleviation team”. As of December 2020, Ping An has held **28** training courses for **3,678** trainees across **84** counties in **18** provinces and autonomous regions.

▶ Photo: On-the-spot teaching of the training course for entrepreneurial leaders in Liangshan, Sichuan.



### ❖ The second loop: funds and technology contribute to the self-sustaining industry capacity when that industry is established

Ping An contributes to corporate development in poverty-stricken areas through a variety of financial supports. Ping An has launched business models such as poverty alleviation loans and bonds, and have innovated and developed various industrial assistance models such as hydropower loans, breeding loans, planting loans, road construction loans and poverty alleviation bonds. Meanwhile, the IoT together with big data assists the agricultural production. We also constructed smart agricultural risk platform which incorporated new technologies such as satellite remote-sensing, drones and hyperspectral identification to form a risk prevention and control system for disaster prevention and relief.

#### Case

##### ▪ An Innovative model of hydropower poverty alleviation

Lianghe Town in Yiliang County, Zhaotong City, Yunnan Province originally was located on the side of a cliff. In the past three years, Ping An has granted RMB330 million of industrial poverty alleviation loans to local hydropower companies, jointly developed the Morchella industry, employed low-income families to work in the base, and included them as a part in the whole chain of the Morchella industry. At present, the hydropower poverty alleviation model has been successfully implemented in Guangxi and Yunnan, with about RMB6 billion of cumulative poverty alleviation funds, and has been selected for UNIDO's World Small Hydropower Development Report, setting an example for international poverty alleviation.

### ❖ The third loop: the product sales empowerment after industry being established secures every family's future

We increase local income through consumption for alleviate poverty and promote development with quality products. The first method is internal procurement, i.e. priority in procurement of poverty alleviation products. Ping An held promotion and purchase fairs for poverty alleviation agricultural products in Ulanqab, Shanghai, Guangzhou and Xi'an. The second method is external sales. We used our e-commerce channels to set up an exclusive "Targeted Poverty Alleviation Zone". The total of 126 kinds of agricultural products has been launched, covering 28 poor counties in 17 provinces, with total sales of 479 million, including procurement by the Company.

► Photo: Executives endorse Ping An Cloud Farm, a consumer poverty alleviation project.



Leverage the local industry to play its advantage, accurately create the “three insurances” to help the poor

❖ Poverty alleviation insurance provides financial support in the industry

Ping An combines insurance with credit, providing guarantees through credit guarantee insurance, bridging gaps in rural credit, obtaining funds for industries and reducing the fund cost through loan subsidies. Also, companies and low-income families are tied with contract to form lasting and stable channels for growth, facilitate the employment of farmers and increase income, and achieve a win-win situation for both companies and farmers. As of December 2020, the poverty alleviation insurance has been replicated and promoted in 18 provinces and autonomous regions, including Chongqing and Sichuan. A total of RMB**1.276** billion of loans have been issued, and **143** projects have been implemented.



## Case

## ▪ Poverty alleviation insurance supports Yinshan Youmai in Ulanqab

Since 2018, Ping An has granted an interest-free and guarantee-free poverty alleviation loan of RMB90 million to Yinshan Youmai Food Co. through poverty alleviation insurance, which has facilitated the establishment of processing production lines with a capacity of 30,000 tons of oat fragrant rice, 20,000 tons of oat flakes, 20 million oat cups production line, a 30,000-ton level raw grain and product storage warehouse. Purchase orders are assigned to sign with low-income families in the villages and towns targeted for assistance at a price 20% higher than the market price. Low-income families are prioritized in employment opportunities. In the form of dividends, filed low-income families are invited to join the company and sign an agreement with the village committee. The company pays the village committee an annual dividend of no less than 6% of the shareholding. Since 2018, Yinshan Youmai project has successfully helped 1,085 families (1,746 people) to file as a poor household. The increase in income per capita is about RMB3,535.



### ❖ Traceability insurance improves the product quality for poverty alleviation

To solve the problem of quality assurance of agricultural products, Ping An has created a new model of "blockchain production and sales traceability, traceability insurance, and food safety liability insurance" through traceability insurance and blockchain technology. Each packet of products is labeled with a "reassurance code" ID card with the dual guarantee of "traceability and food safety", and enables consumers to scan the code and understand the farming process and agricultural traceability information such as irrigation, fertilization, quality inspection, thus enhancing the trust and reputation of poverty alleviation products. The platform won the Best Application Award in the 3rd China Blockchain Competition held by the Ministry of Industry and Information Technology.

▶ Photo: Screenshots of the Traceability Insurance Platform and pictures of award-winning honors



### ❖ Poverty insurance consolidate the results of poverty alleviation with multiple protections

Poverty insurance of Ping An is a tailored plan and designed to provide comprehensive anti-poverty insurance, including medical liability insurance, accident insurance, natural disaster insurance and agricultural plantation insurance, to prevent low-income families from returning to poverty due to illness or disaster, play the role of insurance in consolidating the results of poverty alleviation and improve individual risk resistance. As of December 2020, our company has donated poverty insurance to 8 provinces, including Butuo County in Sichuan and Lushui City in Nujiang, Yunnan, for nearly **42,900** low-income families with coverage risk of RMB**2.825** billion.



## The Village Doctor project: a one-stop medical guarantee to build a solid foundation for health poverty alleviation

With health poverty alleviation as the core, village doctors carry out the "Ping An Health Protection Action" nationwide, penetrating areas with a high incidence of poverty and great difficulty in tackling it, and carrying out the public welfare action named "Medical Care and Health Care". With medical insurance management platform, multiple initiatives are taken, such as disease prevention, health examination, remote radiograph reading, disease diagnosis, village clinic advancement, and medicine delivery to the countryside. For village clinics, village doctors and villagers, a targeted "four-in-one" health poverty alleviation system featuring one-stop, digital, precise and robust infrastructure has been built.

### Village Clinic advancement:

Ping An has donated medical equipment to village clinics according to individual specific needs and effectively improved the hardware facilities. The all-in-one health testing machine donated by Ping An to village clinics can be combined with Ping An's self-developed APP Good Doctor (Village Doctor Version) to conduct various health data testing and help village doctors improve their medical services. As of December 31, 2020, **1,228** village clinics have been advanced.

### Auxiliary diagnosis and treatment:

Leveraging the Village Doctor version of Good Doctor, village doctors use the "smart assistant" to connect the intelligent consultation system of that App. It is assisted by the "intelligent guide and professional physician" based on the massive case knowledge database to improve the accuracy of the initial diagnosis. At the same time, the Village Doctor version of Good Doctor integrates quality resources of hospitals at all levels, allowing village doctors and higher-level hospital specialists to consult remotely and refer severe patients promptly.

### Training for village doctors:

Targeted training is conducted for village doctors, and three innovative training models have been created. We help village doctors to become a compound doctor by working with the governments of poor counties and the Volunteer Work Committee of the China Medical Association to provide expert training. Ping An Health Testing Center hires experts and contracted specialists in that province to form a training team and participated in the countryside training together with the mobile testing center. The Village Doctor version of Ping An Good Doctor app provides general practice training for village doctors, live classes by famous doctors, remote training and twining assistance. As of December 31, 2020, **11,843** village doctors have been trained.

## Volunteer Medical Clinic For Medical Examination:

In response to the lack of awareness of health precautions among poor village residents, Ping An primarily purchases mobile testing vehicles and organized on-site medical consultations with authoritative experts who carries out medical checkups and consultations for villagers at the poverty frontline, conducts free routine screening of various organ diseases and tumors, provides health risk warnings immediately, and offers green channels to Ping An Health Testing Center or national Grade III hospitals for patients who need further examination and treatment. As of December 31, 2020, 726 rounds of mobile health testing vehicle have been conducted, covering over 110,000 people in poor areas.

- ▶ Village Doctor Project lands health checkups and drug giveaways in Liangshan, Sichuan





## Village Education Project: bridging the gap in science and technology education between rural and urban areas

In response to the national strategy of "three steps to build china into a country of science and technology innovation", the "Youth Science Technology Literacy Education Promotion Program", co-sponsored by China Next Generation Education Foundation and Ping An Public Foundation and supported by Science and Technology Daily, aims to improve the science and technology literacy of students in rural elementary school. Since the project began in 2019, it has been applied in 1,000 elementary schools in 17 provinces, including 626 rural elementary schools in 111 national-level poverty-stricken counties. We donated 220,000 textbooks and 60,000 sets of teaching aids of experimental kits, and offered over 10,000 online and offline training for principals and teachers, benefiting about 300,000 students in rural primary schools.

### ❖ Read With AI - Youth Science Technology Literacy Education Promotion Program

In 2020, the "Youth Science Technology Literacy Education Promotion Program" was conducted through online live broadcast, invited experts, influencers and academicians in science and technology field to teach "Master Live Classes". Focusing on frontier areas including life science, agricultural science and technology, aerospace, intelligent manufacturing, artificial intelligence, the "Master Live Classes" was combined with actual science popularization scenarios and free to the public, providing a chance for children across the country to visit key experimental bases, science and technology exhibition halls, animal and plant gardens online, and stimulate their enthusiasm for scientific exploration. By the end of 2020, the "Master Live Classes" has been successfully held for seven sessions, titled "Tianwen-1 and Chang 'e-2 Emission", "Tide Watching on Qiantang River", " Russian-Chinese artificial sun device", "Asian Elephant Conservation" and "Unmanned Driving" respectively, have been watched by more than 61 million people online. A new form of youth science popularization has been created.

## Case

- Science and Technology Literacy Live Class "Growing the Sun with Chinese and Russian Scientists"

Under the background of the Russian-Chinese Science and Technology Innovation Year, the sixth session of masterclasses "Growing the Sun with Russian and Chinese Scientists" was broadcast under the guidance of the Department of International Cooperation of the Ministry of Science and Technology of China, which became a useful exploration chance for science and education communication between Russian and Chinese youth. The Russian and Chinese experts were invited to visit the Hefei Institute of Plasma Physics of the Chinese Academy of Sciences, during the live broadcast, they introduced the Russian-Chinese tokamak device to rural children, and explained the principle of nuclear fusion used by the "little artificial sun" to generate electricity. Nearly 1,000 teachers and students from rural schools watched the live broadcast, and many of them have created a series of paintings and paper-cutting works with the topic of the Russian-Chinese Science and Technology Innovation Year, to wish for the long-lasting friendship between Russia and China. The course's on line viewer was reached over 8,008,000 on the live day. The number of the total overseas coverage audience exceeded over 316 million people. The course's live broadcast received over 200 positive comments from Russian netizens online in real-time, fully conveying the support of Chinese and Russians for the science development and their love for master classes.



## ❖ Read with love - Youth Literary Quality Promotion Program

In 2020, Ping An, together with the Writers' Association of China, launched the "Love Would Never Be Alone - Youth Literary Quality Promotion Program", providing both online and offline literary courses and famous authors' lectures to Chinese young people, in order to promote their literary quality and help them understand traditional Chinese culture better. The program consists of several literary themes selected by the China Writers Association, including poetry, fairy tales, science fiction, and famous novels. Many well-known writers across the country have offered online literary live courses and videos. Writers all over the country were invited to conduct offline public lectures in urban communities and rural elementary schools. The program has also produced quality literature education courses as supplementary teaching materials for rural elementary schools, passing on literature appreciation and creative writing skills to urban and rural youth nationwide.

### Case

#### ▪ Online Summer Camps "A Never-Ending Journey for Aspiring Youth"

From August 16 to 31 2020, Ping An invited more than 1,000 people across the country to participate the online tours of visiting Shaanxi History Museum, in order to encourage them passing on the marvelous Chinese culture. Ma Boyong, a famous writer from the Chinese Writers' Association, was invited to be the principal lecturer on the first class, he told the stories of historical figures via webcast to students from more than 1,000 Ping An Smart Primary Schools, and encouraged them to learn from the Chinese culture, cultivating a sense of social and moral responsibility, and courageously pursue the "endless realm" of perfection. Apart from live classes by famous writers, Ping An Village Teachers program has also invited Liu Qinghe, Dean of the College of Literature at Shaanxi Institute of Technology, and Meng Yuanliang, a well-known docent at the Shaanxi History Museum, to serve as online teachers, make children learn about history and culture at home through online museums.



## Fighting the Pandemic and Guarding the Safety

In 2020, COVID-19 has ravaged the world. Ping An has worked together as one, contributed itself in finance, technology and public welfare area to facilitate Chinese COVID-19 prevention and control work and promote the work resumption period.

The Group provides more than

**RMB18 billion**

of financial support to companies, clients and front-line medical institutions affected by the pandemic

### Fighting against COVID-19 with finance

Ping An pays close attention to the progress and trend of the COVID-19, fully mobilizes its comprehensive financial capabilities, and effectively fulfills its insurance mission and contributes to the fight against the pandemic for the society. The Group provides more than RMB18 billion of financial support to companies, clients and front-line medical institutions affected by the pandemic.

#### ▪ Ping An Life: Extended Coverage Liability Immediately

Ping An Life has extended the COVID-19 coverage of its **32** existing sickness insurance products. Ping An Life promises to pay an additional **20%** of the necessary sum insured of the sickness insurance in the insurance contract to clients diagnosed by hospital with the first occurrence of COVID-19 and are clinically severe or critical during the effective period of the insurance liability extension. Also, **15** million free places are available for the "E Lu Ping An Insurance Plan". If the insured dies or becomes disabled as a result of COVID-19, the maximum benefit is **RMB100,000**. The total sum insured is **RMB1.5** trillion.



### ▪ Ping An Property & Casualty: Insurance-based protection for small and micro enterprises to resume work and production

Ping An Property & Casualty provides employee insurance for **500,000** small and micro enterprises at no cost, with a single company coverage of RMB**1** million and a total coverage of RMB**500** billion. The coverage covers various statutory infectious diseases, including COVID-19, and it is free for companies with less than **150** employees. If an employee is diagnosed with COVID-19, which lead to death or disability, Ping An Property & Casualty will provide up to RMB**100,000** in relief money.

### ▪ Ping An Annuity: coverage expansion assists companies to resume work steadily

Ping An Annuity's COVID-19 coverage for corporate clients extends to cover over **2** million corporate employees. It also extends the COVID-19 accidental death insurance coverage for nearly **40,000** employees in **1,200** micro and small enterprises, providing up to RMB**200,000** in relief money.

### ▪ Ping An Bank: six major initiatives to relieve companies' difficulties

Ping An Bank has launched six preferential measures for corporate clients in key regions and industries related to pandemic prevention to strengthen financial services to support the real economy. We strengthen credit support for pandemic prevention, and implement preferential loan interest rates. Ping An guarantees loan quota and provides priority support for regions and industries greatly affected by the pandemic and critical companies directly involved in the production, transportation and sale of medical items and household materials for the pandemic prevention. Ping An establishes a green channel for cross-border business in Hubei and other regions, reduces or waive internet banking fees for transferring funds and paying wages. Ping An carries out the special handling for the account opening related to pandemic prevention. Hence, we improved the efficiency of customer service, and enforce their commitments on time.

## Fighting against the pandemic with technology

Ping An Good Doctor took the lead in launching a free 24-hour online clinic for COVID-19, which was visited

**1.11 billion**

times during the peak incidence of cases

In terms of technology service, Ping An Good Doctor, Ping An Life, Ping An Smart City, Health Konnect and other subsidiaries specified in pan health launched AskBob online consultation, online CT imaging viewing, pandemic dynamics and other smart medical services to offer easy access to medical emergency consultation for people in the epidemic-hit area. Ping An Good Doctor took the lead in launching a free 24-hour online clinic for COVID-19, which was visited 1.11 billion times during the peak incidence of cases. Ping An Macroeconomic Research Academy gives full play to its professional advantages as a think tank to study the pandemic development, offers advice and suggestions for resuming work and production, and provide information in government's decision-making.

### ▪ Health Konnect: Help the government to process paperwork online

During the critical period of pandemic prevention and control, in accordance with the requirements of Qingdao Municipal Medical Insurance Bureau to conduct medical insurance business online, Health Konnect timely upgraded and optimized the APP Health Service Center jointly built by both parties, effectively avoiding the crowd gathering in the hall for business and quarantining viruses but not services.

### ▪ Smart city: the government service platform advocates home-stay and do business online

Ping An Smart City provides a technology platform for pandemic prediction and resumption of work and production for relevant national ministries and local governments. Daily pandemic prediction is accurate as high as **98%**. With the unified deployment of CPC Shenzhen Municipal Committee and Shenzhen Municipal People's Government, Ping An Smart City, using the APP iShenzhen, is able to provide citizens with the whole chain of services from pandemic consultation, assistance, prevention to paperwork as well as home health services. Also, for companies needing to resume production and work, iShenzhen has launched "Shenzhen i You - exclusive service for companies" online to provide them with guidelines for resuming work and office services.

## Fighting against the pandemic with public service

The Group has donated more than

**RMB180** million

worth of financial and supplies support

Provided free exclusive insurance and assistance more than

**RMB13.5** trillion

When trouble occurs at one spot, help comes from all quarters. Based on the powerful advantages of the main business of "finance + technology" to support the fight against the pandemic, Ping An Group and its subsidiaries actively carried out public welfare donations and a series of public welfare initiatives for the pandemic front-line. The Group focused on supporting the anti-pandemic in Hubei, the R&D of COVID-19 drugs, and international pandemic prevention and anti-pandemic support. The Group has donated more than RMB180 million worth of financial and supplies support in total. Ping An Property & Casualty and Ping An Annuity provided free exclusive insurance and assistance for 8 million disease control and medical staff and 15,000 front-line workers, with a total amount of more than RMB13.5 trillion; Ping An Public Welfare Foundation has set up a dedicated relief fund program for national public security and civilian police to support public security teams working on the front line of the fight against the pandemic. The Group and Ping An Bank, Ping An Securities and Ping An Fund were honored as significant and outstanding contributors to the fight against the COVID-19 pandemic in Guangdong Province in 2020.

### Case

#### ▪ Ping An Group: Online training for grass-roots doctors

After the outbreak of COVID-19 pandemic, Ping An and the Chinese Association for Science and Technology (CAST) and other member organizations launched the "Health Guardian - Training Volunteer Service for Rural Doctors to Combat COVID-19" under the leadership of China Volunteer Service Federation. Volunteers such as physicians and experts were organized to conduct online training for rural doctors, popularize general knowledge of pandemic prevention and provide online consultation. A total of **65** training courses have been available, which is viewed **223** million times in the whole, and **3.433** million times on average per course, as well as over **70** million hours in general.

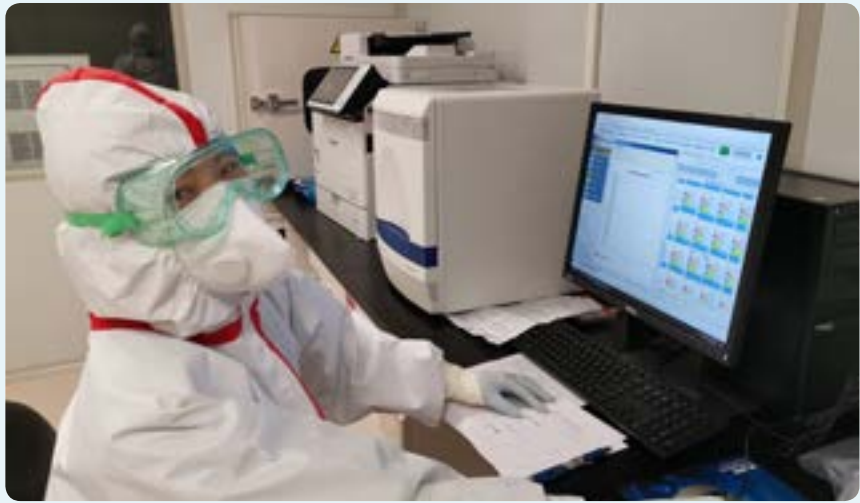
► Photo: Thank You Letters



► Ping An Mobile CT Imaging Van Goes to Wuhan People's Hospital to Provide Screening Services



- ▶ Wuhan Ping An Good Medicine medical testing laboratory first time to support the fight against the epidemic involved in nucleic acid testing



- ▶ Support international pandemic prevention and fight



# Sustainable Development Strategy

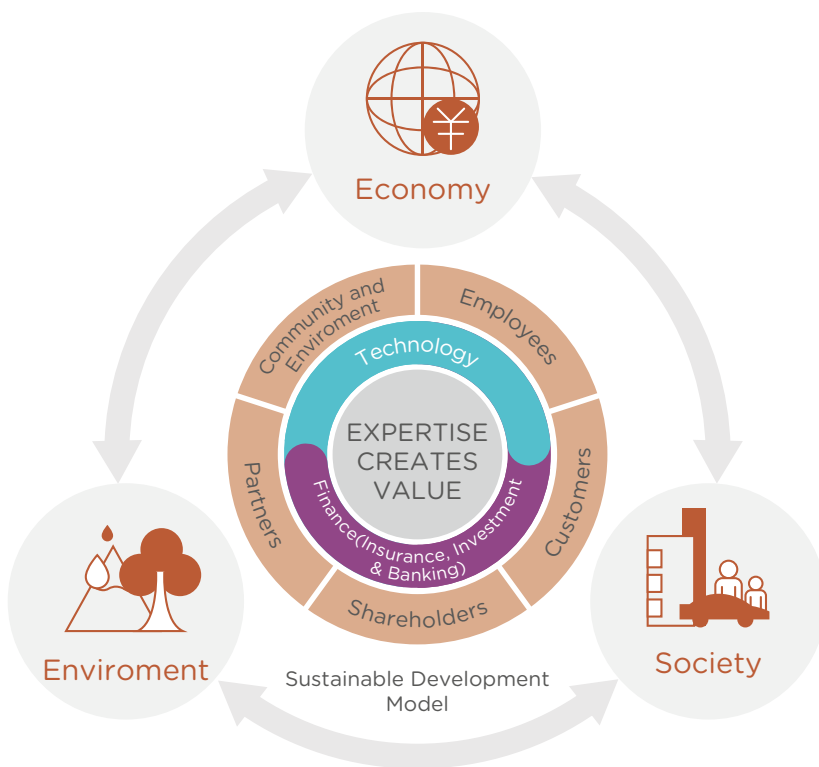
- 3.1 Sustainable Development Concepts and Management
- 3.2 Organizational and Governance Management
- 3.3 Analysis of Core Topics
- 3.4 ESG Comprehensive Risk Management
- 3.5 Improve the ESG Ecosystem in China
- 3.6 The SDGs Map of Ping An



# Sustainable Development Concepts and Management

Adhering to "expertise creates value", guided by "finance + technology" and "finance + ecology", Ping An leads business changes with technology, actively promoting the trilogy of "Empowering financial services with technologies, empowering ecosystems with technologies, helps to realize the goals of green environment, harmonious society and sustainable economic development, to create value for shareholders, clients, employees, community and the environment, and partners.

To drive the resource-friendly and society-friendly development of the industry and society with professional financial products and services could better empower society. That's the fundamental mission of Ping An to fulfill its ESG responsibilities.



## Economic responsibility

Ping An supports the company development and drives economic development by financial means. We adhere to the principles of responsible investment investment to achieve the long-term, benign and sustainable development of the Company and the social economy.

## Social responsibility

With "finance + technology" and "finance + ecology" as guidelines, Ping An leads business changes with technology. We are fulfilling our social responsibilities in healthcare, education, smart city and poverty alleviation to help people pursue a better life and achieve the UN Sustainable Development Goals.

## Environmental responsibility

Ping An gives full play to the guiding role of finance, and empowers environmental protection and governance with cutting-edge technology, promoting the formation of an environmental-friendly business ecosystem.

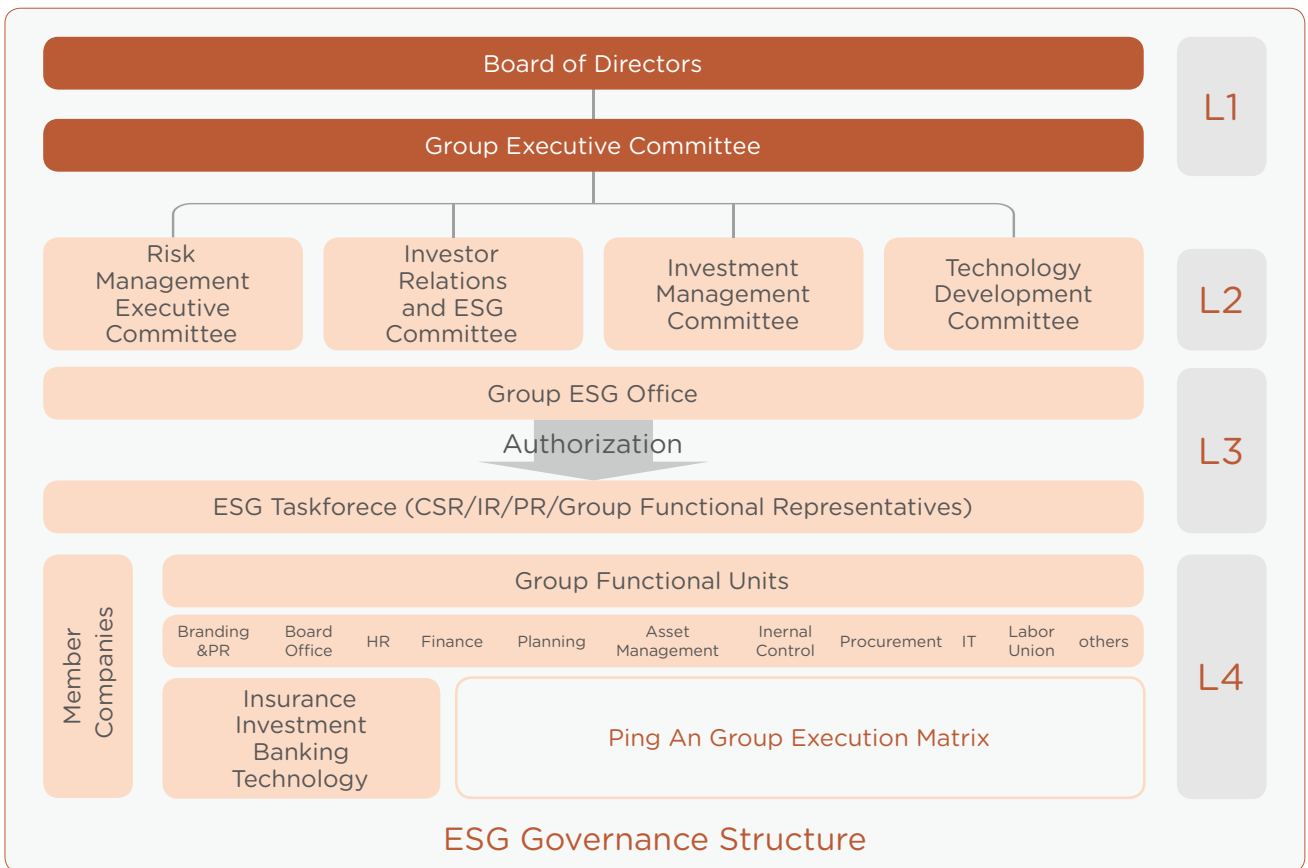


# Organizational and Governance Management

Incorporating environmental, social and governance (ESG) as a part of our strategy, we continuously instruct all functional departments and members of the Group to enhance corporate governance based on business practices in a more methodical, professional, and systematic manner.

- L1:** The Board of Directors(L1) has oversight of all ESG issues.
- L2:** The IR (Investor Relations) and ESG Committee(L2), along with other committees, are responsible for identifying ESG risks, formulating plans and policies, setting objectives, and appraising performance.
- L3:** The Group ESG Office and other functional departments of the Group(L3) act as the taskforce responsible for coordination of ESG issues in and outside the Group.
- L4:** The matrix consisting of the Group's functional units and members(L4) is responsible for ESG execution.

Our overall work plan is governed by clear management objectives, clear responsibilities and a clear appraisal mechanism, and continuous improvements in the management of ESG issues and risks. Regular reporting to directors and senior executives on ESG risk management, objectives, plans, implementation and progress ensures effective ESG management.



In 2020, Ping An Group continued to improve its ESG policy system that covers the focuses of the capital market, such as business code of conducts, corporate governance, responsible investment, sustainable insurance, information security, AI governance, sustainable supply chain, product responsibility and community impact, a 2.0 version of Ping An Group's ESG policy system has formed, all member companies in the Group were organized to optimize and improve their management. (For details, see the Group's website - Sustainable Development))

## Analysis of Core Topics

The analysis of key issues is an important task for Ping An to analyze and prioritize key sustainable development issues based on the Company's development strategy and stakeholder demands. To achieve its sustainable development strategy, Ping An has comprehensively integrated ESG core concepts and standards into its business operations, grouping key sustainable development topics into three segments, governance, integration of sustainable business, and community and environment. The Company has identified nine core topics of priority, including business code of conducts, responsible investment, sustainable insurance, information security and AI governance, and regularly updates and publishes its management policy on the Group's website.

Core Sustainable Development Segments and Topic of Ping An

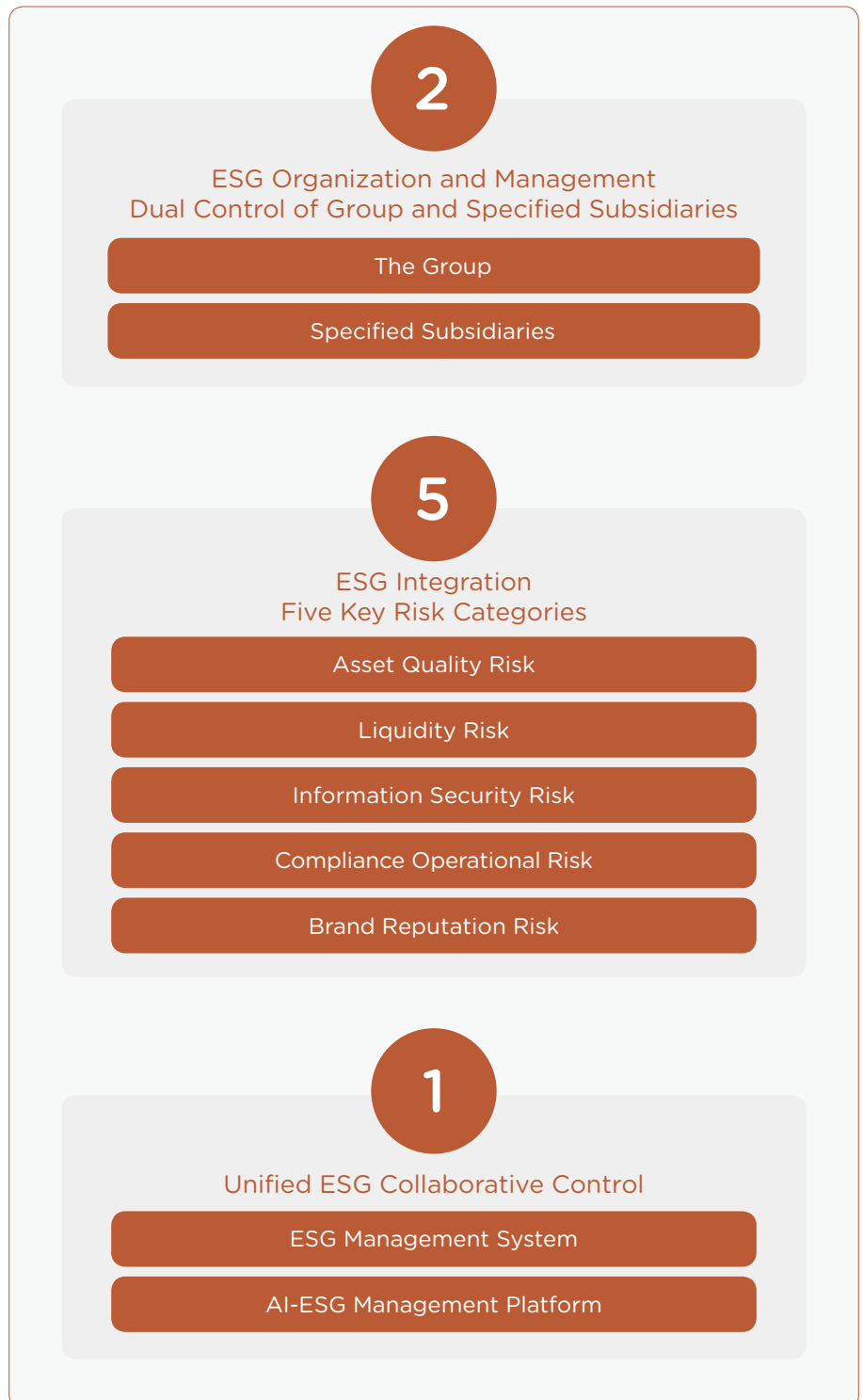
Governance	Integration of Sustainable Business	Community and the Environment
Business Code of Conducts	Responsible Investment	Sustainable Ecology
	Sustainable Insurance	Green Business and Operations
	Information Security and AI Governance	
	Responsible Products	
	Sustainable Supply Chain	
	Employee Rights and Benefits	

## ESG Comprehensive Risk Management

The Board of Directors is the highest decision-making authority for the Company's risk management and takes responsibility for the effectiveness of corporate risk management. The Audit and Risk Management Committee under the Board of Directors has a thorough understanding of major risks and the Company's management of these risks, monitors the effectiveness of the risk management framework and reviews matters with material risks to provide comments and recommendations to the Board of Directors.

Ping An has deeply integrated the ESG concept with the Group's existing "251" risk management system. The ESG risk control requirements are covered in the existing comprehensive financial risk management system.

The original risk management system is supplemented and strengthened in accordance with the ESG concept in areas such as "2"- dual control of ESG organization and management group and professional subsidiaries, "5"- Integration of ESG risks and the original five risk categories, "1"- establish a unified ESG management system and management tools, to further improve the Group's risk governance capability and achieve its long-term sustainable development.



**2** represents a two-tier risk control structure of Ping An Group and its specified subsidiaries.

Specifically, Ping An has established a two-tier management structure of the Group and professional subsidiaries in terms of ESG organization and management. From the aspect of the Group, a group ESG office has been established. In order to achieve the comprehensive coordination and supervision of ESG issues, the ESG responsibilities of each management level in the Group have been clarified. From the aspect of the professional subsidiary, a matrix of ESG implementation practices has been defined. Ping An has integrated ESG risks with the Group's investment risk management system and permeated the management of all investment business units, combining risk judgment, product design, statistics, and reporting with the Group's asset portfolio.

**5** represents the risk control standards and risk management process set up by Ping An in compliance with international risk control standards covering five major risk categories: asset quality risk, liquidity risk, information security risk, compliance and operational risk, and brand reputation risk.

In the process of integrating ESG with the original five major risks, Ping An first identified ESG risks one by one under the original risk categories. On this basis, Ping An has launched a series top-down actions at the Group level to supplement and strengthen the control of ESG risks. For example, Ping An has integrated ESG with the Group's investment risk management system to address asset quality risks and formulated the Responsible Investment Policy of Ping An Group, which specifies the following five major principles: ESG incorporation, active shareholder approach, thematic investing, prudence and transparency and its application. The pilot experimental work of responsible investment was implemented in Ping An's four specialized subsidiaries: Ping An Fund, Trust, Ping An Asset Management and Ping An Bank. Based on the asset attributes and investment process of the subsidiary, Ping An has developed its responsible investment manuals to guide risk management and asset allocation directly. The Group's equity, bond, credit and project assets are subject to a full process risk control tailored to their respective characteristics.

## ESG Action Map Under 5 Catago-



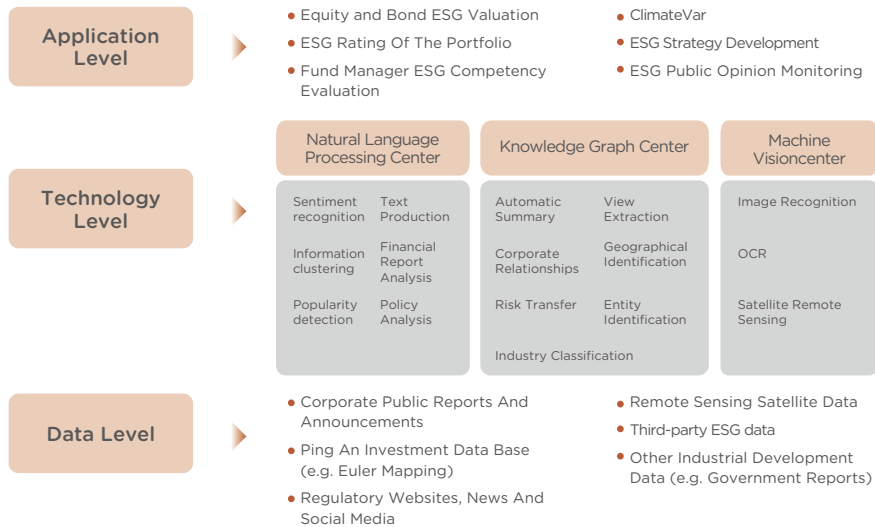
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represents Ping An's unified collaborative risk control platform. Using a unified collaborative risk management platform, Ping An uses big data and AI management to quickly and effectively implement unified risk process management and risk monitoring. To standardize the risk management of the Group's ESG assets, Ping An has established an internal unified ESG assessment standard. AI has been used to realize tool intelligence, providing intelligent tools and data support for the integrated application of ESG risk control, model construction, and portfolio management.

## Unified Collaborative Control - AI-ESG Management and Investment Platform



### Build Flexible Modules to Directly Interface with Subsidiary Investment Business Systems



# Improve the ESG Ecosystem in China

Intended for the construction of the ESG ecosystem, Ping An provided internal training involving ESG courses as well as supplier conferences; Also, we proactively participated in ESG forums and released ESG market research reports on a regular basis in order to promote external communications relevant to ESG.

## Develop external ESG ecosystem

❖ Join hands with China Economic Information Service to establish a CN-ESG Evaluation System with Chinese characteristics

In recent years, as ESG investment has enjoyed great attention from the market, information disclosure and evaluation standards from regulators and institutional investors have been gradually integrated with its philosophy. China Economic Information Service under Xinhua and Ping An jointly launched the "Xinhua CN-ESG Evaluation System" in 2020. Both sides will empower ESG by means of the Group's technological advances, shape ESG evaluation logic with Chinese characteristics, and conduct comprehensive strategic cooperation in the ESG field. In this way, they are committed to enhancing the information disclosure of Chinese companies with the purpose of providing references for investors' decisions and promoting long-term prudent investments in the industry as well as socially sustainable development.



❖ Collaborate with universities and professional institutions both at home and abroad to issue market education reports

To further develop ESG investment philosophy in the domestic market, Ping An proactively collaborates with universities and professional institutions (including Tsinghua University and Imperial College London) both at home and abroad to issue market education reports and advance the ESG eco-system in China. In 2019, Ping An joined UK-China Climate and Environmental Information Disclosure Pilot as a pilot institution and played an active role in the research and practice of climate and environmental information disclosure. Then in 2020, Ping An Institute of Digital Economy, Research Institute of Ping An Securities, and Ping An Trust made intensive studies on such issues as ESG and climate change, and shared relevant results with domestic and international markets, and facilitated a better understanding of ESG and its distinct localization for both markets. (See the official sustainable development website of Ping An Group for details)





### ❖ Communicate with investors

Communication with its stakeholders, especially investors, has been critical for ESG practice. Ping An actively strengthened ESG communication with investors and regularly held ESG forums and road shows for exchanges and discussions on its ESG management approach and practice; and meanwhile, Ping An, in active response to demands of domestic and oversea investors, continued to improve the quality of information disclosure as well as various working standards.

Ping An's sustainable development achievements have been widely accepted by the international community. Up to now, we have been rated as A by Hang Seng Corporate Sustainability Index and selected as the constituent of the Hang Seng Corporate Sustainability Benchmark Index and FTSE4Good Index Series. In addition, it was rated as A by MSCI ESG Rating, a domestically-leading and internationally-advanced level; as B+ by Refinitiv ESGScore, and as A- by CDP Scores, the highest level that has been reached by a financial company in China Mainland.

Index&Rating	2020	Explanation
 MSCI ESG Rating	A	the highest level for a financial company in China Mainland
 FTSE4GOOD Index Series	Listed	
 CDP Rating	A-	the highest level for a financial company in China Mainland
 Refinitiv <sup>1</sup> ESG Rating	B+	
 Hang Seng Corporate Sustainability Index	A	selected as the constituent of the Hang Seng Corporate Sustainability Benchmark Index

Note: 1.Refinitive is formerly the Thomson Reuters Finance & Risk practice

❖ Enhance communication within the industry, build a bridge between China and other countries and share wonderful stories about Chinese ESG

Ping An has become the first Chinese asset owner signatory in accordance with *United Nations Principles for Responsible Investment* (UNPRI) and guidelines of domestic regulators. We are about to join the Climate Action 100+ initiative as the pioneer for active communication and dialogue with key companies. In 2020 when we officially signed *Green Investment Principles* or (GIP), Ping An served as the first insurance group in the world who made such a signature, and in the same year, we announced the signing of the *Principles for Sustainable Insurance of United Nations Environment Programme Finance Initiative*, the first try in China Mainland.



In addition, Ping An actively dealt with the risks and opportunities of climate change in the insurance and investment sector, and also, in response to the G20 Financial Stability Board (FSB)'s call, joined the pilot leading group of UK-Chinese financial institutions on climate-related disclosure to engage in the formulation of ESG application standards in China and to elevate Chinese companies in global sustainable development.

## Develop internal ESG ecosystem

### ❖ Develop internal courses

We launched the "Group ESG Awareness Week" in 2019, and organized ESG awareness morning briefings to employees across the Group. Besides, we also launched the Group ESG series programs around ESG philosophy, corporate ESG management, union of ESG and business, environmental responsibilities, ESG business rules, diversity and inclusiveness during the Ping An TV morning briefings. By doing this, we helped our employees enhance their understanding and awareness of ESG to create a joint effort to implement our sustainable development strategies. Besides, ESG series programs are offered and periodically updated on the "Zhi Niao" mobile app to make it easier for follow-up learning by employees.

### ❖ Develop ecological partnership

For the sustainable performance of suppliers, Ping An organized ESG training with regards to product quality, working skills, compliance management as well as employee rights and benefits to make them understand ESG management requirements, risks and practice.

Furthermore, the Company, according to the "principle of active shareholder"—one of the five principles of responsible investment, actively responded to the "Climate Action 100+" initiative by periodically conducting shareholder dialogues with investees on ESG-related issues such as carbon emissions to promote the low-carbon transformation of investees.

# The SDGs Map of Ping An

Ping An benchmarks and integrates United Nations Sustainable Development Goals (SDGs), with key areas of its business operations and development, actively contributing to the realization of the global sustainable development goals, in the pursuit of a win-win for both business and social value.

To respond to the national eradication of poverty, Ping An worked out “financial poverty alleviation closed-loop” with inclusive insurance and banking services for people in poverty. When consolidating efforts of the poverty eradication, Ping An played a role in the national strategy for rural revitalization, helping high-quality economic and social development, improving per capita income and exploring public demand of wealth management.

Improving agricultural production is critical to the eradication of hunger. Attaching great importance to investment in agriculture, Ping An supported the development of sustainable agriculture with products and services such as agricultural insurance, inclusive loans, and smart agricultural sourcing platform, etc. We conducted a series of consumption activities for poverty eradication with new models such as endorsement by senior executives and livestream marketing to alleviate poverty and help farmers.

Focusing on the medical and health industry, Ping An made continuous innovations in fields such as healthcare, medical services, and medical insurance management and smart technologies to the fight against the pandemic. Ping An, paying attention to the health of people of different ages, designed insurance products by taking people’s health demands into consideration and prevented potential health risks.

High-quality education is basic for people to improve life quality and pursue better jobs and life. Providing continuous support for charitable education programs, Ping An focused on implementing “Reading with AI—Youth Science and Technology Literacy Promotion Program”, and provided remote villages with access to high-quality urban education resources by textbook and experiment kit donation, laboratory construction assisting, headmaster and teacher training, and situational teaching by masters, to support poverty alleviation with technology and education.



Ping An continuously creates shared value for all stakeholders by engaging in external cooperation of economic, social and environmental fields with an open mind. At present, we have joined international organizations such as UN PSI and RI to improve its international reputation and influence.

Perfect business codes will be beneficial to a large reduction of corporate operation risks. Placing business ethics of conduct and anti-corruption as the foundation for healthy growth, Ping An ensures transparency and compliance and decreases risks of compliance operation with continuously improved policies as well as relevant employee training.

Climate change is one of the important topics of concern in the world. Ping An actively manages carbon emissions resulting from operations, provides climate insurance products to help society deal with the impacts of climate-related risks, promotes low-carbon development with green investment, and strives to control the global climate increase below 2C by practicing related-climate agreements.

While helping other companies and clients control risks with Ping An’s risk management expertise in operations, products and services, Ping An developed ESG regulations for suppliers to make joint efforts in the establishment of low-carbon and environmental operation eco-environment, energy conservation and emission reduction, as well as massive environmental benefits, finally improving ESG performance on the whole.

Economic and socially sustainable development needs the active participation of female employees. Ping An, paying full respect to and protecting rights of women, conducted in-depth cooperation with NGOs including the China Women Development Foundation, launching the public project "Mother's needlework" to help rural women in remote areas increase income flexibly by resewing recycled old cloths with techniques of intangible cultural heritage. Ping An, with the philosophy of anti-discrimination thorough its business operation, formulated business codes of forbidding gender discrimination in the workplace and fully motivated female employees to work.



Improving environmental health and water supply is critical for people's health. When implementing the water conservation plan internally and investing in public drinking water facilities externally, Ping An helped rural areas improve drinking water conditions and sanitation facilities, protecting water resources while lowering operation costs.



Fossil fuel exhaustion and environmental pollution remain to trouble mankind. Through responsible investment and new-energy credit and loan, fund as well as insurance, Ping An supported the development of clean energy and the upgrade of energy structure and encouraged the tradition from fossil fuels to effective, energy-saving and environmentally friendly energy.



Viewing employees as its important assets, Ping An provides them with a bright career future and rich development resources, respects their rights and benefits, and perfects salary and benefits to create a secure and pleasant working environment for employees. Meanwhile, it attaches great importance to the growth and development of agents, continuously improves the professional training system and training courses, and is intended to create a team of highly-competent employees and agents.



The high-speed development of cities brings social prosperity and challenges. Ping An, adhering to "value creation with professionalism", supports the sustainable development of cities and communities by leveraging its expertise in "finance + technology" in financial services, healthcare, auto services, and smart city.



Regional development imbalance will exert a serious limit on economic and social development, influencing social stability. Ping An, through in-depth practice in inclusive finance, technological application, targeted poverty alleviation, social welfare and so on, builds smart financial service platforms including AI-BANK to cover rural remote areas with financial services, and deals with the imbalance in resources with technological methods, expanding new businesses while assisting regional development.



Infrastructure construction and real economy serve as important engines for promoting economic and social development. By playing an active role in the construction of significant national infrastructure, Ping An advances the flow of talents and production factors, increases return on the asset from investees and supports the "Belt and Road" Initiative, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as development of micro, small and medium-sized enterprises.

# Responding to National Strategy and Driving Top-Quality Development

- 4.1 Respond to National Strategies
- 4.2 Inclusive Finance
- 4.3 Technology Guides the Future





Corporate development is closely linked with the nation's future and social development. Ping An, born in Shenzhen, the foremost line of reform and opening up, has managed to practice, explore, reform and innovate during 40 years of development in Shenzhen's special economic zone. Our rapid development and wonderful fruits over 30 years benefit from the great era of reform and opening up, the national strength and social prosperity, and the yearning and pursuit of the public for a better life. Never forgetting where we are from, Ping An is so grateful to shoulder the mission of "giving back to the society and developing the country" with practical actions. We are going to return the support people give us with our unremitting efforts, and align our development with the wholistic blueprint of the nation.

## Respond to National Strategies

As an integrated financial conglomerate with a strong sense of mission, Ping An took initiative to respond to the national strategies and devote itself to key national strategies such as the "Belt and Road" Initiative, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as assistance in national economic dual-circulation. We have provided risk protection for major construction projects, optimized financial resources for critical industries to be developed by the country, increased development motivation for private companies, state-owned enterprises and medium, small and micro enterprises, and provided financial support for all groups and the under-developed regions. We have taken multi-pronged approaches to ensure the steady development of the real economy.

### Participation in the "Belt and Road" Initiative

When always acting in response to the Belt and Road Initiative, Ping An ensures the smooth implementation of Belt and Road Initiative with our own financial advantages and professional and comprehensive financial services and proactively practices green investment standards of Belt and Road Initiative.

On March 19, 2020, Ping An was the first insurance group to officially signed the *Belt and Road Initiative Green Investment Principles*(GIP) with such signature. The Principles is intended to include issues of low carbon and sustainable development into projects of Belt and Road countries, jointly advance and realize UN 2030 Sustainable Development Goals, perform



convertible bonds for Belt and Road companies, leading to a total investment and financing sum of more than

**RMB340 billion**

Projects insured

**860**

Ping An Bank manages foreign currency worth more than

**RMB200 billion**

Ping An Property & Casualty served

**52**

countries and regions under the Belt and Road construction

their promises in Paris Agreement, and commonly contribute to their bright future. As of now, there have been 37 organizations signing the GIP. After the signing, Ping An will play an active leading role in the GIP working group, working together with like-minded financial organizations and companies to promote green development in related areas, advance and realize the UN 2030 SDGs.

When Ping An fully makes use of green financial instruments, each subsidiary supported major infrastructure projects abroad with insurance, investment and financing by issuing green bonds, supply chain ABS, and convertible bonds for Belt and Road companies, leading to a total investment and financing sum of more than RMB340 billion as well as 860 projects insured. Ping An Bank has provided Chinese companies going global with comprehensive follow-on offshore banking services across the world, more than 300 companies with overseas financing services, nearly 200 domestic companies with offshore cross-border financing services, and over 200 domestic bank branches with offshore inter-bank financial services. We also manage foreign currency worth more than RMB200 billion, becoming the top domestic joint-stock bank with the largest foreign currency deposits and loans. Ping An Property & Casualty, involving engineering insurance, property insurance, export insurance, credit guarantee insurance and other products, served companies going global and provided risk protection of nearly RMB150 billion for public infrastructure, commercial facilities and other fixed properties in 52 countries and regions under the Belt and Road construction.

#### Case

##### ▪ China Green Bond Fund

On September 30, 2020, Ping An invested RMB600 million to establish the China Green Bond Fund, aiming to actively promote the global green economy. As of the end of 2020, the Fund had invested in 46 eligible green bonds, benefiting 833 infrastructure projects in 26 countries with long-term environmental, social and economic impacts on local communities.

The Fund will help Belt and Road countries increase 181 MW renewable energy capacity and generate 71,770 MWh electricity each year. As a result, the energy saved will reduce 135,012 tons of carbon dioxide emissions annually; the invested sewage treatment facilities can purify 61,224 m<sup>3</sup> of sewage daily; we finance the construction of 433 km railways in China, India, Indonesia and other countries, providing green and environmentally friendly transportation for over 3.7 million people in underdeveloped areas; we fund 167 green construction projects from 12 green developers to support the construction of new energy-efficient residences and offices, as well as implement waste and sewage treatment solutions, to build green communities for our next generation.

As of December 31, 2020, it has protected the major construction projects in the Greater Bay Area, with a sum insured of

**RMB500 billion**

## Contribute to the construction of Guangdong-Hong Kong-Macao Greater Bay Area

The Outline Development Plan of the Guangdong-Hong Kong-Macao Greater Bay Area specifies the "international technological innovation center" and the "international financial hub" internationalization goals for the Area. As a representative company born in Shenzhen and growing in the Bay Area, by giving full play to its comprehensive financial and technological advantages, Ping An joins in the construction of the Area, making its own contribution to building the international first-class bay area and world-class city group. As of December 31, 2020, it has protected the major construction projects in the Greater Bay Area, with a sum insured of RMB500 billion.

### Case

#### ▪ Blockchain Platform Project for Port Logistics and Trade Facilitation in Guangdong-Hong Kong-Macao Greater Bay Area

In March 2020, OneConnect signed a contract with China Merchants Port Group to jointly promote the construction of Blockchain Platform Project for Port Logistics and Trade Facilitation in Guangdong-Hong Kong-Macao Greater Bay Area. In November, the first project "Shekou-Shunde Combined Port" was officially launched.

On the basis of blockchain, big data, artificial intelligence, and cloud computing, through four service solutions of smart ports, smart regulation, smart trade and finance, the Combined Port Platform supports the trading connectivity of five areas directly under the jurisdiction of customs territory in the Greater Bay Area. It is the first connected, shared blockchain network in the Area to involve the whole trading process of ports, customs, logistics, business and finance. With the vision of "targeted supervision, intensive logistics, intelligent operation, visualized process and inclusive finance", the service platform will continuously improve the port operation efficiency of the Greater Bay Area and reduce costs of import and export companies.

#### ▪ One-stop urban service platform in the Greater Bay Area

Centering on application scenarios of government services, citizen services, employment and entrepreneurship, and tourism services in the Greater Bay Area, Ping An Smart City constructs a exclusive one-stop service for the Guangdong-Hong Kong-Macao Greater Bay Area and creates "urban service brain" of the Greater Bay Area. The platform deeply combines technological advantages with urban development and empowers urban economic and social governance. During the pandemic, the "Best Zhuhai" platform launched RMB100 million consumption vouchers, directly contributing to the consumption amount of RMB542 million, which provides a strong impetus for the economic recovery of Zhuhai.

## Assist in national dual circulation strategy

For some time uncertainties in world economic development have heightened and changes in China's internal and external economic environment have mounted. It is the objective urgency for China's economic development in the new era to promote the formation of a new development pattern in which the domestic economic cycle plays a leading role while the international economic cycle remains its extension and supplement. In 2020, Ping An remained true to its original aspiration of assisting in the national economy and the people's livelihood while following the China Banking and Insurance Regulatory Commission (CBIRC)'s guideline that the financial economy should provide quality and efficient services to the real economy.

## Finance infrastructure needs

As of 2020, Ping An has continued to increasingly finance the new generation infrastructure and the real economy. We have invested more than RMB1 trillion in the form of insurance funds in the real economy, covering important infrastructure projects such as energy and ports. We also have established development funds with local governments to help urban infrastructure projects such as smart cities and rail transit.

We have invested more than

**RMB1 trillion**

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This year Ping An was involved in Beijing-Shanghai High-Speed Railway, China Railway Development Fund and other projects to help national railway construction. Ping An Asset Management Co., Ltd. has successively participated in major railway projects such as Jiangxi Railway Construction Engineering Group Co., Ltd, Hunan Railway Investment Group Co., Ltd and Guizhou Railway Investment Group Co., Ltd with a total investment of more than RMB28 billion.

### Case

#### ▪ Loan for Changde-Yiyang-Changsha railway

In 2020, Ping An Bank provided the loan for the major infrastructure project in Hunan, namely "PPP project of the contracted construction and land expropriation and house removal for Changde-Yiyang-Changsha railway in Hunan Province". The project is an important ingredient of the Xiamen-Chongqing channel, one east-west pass among "eight main north-south high-speed railways and eight east-west high-speed railways". The project, after its completion, will continue to extend China's high-speed passenger transport network to the Sichuan-Chongqing region in southwest China and enhance transportation infrastructure in the Western-Hunan region, drive the development of a regional distinctive economy along the railway. Ping An Bank has granted a loan of RMB2.1 billion for the project.

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Ping An Securities has offered over

**RMB136.4 billion**

of direct financing for private business

## Serve private businesses

As a responsible integrated financial conglomerate, Ping An is duty-bound to support the private business. Since the outbreak of the pandemic, Ping An has offered over RMB100 billion of financial support in various ways to help wonderful private businesses overcome difficulties and contribute to their development with practical actions.

Ping An Bank has been increasing its loan financing for private businesses. This year new private business borrowers accounted for more than 70% of new business borrowers, and the outstanding loans of private business have increased by 10% since the end of 2019. Ping An Securities has offered over RMB136.4 billion of direct financing for private business through equity, debt, fixed income product transactions and asset management plans; OneConnect, together with Internet Finance Association of Small and Medium-sized Banks (IFAB), built the IFAB trade financing network based on blockchain, connected banks and small and medium-sized enterprises (SMEs), promoted better service of financial institutions, and solved the problem for these SMEs who find it difficult and costly to be financed; Ping An Financial Leasing issued the first debt on pandemic prevention and control in the industry, and raised funds for pandemic-hit sectors and supported clients to resume business as usual as soon as possible.

## Inclusive Finance

Ping An continues to develop inclusive finance in depth and remains committed to powering the new rural construction and the good growth of small and micro enterprises through techniques and product and service development.

## Financial inclusion for agriculture, rural areas and farmers

Ping An Annuity heeds the call by the central government to serve "agriculture, rural areas and farmers" and promotes rural micro-insurance business. The product is designed to fit the needs of low-income people in rural areas and extensively promoted through group health insurance and product presentation conducted by grass-roots governments. It complements with new cooperative medical system (NCMS) and medical insurance service for urban and rural residents to better safety villagers' health needs. At the third China Inclusive Finance Innovation and Development Summit, Ping An Annuity was picked as a prime example of inclusive finance in China.

Ping An Puhui Financial developed many new poverty alleviation products, such as Benefiting Agriculture Fund (Huinong Fund) and Benefiting Agriculture Loan (Huinong Loan). The project has granted more than 100 million Benefiting Agriculture Loan and Benefiting Agriculture Fund in rural areas, covering 40 counties, benefiting more than 10,000 people around, and directly financing more than 800 farmers.

Puhui Financial has granted more than

**RMB100** million

Covering counties

**40**

Benefiting people more than

**10,000**

Directly financing farmers more than

**800**

#### Case

##### ▪ Low-interest loans for agriculture, rural areas and farmers — Benefiting Agriculture Loan

The business model of Benefiting Agriculture Loan is different from the traditional model where the bank cooperates with credit guarantee companies. Its main features are 1) lower cost. Benefiting Agriculture Loan can avoid the repeated channels of customer acquisition and greatly reduce the cost since it acquires customers offline by means of distributed service network across the rural areas, which is the strength of agricultural credit guarantee company. 2) diversified risk. Policies require that in the Benefiting Agriculture Loan Project, the agricultural guarantee company controls the risk and is the main guarantor while Ping An Inclusive Finance shares risks, which largely reduces and spreads the risk. 3) multiplier effect of fiscal policy. Benefiting Agriculture Loan is helping make up for the shortage of funds and technology in agricultural guarantee company while benefiting more clients related to agriculture, rural areas and farmers, small and micro enterprises by the multiplier effect of fiscal policy practising the interest subsidy policy.

In Zunyi, Guizhou, Benefiting Agriculture Loan has granted **25** low-interest loans to local farmers, helping the development of local advantageous agricultural industry in Zunyi and keeping farmers' turnover moving. Meanwhile, the project expanded industrial development, offered more than **1,500** jobs for local people and increased their annual income per capita from **RMB10,000** to **RMB30,000**. In doing so, local farmers could be fully lifted out of poverty and become better off.

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As of 2020, Ping An Puhui Financial has provided loan services to over

**15 million**

inclusive financial targets

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New small and micro clients the year accounted for more than

**70%**

## Help small and micro enterprises

During the pandemic in 2020, small and micro enterprises have been unprecedentedly impacted, resulting in more urgent demands for money. In response to the policies of "six stabilities" and "six protections", Ping An Bank provides differentiated financial emergency services such as extension, reasonable maturities, the establishment of green credit response mechanism, and protection of credit rights and interests for pandemic-hit companies.

Not only that, Ping An Bank also offered preferential interest on the loan to clients who pay salaries in large quantities on their account in the bank, reducing the burden of funding for small and micro enterprises. Ping An Bank gave favorable support for small and micro enterprises particularly in Wuhan, the center of the COVID-19. Wuhan Branch has specified the extension policy and implemented classified policies to aid small and micro enterprises. In 2020, Wuhan Branch added RMB2.237 billion of inclusive small and micro loans, extended payment of principal and interest for 7,797 small and micro enterprises, involving RMB1.39 billion of loans.

As of 2020, Ping An Bank has served 689,000 small and micro clients with an average loan of only RMB350,000 for each client. Small and micro credit loans accounted for as nearly as 30%, delivering truly inclusive service to the real small and micro clients with sincere support.

Ping An Puhui Financial has carried out in-depth cooperation with financial institutions to serve the small and micro clients, and solve the pain points in the industry where it is difficult to acquire customers, offer services, control risk and cost in the small and micro loans. Ping An Puhui Financial has established a data-driven technological risk control system and innovatively combined the personal credit of small and micro business owners with company data for risk control. The three-dimensional risk profile of borrowers solves the problem that the industry has no effective financial and business data of small and micro client groups and struggled to identify their risk. As of 2020, Ping An Puhui Financial has provided loan services to over 15 million inclusive financial targets, and new small and micro clients the year accounted for more than 70%.

## Technology Guides the Future

We have accumulated over

**28,000**

technology patents

In recent years, Ping An has proactively explored the mode of comprehensive finance and "finance + technology". We have become No. 1 in the industry in terms of products, services and channels and served more than 210 million individual clients and 590 million Internet users. We have become globally top in financial technology, medical technology, artificial intelligence and blockchain. We have accumulated over 28,000 technology patents. Specifically, we are the top applicant for fintech in the world for two consecutive years and the second-largest applicant for digital medical technology in the world.

Ping An has built 8 research institutes and nearly 50 laboratories and invested 1% of its annual income in technological research and development. Ping An has proactively developed financial, medical and smart city ecology through science and technology, providing leading intelligent solutions for the country, society, clients and external companies.

## Technology empowers financial ecology

Ping An Life paid more than

**RMB250 million**

with "intelligent early claim" service

Ping An Group cooperates with its specified companies to take various measures and improve customer experience with science and technology in a bid to make service warmer. Ping An Life pioneered the "intelligent early claim" service which placed the claim settlement in the hospitalization treatment, and paid more than RMB250 million in total, easing the financial pressure of clients' medical treatment. Ping An Property & Casualty launched one-click claims, the first vehicle insurance claims voice report and IM interactive report. At present, a total of 2.5 million clients report the cases through "one-click claims on the Ping An Good Car Owners, with a 95.7% positive feedback.

Clients report the cases through "one-click claims on the Ping An Good Car Owners with

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positive feedback

The intelligent robot created by Ping An has been available for more than 2000 scenarios. Ping An Life has upgraded AskBob, the artificial intelligence support tool to empower agents; focused on data-based operation, built the "brain of headquarters" and management platform for the digital business department with early foresight, awareness and action; and created the first intelligent visiting assistant "AI reception hall" in the industry.

In addition, on December 22, 2020, Ping An successfully launched “Ping An-1”, the first financial IoT satellite in China, to extend our presence in the space-based IoT and cloud IoT platform, enabling the IoT and financial innovation in the supply chain, and sharpening the ability to serve the real economy. Cloud IoT platform combines IoT technology with emerging digital technologies such as blockchain, artificial intelligence and edge computing to build an smart platform system integrating copyright confirmation, traceability, verification and validation.

- ▶ Ping An-1 successfully made maiden flight on Long March-8 rocket at Wenchang Launch Site in Hainan



## Continue to build the healthcare ecosystem

In 2020, Ping An implemented the national Healthy China strategy and comprehensively pushed forward the strategic roadmap of the medical and health ecosystem. We built a medical closed loop from the government, users, service providers, payers, and technology, established five medical databases, empowered medical players, and created a new engine for future value growth.

Ping An has the largest intelligent diagnosis assistant platform, largest chronic disease control platform, and largest medical database in the world and the world’s second-largest medical technology patent applications. Backed by five major medical databases (disease database, medical product database, prescription treatment database, medical resource database and personal health database), Ping An Group has set up a global leading medical data center and connected nearly 10,000 experts, 110,000 cooperative pharmacies, 49,000 cooperative clinics and more than 2,000 health examination centers across the country through Ping An Good Doctor.



As of 2020, we have carried out and promoted smart services in

**144**

cities and "Belt & Road" countries and regions

"i Shenzhen", the integrated government service platform built for Shenzhen, offered nearly

**7,789**

services online

## Help build smart city model

Ping An enables the new smart city with technology and builds a smart city ecology that improves the government, drives business and benefits people. As of 2020, we have carried out and promoted smart government, life, transportation, healthcare, education and other services in 144 cities and "Belt & Road" countries and regions. "i Shenzhen", the integrated government service platform built for Shenzhen, offered nearly 7,789 services online. The platform in Shenzhen conducted 95% of individual-related services and 70% of business-related services online, and over 500 services online were reported, approved, and reviewed promptly without any travel. We worked with several committees, offices and bureaus in Shenzhen to build many integrated platforms, including smart environmental protection, smart court, smart health care, smart market supervision and smart finance, to help Shenzhen evolve into a classic smart city.

Ping An ranked first for two straight years in the "Survey and Assessment On Online Government Service Capabilities in Provincial Governments and Key cities" released by the general office of the State Council; also was the third-largest patent applicant in the world in artificial intelligence and blockchain, the two core technologies for a smart city.

## Technology ethics and AI governance

The booming technology poses challenges for personal privacy and technology ethics. For all AI applications, Ping An follows the five ethical principles of "people-orientation, human governance, safety and controllability, fairness and justice, openness and transparency", and is committed to providing AI applications that meet the ethics requirements.

Ping An set clear ethical requirements covering data, algorithm and application, and improved AI governance framework. Internally, Ping An set up an AI Ethics Management Committee as a comprehensive AI governance structure at the Group level. Ping An AI Ethics Management Committee will be responsible for identifying the macroscopical direction of AI ethics policy while ensuring fairness and justice in the process of product development as well as the implementation of information security and privacy protection during provision of products and services and exploring optimized management methods for AI ethics problems in the practical project application. Externally, Ping An proactively participated in the global AI governance and increased communication between the industry and academic exchanges. We co-formulated the standards of the AI Risk Management Assessment Model issued by the China Electronics Standardization Institute and the AI Ethical Standards issued by the National AI Standardization General Group, so as to promote AI governance standardization in the industry.

### Case

#### ▪ Honeycomb federated intelligent platform solution

Honeycomb federated intelligent platform of Ping An Technology, based on the core technologies like federated learning and federated reasoning, can realize the modeling while protecting user privacy. The intermediate parameters and gradients of the model are exchanged when modeling, so the original data still remains in the hands of users and user privacy is protected to the greatest extent.

Catering to different performance requirements, the honeycomb federated intelligent platform can provide different levels of encryption mode for more business scenarios. In the actual modeling and reasoning process, the important model parameters, local data of every user and other key information are stored in the security container and requires security audit and encryption for each access to safeguard user privacy.

Since 2018, Honeycomb federated intelligent platform of Ping An Technology has been available in many scenarios such as marketing, customer acquisition, pricing, risk control, smart city and smart healthcare. What's more, it has won the "2020 CCF Technology Progress Award", "2020 IDC Digital Transformation Award for Financial Service" and other prominent awards in the artificial intelligence industry. Besides, the platform was awarded the cyber-security application demonstration and pilot company in 2020 by the Ministry of Industry and Information Technology.

## AI enables ESG

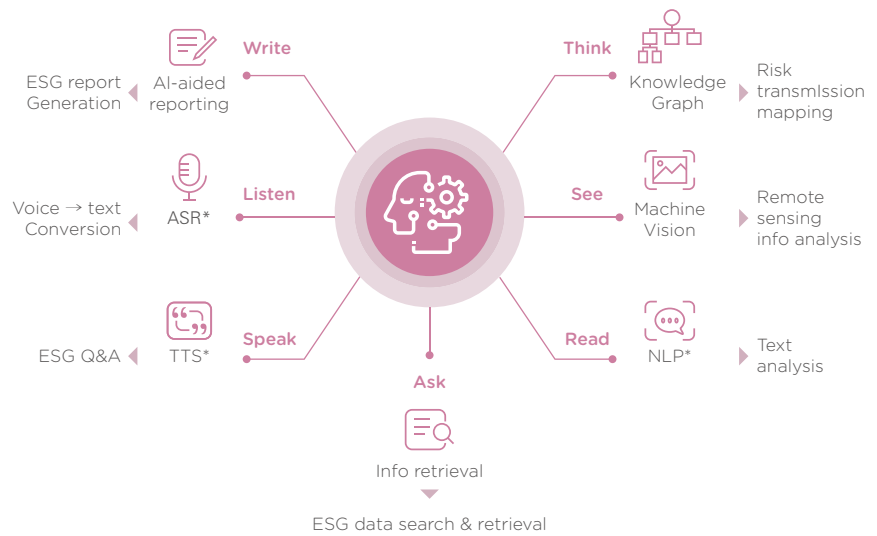
Supported by its strong financial and technological resources, Ping An has promoted the appearance of the world's first AI-ESG platform and CN-ESG data system. Specifically, AI-ESG platform automatically collects and analyzes all kinds of data sources through OCR report image analysis, natural language understanding (NLU), remote-sensing image analysis, big data analysis with knowledge map and other technologies in multi-channels. At present, the data involves 3,900 A-share listed companies and 350 data points for each company. We use diversified local data and alternative data sources for in-depth data cleaning and validation to improve the integrity, timeliness and accuracy of the underlying data, making AI truly useful in this field.


▪ Remote sensing image analysis

Based on the open-source satellite image acquisition, we analyzed the spectral signature, polarization characteristics and temporal characteristics of the image region by using resolution enhancement and remote-sensing image analysis. In this way, we could have access to real-time data such as vegetation information, soil moisture, water quality parameters, surface temperature and air quality and collect multi-dimensional supplementary data that was not directly disclosed by companies when verifying the disclosed data. For example, AI-ESG used remote-sensing technology to identify the water area near the plant, calculated the shortest distance between the plant and the water area, and supplemented the community health and safety index.

▪ Crawling and processing of text data

We used OCR report image analysis and NLP to analyze and extract the qualitative data of social responsibility reports, annual reports and other company announcements. At present, nine types of public opinions from 1,200 plus media and regulatory platforms have been automatically crawled and preprocessed in the semantic analysis based on NLP technology. Public opinions and regulatory information were mined in terms of multi-dimensional information including emotions, popularities, punishment types, and level of media and regulators to provide underlying data for public opinion and regulation indicators.





# Ping An's Role and Influence

- 5.1 A Listed Company with Integrity and Transparency
- 5.2 A Responsible Investor
- 5.3 A Caring Corporate Citizen
- 5.4 A Trustworthy Insurance Company
- 5.5 An Attractive Employer



## A Listed Company with Integrity and Transparency

While seeking continuous improvement in business performance, Ping An has been deepening the bottom line of responsibility. We pro-actively conducted risk mitigation and management in corporate governance, business ethics, product operation, information security management, and supply chain responsibility, laying a solid foundation for the long-term and healthy development of the Company.

### Ensure sound operation

In 2020, our total assets were about RMB9.53 trillion, up 15.9% from the end of 2019. Our operating profits recorded RMB159.359 billion, 5.9% higher than the end of 2019. Net profits attributable to the parent company got RMB143.099 billion, down by 4.2% from the end of 2019. The basic EPS was RMB8.10, and the annual per-share dividend was RMB2.20, up by 7.3% on a year-on-year basis, reflecting our strong solvency and cash flow generation capacity.

In 2020, Ping An was ranked 7th on the Forbes Global 2000 list, with the same level as last year, and 1st among global multi-business insurers. Ping An was ranked 21st on Fortune 500 Companies, 2nd among finance companies.

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Fortune 500 Companies

**21st**

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Total assets were about

RMB**9.53** trillion

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Net profits attributable to the parent company got

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Operating profits recorded

RMB**159.359** billion

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The basic EPS was

RMB**8.10**

## Improve corporate governance

Ping An strictly follows the applicable laws and regulations such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China* and carrying out corporate governance based on our actual situation. After 30 years of practice, Ping An has formed a clear board positioning, a professional board composition, a standardized operating process, and a board culture focused on value creation, ensuring the Company's long-term, stable and rapid development and has become the role model in corporate governance for the financial sector in China and around the world.

## The governance structure of five committees and one level

Through continuous exploration and practice, Ping An has established and improved the corporate governance mechanism with the Board of Directors at the core, ensuring that the "Five Committees", namely the Company's shareholders' meetings, Party Committee, Board of Supervisors, Board of Directors and Executive Committee, perform their respective roles.

As an A+H listed company, Ping An has a relatively decentralized ownership structure. There is no controlling shareholder, nor de facto controller. We develop mutual check and balance within the major shareholders, as well as between the major shareholders and management. For the maximum value of the Company, the shareholders' meetings focus on formulating the Company's operating policies and making major decisions, including but not limited to profit distribution, major investment and financing, the election of directors and non-employee supervisors. The rights of each shareholder have been fully respected during the development of the Company, ensuring that all shareholders can fairly exercise their functions and powers. Ping An Group has standardized its board operations and management of the directors' work by drawing on the board management experience of local and international companies to deliver a higher level of transparency and credibility. The Board of Directors Nomination Committee formulated and followed the *Diversity Criteria for Board Members* to ensure a balanced mix of skills and experience and diversified perspectives at the Board level that would enable more effective board operations and improved corporate governance. As of December 31, 2020, the Company's Board of Directors has had **13** directors, including **5** executive directors, **3** non-executive directors, and **5** independent directors. Two of them are female directors. The directors have extensive hands-on working experience at home and abroad, and enjoy a strong reputation in the industry, providing an important basis for the scientific decision-making of the Board Of Directors of the Company.

## Diverse and professional governance level

The governance level in Ping An mainly is the Executive Committee, the highest office under the Board of Directors. It is responsible for the daily operation and management, and implementation of the resolutions made by shareholders' meeting and the Board of Directors. There are 9 professional committees under Ping An Executive Committee, which are respectively responsible for risk management, investment management, technology development and other different governance responsibilities.

## Protect shareholders' rights and interests

The Company's Board of Directors and relevant bodies strictly perform the information disclosure duties required for listed companies in accordance with regulations. Our information disclosure fully complies with the standards of authenticity, accuracy, completeness, timeliness and fairness, and has been well received by the market and investors. In addition, by establishing an efficient investor relationship management mechanism, we protect the interests of shareholders, formulate a reasonable dividend policy, and take into account the interests of independent minority shareholders. Meanwhile, we also use multi-channel communication methods and platforms to maintain good communication with investors and shareholders. Our corporate governance has been widely recognized by rating agencies and media at home and abroad. We have received honors such as "Best Board of Directors" and "Best Corporate Governance Awards" from the Hong Kong Institute of Directors and the Chamber of Hong Kong Listed Companies.

## Salary and incentive mechanism

Ping An has established a comprehensive salary and performance evaluation system for senior management and formulated a clear three-year rotation plan and annual responsibility goals for senior management in line with business development plans. Each year, Ping An conducts two evaluations on the performance goals of senior management. The comprehensive evaluation results are closely related to their appointment and dismissal, as well as long-term and short-term rewards, and serve as an important reference for their career development. In addition to economic indicators, Ping An has also included internal control effectiveness indicators as an important part of the salary and performance evaluation system for senior management in accordance with the *Guidelines for Remuneration Management Rules of Insurance Companies (Trial)* issued by the China Banking and Insurance Regulatory Commission (CBIRC). This is to ensure that every serving executive assumes the responsibility for compliance and sustainability at Ping An.



### ❖ Deferred payment system

Third-party consultancies are invited on a regular basis to examine and tweak the compensation for senior executives based on the market benchmark and business performance, make their salaries compliant with regulatory requirements. The performance-related pay at Ping An is issued as deferred compensation. The percentage of directors, senior executives, and key-position holders receiving deferred compensation are no less than the required proportion. Besides, major risk events will result in adjustments to the deferred bonus.

### ❖ Key employee stock ownership plan and long term service plan

Since the key employee stock ownership plan and long term service plan took effect, the Company has been operating steadily when shareholders, the Company and employees share interests and risks. These plans strongly guarantee further improvement in the Company's governance structure, the establishment of better long-term incentives and restrictions, and promote long, sustainable and healthy development. The participants in the two plans are **33,000** high-performance employees in Ping An Group and its subsidiaries, including directors, employee representative supervisors and senior managers of the Company.

## Total risk management

The Group Executive Committee includes the Risk Management Executive Committee responsible for setting the general risk management goals, basic policies and work systems, monitoring the risk exposure and funds available of the Company, and supervising the performance of the risk management framework of each of the subsidiaries and business lines.

### ❖ Optimize the risk control model

We make use of technologies to independently develop or introduce data analysis models, monitor risks, advance precise compliance inspection, communicate the risk information and link management with the first line of defense, oversee problems and risk events and draw inferences from one instance.

we had

**29,314**

employees being members of the Party

#### ❖ Improve risk control mechanism

we continue to implement the *Basic Standards of Corporate Internal Control* and supporting guidelines and improve the risk management level of the Group and subsidiaries from the aspects of data basis, technical means and management methods.

#### ❖ Smart risk management and control

We advance the application of smart technologies in risk management and control and while empowering business, we put risks under strict control.

## Advance Party building work

With the "Ensuring Development with Party Building" philosophy, we continue to innovate Party building practices. We embed that work in our corporate strategy, daily business and corporate culture, and provide a strong organizational guarantee for the Company's fast and healthy development. As of the end of 2019, we had 29,314 employees being members of the Party.

We have set up the corporate governance structure where the Party Committee, the shareholders' meeting, the Board of Directors and the executive committee operates according to rules and enables check and balance. We ensure that our corporate governance is professional, balanced, scientific and efficient, and continuously create excellent performance.

#### ❖ Strengthen the building of the primary party organizations

We communicate the Party building goals and implementation plans via e-mails and system conferences. We support the development of primary Party organizations from perspectives of standards-setting and basic guarantee.

#### ❖ Incorporate Party building work into operations

We integrate Party's advanced thinking and specific requirements into the Company's daily operation, which requires the leaders of Party organizations at all levels to earnestly fulfill the duties as the person of chief responsibility for Party building and perform the "double duties in the single post". That requires both business growth and Party building. The Party building works are manifested in the corporate performance assessment whose results could directly determine the compensation and award.

## Business ethics and anti-corruption

Ping An strictly abides by the laws and regulations in various industries and regions, develops the *Business Code of Conduct of Ping An Group* and the *Articles of Association, Management System of Petition Work, Procurement Management Measures* as well as other rules and regulations, applicable to all professional companies, suppliers and partners of Ping An. We make the commitment to corporate business ethics and employees' business practice and continues to progress standardized management.

### ❖ Tax policy

Ping An rigorously adheres to all the laws and regulations involved in its business, cooperates with the government to implement tax policies, standardizes the performance of tax liability, discloses tax information by law, and forbids tax fraud and tax evasion.

### ❖ Antitrust and fair competition

Ping An follows antitrust laws and regulations, strictly reviews all M&A transactions, and discloses information by standards.

### ❖ Anti-money laundering, anti-terrorism financing and sanctions compliance

Ping An takes control measures to identify, monitor and prevent financial crimes in accordance with local laws and regulations, as well as *Anti-Money Laundering Management Policy* and *Guidelines to Anti-Money Laundering Checklist Monitoring* and *Sanctions Compliance Management* in Ping An; proactively performs the duties in anti-money laundering and anti-terrorism financing, establishes and improves anti-money laundering management system, which is integrated into the comprehensive risk management system, and control and manage risks of money laundering and sanctions compliance throughout.

### ❖ Fairness and protection of employees' rights and interests

Ping An protects the legitimate rights and interests of employees during the internal management and business transactions across the Company and advises partners to protect the rights and interests of their employees. Ping An shall not discriminate against employees irrespective of gender, region, age and other aspects, and resist the use of child labor and forced labor. Through the *Procurement Supplier Management Measures* and other systems to ensure the protection of the rights and benefits of employees.

### ❖ Whistle-blowing and petition management

Ping An has developed the *Whistle-blowing Management Procedure*, set up the whistleblowing email and hotline to offer employees formal channels to voice their concerns. The system requires the Whistle-blowing Work Department of the Company to accept whistleblowing in a lawful, objective, just, and timely manner, coordinate the relevant departments to investigate and handle them specifically. The departments also need to safeguard the whistleblowers' rights to fairness and justness, ensure the confidentiality and security of the whistleblowers and their information, and promote an effective and reasonable whistleblowing process.

### ❖ Intellectual property protection

Ping An protects its own intellectual property rights in the actual business operation; at the same time, we forbid employees to participate in activities in violation of intellectual property rights and do not infringe intellectual property rights.

### ❖ Employees' business practice

Ping An attaches great importance to supervision in anti-fraud, anti-corruption, anti-commercial bribery and other business practices. We have formulated a systematic management system for full-time and part-time employees, including *Rules for Employees' Conflicts of Interest*, *Anti-Fraud Procedure* and *Anti-Money Laundering Management Policy*. We also carry out systematic training on employees' code of conduct every six months. Ping An develops guidelines for employee behavior in the following aspects:

#### Information management and social media management

Employees should strictly abide by the requirements of client information security management and are prohibited from divulging client information. They are not allowed to disclose trade secrets of the Company and spread illegal information on official accounts and individual accounts on social media.

#### Management of conflict of interest, funneling and undisclosed information

Employees should understand and abide by the Company's regulations on conflict of interest, follow the principle of "risk coverage, active reporting, avoidance of conflicts of interest and zero tolerance". We pay the same attention to both punishment and prevention. Employees have the liability to keep confidential the inside information they are informed of and shall not disclose the inside information.

### Anti-bribery, anti-corruption and anti-fraud

Employees and partners shall neither take illegal measures to seek personal illegitimate gains nor damage the legitimate economic interests and reputation of the Company. Anyone who is identified for corruption after investigation will be warned and punished in accordance with the *Red, Yellow and Blue Card Punishment Procedure* and the *Standard for Handling Employees' Violations* and other policies.

## Responsible products

As an integrated financial service group, Ping An offers a wide range of products and services covering insurance, banking, investment and technology services. In the life cycle of various products and services, Ping An keeps the principles of compliance, fairness, inclusiveness and environmental protection. Ping An undertakes that all its products and services are in compliance with applicable laws and regulations. We will not provide products and services involving individual rights violations, freedom of speech violations, and political repression, nor involving high emissions and high pollution, ecological destruction, and animal rights violations. We will not participate in monopolies, unfair competition, pyramid sales, or terrorism, and we strive to avoid any violation of laws, regulations and business ethics.

Ping An manages all products and services in three phases, including product draft design, product development and pre-marketing and sales and after-sales. Ping An has established a policy regime governing all products and services, including the *Group's Administrative Measures for Protection of Consumers' Rights and Interests*, the *Product Sales Management Measures*, *Product Development and Design Standards*, and the *Red, Yellow, and Blue Card Punishment Procedure*, and implement those standardizations throughout the whole life cycle to avoid possible violations.

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As of the end of 2020, Ping An had a total of

**7,400**

cooperative suppliers

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Overseas suppliers

**35**

## Sustainable supply chain

Ping An has diverse business partners. As of the end of 2020, Ping An had a total of 7,400 cooperative suppliers, including 35 overseas suppliers. Ping An is committed to establishing win-win and long-term mutually beneficial cooperation relationships with its suppliers. Ping An has continuously optimized procurement services, timely fulfilled payment agreements, and meanwhile proactively promoted higher sustainable development level of its suppliers.

Ping An prepared the *Ping An Sustainable Supply Chain Policy* and integrated ESG requirements into the closed-loop supply chain management from supplier selection, approval after cooperation, process management, to follow-up feedback. Ping An focuses on suppliers' ESG performance in information security, labor rights and environmental protection and adds ESG requirements to existing supplier contracts, including 6 contract articles on the performance of corporate social responsibility and obligation, anti-bribery, information security and privacy protection, labor rights protection, low-carbon and green technology transformation and development, and employee development, etc.

Ping An lays emphasis on the training of partners, including product quality, work skills, compliance management, employee rights and interests, to improve the sustainable performance of suppliers. In 2020, Ping An conducted cooperation training for suppliers and specially educated them on ESG management requirements and ESG risk practice with the intention to urge them to improve their comprehensive performance in information security, labor rights and environmental protection. In the future, Ping An will continue to encourage suppliers and business partners to gain better environmental, social and business benefits in practice and achieve sustainable development.

## Information security management

Ping An complies with the information security requirements pursuant to state laws, regulations, industry norms and codes, improves the Company's information security management system and ensures the confidentiality, integrity and availability of information. By developing information security management regulations such as *Information Security Management Policy at Ping An Group*, Ping An establishes a data security governance model centered on client data protection, carries out the whole-process security management before, during and after the event when regularly conducting internal and external audits of information security management and data privacy protection. Ping An has passed ISO27001 certification on information security management system for many years to operate the information security system effectively and stably.

Ping An has formulated policies and systems such as *Privacy Protection Statement at Ping An Group*, *Data Management Measures and External Data Cooperation and Management Measures* to ensure legal, compliant, safe and reliable input, transmission, storage and use of personal information. Each specified subsidiary has set up specific implementation rules and then strictly implement and supervise them when establishing a series of defense against data leakage. There was no information leakage in 2020.

Ping An promises to adequately protect client information and ensure that business activities do not infringe on the privacy rights of clients and employees. To this end, Ping An has taken plenty of privacy measures, such as desensitization of sensitive client information, virtual phone numbers in customer service and surveys, etc.

#### Case

##### ▪ Ping An Cloud

Ping An Cloud has been committed to creating a more secure cloud for clients. Our major work is planned closely around the seven principles of BSI ISO/IEC27701 privacy protection, including role determination, identification of organization environment, graded data classification, classified privacy impact, data subject request (DSR), privacy by design (PbD), privacy protection system design and data protection officer (DPO) as well as supervisory organization and establishment of training and auditing. At the same time, Ping An Cloud helps clients build up reliable capabilities in user privacy protection and advance that task on the front line through the implementation of various control processes.

In recent years, Ping An Cloud has passed the level-4 of classified protection on information system security, cloud database service assessment and virtual machine security assessment by Trusted Cloud, CSA STAR, CSA C-STAR certification, ISO/IEC 27001, ISO/IEC 27017 and other domestic and foreign cybersecurity and privacy-related certification.

Employee information  
security training coverage

**100%**

Ping An has been increased employees' awareness of information security protection and capability to deal with accidents by sending information security emails to all employees and conducting information security publicity activities, etc. In 2020, all employees were trained on information security and each of them trained for 3.8 hours; The average score for information security assessment at Ping An was 88.1. There were no major information security incidents in 2020.

# A Responsible Investor

## Responsible investment system and strategy

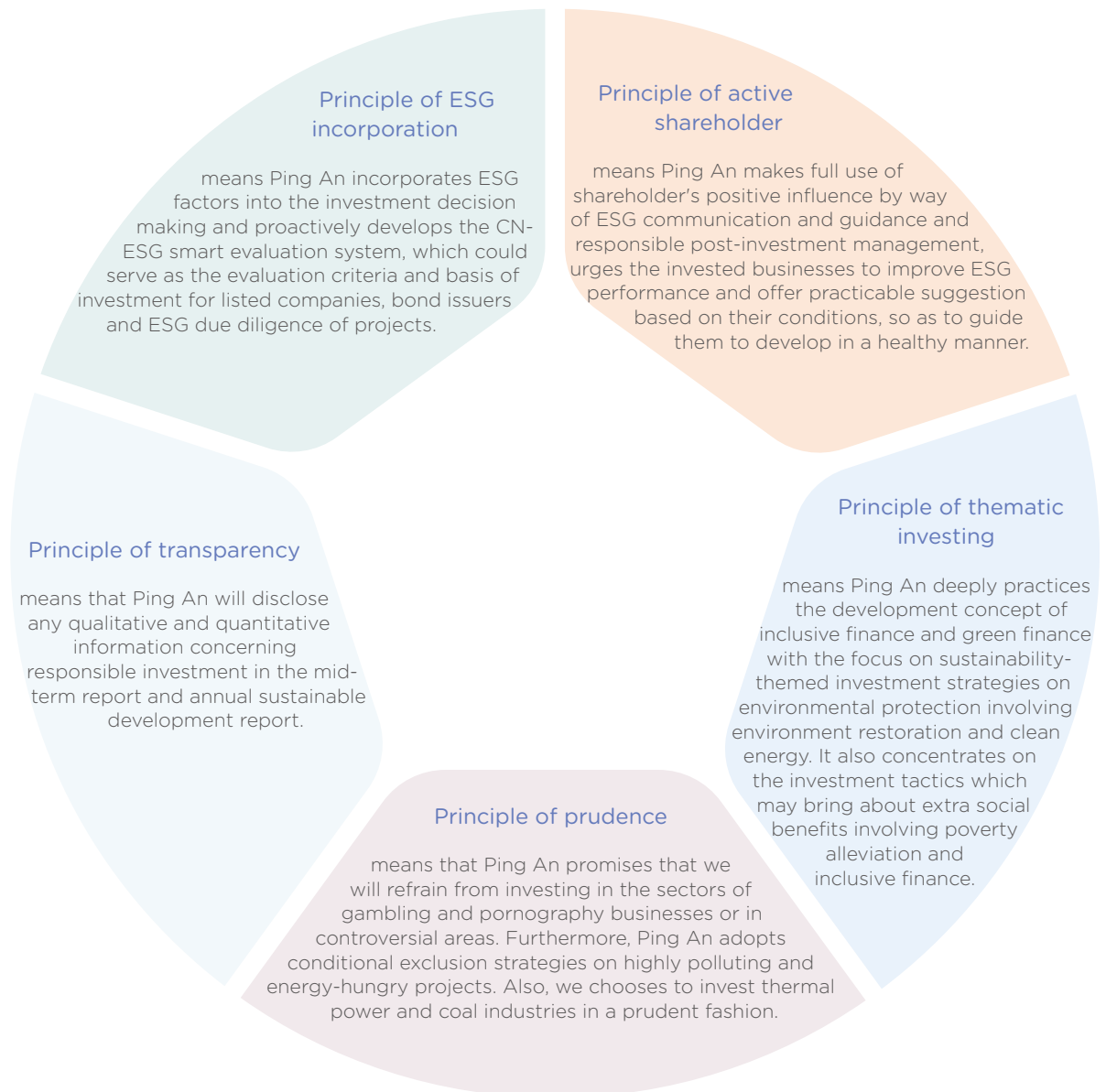
Following UNPRI (The United Nations Principles for Responsible Investment) and relevant guidance from domestic regulators, Ping An emerges as the first asset owner which signed up to UNPRI, Climate Action 100+, Green Investment Principles (GIP) for the Belt and Road as well. Also, it serves as a member of GFC (Green Finance Professional Committee of China Society for Finance and Banking). Meanwhile, Ping An has been contributing to the integration and development of responsible investment in terms of organizational structure and policy, investment and risk control tools as well as the development and application of financial products. Thanks to the outstanding performance in the field of responsible investment, Ping An was, for two years in a row, awarded "China's Best ESG Investment Institution in Insurance of The Year" during the "Triple-A Awards Sustainable Investing Reward for Institutional Investor, ETF and Asset Servicing Providers" conducted by *The Asset*, a professional international magazine on finance.

## Organizational structure and policy

Guided and supervised by the investor relations and ESG Committee of the Group, at the outset of 2020, Group ESG office, along with relevant functional departments, set up the responsible investment expert group, aiming to apply and use the responsible investment of the Group and incorporate ESG factors into investment and decision making in business. At present, Ping An has wrapped up the application of such investment to Ping An Asset, Ping An Fund, Ping An Trust and Ping An Bank. Besides, Ping An renewed the Responsible Investment Policy of Ping An Group, identified the scope of application of responsible investment and further explained the application method of responsible investment strategy.



The five principles concerning Ping An's responsible investment includes ESG incorporation, active shareholder, thematic investing, prudence, as well as transparency.



In 2020, Ping An built the CN-ESG smart evaluation system which is systematic and practicable. It helps Chinese companies improve the level of ESG information disclosure and offers reference to investors for making decisions. Moreover, it promotes the long-term and stable investment and sustainable development in the industry.

Ping An CN-ESG system includes three modules, namely general indicator, industrial matrix and public opinion adjustment. And it involves four dimensions such as E (Environmental), S (Social), G (Governance) and B (Business). CN-ESG ordered relevant domestic compliance and disclosure requirements in HKEX and Shanghai Stock Exchange, incorporated core issues of overseas MSCI and DJSI evaluation system, and also integrated the existing system in China. The disclosure of information, standard and index by ESG can meet the requirements of multiple parties owing to its local and international perspective. Ping An CN-ESG system helps companies deeply understand and improve their ESG performance while elevating the level of ESG information disclosure; also, such system is good for eliminating ESG risks, digging out the new value of companies, providing supplementary information for investment decision-making and recognizing more investable sectors and enterprises.

## Responsible investment products

Guided by the principle of responsible investment of Ping An, we've integrated the ESG risk with the investment risk management system of the Group by taking advantage of AI-ESG tools and built up Group-wide responsible investment product system, covering equity, bond, finance products, public fund and lease receivables, etc.

### Case

- **The first mutual fund-based charitable trust program**

In August, 2020, Ping An Trust established the first mutual fund-based charitable trust program in China; such program creatively teamed up with many well-known funds. By building market-oriented and commercial pattern of management, with specialized and specific investment, it can preserve and increase the value of charitable asset in a secured and effective way. As of December 31, 2020, Ping An Trust has managed to set up three-phased mutual fund-based charitable trust with the total value of **307** million yuan. The trust program has offered money for innovative companies in the field of facial mask production, health and living and smart home typified by Selen Technology, Qixin Group Co., Ltd and YITOA.

- **Promoting the construction of ecological protection demonstration area in the Yellow River Basin**

The Yellow River Basin is an important ecological boundary and economic zone in China, which is of significance in China's economic and social development and ecological safety. In 2020, Ping An Bank, together with Ping An Annuity, Ping An Securities and the like, developed a full service schemes for project undertakers of ecological protection and core high-quality demonstration area in the Yellow River Basin, including insurance funds-based liquidity loans, direct financing instrumentals, M & A notes, prime corporate bonds, deposit & wage & real estate mortgage services, raising RMB**20** billion.

- **Clean energy equity investment**

In 2020, Ping An Capital completed the equity investment worth of **100** million yuan in BECE Clean Energy Investment Co., Ltd, a wholly-owned subsidiary of Beijing Enterprises Clean Energy Group Limited (BECE). The investment prioritized the development of photovoltaic and wind power station in 6-7 poverty-stricken areas in Tibet, Inner Mongolia, Shaanxi and Hebei province. When the project is put into production and mature operation, it is expected to generate tax revenue of **15** million yuan each year for local governments. As of December, 2020, photovoltaic or wind power invested by BECE Clean Energy has reached over **3GW**, reserve projects reached about **2.5GW** and reserve heating area reached nearly **300** million m<sup>3</sup>, which is at the forefront of the same field in China.

## Case

- Launch low-carbon public fund

Ping An Fund launched and established public offering funds such as CSI New Energy Automobile Industry Exchange Traded Fund (ETF) and Ping An Low-Carbon Economy Listed Open-Ended Fund (LOF). These funds selected new energy automobile industry stocks in relation to new energy vehicle, charging pile, lithium electricity equipment, electronic motor and control and battery material as well as other stocks in line with the theme of low carbon economy.

## Thematic Investment

(RMB million)	Equity	Bond	Financial product	Public fund	Lease receivables
Thematic investing					
Include: investment in green product	28,982	16,032	38,015	15,987	4,260
investment in social inclusive type	30,032	463,773	380,476	335	55,916

As a comprehensive financial conglomerate, Ping An keeps supporting the development of low-carbon and environmental industries via credits. We also provides loan services to small and micro business owners, individual businesses and self-employed people, thus benefiting more persons in need and endorse the sustainable development of economy. As of December 31, 2020, Ping An Green Credit have lent out RMB**94.867** billion with the balance of RMB**35.897** billion; the balance of inclusive loan achieved RMB**871.461** billion.

## A Trustworthy Insurance Company

Committed to incorporating the idea of ESG into insurance business, Ping An continues to better and revise the *Policy on Sustainable Insurance System* in order to guide the design of insurance products towards sustainable development. At the same time, Ping An constantly improves its service quality and efficiency by applying cutting-edge technology, with a view to offering more reassuring and convenient services to our clients.

### Risk control of insurance products

Ping An continuously studies and monitors the risks of global climate changes (rising temperature, extreme climate disasters, etc.) and those of social changes (social demographic change, aging of the population, high incidence of diseases, etc.). In so doing, it endeavors to realize the reasonable ESG risk pricing for insurance products and the underwriting risk control and prevention. In the meantime, Ping An has set up a series of the scientific and unified system of insurance risk management. It manages insurance risks via corresponding mechanisms and procedures, and control ESG risks of insurance products. Following the stipulations, insurance subsidiaries have established and implemented ESG insurance risk control measures and procedures targeting at product development, insurance underwriting and claims, product management, reserve assessment and reinsurance administration. In addition, Ping An adopts special measures to contain ESG risks.

## Property insurance

### 1.Product development

Driven by a sense of social responsibility, Ping An takes the initiative to "insurance + risk" management service mode in several fields and contribute to the management of insurance in the society, in accordance with development concepts for the new era. In terms of production safety, Ping An Property & Casualty has provided work safety liability insurance for more than **80,000** companies with an insured amount over RMB**600** billion. In terms of people's livelihood, Ping An Property & Casualty actively cooperates with local civil administration, emergency and disaster relief departments to provide natural disaster relief, poverty alleviation and other insurance product solutions, and assists the government in addressing livelihood problems for social vulnerable groups. In terms of healthcare, Ping An Property & Casualty established Healthcare Undertaking Department to assist the government in comprehensively implementing vaccine protectiveness and compensation policies. In terms of environmental pollution control and improvement, Ping An Property & Casualty has introduced ecological damage and gradual pollution liability insurance for an accumulatively insured amount of RMB**6.1** billion, based on the first environmental liability insurance developed by it in China. Every year, it provides environmental pollution liability insurance for nearly **5,000** companies.

For new insurance product, Ping An Property & Casualty assesses ESG risks and offers a reasonable price to control insurance risk. For some new products with new and particularly significant insurance risks that existing products are not exposed to, it seeks risk assessment opinions from relevant departments and puts forward sound risk control measures.

### 2.Risk prevention, underwriting and claim settlement

Ping An Property & Casualty also establishes effective risk prevention and underwriting and claim settlement systems to help the insured to know and reasonably control their own risks. Ping An Property & Casualty builds a work safety risk control cloud platform embedded with professional risk control model to provide risk management information input assessment, policy service, analytic statistics and other intelligent platform-based application services for governments, companies and third-party organizations. Under the cooperation with Tsinghua University, Soochow University and other institutions, Ping An Property & Casualty developed a risk control service cloud platform for environmental liability insurance to provide full-process risk management services for clients, strengthen risk monitoring and early warning management and improve environmental risk governance level through functions such as environmental pollution sensitivity map, professional information, risk management toolkits, and risk assessment models for 18 industries. In addition, Ping An Property & Casualty has the first risk control service system with ISO: 9001 certification in the world and the largest risk control team in Asia. It also organized "Emergency Rescue Team of Ping An Property & Casualty Insurance Company Of China, Ltd." including 277 emergency rescuers who have relevant national vocational qualification certificates and are ready for national emergency

rescue tasks at any time. Furthermore, Ping An Property & Casualty makes technological innovation in emergency rescue services, continuously improving efficiency and effectiveness. Based on its self-developed Digital Risk System (DRS), it built an intelligent risk management system, achieving rapid screening and accurate early warning for the insured clients, providing accurate disaster prevention, reduction and relief services, and reducing the losses resulting from climatic disaster and other ESG environmental and climatic risks.

### 3.Product management

For relevant insurance products with directly or indirectly identified ESG risks, Ping An Property & Casualty strengthens product management, conducts monitoring and analysis and regular experiential inspection, and timely reflect current insurance risk profile. For innovative products without empirical data, it actively follows experience and trend, prevents from too large risk exposures, and communicates with its peer, particularly in regard to reinsurance, to obtain more analytical data.

### 4.Reinsurance

Reinsurance is an important means for risk control of the Company, a significant part of the business strategy of the Company, and an irreplaceable role in such aspects as risk transfer, steady operation, technology improvement and underwriting capacity expansion. It facilitates steady operation and sustainability of the Company. Ping An Property & Casualty developed a reinsurance management system and reasonable arrangements for catastrophe reinsurance, ensuring smooth performance of reinsurance function. It transfers and controls ESG risks by means of reinsurance contract.

Case

Environmental risk management under the insurance risk

With the frequent outbreak of global warming and extreme weather, Ping An Property & Casualty actively conducted studies based on technological ways, and responded to these risks brought by climate change issues like global warming and extreme weather facing business and operation of the Company.

1 Product development

- Ping An Property & Casualty conducted ESG risk review targeting at new insurance products, and made reasonable pricing to control insurance risks.
- In terms of pollution improvement, Ping An Property & Casualty added ecological damage and progressive pollution responsibility insurance based on the firstly developed environmental responsibility insurance in China.

 RMB610 million

 5,000 companies

2 Risk prevention, underwriting and claims

- It joined hands with organizations such as Tsinghua University to develop cloud platform focusing on environmental responsibility insurance and risk control. With the help of the platform, different functions can be displayed exemplified by environment pollution sensitivity map, professional information, risk control toolkit and the risk assessment model across 18 sectors.
- In so doing, it can offer risk management services to clients during the entire procedures, reinforce the risk monitoring and early warning management as well as improve the level of environment risk governance.

 Eagle eye system

 Big data platform

3 Product management

- Ping An Property & Casualty strengthens product management and conducts monitoring analysis targeting at relevant insurance products of which the ESG risks could be directly and indirectly recognized.
- In terms of the innovative products lacking experience data, it will pay attention to the experience trend to avert the high-risk exposure. It is also ready to communicate with the industry especially reinsurance companies for the purpose of acquiring more analysis data.

4 Reinsurance

- Reinsurance is a key way for companies to control risks and also an integral part for the business strategy. Indeed, reinsurance plays an irreplaceable role in transferring risks, stabilizing business operation, improving technology and underwriting capability, also helping companies achieve stable operation and sustainable development.
- Ping An Property & Casualty established a reinsurance management system which is conducive to the reasonable arrangement of reinsurance of severe calamity, the smooth performance of reinsurance functions and the transfer and control of ESG risks by means of reinsurance treaty.

## Life insurance

### 1. Product development

Different specialized companies set up product development management systems to assess climatic risks for and reasonably price new insurance products. They analyze possible insurance risks and develop risk control measures. For new and significant insurance risks, they seek risk assessment opinions from relevant departments.

### 2. Underwriting and claims settlement

For life insurance, effective risk prevention and underwriting and claim settlement systems were built to help the insured to know and reasonably control their own risks. Based on conventional reliance on actual healthy and financial condition information from the applicant, face recognition, disease atlas and decision tree, online hospital, mathematical model and other technologies are applied to online interaction between underwriter and client, rapid online data acquisition allows for more accurate risk identification, and risk feedbacks are used for empirical analysis and product development.

### 3. Product management

Specific companies standardize product management processes, strengthen the management of insurance products directly and indirectly related to ESG risks (including monitoring, analysis, regular empirical analysis and inspection), timely report insurance risk profiles, pays attention to the law of empirical development changing over time, introduces the trend factor to deal with any deviation risk resulting ESG risks and trends, and regularly reflect the changes in any adjustment assumption.

For innovative products without empirical data, they actively follow experience and trend, prevent from too large risk exposures, and communicate with specific reinsurers in the industry, to obtain more analytical data.

### 4. Solvency management

Effective solvency and asset & liability management systems and processes were developed and real-time monitoring and assessment are carried out for influence of any product on solvency, asset/liability cost and benefit, term structure and cash-flow matching of the Company, ensuring adequate solvency of the Company and continuous optimization of asset-liability matching. Meanwhile, reasonable arrangements for reinsurance or temporary insurance through reinsurance contract are made to effectively transfer ESG risks and facilitate steady operation and sustainability of the Company. For new products and liabilities in which it lacks experience, the Company actively seeks for professional support from reinsurer, obtains more foreign empirical data and manages ESG risks.



Case


▪ Social change risk management under insurance risks


Ping An Life, Ping An Health as well as Ping An Annuity continues to pay attention to the changes of Chinese population's health condition and also the shifts of demands in insurance market due to people's rising awareness of insurance. Also, they tend to build the system and working procedures of social risk management, and operate the measures of special risk management.

1 Product development

- In the area of people's livelihood, Ping An Property & Casualty provides a series of product programs involving natural disaster relief insurance, assistance insurance for households in difficulty, guardian responsibility insurance for people with mental disorders, in a bid to help governments solve the livelihood guarantee problems facing disadvantaged groups;

- In the area of medical health, Ping An Property & Casualty sets up medical health department and assists governments to fully popularize the vaccine prevention and compensation policy;

 "Bless of Ping An" RMB5.86 billion

 Plan of Ping An RUN

2 Underwriting and claiming settlement

- Ping An insurance builds effective underwriting and claims system and help the insured understand the status of their own risks, so as to control them within a reasonable range.

- Risk recognition is more accurate instead of relying on the insured traditionally and truthfully disclosing their health and finance status.

 Facial recognition

 Disease atlas decision tree

 Remote video

 Hospital network

3 Product management

- Ping An insurance pays attention to the experience development rule as time goes by. Besides, they will introduce trend factor so as to counter the risks led by ESG risks and trend and reflect the changes in the adjustment of hypothesis on a regular basis.

- In terms of the innovative products lacking experience data, they will keep an eye on the experience trend to avert the high-risk exposure. And they are ready to communicate with special reinsurance companies for the purpose of acquiring more analysis data.

4 Solvency management

- Product impact on companies will be taken into consideration and evaluated involving solvency, cost and income from asset and liability, maturity structure and cash flow match. As such, it can ensure the adequacy of company solvency and the sustained optimization of the asset and liability match.

- Ping An insurance transfers ESG risks by way of treaty reinsurance and facultative reinsurance, which helps companies achieve stable operation and sustainable development.

## Sustainable insurance product system

Ping An is the first company to sign up to the Principles for Sustainable Insurance (PSI), a financial initiative by the United Nations Environment Programme in mainland China.

Ping An has offered sustainable insurance amount of

**RMB392.6**  
trillion

Ping An is committed to fulfilling both environmental and social responsibilities by way of a sound system of sustainable insurance products. The sustainable insurance products under Ping An Property & Casualty cover those in relation to environment and ecology such as environmental liability insurance, catastrophe insurance, insurance for wildlife protection; those regarding people's livelihood including large-scale engineering insurance, food safety insurance, malpractice insurance, along with inclusive insurance targeted at small and micro enterprises, agricultural workers and special groups. As of December, 2020, Ping An Property & Casualty has offered risk protection worth of R392.6 trillion for forests and trees, specially the public welfare ones. The smart disaster management platform supported by agriculture insurance has already assisted nine provinces and cities including Shaanxi, Gansu, Heilongjiang and Yunnan; in 2020, Ping An Property & Casualty built demonstration zones featuring rice income insurance and technology-based agriculture insurance in Nan county and Xiangyin county, Hunan province, with an underwritten coverage of over 550,000 mu (366.7 km<sup>2</sup>). Therefore, the team could identify risk before insurance purchased, monitor rice growth and scientifically estimate yield when insurance purchased while quickly assessing loss with remote sensing technology after insurance purchased. The new model characterized by an integrated agriculture insurance service in "insurance, prevention, relief and claims" took place.

At the same time, Ping An continues to pay attention to the changes of trends in the health of the Chinese population and also the shifts of demands in the insurance market due to people's rising awareness of insurance. We also promote the development of many security-type products and provides 725 kinds of sustainable insurance products including medical insurance, critical illness insurance, old-age insurance and healthcare insurance with the aid of Ping An Life Insurance, Endowment Insurance as well as Health Insurance.

As of December 31, 2020, the sustainable insurance performance of the Group is as follows:

(RMB million )	Environmental <sup>1</sup>	Social <sup>2</sup>	Inclusive <sup>3</sup>
Original insurance premium	121	173,821	47,377
Amount of insurance	120,199	381,219,430	11,215,527

Note: 1. Environmental insurances include environmental liability insurance and catastrophe insurance, etc. 2. Social insurances include liability insurances (such as work safety liability insurance, and food safety insurance etc), medical insurance and critical illness insurance, etc. 3. Inclusive insurances include insurance for the farmer, agriculture and rural areas, for the disadvantaged as well as for small and micro business operation.

### Case

#### ▪ Ping An Property & Casualty: steps forward to avert risks with insurance service of insurance + risk control

Ping An Property & Casualty adheres to the idea of development in the new era. Driven by social responsibility, it builds the innovative model featuring "insurance + risk control", promotes the shift of insurance service from claims afterward to risk prevention beforehand, so as to play the function of social management in a positive way. In the field of work safety, Ping An Property & Casualty, in recent years, has provided work safety risk protection for our society worth nearly RMB2 trillion every year, covering nearly 150,000 businesses. The underwriting industry covers coal and non-coal mining, production and operation concerning hazardous chemicals and fireworks and crackers, construction, metal smelting, civil explosives, transportation, fishery production, shipbuilding, food processing and other industries closely related to socio-economic development.

In the area of livelihood, Ping An Property & Casualty proactively coordinates with local departments in charge of civil administration, emergency and disaster relief, provides a series of product plans involving natural disaster relief insurance, assistance insurance for needy family, guardian liability insurance for people with mental disorders, helping governments to ensure livelihood for the disadvantaged; in terms of medical health, Ping An Property & Casualty assists governments to popularize the vaccine prevention and compensation policy and introduces RMB-1-million medical insurance, the first product combined with the Internet medical services. Besides, the team builds the inclusive medical guarantee model named livelihood-benefiting insurance and applies it to 5 cities. Also, it has already offered the risk guarantee worth of over RMB200 million for 980,000 citizens in cities like Hefei; in terms of the improvement of environmental pollution, Ping An Property & Casualty adds ecology damage and progressive pollution liability insurance based upon the firstly developed environmental liability insurance in China. Ping An Property & Casualty has offered cumulative insurance worth RMB6.1 billion and environmental pollution liability for almost 5,000 companies every year.

## Optimize customer experience

Ping An NPS

**48.3%**

Ping An leverages its expertise in AI, blockchain and cloud computing technology and launched a number of technological innovations for various application scenarios to improve both the quality and the efficiency of its service. We adhere to the philosophy of service first and honesty. In 2020, Ping An NPS (Net Promoter Score) was triggered 200 million times. The Company understands the customer needs and looks for opportunities, improving both customer experience and business value. In 2020, our NPS has increased by 12.3pp to 48.3%.

### Case

#### ▪ Ping An Life: solve the difficulty for clients with smart pre-compensation

As the most important experience for clients, the procedure of claim settlement has been improved by Ping An with the help of technology. In August, 2020, based on big data and model platform, Ping An life Insurance introduced advance compensation service. It compensates the cost of treatment in hospital for clients meeting the thresholds, which eases the financial pressure from medical treatment with guarantee for treatment and hospitalization. With the introduction of such services, Ping An life Insurance will build the three-dimensional claim settlement service system including immediate compensation and advance compensation, a way to accurately and effectively meet the insurance demands of clients.

As of December 31, 2020, a total of more than **9,000** Ping An Life advance compensation cases were registered with over **RMB260** million of coverage. That truly "gives what clients want and free them from worries" and effectively relieve clients' financial stress in medical treatment.

#### ▪ Ping An Property & Casualty: technology helps improve customer experience

Ping An Property & Casualty follows client-centered concept and innovates through technology and data on the basis of clients' needs. It covers the whole insurance service process including pricing, risk control and claim settlement in order to provide favourable service experience for clients.

- Ping An Good Car Owner, an App Ping created by Ping An Property & Casualty, provides such services as car damage estimation, annual inspection, payment of parking fees, rule violation query, road-side service, designated driving. Now, the registered users reaches **123** million with over **30** million monthly active users and more than **500** million services to clients all year round.
- Ping An Property & Casualty can introduce personalized vehicle insurance plans within **7** seconds based on technological applications such as AI image automatic classification, OCR recognition, so as to accurately recommend product portfolio to clients; and it also realizes the automatic and smart inquiry and offer of auto insurance, ordering

and modification by way of AI application. Currently, over **90%** of the personal auto insurance businesses of Ping An Property & Casualty achieve automatic pricing, and it only takes record **20** seconds from pricing to ordering.

- Ping An Property & Casualty launched the function of one-click claim. With this, the AI smart damage estimation robot at the background of Ping An Good Car Owner could automatically assess the repairing program and amount of money. The payment will be received immediately after the claim is confirmed through facial recognition.

#### ▪ Ping An Health: new 5e model

Backed by the cutting-edge big data technology and AI technology, Ping An Health Insurance constantly better the smart operation system during 2020 and builds the new 5e mode involving Ping An e-insurance, Ping An e-smart underwriting, Ping An e-connection, Ping An e-claim and Ping An e-compensation. It offers the smart virtual insurance service experience for clients across all of the procedures.

Ping An e-insurance achieves one-click insurance with AI technology. It takes **10** minutes to do request and accept insurance online at the fastest pace.

Ping An e-smart underwriting shifts the traditional manual underwriting into smart underwriting. By answering 1-3 questions, clients can get the results instantly. Tens of thousands of underwriting logical judgement have been covered now, serving **413** kinds of diseases which can be notified.

Ping An e-connection touch adopts technologies such as natural language processing, machine learning and smart algorithm to offer smart, convenient and accurate services. As of December, smart online customer services have served an accumulated **6.78** million times and **69%** of them are replaced by AI.

Ping An e-claim directly share data with cooperative hospitals in China and quickly settle claims. Over **8,000** cases of claim have been settled with a total of RMB**7** million of payment.

Ping An e-compensation processed over **80,000** claims without human service in 2020, reducing the average processing time of claim payment from two days to five minutes, with a record time of **15** seconds.

In "financial education month," 9 specified subsidiaries across the Group conducted

**6,662**

publicity activities

Consumers up to

**270** million

## Protection of consumers' rights and interests

In 2020, in strict accordance with relevant laws, regulations and provisions, Ping An implemented various requirements for the protection of consumers' rights and interests, and included such protection practice into corporate governance. We built the system and mechanism, followed the regulatory requirements, strengthened the overall co-ordination, and fostered the development of consumer protection culture to provide protection.

Ping An established the Consumer Protection Committee under the Board of Directors in February 2020 and also set up a work management system led by the Board of Directors and the Consumer Protection Committee, managed by the Consumer Protection Department of the Group and implemented by relevant departments and professional companies under their respective duties. This year, we formulated the Management Procedures for Protection of Consumers' Rights and Interests, Group's Administrative Measures for Consumers' Complaints and other systems. We established and improved the review and assessment mechanism of consumer protection work, organized key subsidiaries to hold quarterly meetings on consumer protection and track the progress of key work, thus guiding specific subsidiaries to carry out consumer protection vigorously and effectively.

Ping An also strengthened the Group's coordinating function, deepened the supervision of customer complaints management at source. As a whole, we set up the cross-subsidiary customer complaint management system to shorten the circulation time. The annual average time it takes to resolve customer complaints was 3.5 working days, which was 78% lower than before; the time it takes to make first response to customer complaints was shortened from 7.5 days to 2 days. We intensified the three-level management and control, namely, before, during and after the incident, to constantly improve complaint management. Thanks to efforts of the Group, we have made a measurable difference in the key links including internal complaint volume control, complaint resolution of the hotline 95511, complaint handling ability and governance on key pernicious problems.

Ping An increased the development of consumer protection culture within the Group, created fair and honest consumer protection culture and concept. We included the content of consumer protection in the part of the annual corporate culture themes, and implemented it through publicity on important occasions, regular communication, contribution, platform cooperation, etc. One of the example is the consumer protection program featuring anti financial fraud jointly launched by Shenzhen TV and

Shenzhen Municipal Public Security Bureau, which earned a high rating. At the same time, in response to the "Card Protection" led by the Ministry of Public Security, we widely publicized the crackdown on renting and selling bank cards and phone cards. We also organized and promoted the "March 15" consumer protection awareness week and "financial education month", and supervised active implementation of specified subsidiaries. In "financial education month," for example, 9 specified subsidiaries across the Group conducted 6,662 publicity activities, distributed nearly 20 million pieces of promotional materials and offered over 3,000 pieces of publicity and consultation online to 270 million consumers, attracting 25 million hits on its Internet page and 3,000 plus media reports.

## Case

### ▪ Smart tech enables better consumer protection services

In a bid to safeguard the legitimate rights and interests of consumers, Ping An Life has built a smart voice dual-recording system with four core functions: online smart recognition, smart explanation, smart display and smart quality inspection, comprehensively protecting the legal rights and interests of consumers with technology. Furthermore, the subsidiary improves the recording pass rate, enhances the team's business solicitation. Since the launch of the service, over 1.5 million insured persons have been served by the system, and the one-time recording pass rate has been increased to 88%, which effectively reduces repeated disturbance with clients and improves client experience of audio and video recording.

### ▪ Doctor's Finance School in the Village

Under the guidance of the Group, Ping An Bank developed the Work Plan For Consumer Protection of Ping An Bank in 2020, organized its all employees to attend training on consumer protection, and promoted the implementation of related work from consumer protection work mechanism, whole-process management, and technological empowerment. In particular, Ping An Bank, together with the Poverty Alleviation Office of Guangdong Province, launched the project of "Doctor's finance school in the village, which covers the financial consumer protection, financial education, and the introduction of agricultural products supported by finance to improve rural residents' financial literacy and awareness of financial risk prevention. In Guangdong Province, we offered 14 training courses across 1,017 villages in 14 cities. Besides more than 1000 trainees, we made the courses available to 1,000,000 people in the rural area. The project popularized financial expertise and improved the sense of risk prevention among rural financial consumers.

### ▪ Releasing the Blue Paper On Consumer Protection 2019

In March 2020, Ping An Bank released the *Blue Paper On Consumer Protection 2019*. We also issued the early warning on financial consumer protection together with Nielsen, a world-famous market research and data analysis firm, to remind users of the current high-risk areas of the financial market and new financial fraud. Furthermore, we helped users enhance their awareness of financial risks in the creative form of "seven-word formula" and actively protect rights and interests of users together.

### ▶ Ping An Bank released the *Blue Paper On Consumer Protection 2019* on March 15th



# A Caring Corporate Citizen

## Green operation

Ping An has been actively practising the responsibility of corporate citizen. We keep reducing the environmental footprint caused by our operation by means of setting environmental goals, promoting paper-free operation and creating green buildings; meanwhile, Ping An fully engages in the development of harmonious community by conducting public welfare projects and providing volunteer services. As of December 31, 2020, Ping An has made three green building projects certified such as Lize Ping An Financial Center, Shenzhen Pingan Finance and Insurance Building as well as Jinan Ping An Financial Center.

### Case

#### ▪ Establishing low-carbon buildings

Lize Ping An Financial Center is situated between the 2nd and 3rd West Ring in Beijing, covering 23,500m<sup>2</sup>. Adhering to the architectural philosophy featured by "low-carbon and environmentally friendly", they use water-saving toilets which use reclaimed water to flush in toilets so as to raise the utilization rate of water resource; each floor of the building is equipped with energy-saved LED lights, saving 5% energy; the sustainable development philosophy is practiced proactively by "saving water", "saving energy" and "saving materials". At the same time, low-carbon building systems like solar heat panel technology, recycled water system, fresh air ventilation unit have been adopted to fully create a low-carbon business atmosphere. Lize Financial Business Zone lies in the heart of Beijing. A total of 70 mu (about 46,667m<sup>2</sup>) ecological park will be built, thus forming an ecological jogging walkway with a length of 34 km. The building can save 65% of energy. Solar energy provides 39.1% of domestic hot water. The utilization rate of non-traditional water sources arrives at 31.4% and the green land rate comes to 20.4%. The ratio of reused and recycled building materials is 12.5%. Lize Ping An financial center has gained both "LEED gold certification" and "China's two-starred green building".





The bottled water usage has  
dropped by

**92%**

The garbage produced by  
Ping An Financial Center  
decreased

**20%**

In order to respond to the plastic bag ban by National Development and Reform Commission and Ministry of Ecology and Environment, the office of Ping An Financial Center at the headquarters in the highest building in Shenzhen officially kicked off the "plastic reduction move" in March, 2020. Namely, they would stop offering bottled water during meetings and advocate bringing their own cups for low-carbon life. Such plastic reduction move also sets the target of plastic reduction and a monthly limit on bottled water supply. As of December 31, 2020, the bottled water usage from April to December (10,495) has dropped by 92% year-on-year, comparing with that from April to December in 2019 (130,440) since the start of the move in that office. The plastic reduction move is set to be promoted in Ping An office nationwide.

In order to implement the household garbage sorting management regulations by Chinese government, Ping An office nationwide has launched garbage sorting successively according to the requirements of the local government. Since November 5, 2020, office at Ping An Financial Center has operated the trial garbage sorting and publicized the relevant guide to help employees know more about the ways of garbage sorting. The methods also include the official account posts and one-month picture and video promotion lasting at TV morning conference. The training of cleaning personnel is also intensified. In rush hours, specific people will give on-the-spot guidance at the garbage dumping locations. After a period of trial, employees in the office have gradually known the method of garbage sorting with active response. Following the garbage sorting, the garbage produced by Ping An Financial Center decreased from about 2,000 kg per day to about 1,600 kg per day, a drop of 20%;

## Ping An volunteers

A total of

**538,000**

Ping An volunteers  
registered at the platform

The amount of public  
activities which have been  
introduced

**435**

Ping An established the "Ping An Volunteers Association" in 2018. Since then, volunteers could be found everywhere all over China. Some volunteers in Wuhan donated medical supplies to different hospitals and drove medical workers homes during the outbreak of COVID-19. Ping An agents, also the volunteers, visited Mount Daliang for several times to raise fund and donated books for helping rural children realize their dream of reading. Some anonymous volunteers came back and forth to repair electrical facilities to help the elder living alone in communities and also give after-school tutorials to kids in welfare houses. Other volunteers worked in different positions by joining in the public benefit activities in communities with the name of "safety in every household" launched by the All-China Women's Federation. At present, Ping An Volunteer Association has set up 20 specific affiliates and 26 local affiliates. Besides, the APP called "San Cun Hui" has been accessible as a public beneficial platform featuring mutual help. A total of 538,000 Ping An volunteers registered at the platform where 435 public activities have been introduced.

- **Donated RMB40 million to flood-hit areas**

Since July, 2020, the Yangtze River basin has suffered the largest-ever flood over the past five decades, with Mengwa county, Funan, Anhui as one of the hardest-hit area. Due to flood discharge, education facilities in several villages and towns of Mengwa were damaged. And it was urgent to build a new primary school in relocation sites for the poor in Mengwa. At that time, Ping An immediately lent a helping hand to Funan county, Anhui with a donation worth RMB40 million for aiding the construction of the new campus.

## Public youth education

Since 2003, Ping An has held the motivation program for 17 consecutive years. The program has awarded 6,155 outstanding students with RMB19.8 million scholarships. Its purpose is to encourage nationwide students to work hard for the country, carry out academic research, explore new concepts and theories conducive to the healthy Chinese economy, and contribute to the development of the country.

The Motivation Program 2020 was co-sponsored by Ping An, China Youth Daily, China Youth Development Foundation and Institute of Global Development, Tsinghua University. Inspired by "responsible consumption and production" and "sustainable cities and communities" in the 17 UN Sustainable Development Goals, it focused on finance and technology to achieve sustainable development for the society. With six competition topics, the program invited inspired youth across the world to challenge each other. A total of 9,837 teams from colleges and universities across the country signed up for the event, which lasted for more than five months and offered RMB1 million in scholarships and grants.

## An Attractive Employer

Regarding employees as the key asset, Ping An is dedicated to offering broad space and abundant resources for career development. We respect the rights and interests of employees and keeps improving the salary and welfare while fostering a comfortable and pleasant working environment for them. Meanwhile, Ping An highlights the growth of agents and continues to improve the training model and courses, so as to emerge as the sincerest partner for agents.

### Rights and interests of employees

Ping An respects and acknowledges the key content of *International Labor Convention* and its related agreements ratified by country in which we are located. We formulate the papers such as *Rights and Interests and Welfare Policies for Employees* and promise to guarantee the legal rights and interests of each and every employee. Also, we stick to equal pay for equal work and will eliminate the unfair treatment by resorting to anti-discrimination rules. Ping An prohibits any discrimination behaviors in terms of recruitment, orientation, training, promotion and awards. Besides we boycott child labor and forced labor and refrains from interfering with the rights of employees to participate in any legal organizations or setting up associations.

Adhering to the transparent salary and performance in a fair and equitable way, Ping An continues to review the employees' salary level. In accordance with the principle of distribution by work, coupled with employee performance assessment, Ping An carries out scientific salary management, motivates employees to continuously improve their personal ability, who can therefore develop and grow together with the Company. At the same time, Ping An implements the core employee stock ownership plan and long-term service plan, in order to encourage core talents to serve the Company for a long period of time, and establish a sound and long-term incentive and restraint mechanism. In addition, Ping An provides perfect and diversified channels for feedback, complaints and reports and has formulated the *Whistleblowing Management Procedure* to protect employees' freedom of expression and safeguard their legitimate rights and interests.

Premium courses on mobile terminals in total

**52,000**

Viewed over

**44 million times**

The highest monthly active rate reaches

**95.54%**

## Training and development

Ping An is committed to offering "the best training in Ping An" and investing quality resources, optimizing training system and strengthening the roles played by teachers, so as to encourage the talents' development. We communicate with different specified companies and shift knowledge into value, thus helping companies to grow by training.

Following the existing strategy of "finance + technology" and "finance + ecology", Ping An accelerates the online learning for all staff members by building premium and systematic content resources, expanding new model of training and optimizing learning platform. There are 52,000 premium courses on mobile terminals in total, which is viewed over 44 million times. Besides, the highest monthly active rate reaches 95.54%. In order to satisfy employees' learning requirements concerning special positions, Ping An launches "the plan on Group-wide post-specific course sharing system". We also partner with other specified companies to build 2,400 "co-created and shared" courses with the usage rate of these courses arriving at 85%, covering 7 types of posts and 27 functions, with an aim to upgrade post-specific course system.

### Case

#### ▪ The plan on Group-wide post-specific course sharing system

In order to upgrade post-specific courses in an all round way and match different advantages of learning resource for win-win results inside the group, the university started the "the plan on Group-wide post-specific course sharing system" since this year. In Phase I, starting from the post-specific learning needs, we combined the existing advantageous resources in each company and university and quickly filled the resource gap with zero investment in the form of "acquiring new courses by offering courses".

There were **2,188** courses shared by each company and university with the usage rate as **85%**, covering **7** kinds of posts and demands for **331** courses; In phase II, we planned to launch "course creation plan" targeting at the new Ping An-styled demands found from the "sharing plan" and invited different companies to take part in the creation of quality courses. Following four procedures as topic selection, course creation, evaluation and review as well as application, companies introduced over **300** quality courses in a fast pace.

We also built virtual learning space and united the course, way and tool through *Resource Booklet on Post-specific Course System* and the "learning panorama". In so doing, we helped upgrade post-specific course system in a comprehensive manner and improved employees' capability.

Live class attendees

**52,000**

Customized online and offline learning resource packages and empowerment solutions coverage

**60,000**

people

Training sessions

**1,004**

Attended trainees

**30,029**

Percentage of senior managers or higher executives took part in the training

**45.5%**

In response to constraints caused by COVID-19 though, Ping An issues a variety of training solutions promptly and opens the live classrooms to all members. Also, we create a customized learning empowerment plan for the newly recruited employees, the promoted employees and the potential talents. Ping An also combines online means with offline channels to meet the development demand of employees. Moreover, Ping An offers "Asking the Way" live class for senior officials, "Training" for junior and mid-level employees and "Super Lecturer" for internal part-time lecturers to empower them for further progress, with nearly 52,000 class attendees. As for the newly recruited/promoted and potential talents, customizable online and offline learning resource packages and empowerment solutions are delivered to satisfy the learning needs of different roles at different working stages, covering almost 60,000 people in accumulation. Our 972 lecturers offered suitable face-to-face training for employees at various levels, with 1,200 courses including another 6 topics. In addition, Ping An has conducted 1,004 training sessions across China, which is attended by trainees 30,029 times and about 45.5% of senior managers or higher executives also took part in the training.

#### Case

##### ▪ Live class by Ping An University

Ping An University introduced live classes in February and enriched them with its own systems. By way of distant learning, Ping An university met employees' demands for study and flexibly supported the talent training for the Company. In phase I (from February to May), in order to satisfy employees' training demand, it started live class to empower the training managers and 1000 plus part-time lecturers in the whole system and transform their style of lecturing; it also launched popular post-specific courses livestreaming for all employees so as to improve their skills.

In phase II (from June to December), as classroom programme was resumed, Ping An University decided to offer classes online and offline simultaneously. The live class was further enriched. For senior officials, Ping An University introduced "Asking the Way" series livestreaming, so they could discuss with well-known experts about the way of management; for junior and mid-level employees, it introduced live classes of "training" series in order to improve their skills and personal growth, as well as the development of employees at different levels.

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The average monthly score of overall service assessment was

**99** points

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Physical exam cover employees

**280,000**

## Employee caring

With the management mission of "career plan, joyful work and easy life", Ping An offers commercial insurance, high-end medical health insurance and family health checkup package and other benefits, so as to guarantee employees to realize their value in highly satisfactory environment.

Ping An provides different convenient services for employees covering contract signing, record-keeping, social security and provident fund affairs, human resources consultation, household registration service, foreign affairs service, certificates keeping, material review, salary service as well as basic information maintenance. In 2020, Ping An offered relevant services to 630,000 person-time and collected assessment results of 200,000 questionnaires. The assessment on service involved attitude, professionalism, systematic application, policy publicity and length. The average monthly score of overall service assessment was 99 points (100 points scale).

Ping An offers a health management platform, on which employees can directly conduct online consultation and hospital registration; we also provide physical examination services for employees on a regular basis and arrange professional doctors and teams to interpret employee physical examination report. Appointment is available in over 800 physical examination agencies across more than 240 cities covering over 280,000 employees. In light of the index frequently occurred on the past physical examination, Ping An provides a tailored package of services including standard, gynecological, endocrine, cardiovascular and cerebrovascular ones. Also, Ping An supports employees to upgrade the package service at their own expense and offers preferential packages for their families. As for abnormal indicators, the medical examination agencies inform the employees in the first time and allow free interpretation online for them.

Besides, Ping An has set up the Employee Assistance Program (EAP) which has now incorporated comprehensive services ranging from pressure management, occupational mental health, psychological intervention to healthy living. The purpose is to assist employees solve their personal problems and live and work with a positive mindset. Ping An has also established hotline for the mental health EAP service. Employees can make an direct appointment online and psychological counselors provide anonymous counseling services. They offered services 882 times this year, including topics such as mental health (500 times), marriage and relationships (124 times), workplace pressure (103 times), emotion management (51 times), parent-child relationship (26 times) and personal development (1 time).

#### ▪ Employee care during the pandemic

At the beginning of 2020, the sudden outbreak of COVID-19 brought huge challenges to our work. Although One of the crucial tasks was to promote the resumption of work and production, during this special period, it was even more important to safeguard the health rights of employees and care about their physical and mental health.

In order to contribute to the pandemic prevention and control, and the resumption of work and production, as well as the maintenance of the health rights of employees, the trade union of the Company thoroughly implemented the relevant guidelines across provinces and cities, proactively developed the pandemic prevention work mechanism in accordance with the deployment of the Party Committee of the Company. Moreover, the trade union made full use of the labor union system and teamed up with the functional departments to pay close attention to the progress of COVID-19.

The trade union proactively distributed disinfection materials and medical masks to Ping An employees, and conducted regular health examinations for employees on business trips while the Company conducted health lectures in various forms and offered medical consultation services. Especially when the pandemic became serious in Wuhan, the Company not only cared about the health of all employees, but also paid attention to the mental health counseling for those who were in the frontline and hard-hit areas in Wuhan. In this way, we ensured all employees returned to work and production and tried our best to guarantee workplace safety and health for employees to stay in the comfortable and assured office.

Apart from that, Ping An set up annual "special fund for pandemic control" worth of RMB2.55 million, covering the leaders at the pandemic control and prevention front-line, poverty alleviation leaders, all members in Ping An headquarters. That also met the actual needs of employees and leaders in important posts. Also, we timely collected facial masks, disinfectant, instant meals and other pandemic prevention materials to ensure the safety of workplace. We timely released related knowledge-based newsfeed on pandemic prevention and control for all employees via email, Happy Ping An and WeChat group to raise their awareness of risks. In this way, we could guarantee their security and enable them resume work safely in an exhaustive and multidimensional manner, thus achieving zero infection in Ping An workplace. All these efforts have made great contribution to the normal operation of each business line of the Company and the prevention of national financial risks.

# Appendix

- 6.1 Performance Report
- 6.2 Statement of the Board of Directors
- 6.3 Independent Third-party Assurance Report
- 6.4 Indexes
- 6.5 Feedback







# Performance Report

## A Listed Company with Integrity and Transparency

### Business Performance

Indicator	2020	2019	2018
Total assets (in RMB million)	9,527,870	8,222,929	7,142,960
Total income (in RMB million)	1,218,315	1,168,867	976,832
Operating profit (in RMB million)	155,670	147,722	125,804
Operating profit attributable to shareholders of the parent company (in RMB million)	143,099	149,407	107,404
Dividends per share (in RMB)	2.20	2.05	1.72
Earnings per share (in RMB)	8.10	8.41	6.02
Total remuneration paid (in RMB million)	61,379	59,144	49,902
Total tax paid (in RMB million)	103,576	118,300	121,324
Solvency adequacy ratio of the Group (%)	236.4	229.8	216.4
Insurance fund investment portfolio size (in RMB trillion)	3.74	3.21	2.79
Annualized return on investment(%)	5.1	5.2	5.2
Annualized total investment return(%)	6.2	6.9	3.7

### Corporate Governance

Composition of 2020 Board of Directors and Supervisory Committee (person)

Indicator	Board of Directors				Supervisory Committee			
	Executive Director(s)	Non-executive Director(s)	Independent non-executive Director(s)	Total	External Supervisor(s)	Shareholder Representative Supervisor(s)	Employee Representative Supervisor(s)	Total
Headcount	5	3	5	13	2	1	2	5

## Gender and Age Composition of 2019 Board of Directors and Supervisory Committee(%)

Indicator	Board of Directors					Supervisory Committee				
	By gender		By age			By gender		By age		
	Male	Female	Under 30	31-50	Above 50	Male	Female	Under 30	31-50	Above 50
Percentage	85	15	0	23	77	80	20	0	60	40

## Compliance and Risk Management

Indicator	2020	2019	2018
Compliance and internal control awareness raising activities coverage (%)	100	100	100
Risk management staff training coverage(%)	100	100	100

## Business Code of Conduct and Anti-Corruption

Indicator	2020	2019	2018
Coverage rate of anti-corruption education (%)	100	100	100
Coverage rate of trainings on anti-money laundering(%)	100	100	100
Number of non-compliance cases related to money laundering	0	0	0
Number of anti-corruption trainings	2,088	2,046	2,000
Attendance of anti-corruption trainings (million person)	3.12	3.57	12.13
Total training time of anti-corruption trainings of employees and agents (thousand hours)	912	728	
Rectification rate of issues identified in annual audit (%)	79	71	96
Verification rate of complaints received (%)	100	100	100

## Sustainable Supply Chain

## Supply Chain Overview

Indicator	2020	2019	2018
Number of suppliers	7,400	3,038	3,289

## Number of Suppliers by Category and Region

Indicator	2020
Number of service providers	5,865
Number of material suppliers	1,535
Number of suppliers in East China	2,648
Number of suppliers in North China	1,126
Number of suppliers in Central China	556
Number of suppliers in South China	1,462
Number of suppliers in Southwest China	693
Number of suppliers in Northwest China	422
Number of suppliers in Northeast China	458
Number of suppliers overseas	35

## ESG Performance of Suppliers

Indicator	2020
Average score of supplier assessment (100-point scale)	95.01
Total number of suppliers eliminated in this year	1,299
Coverage rate of ESG related trainings for suppliers (%)	0.22

## Information Security and AI Governance

Indicator	2020
Information security evaluation score (100-point scale)	88.1
Average employee information security training hours (hours)	3.8

## A Responsible Investor

### ESG Investment of Ping An (As of December 31, 2020, in RMB million)

Indicator	Equities	Bonds	Financial products	Mutual funds	Lease receivables
Green investment	28,982	16,032	38,015	57,987	4,260
Social and inclusive investment	30,032	463,773	380,476	335	55,916

### Green Credit and Inclusive Credit Statistics (As of December 31, 2020, in RMB million)

Indicator	2020
Total amount of green credit	94,867.32
Balance of green credit loan	35,896.79
Loan balance of inclusive credit	871,461.03

## A Trustworthy Company

### Performance of Sustainable Insurance Products (As of December 31, 2020)

Indicator	Environmental insurance <sup>(1)</sup>	Social insurance <sup>(2)</sup>	Inclusive insurance <sup>(3)</sup>
Premium income (in RMB million)	121	173,821	47,377
Insured amount (in RMB million)	120,199	381,219,430	11,215,527

Notes: (1) Environmental insurance includes environmental liability insurance, climate insurance, catastrophe insurance, and so on. (2) Social insurance includes liability insurance (eg. workplace safety insurance, food safety insurance, etc.), serious illness insurance, medical insurance, critical illness insurance, and so on. (3) Inclusive insurance includes agriculture insurance, insurance for rural areas, insurance for farmers, insurance for disability, minor insurance, small and micro-business operations insurance, and so on.

## Customer Service

Customer Service	NPS supporting indicator	2020	2019	2018
	NPS(%)	48	43	41
Ping An Group	Number of surveys triggered by NPS touchpoints (million)*	200.32	137.48	41.00
	Number of retail customers (million)	218.43	200.48	180.22
	Number of online customers (million)	598.04	515.50	443.59
Ping An Life	NPS (%)	41	38	33
	Rolling complaint rate in 12 months (%)	0.05	0.04	0.04
Ping An Property & Casualty	NPS (%)	71	69	56
	Per-case turnaround time for auto insurance claims under RMB10,000 (days)	11.30	11.23	13.10
	Auto claims payment ratio (%)	99.79	99.88	99.93
	Total number of claimed paid (million)	12.96	25.79	-
Ping An Health	NPS(%)	49	47	40
	Rolling complaint rate in 12 months (%)	0.002	0.01	0.01
	4-hour response rate of reservation (%)	97.48	91.40	98.69
Credit Card	NPS (%)	40	32	30
	Customer satisfaction	88	87	87
Ping An Annuity	NPS (%)	69	68	60
Puhui Financial	NPS (%)	25	23	32
	Complaint response rate (%)	99	99	94

\*In 2019, the Group's NPS product research was launched online, substantially increasing the number of surveys triggered.

## A Caring Corporate Citizen

### Resource consumption and emissions statistics

Indicator	2020	2019	2018
Total water consumption (tons)	26,831,408	9,279,226	1,173,304
Per-capita water consumption (tons)	74.20	24.62	21.82
Direct energy consumption			
Total natural gas consumption (cubic meters)	1,068,243	3,402,090	2,031,541
Total diesel consumption (liters)	4,243	174,898	-
Indirect energy consumption			
Workplace Electricity consumption (kWh)	527,951,472	732,249,926	155,732,102
Electricity consumption of data centers (kWh)	21,804,243	96,317,142	-
Per-capita electricity consumption (kWh)	1520.23	2,198.64	2,893.80
Greenhouse gases emission			
Total GHG emission (tCO <sub>2</sub> e)	530,299	797,251	197,904
Per-capita GHG emission(tCO <sub>2</sub> e/ person)	1.47	2.12	3.68
Solid waste produced (tons)	331,125	308,941	8,957

GHG emissions	2020
Scope 1 emissions(tCO <sub>2</sub> e)	2,114.51
Scope 2 emissions(tCO <sub>2</sub> e)	478,287.47
Scope 3 emissions(tCO <sub>2</sub> e)	49,897.43

### Paper Saved

Indicator	2020
Total paper consumption (tons)	6,764

Ping An's scope of its environmental operations data covers the Group headquarters and all subsidiaries. The scope 1 GHG emission in this report is referred to stationary source emissions. The scope 2 GHG emission is referred to converted electricity emission data (consumption of 1 kWh of electricity discharges 0.87 kilograms of CO<sub>2</sub>). The scope 3 GHG emission is referred to emissions from business travel by airplanes.

## An Attractive Employer

Indicator	2020	2019	2018
Total number of employees (ten thousand people)	36.16	37.69	37.69
Number of in-house staff (ten thousand people)	16.26	16.87	16.74
Number of sales agents (ten thousand people)	19.90	20.83	20.95
Number of life insurance agents (ten thousand people)	102.24	116.69	141.7

## Number of employees by categories

Indicator	2020	2019	2018
Number of regular employees (ten thousand people)	35.1	36	36.3
Number of informal employees (ten thousand people)	1.1	1.6	1.3
Percentage of informal employees (%)	3.03	4.39	3.54
Number of overseas employees	424	336	-

## Employee Diversity Statistics

Indicator	2020	2019	2018
Number of senior management	2,877	2,908	2,694
Number of female senior management	725	746	685
Number of ethnic minority senior management	111	103	100
Number of executive management	10	12	14
Number of female executive management	3	3	3
Number of ethnic minority employees	21,676	19,606	19,598

## Diversity by Gender

Indicator	2020	2019	2018
Male employees (%)	51.59	51.73	51.36
Female employees (%)	48.41	48.27	48.64



## Diversity by Age

Indicator	2020	2019	2018
Under 30 (%)	53.66	53.25	58.75
30 to 50 (%)	44.89	45.19	39.86
Above 50 (%)	1.45	1.56	1.39

## Diversity by Ethnicity

Indicator	2020	2019	2018
Han Chinese (%)	94.00	94.54	94.91
Other ethnic minorities (%)	6.00	5.46	5.09

## Education Background of Employees

Indicator	2019
Post-graduate (%)	7.58
College graduate (%)	53.22
Associate college degree (%)	34.43
Others (%)	4.76

### Minimum notice period for notifying major business change

For full-time employees with labor contracts, Ping An will communicate with employees at least one month in advance according to *Ping An Manual on Labor Management*.

### The standard starting salaries for remuneration in important operation locations compared to the range of local minimum salary

It is not mandatory to set a fixed ratio between the standard starting salaries of subsidiaries and the local minimum salary, but the Group has required all subsidiaries to set the remuneration in a lawful and compliant manner, to regularly understand market data and review the remuneration.

## Employee Average Compensation

Indicator	2020
Average compensation of male employees (in RMB)	244,311
Average compensation of female employees (in RMB)	202,312

## Employee Turnover

Indicator	2020
Employee turnover rate (%)	32.6
Male employee turnover rate (%)	33.6
Female employee turnover rate (%)	31.5
Turnover rate of employees under 30 (%)	41.3
Turnover rate of employees aged 31 to 50 (%)	18.7
Turnover rate of employees above 50 (%)	15.8
Turnover rate of employees in East China (%)	28.9
Turnover rate of employees in North China (%)	20.4
Turnover rate of employees in Central China	15.5
Turnover rate of employees in South China (%)	26.7
Turnover rate of employees in Southwest China (%)	43.0
Turnover rate of employees in Northwest China (%)	42.0
Turnover rate of employees in Northeast China (%)	38.2

## Over-time Policies and Expenses

Year	Expense	Polities
2020	RMB343 million, accounting for 0.40% of the labor costs	All subsidiaries have established and issued the overtime-management measures after democratic discussions were made by employees. The Company does not encourage or force employees to work overtime. Internal approval should be made if there is a need for overtime. If overtime occurs, overtime wages should be paid in accordance with the <i>Labor Law</i> .
2019	RMB337 million, accounting for 0.33% of the labor costs	
2018	RMB329 million, accounting for 0.40% of the labor costs	

## Employee Training

Indicator	2020	2019	2018
Coverage rate of face-to-face trainings of EXCO members and senior managers (%)	45.49	69.34	48.25
Coverage rate of face-to-face trainings of medium-level managers (%)	13.40	23.61	25.45
Coverage rate of face-to-face trainings of general management and employees (%)	7.49	11.50	10.95
Coverage rate of face-to-face trainings of male employees (%)	22.71	13.59	-
Coverage rate of face-to-face trainings of female employees (%)	22.24	12.04	-
Total attendance of face-to-face training (person)	30,029	48,400	44,411
Average per-capita hours of face-to-face trainings and online trainings per employee (hours)	33.19	11.94	9.21
Total employee training hours of face-to-face trainings and online trainings(hours)	12,068,696.28	4,498,886.87	3,340,220.70
Number of trainers of face-to-face courses (persons)	972	10.96	10.46

## Zhi Niao Learning Platform

Indicator	2019
Number of valid users on mobile phone (million)	36.24
Annual activity rate on mobile phone (%)	99.37
Highest monthly activity rate on mobile phone (%)	95.54
Total number of courses on mobile phone (ten thousand)	5.2
Number of playback on mobile phone (ten thousand times)	4,442.6
Number of online examinations taken (ten thousand times)	748.39
Number of hours of online training (ten thousand hours)	1,162.71
Attendance of online trainings (ten thousand person)	8.2

## Employee Health and Safety

Indicator	2020
Number of lost working days due to work related injuries (days)	411,546.46

## Statement of the Board of Directors

An ESG management function module was established at the Group Executive Committee level. The Board of Directors is responsible for overseeing, the Group Investor Relations & ESG Management Committee (“IR/ESG Committee”) under the Group Executive Committee is the management for ESG issues. The IR/ESG Committee holds ESG exchange conference twice a year, and it is responsible for developing overall ESG strategy, identifying and assessing ESG risks, examining and approving ESG management policies, auditing ESG plans and objectives and deliberating on ESG performance appraisal through the Group ESG Management Committee and the Group ESG Office.

Based on external social and economic macro environment and corporate development strategy, Ping An ESG management team dynamically assess the importance of ESG issues, discuss and determine the Company’s risks and opportunities in terms of environmental, social and corporate governance, and integrate the management and improvement of important issues into annual sustainability strategy

ESG risk management: Ping An has continuously optimized the ESG governance structure and controlled ESG risks within the Group system, and made systematic integration of ESG risks with the Group’s comprehensive risk management system. Functional departments at the Group headquarters and professional companies follow ESG policy requirements to improve daily ESG management; increase efforts to build integrity and discipline; strengthen ethical risk management of AI and other technologies, promote responsible product and compliance management, ensure comprehensive coverage of the governance system from top to bottom, and create Chinese ESG governance standards.

Poverty alleviation: In 2020, the company will push forward the “Three Villages Project” to the end, adhere to the ideas of intelligent poverty alleviation, precise help and long-term poverty alleviation, and realize the transformation from poverty alleviation to rural revitalization strategy.

Climate change response: Ping An continues to reduce the carbon footprint generated by its own operations, and through its professional climate change risk management system and sustainable insurance products, responsible investment and other businesses, it effectively manages the impact of climate change on the company itself, and leads other industries to transform their green development and respond to the call for carbon neutrality.

Financial services for national construction: Ping An actively participates in the construction of the "Belt and Road" and the real economy of the Greater Bay Area, serving the dual cycle of domestic and international economies, and playing the role of inclusive finance in supporting loans and financing for small and medium-sized enterprises, injecting momentum into the development of the real economy and helping to improve the quality of economic development.

Ping An's management practices and progresses in all the above work and other ESG issues as fully disclosed in this Report have been examined and approved by the Board of Directors in January, 2021.

# Independent Third-party Assurance Report




## Independent Assurance Report

### To the Board of Directors of Ping An Insurance (Group) Company of China, Ltd (the "Board of Directors"):

We have been engaged by the Boards of Directors of Ping An Insurance (Group) Company of China, Ltd (hereafter 'PING AN') to perform a limited assurance engagement on the information disclosed in Ping An 2020 Sustainability Report (hereafter 'the Sustainability Report') for the financial period from 1 January 2020 to 31 December 2020.

### Responsibilities of the Board of Directors

The Board of Directors is responsible for the completion and presentation (including reporting guidelines, limitations, reporting data and relevant identification procedures) of the Report compiled in accordance with the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited and by reference to GRI Standards of Global Reporting Initiative (GRI).

The Board of Directors is also responsible for determining the objectives in respect of sustainability performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders; establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived; and maintaining adequate records.

### Our Responsibilities

In accordance with the agreed terms with PING AN, we are responsible for performing a limited level of assurance engagement on the following selected data ("the Subject Matter") in the Sustainability Report, as well as evaluating whether there is any material misstatement of the ESG performance indicators disclosed in the Sustainability Report. Our work is only

for the Board of Directors, and for no other purposes. We do not assume responsibility or accept liability to any other person or third party for our work or the contents of this report. The selected data including:

- Workplace electricity consumption
- Total water consumption
- Total natural gas consumption
- Total diesel consumption
- Total paper consumption
- Low carbon's potential reduction
- Scope 3 emissions
- Solid waste produced
- Total number of employees
- Number of female senior management
- Number of female executive management of the Group
- Coverage rate of face-to-face trainings of male employees
- Coverage rate of face-to-face trainings of female employees
- Employee turnover rate
- Total poverty alleviation fund granted for "Village Officer"
- Low-income households supported
- Total number of village and township clinics upgraded
- Total number of village doctors trained
- Total number of village primary schools upgraded
- Total number of village teachers trained
- Cooperative suppliers
- NPS of Ping An Group
- Total volunteer hours from Ping An employees and agents
- Amount of philanthropy investments
- Total employee training hours on anti-corruption
- Anti-corruption events
- Coverage rate of anti-money laundering training
- Number of patent applications
- Premium income of environmental insurance
- Insured amount of environmental insurance
- Premium income of social insurance
- Insured amount of social insurance
- Premium income of inclusive insurance
- Insured amount of inclusive insurance
- Green investment of equities
- Green investment of financial products
- Green investment of mutual funds
- Social and inclusive investment of equities
- Social and inclusive investment of bonds

## Our Independence and Quality Control

We conducted our engagement in accordance with the independence and other ethical requirements in the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. We maintains a comprehensive system of quality control applying *International Standard on Quality Control 1*.

## Basis of Our Work

We conducted our work in accordance with *International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Federation of Accountants. We planned and performed our engagement to obtain all the information and evidence which we considered necessary to form conclusions.

## Procedures, Scopes and Limitations of Our Work

Our procedures performed included interviewing with PING AN's personnel responsible for collecting, compiling and reporting the information, analyzing the information obtained, and other procedures relevant to the collection of the appropriate evidences. Specifically we:

- Interviewed relevant staff responsible for providing the underlying data for the selected information, to understand the procedure of identifying stakeholders and material issues, including relevant internal control procedures.
- Reviewed data and supporting documents to understand the coverage of those identified material issues and how it is implemented at a corporate level.
- Established the Subject Matter and assurance standard in the independent and limited assurance on the Report with PING AN.
- Based on limited sampling, evaluated information or

explanations about selected data, statements and assertions in the Report in accordance with our work results, and as well as the reporting systems and processes of related to the selected information.

- We performed above onsite work at Shenzhen and Shanghai headquarters of PING AN.

In a limited assurance engagement, the evidence gathering procedures are less in scope than a reasonable assurance engagement. Accordingly, we do not express an opinion on the effectiveness of any of the PING AN's management systems, business processes, and related financial performance data.

We only performed above assurance work at Shenzhen and Shanghai headquarters of PING AN, not including any branches and subsidiaries, we did not interview with external stakeholders. Moreover, the scope of this work does not include historical comparative data and financial data.

## Our Conclusions

Based on our work performed, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the Subject Matter in the Sustainability Report.

This is translation of the Chinese language version of the Independent Assurance Report. If there is any conflict between the Chinese and English version, the Chinese version will prevail.

Deloitte Touche Tomatsu Certified Public Accountants LLP



24 February 2021

# Indexes

## ESG Content Index of HKEX

	ESG Indicators	Status of disclosure	References
A1: Emissions	General disclosure	Disclosed	94
	A1.1	Disclosed	109
	A1.2	Disclosed	109
	A1.3	Not Applicable	-
	A1.4	Disclosed	109
	A1.5	Disclosed	94
	A1.6	Disclosed	94
A2: Use of Resources	General disclosure	Disclosed	94
	A2.1	Disclosed	109
	A2.2	Disclosed	109
	A2.3	Disclosed	94
	A2.4	Disclosed	94
	A2.5	Not Applicable	-
A3: The Environmental and Natural Resources	General disclosure	Disclosed	88-89,94
	A3.1	Disclosed	88-89,94
Social Employment and Labour Practices — B1: Employment	General disclosure	Disclosed	97
	B1.1	Disclosed	110-111
	B1.2	Disclosed	110-111
Social Employment and Labour Practices —B2: Health and Safety	General disclosure	Disclosed	100
	B2.1	Not Disclosed	-
	B2.2	Disclosed	113
	B2.3	Disclosed	100



	ESG Indicators	Status of disclosure	References
Social Employment and Labour Practices —B3: Development and Training	General disclosure	Disclosed	98-99
	B3.1	Disclosed	113
	B3.2	Disclosed	113
Social Employment and Labour Practices —B4: Labor Standards	General disclosure	Disclosed	97
	B4.1	Disclosed	97
	B4.2	Disclosed	97
Operating Practices — B5: Supply Chain Management	General disclosure	Disclosed	49,76
	B5.1	Disclosed	105-106
	B5.2	Disclosed	76,106
Operating Practices — B6: Product Responsibility	General disclosure	Disclosed	76,82,86-91
	B6.1	Not Applicable	-
	B6.2	Disclosed	90,108
	B6.3	Disclosed	61
	B6.4	Not Applicable	-
	B6.5	Disclosed	77,106
Operating Practices — B7: Anti-corruption	General disclosure	Disclosed	73-74
	B7.1	Not Disclosed	-
	B7.2	Disclosed	73-74,105-106
Community — B8: Community Investment	General disclosure	Disclosed	50-51,96
	B8.1	Disclosed	18-34,50-51,96
	B8.2	Disclosed	18-34,96

## GRI Standard Index

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 102	102-1	Name of the organization	Disclosed	10
GRI 102	102-2	Activities, brands, products, and services	Disclosed	10
GRI 102	102-3	Location of headquarters	Disclosed	125, Back Cover
GRI 102	102-4	Location of operations	Disclosed	10
GRI 102	102-5	Ownership and legal form	Disclosed	10
GRI 102	102-6	Markets served	Disclosed	10
GRI 102	102-7	Scale of the organization	Disclosed	10
GRI 102	102-8	Information on employees and other workers	Disclosed	10,110-111
GRI 102	102-9	Supply chain	Disclosed	49,76
GRI 102	102-10	Significant changes to the organization and its supply chain	Disclosed	49,76
GRI 102	102-11	Precautionary principle or approach	Disclosed	40-44
GRI 102	102-12	External initiatives	Disclosed	45-49
GRI 102	102-13	Membership of association	Disclosed	45-49
GRI 102	102-14	Statement from senior decision-maker	Disclosed	7-8,114-115
GRI 102	102-15	Key impacts, risks, and opportunities	Disclosed	40,50-51
GRI 102	102-16	Values, principles, standards, and norms of behavior	Disclosed	38
GRI 102	102-17	Mechanisms for advice and concerns about ethics	Disclosed	38-39,69-70
GRI 102	102-18	Governance structure	Disclosed	39
GRI 102	102-19	Delegating authority	Disclosed	39
GRI 102	102-20	Executive-level responsibility for economic, environmental and social topics	Disclosed	39
GRI 102	102-21	Consulting stakeholders on economic, environmental, and social topics	Disclosed	45-49
GRI 102	102-22	Composition of the highest governance body and its committees	Disclosed	39

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 102	102-23	Chair of the highest governance body	Disclosed	Corporate Governance Report chapter in the annual report
GRI 102	102-24	Nominating and selecting the highest governance body	Disclosed	Corporate Governance Report chapter in the annual report
GRI 102	102-25	Conflicts of interest	Disclosed	Corporate Governance Report chapter in the annual report
GRI 102	102-26	Role of highest governance body in setting purpose, values, and strategy	Disclosed	39,69-70
GRI 102	102-27	Collective knowledge of highest governance body	Disclosed	39,69-70
GRI 102	102-28	Evaluating the highest governance body's performance	Not Disclosed	-
GRI 102	102-29	Identifying and managing economic, environmental, and social impacts	Disclosed	38,40,50-51
GRI 102	102-30	Effectiveness of risk management processes	Disclosed	40-44
GRI 102	102-31	Review of economic, environmental, and social topics	Disclosed	38,40,82-96
GRI 102	102-32	Highest governance body's role in sustainability reporting	Disclosed	39,114-115
GRI 102	102-33	Communicating critical concerns	Disclosed	40,50-51
GRI 102	102-34	Nature and total number of critical concerns	Disclosed	40,50-51
GRI 102	102-35	Remuneration policies	Disclosed	Directors, Supervisors, Senior Management and Employees chapter in the annual report
GRI 102	102-36	Process for determining remuneration	Disclosed	Directors, Supervisors, Senior Management and Employees chapter in the annual report
GRI 102	102-37	Stakeholders' involvement in remuneration	Not Disclosed	-
GRI 102	102-38	Annual total compensation ratio	Not Disclosed	-
GRI 102	102-39	Percentage increase in annual total compensation ratio	Not Disclosed	-

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 102	102-40	List of stakeholder groups	Disclosed	38
GRI 102	102-41	Collective bargaining agreements	Not Disclosed	-
GRI 102	102-42	Identifying and selecting stakeholders	Disclosed	38
GRI 102	102-43	Approach to stakeholder engagement	Disclosed	38,50-51
GRI 102	102-44	Key topics and concerns raised	Disclosed	40
GRI 102	102-45	Entities included in the consolidated financial statements	Disclosed	6
GRI 102	102-46	Defining report content and topic boundaries	Disclosed	6
GRI 102	102-47	List of material topics	Disclosed	40
GRI 102	102-48	Restatements of information	Disclosed	6
GRI 102	102-49	Changes in reporting	Disclosed	6
GRI 102	102-50	Reporting period	Disclosed	6
GRI 102	102-51	Date of most recent report	Disclosed	6
GRI 102	102-52	Reporting cycle	Disclosed	6
GRI 102	102-53	Contact point for questions regarding the report	Disclosed	125
GRI 102	102-54	Claims of reporting in accordance with the GRI Standards	Not Disclosed	-
GRI 102	102-55	GRI Content Index	Disclosed	120-124
GRI 102	102-56	External assurance	Disclosed	116-117
GRI 103	103-1	Explanation of the material topic and its boundary	Disclosed	6,40
GRI 103	103-2	The management approach and its components	Disclosed	39-44
GRI 103	103-3	Evaluation of the management approach	Disclosed	39
GRI 201	201-1	Direct economic value generated and distributed	Disclosed	18-19,54-60,104
GRI 201	201-2	Financial implications and other risks and opportunities due to climate change	Disclosed	70-91
GRI 201	201-3	Defined benefit plan obligations and other retirement plans	Disclosed	15
GRI 201	201-4	Financial assistance received from the government	Not Disclosed	-

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 202	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Disclosed	112
GRI 202	202-2	Proportion of senior management hired from the local community	Not Disclosed	-
GRI 203	203-1	Infrastructure investments and services supported	Disclosed	54-60
GRI 203	203-2	Significant indirect economic impacts	Disclosed	18-19,54-60
GRI 205	205-1	Operations assessed for risks related to corruption	Disclosed	73-74
GRI 205	205-2	Communication and training about anti-corruption policies and procedures	Disclosed	73-74
GRI 205	205-3	Confirmed incidents of corruption and actions taken	Not Disclosed	-
GRI 302	302-1	Energy consumption within the organization	Disclosed	109
GRI 302	302-2	Energy consumption outside of the organization	Disclosed	109
GRI 302	302-3	Energy intensity	Disclosed	109
GRI 302	302-4	Reduction of energy consumption	Disclosed	109
GRI 302	302-5	Reductions in energy requirements of products and services	Not Disclosed	-
GRI 305	305-1	Direct (Scope 1) GHG emissions	Disclosed	109
GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	Disclosed	109
GRI 305	305-3	Other indirect (Scope 3) GHG emissions	Disclosed	109
GRI 305	305-4	GHG emissions intensity	Disclosed	109
GRI 305	305-5	Reduction of GHG emissions	Disclosed	94
GRI 305	305-6	Emissions of ozone-depleting substances (ODS)	Not Applicable	-
GRI 305	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not Applicable	-
GRI 306	306-1	Water discharge by quality and destination	Not Disclosed	-
GRI 306	306-2	Waste by type and disposal method	Disclosed	94,109
GRI 307	307-1	Non-compliance with environmental laws and regulations	Disclosed	No non-compliance in the year

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 308	308-1	New suppliers that were screened using environmental criteria	Disclosed	76
GRI 308	308-2	Negative environmental impacts in the supply chain and actions taken	Disclosed	76
GRI 401	401-1	New employee hires and employee turnover	Disclosed	112
GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	112-113
GRI 401	401-3	Parental leave	Not Disclosed	-
GRI 402	402-1	Minimum notice periods regarding operational changes	Disclosed	112
GRI 404	404-1	Average hours of training per year per employee	Disclosed	113
GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs	Disclosed	97-101
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews	Disclosed	97
GRI 405	405-1	Diversity of governance bodies and employees	Disclosed	62,105
GRI 405	405-2	Ratio of basic salary and remuneration of women to men	Disclosed	112
GRI 414	414-1	New suppliers that were screened using social criteria	Disclosed	76
GRI 414	414-2	Negative social impacts in the supply chain and actions taken	Not Disclosed	-

# Feedback

Thank you for your support for the improvement of our corporate sustainability practices. We are looking forward to hearing your feedback via email or phone call.

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In order to provide you and other stakeholders with professional and valuable sustainability information and further improve the quality of our sustainability reporting, please give us your feedback and comments regarding the questions in the feedback form below through following channels:

- By mail (Please write "sustainability report feedback" on the envelope.)
- By email (Please label the subject "sustainability report feedback".)
- By Telephone

Are you pleased with this report? Please give us your feedback and comments.

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What do you think of the completeness of the disclosure of our corporate sustainability performance in this report?

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Does this report provide enough disclosure regarding the issues that you are interested in? And what are these issues?

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Do you think the length of this report is adequate?

## Your information

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Fax: \_\_\_\_\_

Company: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

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Do you think the content structure and illustration of this report are reasonable? Any suggestions for improvement?

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Do you like the design of this report? Any suggestions for improvement?

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What are your suggestions for the disclosure of our corporate sustainability performance?



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