

2024

CPIC Climate Change Report

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Foreword >>>>

Frequent extreme weather events in recent years have turned climate change from a future challenge into a real crisis. Green and low-carbon transition is seen as an imperative by the global community. Nations, governments, corporations and civil societies are intensifying climate mitigation efforts to reduce carbon emissions and promote green transformation. As a key player in socio-economic risk management, insurers serve not only as "risk mitigator" for climate risks but also as "enabler" of green transition. In response to China's "dual-carbon" strategy, we deepened innovation in green insurance, green investment, and green operations, leveraging our financial power to support the low-carbon transition of the economy and society.

In 2024, CPIC enhanced its climate governance framework, launched insurance business related climate stress testing, strengthened quantitative climate risk management capabilities, and diversified innovative green insurance offerings to support green transition. Moreover, we improved our investment management framework to further integrate ESG factors into the entire investment process; boosted green investments by exploring opportunities in renewable energy and green industries to accelerate the development of low-carbon industries. To promote green operation, we established a carbon management system, implemented energy-saving and carbon emission reduction measures, and explored digital low-carbon management solutions to reduce our carbon footprint.

The report showcases our latest progress in climate governance, strategic actions, risk management, and target-setting. With this report, we hope to engage stakeholders in exploring green development pathways, building consensus, and strengthening collaboration to jointly tackle climate challenges.

Moving forward, CPIC will further boost green development, deepen integration between finance and sustainable development, enhance climate resilience, and work with all stakeholders to jointly strive for a green, low-carbon and sustainable future.

About CPIC >>>>

China Pacific Insurance (Group) Co., Ltd. ("CPIC" or "the Company") is an insurance conglomerate incorporated on the basis of the former China Pacific Insurance Co., Ltd., which was founded on May 13, 1991. Based in Shanghai, CPIC is a leading composite insurer in China. It is also the first Chinese insurer simultaneously listed on the stock exchanges of Shanghai, Hong Kong and London (A+H+G). With a wide range of insurance-related licenses, including property and casualty insurance, life insurance, pension, health insurance, agricultural insurance and asset management, CPIC provides comprehensive risk solutions, wealth planning and asset management services to over 180 million customers.

The Company stays focused on insurance business, vigorously pursues reform and transformation in key areas to improve development quality, with sustained improvement in overall strength. In 2024, its operating income amounted to RMB404.089 billion, up by 24.7% year on year; OPAT reached RMB44.960 billion, a growth of 64.9% year on year; as of the end of 2024, Group AuM stood at RMB3,542.660 billion. Our MSCI ESG rating improved considerably to AA, testifying to leading performance in sustainable development among global peers.

Going forward, the Company will stay committed to China's national strategies, the real economy, and people's well-being. We will leverage our professional insurance expertise and continue to deliver in China's promotion of the financial industry in five major areas, boost the development of new-quality productive forces, and collaborate with strategic partners along the insurance value chain to jointly advance sustainable economic and social development. With a vision of "building a top-notch insurance and financial services group with global influence," we will continue to create value for shareholders and contribute to a better life for customers and the society at large.

'2024 · Our Climate Action Achievements

· Green insurance

Total sum assured (SA) of green insurance exceeded RMB **147** trillion

Developed **34** industry-first green insurance products, including **7** in 2024

Total SA of catastrophe insurance exceeded RMB**970** billion

Total SA of clean energy projects exceeded RMB**20** trillion

Provided insurance coverage to over **4.6** million new energy vehicles

Pioneered in **mangrove CCER insurance** model

Issued China's first **shipping decarbonisation insurance policy**

Issued China's first **carbon asset repurchase credit insurance policy**

Launched China's first "**carbon-neutral conference + carbon sink insurance**" service package

· Green operation

Our operational carbon emissions targets¹:

20% reduction in total carbon emissions by 2028 compared to 2023 levels

Scope 1 greenhouse gas emission intensity: **10.96** tonnes CO₂e/RMB100 million, a **19.59%** drop compared to 2023 levels

Scope 2 greenhouse gas emission intensity: **42.11** tonnes CO₂e/RMB100 million, a **32.10%** drop compared to 2023 levels

In 2024, our HQ office building achieved approximately **150,000** kWh of electricity savings through HVAC system optimisation, **30,000** kWh of savings via heat recovery systems, and conservation of **400** tonnes of water through rainwater harvesting systems.

Notes:

1. Based on investment's market value at net price as of December 31, 2023.

2. Statistics of operational carbon emissions cover emissions in Scope 1 (stationary sources, mobile sources, refrigerants, fire extinguishers), Scope 2 (corporate electricity, heating), and Scope 3 (external procurement, business travel). Based on consolidated financial statements (excluding CPIC Home retirement communities and rehabilitation hospital).

· Green investment

Over RMB**260** billion in total green investments

Carbon intensity of **equity** assets²: **38.74** tCO₂e / RMB1 million of AuM

Carbon intensity of **bond** assets²: **24.59** tCO₂e / RMB1 million of AuM

· Climate risk management

We aligned risk appetite statements and risk limits with climate risk management requirements to further **integrate climate factors into the enterprise risk management framework**.

We established climate risk management standards, policies and procedures for key sectors including **renewable energy and agricultural insurance**; enhanced **smart climate risk control capabilities** through catastrophe modeling and systems.

We conducted **climate scenario analysis and stress testing**, developed a climate risk assessment model adapted for Chinese insurers by combining IPCC international scenarios with localised Chinese data, with quantitative analysis of impacts of typhoons and rainstorms on **commercial property insurance, engineering insurance, agricultural insurance and auto insurance businesses**.





Governance



Governance
structure



Capacity
building



Evaluation
mechanism

Governance >>>>

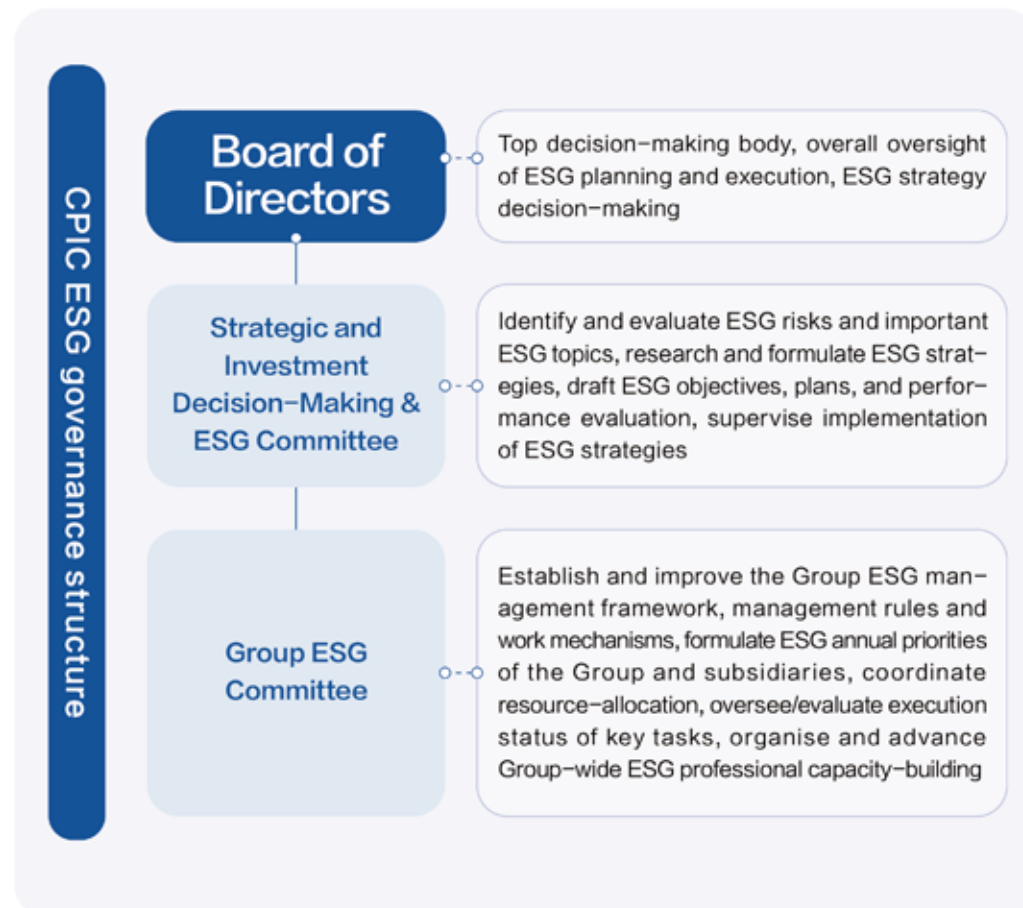
• Governance structure

Sustainable development being part of our corporate strategy, we put in place a complete ESG governance structure integrating the decision-making body (the board of directors), the management and execution, with clearly defined roles and responsibilities. Our climate change governance aligns with our overall ESG governance structure.

At the board level, the Company amended the Work Rules on Board Strategy and Investment Decision-Making & ESG Committee to specify responsibilities of the special committee in oversight of ESG strategy implementation, identification and assessment of ESG risks.

At the management level, the Group ESG Committee convened 5 meetings in 2024 and reviewed 37 agenda items, which defined annual ESG priorities and CSR performance metrics for business lines/subsidiaries, strengthened closed-loop management mechanisms, and enhanced the integration of climate response and the insurance business.

At the execution level, all relevant departments systematically advanced the implementation of annual ESG priorities to improve climate risk response and boost high-quality development of green finance.



Resolutions or reports on ESG matters reviewed by the board

February 2024	The Resolution on Amending the Work Rules of the Strategic and Investment Decision-making & ESG Committee of China Pacific Insurance (Group) Co., Ltd.
March 2024	The Resolution on the 2023 Sustainability Report of China Pacific Insurance (Group) Co., Ltd. The 2023 Green Finance (ESG) Development Report of China Pacific Insurance (Group) Co., Ltd.
August 2024	The Report on the Progress of Key ESG Work for the First Half of 2024 of China Pacific Insurance (Group) Co., Ltd.



• Capacity building

Improving ESG system

The Company improved ESG-related digital platforms to enhance ESG management.

At the Group level, the Company independently developed an in-house carbon footprint management platform for its operation, continued to update Company-wide carbon accounting standards and emission factor databases to enhance operational carbon management capabilities; optimised the ESG investment analysis system, and added modules including for investment stewardship on top of existing ones such as ESG scoring & ratings, risk event alerts & assessment, asset labelling & analytics, portfolio carbon footprint measurement and ESG screening, which improved the smartness and standardization of our ESG investment processes.

Our subsidiaries continuously enhanced the labelling function of their insurance business systems so that the green insurance statistical system can be smarter. Our integrated investment research platform supports panoramic ESG portfolio visualization, including statistical service of asset holdings for ESG ratings and ratings distribution analysis, which helped to strengthen our ESG investment management.

Deepening ESG research

In 2024, CPIC advanced research on green finance, ESG-related topics and climate risk management. Our research project "Climate Risk Transmission Mechanisms and Their Impact on Insurers" qualified funding from the Insurance Society of China (ISC). We participated in the drafting and revision of the supplementary documents for the "Environmental, Social, and Governance (ESG) Disclosure Guidelines for Insurance Institutions" issued by the Insurance Association of China (IAC), and joined relevant research initiatives sponsored by regulators and stock exchanges, providing professional support to the development of a sustainable disclosure framework with Chinese characteristics.

Our subsidiaries conducted ESG- and climate-related research in line with their respective areas of specialisation. CPIC P/C was granted the second prize of the "2024 Outstanding Research Achievement Awards" by Shanghai SASAC for its innovative study in "Risk Mitigation Model for Renewable Energy". Changjiang Pension published a research report entitled "ESG Investing from a Pension Asset Manager's Perspective" in the China Insurance Asset Management journal.

Case

CPIC and Fudan University jointly set up Green Insurance Research Institute under Fudan Academy of Insurance Application and Innovation

In September 2024, Fudan University and CPIC jointly held the Inauguration Ceremony for the Green Insurance Research Institute under the Fudan Academy of Insurance Application and Innovation. The institute combines Fudan's academic strength in green and low-carbon research with CPIC's experience in green insurance innovation. The outfit focuses on applied research in green insurance strategies, and seeks to provide theoretical support and practical guidance for the green transformation of the insurance industry, thus contributing to the development of a sustainable financial ecosystem.



Inauguration Ceremony of the Green Insurance Research Institute under the Fudan Academy of Insurance Application and Innovation

Strengthening ESG training

The members of the Company's ESG Committee are equipped with necessary knowledge and experience in climate change, which enabled them to provide professional support for the Company's climate-related decision-making. Furthermore, we organized informative training activities in diverse forms and shapes to help employees at all levels improve their ESG- and climate-related capabilities.

The Company continuously updates its online ESG training programme – the "Sustainability Classroom". In 2024, 10 new courses were added to the programme, covering hot topics such as ESG invest-

ing, ISSB standards and carbon markets, as part of the effort to enrich learning resources on climate change and ESG.

As for offline training, we arranged investment-related thematic sessions, particularly ESG investment management and climate risk analytical framework, and engaged third-party institutions in training on carbon accounting tools and use of ESG information to optimise investment decisions. On the side of the insurance business, we adapted to needs of our subsidiaries and offered courses on topics such as green insurance and the integration of ESG with life insurance, cultivating an ESG talent pool.

Case CPIC P/C continues to boost competence in green insurance

CPIC P/C established a Green Insurance Strategy Implementation Task Force to enhance employee professional competence. It launched the "Green Insurance Research Society", an online learning platform, which offers over 10 specialised courses covering insurance innovation in carbon finance, new energy related insurance product/service innovation, general knowledge of green insurance, green product certification, carbon footprint and carbon labelling.



Evaluation mechanism

CPIC makes continuous effort to optimise its ESG incentive and constraint mechanisms. It established the KPI system for annual evaluation of social responsibility performance for both the Group and its key subsidiaries. It also linked the performance-based pay of executive directors and senior management with performance on ESG metrics.

In 2024, as per regulatory requirements and its ESG strategic goals, the Company developed climate-related KPIs for both the Group and subsidiaries along the dimensions of carbon emissions target-setting, ESG risk management system, capacity-building for green insurance risk management, and carbon accounting of investment portfolios, aiming to step up efforts in the area and enhance capabilities in climate response.





Strategy 02



Climate
strategy



Policies and
regulations



Industry exchange
and collaboration

Strategy >>>>

Climate strategy

CPIC formulated the Environmental, Social and Governance Plan (2023–2025), which specifies the Company's overall ESG strategy and implementation pathways, such as leveraging its insurance expertise to boost green insurance and climate risk management, supporting green and low-carbon transition of the economy and society, mitigating climate change impact, enhancing adaptability to climate change, and improving the climate resilience of stakeholders along the industry value chain, in a bid to become a leader in sustainable development of the industry.

ESG strategic goals of CPIC

Improve ESG governance and embed ESG concepts into its corporate values and business practices.

Build an industry-leading sustainable financial product and service system, with sustained efforts to enhance the supply of environment-friendly financial products and services to improve people's well-being and social governance.

Establish a low-carbon and energy-saving operational model, optimise energy consumption and reduce carbon emissions of asset portfolios.

Shape ESG culture and build ESG brand to enhance sustainable development capabilities for the future.

"Addressing climate change to help achieve dual-carbon goals" has been integrated into our 3-year ESG plan, which aims to build a climate change management system to enhance our climate response.

We will continue to improve our climate change governance structure, integrate climate change into our strategic management framework, strengthen capacity building and research into climate response policies and climate-related topics, step up exchanges and cooperation, and optimise climate response strategies and action plans.

To promote China's green social and economic transition, we will focus on risk underwriting and investment, accelerate R&D of green finance products / services and launch more green finance products with a "real impact" on the market. We are committed to providing insurance and financial support for economic activities that are environment friendly and conducive to climate response and efficient use of resources. We will also strengthen the identification, assessment and management of high-carbon assets, and gradually reduce the carbon emissions intensity of asset portfolios.

We will improve our climate risk management systems and capabilities, optimise climate risk management policies, mechanisms and processes, strengthen the identification, mea-

surement, monitoring, assessment and mitigation of climate change risks, and empower climate risk management with technology such as big data, block-chain and artificial intelligence.

Policies and regulations

Insurance business

To ensure orderly development of its green insurance business, CPIC P/C formulated the "2022–2024 Sustainable (Green) Insurance Strategic Planning and Implementation Programme," "Interim Guidelines for Sustainable (Green) Insurance Standards" and "Guidelines for Sustainable Development of Green Insurance".

CPIC Life drafted the ESG Work Plan (2023–2025), which specifies the guiding principles, objectives and implementation paths at the strategic level; and formulated the Environmental, Social, and Governance (ESG) Management Measures, which defines the ESG governance structure, management responsibilities and division of duties.

CPIC Health drew up the Environmental, Social and Governance (ESG) Management Measures, which is the general framework for work in ESG and green finance covering organisational management, implementation, internal control, and investment management.

Investment business

CPIC continued to enhance its management framework for responsible investing, formulated and released the Policy on Responsible Investing of China Pacific Insurance (Group) Co., Ltd and Rules on ESG Investment Management, which defined ESG investment standards and strategies and provided clear guidelines for implementing ESG investment. In 2024, it developed the Guidelines for Investment Stewardship to promote integration of ESG factors across the entire process of investment.

Our subsidiaries stepped up efforts to build a system of ESG investment management. CPIC AMC formulated the Rules on Green Finance Investment Management and Rules on ESG Investment Pools, and put in place an ESG screening mechanism to integrate ESG and green finance factors into investment decision-making processes. Changjiang Pension fully incorporated ESG factors into its management policies on mutual funds and fund-type products, non-standard products, as well as follow-up management of non-standard products. CPIC Capital enhanced end-to-end ESG investment management, drafted the Regulations on ESG Investment Management, formulated ESG due diligence checklists and negative lists for projects, with follow-ups on implementation status.

Business operations

As per Guidelines on Green Operation of Self-use Office Buildings at Group Headquarters, the Company implemented specific measures on daily energy consumption management, innovative energy-saving initiatives, and energy-efficient technology applications to enhance sustainable operation of its workplaces.

In 2024, the Company formulated the Regulations on Operational Carbon Inventory, which defines the roles of all Group departments and subsidiaries in carbon inventory reporting, the frequency and timelines for data submission and verification, in a bid to standardize carbon inventory management workflows and enhance the quality of carbon emissions data; it also drafted the Policies on Supplier Management and Implementation Rules on Centralized Procurement Supplier Management, which integrated ESG factors into supplier evaluation, selection and performance assessment and helped to strengthen sustainable supply chain management.

All CPIC subsidiaries set up task forces for green operations and energy conservation & carbon emissions reduction on workplaces, and developed rules on green operation to boost decarbonization efforts. CPIC P/C compiled the Low-Carbon Operations Manual to promote the integrated "finance + physical assets + carbon emissions" management model. CPIC Life issued the Notice on Implementing ESG Principles to Boost Green Administration, which set forth annual carbon emissions reduction targets and operational requirements.

Promoting industry exchange and collaboration

CPIC is committed to building a global network of collaboration to drive international dialogue and exchanges in climate governance, ESG practices and sustainable development.

Case All-around participation in 2024 ESG Global Leaders Summit

As a Special Partner of the 2024 ESG Global Leaders Summit, CPIC was deeply involved in the whole event—from voicing its opinions in public to exchanging views with other participants, which underscored CPIC's strong resolve to address climate change.

At the opening ceremony of the event, Mr. Fu Fan, chairman of CPIC, delivered a keynote speech titled "Leverage Insurance to Address the Shared Challenge of Climate Change". He highlighted the pivotal role of the insurance industry in climate change mitigation and talked about CPIC's efforts and achievements in innovating climate-related insurance products, scaling up financial support for green and low-carbon industries and enhancing social and economic climate resilience.



CPIC Chairman Fu Fan delivered a keynote speech at the 2024 ESG Global Leaders Conference opening ceremony

During the event, the Company hosted visits from the delegation of the 2024 ESG Global Leaders Summit. Over 20 senior representatives from the summit organiser, Swiss Re, CDP, World Resources Forum and East West Bank visited CPIC for a deep-dive session on CPIC ESG governance framework, ESG investment strategies, and innovations in green insurance solutions, as well as high-level discussions with CPIC management on global ESG investment trends and their implications for corporate sustainability. The session concluded with closing remarks by Mr. TU Guangshao Co-Chair of the ESG Leaders Forum, who recognised CPIC's ESG efforts and achievements.



Delegation of 2024 ESG Global Leaders Summit visits CPIC

CPIC has been an active participant of international exchanges organised by leading institutions such as the UN Environment Programme Finance Initiative (UNEP FI), the Principles for Responsible Investment (PRI), and the Principles for Sustainable Insurance (PSI). As the sole Chinese signatory representative, CPIC's Chief Investment Officer regularly attends PRI's Asset Owner Advisory Council meetings, engaging in in-depth dialogues with global peers on emerging trends and best practices in ESG investment.

Case CPIC and PRI co-host seminar on ESG investment

In May 2024, CPIC co-hosted a closely-door workshop on ESG investment with the UN PRI, bringing together JP Morgan Asset Management, PICC Asset Management, E Fund Management, and Fullgoal Fund. The event featured in-depth discussions on external manager evaluation, carbon accounting, and climate data applications, while CPIC shared its experience and achievements in ESG investing and climate risk management.



Workshop on ESG Investment co-hosted by CPIC and PRI

Case Participating in UNEP FI round-table meeting on green finance

In June 2024, CPIC participated in a closed-door round-table on green finance organized at the invitation of UNEP FI. As the Chinese signatory representative of the Principles for Sustainable Insurance (PSI), CPIC delivered a keynote speech sharing its exploratory efforts and achievements in enhancing climate governance systems, strengthening risk management capabilities and innovating product offerings.



CPIC attends round-table meeting of UNEP FI signatories

In 2024, Changjiang Pension participated in the 2024 Insurance Sustainable Investment Forum and shared its experience in sustainable investment strategies. It hosted multiple sessions under the Investment Research Masterclass series, which engaged third-party outfits for discussions on ESG topics, including in-depth exchanges with consulting firms on climate risk management and scenario analysis methodologies. CPIC AMC took part in the ESG investment symposium organised by the SSE Research Institute, carried out substantive discussions with industry experts on the theme of "Optimising ESG governance to advance ESG investing" and offered professional insights.





Risk Management 3



Climate-related risks and opportunities



Incorporating climate risk into enterprise risk management



Climate risk response



climate scenario analysis and stress testing

Risk Management >>>>

Climate-related risks and opportunities

Climate-related risks

Physical risks

Short-term risks	Time frame: short medium and long term	Severity of impact on CPIC: high
<p>Underwriting business: Frequent occurrences and concurrences of extreme weather events and natural disasters such as heavy rainfall, flooding, typhoons and heat waves may expose us to higher claims payouts, especially in more vulnerable property and casualty business including auto, non-auto, and agricultural insurance. In addition, extreme weather events may increase reinsurance prices, which in turn would drive up the cost of liabilities.</p> <p>Investment business: Our investments in infrastructure and real estate are vulnerable to extreme weather events, and the value of asset portfolios will fall if the underlying investments are affected by natural disasters.</p> <p>Operations: Extreme weather events pose a threat to the health and safety of our workplaces and employees, especially field agents.</p>		
Long-term risks	Time frame: mid / long-term	Severity of impact: medium-high
<p>Underwriting business: In the long term, climate change may lead to risks such as rising sea levels and temperatures, changes in soil productivity, and water scarcity. Apart from material losses, it may even cause health problems. For example, key actuarial assumptions such as mortality and morbidity could all change due to climate change, which may also lead to mental health issues (anxiety and post-traumatic stress), and that in turn could result in rising underwriting risks for both life and health insurance businesses.</p> <p>Investment business: With rising sea levels and frequent regional extreme weather events, a bigger share of investment portfolios may be affected, and insurers may face the risk of accelerated asset impairment.</p>		

Transition risks

Regulatory and legal risks	Time frame: short, medium and long term	Severity of impact: medium
<p>Underwriting and investment business: With tightening of climate-related regulatory and legal requirements, traditional industries are under increasing cost pressures for a low-carbon transition. Given more stringent regulations on risk prevention and control, insurers need to invest more resources to enhance their risk management capabilities. For example, they must strengthen risk management of customers, carry out due diligence and effective post-investment management, which means rising operating costs. Compared with underwriting business, investment business faces greater transition risks. The financial performance of companies in their investment portfolio (e.g., high-emission and high-pollution industries) may deteriorate, and insurers may face higher default risk, lower valuation and poor liquidity.</p> <p>Operations: China is gradually improving green building standards and tightening low-carbon operation requirements, and as we own more properties, we will need to invest more to achieve low-carbon operation.</p>		
Technology risks	Time frame: mid / long-term	Severity of impact: medium-high
<p>Underwriting business: As China implements the "dual-carbon" strategy, more industries have embarked on the low-carbon transition, which accelerated the development of clean energy technologies and the phase-out of energy-intensive technologies. The application of new technologies also introduces new risks, especially in areas of electric vehicles and renewable energy. This poses challenges for insurers in risk management and pricing. Inadequate pricing may lead to significant claim risks and harm profitability.</p> <p>Investment business: In the process of green transition, some of the companies we invest in may need more funds for technological transformation and business restructuring, while the transformation may fail, which will result in asset impairment.</p>		
Reputational risks	Time frame: short/mid-term	Severity of impact: low
<p>Given raised public awareness of sustainable development, stakeholders are paying more attention to climate risk management capabilities of a company. Failure to respond to their needs may harm the Company's reputation and brand image among regulators, the public and customers alike.</p>		

Climate-related opportunities

Product, service and market-related opportunities	Time frame: short, medium and long term	Magnitude of impact: high
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Underwriting business: Climate insurance is an important way to cope with climate risks, and demand for green and climate insurance is increasing amid the low-carbon transition. Insurers can innovate insurance products for various types of climate risks to meet the growing demand for climate risk protection. At the same time, they can also leverage their risk management expertise to develop customised climate risk reduction solutions and offer sophisticated risk management services to other industries.

Investment business: With China's green transition well underway, the demand for green funding is also rising. Insurance companies can capitalise on the vast investment opportunities for sustainable development through a variety of direct and indirect investments.

Opportunities from resource efficiency and energy sources	Time frame: mid/long-termmedium and long term	Magnitude of impact: medium
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Investment business: Insurance companies can play an important part in the adoption of more low-carbon and environment-friendly technologies and equipment by companies they invest in, which not only facilitates green transformation of the investees, but also boosts the value of their own investment portfolios.

Operations: Enhancing resource efficiency and clean energy utilisation is key to reducing greenhouse gas emissions. To cut carbon emissions, the Company needs to invest more in management, facilities and equipment, etc., but in the medium/long-term, those investments can lead to considerable cost-savings as a result of energy saving and emissions reduction.

Our definition of the time frame for climate-related risks and opportunities: short-term (1-3 years), medium term (3-10 years), and long term (beyond 10 years).



· Incorporating climate risk into enterprise risk management

Insurance business

Policies on climate/ESG risk management

With a focus on risk accumulation of and capital allocation for natural disasters, CPIC Group has incorporated ESG-related requirements into its Risk Management Policy and 2024 Risk Appetite Framework and implements regular monitoring to prevent catastrophe-induced large claims and solvency deterioration.

CPIC subsidiaries continued to enhance the ESG risk assessment and management framework of their customers. They established criteria for ESG risk assessment, adopted differentiated risk management with dynamic monitoring, and linked underwriting decisions with assessment outcomes.

CPIC P/C	Optimised ESG risk-related provisions in its Enterprise Risk Management Regulations and policies on managing major risk categories. Improved Criteria on Identification of Clients with Major ESG Risks, enhanced environmental assessment standards as per adjustments of regulatory requirements and data collected, and adopted pro-active ESG risk control. Released the Notice on Catastrophe Risk Accumulation Management and Underwriting Norms on Solar PV Construction & Engineering Insurance, which defined core business control policies, put forward differentiated u/w approach, specified u/w thresholds and risk survey requirements, and strengthened catastrophe risk accumulation control.
CPIC Life	Revised the Regulations on Enterprise Risk Management to integrate ESG risk management into its ERM framework; developed key metrics for ESG risk, with follow-ups and reporting on a regular basis. Incorporated ESG risk events into the Internal Control Manual and implemented ESG risk assessments during internal control self-assessment.

Climate risk assessment and management process of CPIC P/C

Risk identification	Collect data through meteorological early warnings, historical disaster information, and geographic information systems (GIS) to identify climate risks. Utilize catastrophe models to quantify potential losses from typhoons, heavy rainfalls, etc., and assess risk exposure levels.
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Risk assessment	Grading of risk based on probability and loss severity, dynamically adjust underwriting strategy.
Risk monitoring	<div>Leverage risk control platforms to monitor key indicators including typhoon tracks and rainfall intensity.</div> <div>Establish risk control thresholds (e.g., precipitation volume) to trigger automated alerts and activate emergency response protocols.</div> <div>Issue disaster prevention alerts to policyholders in affected areas to facilitate loss mitigation.</div>
Risk response	<div>Conduct rapid on-site survey for post-disaster loss assessment; streamline claims procedures to accelerate claims payments.</div> <div>Provide loss prevention recommendations for high-risk properties to mitigate potential damage.</div> <div>Spread risks through reinsurance and other risk transfer mechanisms.</div>

CPIC Capital	<div>Improved end-to-end ESG investment management system and issued the Interim Rules on ESG Investment Management of CPIC Capital Company Limited.</div> <div>Circulated questionnaires on due diligence protocols, and incorporated ESG investment methodologies (including negative screening and ESG integration) into its investment management process.</div>
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Investment business

CPIC has integrated climate factors into its investment risk management framework to enhance the identification and assessment of climate-related risks. The Company dynamically monitors climate risk exposures and identifies material and relevant risks based on key metrics such as risk exposure ratios and concentration levels, which would enable implementation of targeted mitigation measures.

Climate/ESG risk management regulations

CPIC AMC	<div>Integrated ESG factors into its end-to-end investment management process and formulated the Policies on Management of ESG Investment Pools.</div> <div>Included ESG factors in end-to-end risk management process and formulated the Interim Rules on Environmental, Social and Governance (ESG) Risk Management.</div>
Changjiang Pension	<div>Optimised ESG investment decision-making system and gradually integrated ESG factors into the system; formulated Rules on ESG Investment Management, and improved supportive regulations including the Rules on Mutual Fund and Fund-type Product Investment Management, Rules on Non-standard Asset Investment Management, and Rules on Follow-up Management of Non-standard Asset Investments.</div> <div>Integrated ESG into its enterprise risk management framework and formulated the Regulations on Sustainable Development Risk Management.</div>

ESG risk management process for investment business

Risk identification	<div>Sort through target asset types to determine the scope of assets with ESG risk exposure on a preliminary basis.</div> <div>Identify and score ESG risk factors based on third-party ESG assessment or due diligence.</div>
Risk assessment	Assess impact of ESG risks of assets and list them by descending order of risk severity.
Risk response	<div>Investment access: establish access criteria based on ESG risk ratings. ESG risk reports are mandatory for non-standard investment projects with material ESG risks. Implement a watchlist system for high ESG-risk customers and impose line-of-credit (LoC) restrictions.</div> <div>ESG compliance review: focus on compliance, effectiveness, and completeness of ESG documentation prior to investment to ensure that the investee maintains robust dynamic control over ESG risk exposures.</div> <div>Enhance LoC and investment due diligence, define priorities of ESG due diligence based on sector/regional characteristics. Conduct in-depth investigation via in-house/third-party teams and establish corresponding limits and credit lines.</div>
Risk monitoring	<div>Pre-investment monitoring: establish ESG risk limits in the risk control system to track changes to ESG risk exposure of target assets before investment.</div> <div>Media surveillance: strengthen post-investment media monitoring to identify potential ESG-related risk, assessing its financial and reputational impact.</div> <div>Linkage ESG risk with fund disbursement: tie fund disbursement to the investee's ESG risk management, with checkpoints for ESG risk assessment at different stage of the investment. For investees exhibiting material ESG risks or flaws, suspend or terminate fund transfer as per contractual agreements.</div> <div>Handling of material ESG risks during duration of contract: require investees to formulate and implement risk mitigation measures and contingency plans.</div>

Risk reporting

Combine regular reporting and material risk ad hoc reporting: Integrate ESG risk management into daily risk monitoring and reporting frame-works, track implementation status of risk limits, and submit periodic reports to the management and board of directors. In the event of emergencies or material ESG risk incidents, execute fast response measures and promptly report potential impact to relevant stake-holders.

Climate risk response

Insurance business

Enhancing climate risk response in key sectors

The Company intensified research on green energy, forestry/grassland carbon sinks and agricultural insurance, and refined underwriting policies by business lines and industries to enhance climate risk management capabilities.

In the **new energy vehicle (NEV)** sector, we deepened collaboration with third-party data vendors to enhance risk identification accuracy; formulated and implemented green low-carbon maintenance standards, systems and procedures for vehicle components, while accelerating the establishment of NEV battery repair networks to mitigate battery loss risks.

Regarding **renewable energy**, we optimised nine sets of standards of underwriting and claims manage-ment for offshore wind power, photovoltaic (PV), etc.; developed internal risk review protocols and guidelines for offshore wind projects to provide standardized support for operations.

For the **carbon sink and carbon finance** sector, we drafted the indus-try's first underwriting guidelines for carbon finance operations -"Under-writing Rules on Carbon Asset Repurchase Insurance"; developed an ecological carbon sink product handbook and conducted research on the topic of "Development Models and Product Innovation for Forestry Carbon Sink Insurance".

For **agricultural insurance**, we integrated climate risk management into the entire insurance process and leveraged the Zhi Tian Hui Nong smart platform, Risk Radar, and e-Agricultural Insurance System for identification, assessment, monitor-ing, and early warning of climate risks.

Climate risk management measures for agricultural insurance before, during, and after coverage

Before coverage

Develop insurance solutions based on risk assessment modelling, establish appropriate weather indices or disaster magnitude param-eters for claims payouts.

During coverage

Leverage weather forecast service and smart agricultural insurance platforms such as HuiyanZhiyuan and Zhi Tian Hui Nong to monitor weather in real-time and provide early warning for meteorological hazards, crop pest and diseases, and help farmers take precaution-ary or mitigation measures.

Post coverage

Utilize weather index-based insurance for automatic claims settle-ment, optimise claims process and enhance payout efficiency.

Deepening research and application of catastrophe models

To mitigate climate change risks, CPIC employs advanced modelling such as the AIR Catastrophe Model, the AIR Multi-Peril Agricultural Insurance Model, and the Extreme Precipitation Model to assess impacts of typhoons, earthquakes, torrential rains and other extreme weather events. For insurance products prone to natural disasters, loss projections will be considered for actuarial pricing.

In 2024, we added to our AIR catastrophe modelling platform the Climate Change Physical Risk Assess-ment Module for typhoons of property insurance and multiple perils of agricultural insurance, thus inte-grating climate risk factors into catastrophe modelling analytical framework.

AIR Catastrophe Model

For typhoon and earthquake perils, the model predicts catastrophe-induced losses across auto, property and engineering insurance by simulating hundreds of thousands of historical and stochastic scenarios in conjunction with geospatial and structural analysis of the insured assets.

AIR Multi-Peril Models

For major insured crops of agricultural insurance - such as rice, wheat, corn, and forests - the model predicts the cumulative risk of climate-related perils (e.g., drought, extreme heat, windstorms, floods) on in-force agricultural insurance policies.

Extreme Precipitation Models

The model runs with inputs from historical rainfall data and details of the insured assets, then calculates expected losses for insured objects based on real-time rainstorm alerts from the National Meteorological Centre. It automatically issues early warnings to regional branches of the Company facing high loss probability.

Enhancing "Risk Radar" function

Risk Radar, an in-house digital, visualized and smart risk control platform independently developed by CPIC, integrates core technologies such as numerical weather prediction (NWP), geographic information systems, and quantitative risk assessment. It constructs a visualised risk map based on multi-dimensional data of u/w information, claims history, risk evaluation and natural disasters. The platform provides hazard assessments with a spatial resolution of 1km for 11 types of natural disasters (e.g., typhoons, heavy rains, lightning strike, hail and snowstorms) and generates over 130 risk maps.

In 2024, the Company developed the New Energy Risk Management Platform and Maritime Risk Reduction Platform based on its proprietary Risk Radar system, which further enhanced its intelligent risk control capabilities.

New Energy Risk Management Platform

In 2024, we set up a new energy risk management platform focusing on onshore photovoltaic, on-shore/offshore wind power. The platform features core functional modules of risk survey, disaster early warning and quotation assistance and provides end-to-end support for core business processes such as underwriting, claims settlement and risk control in the new energy sector.

Core functions of Risk Radar

Risk survey

Add plotting functionality to risk map, build risk files, accurately locate photovoltaic/wind power assets, and visualize underwriting information.

Disaster early warning

Provide early warning and notification for certain types of disasters, integrate an offshore wind power risk accumulation module, and support region-specific loss assessment for certain disasters such as typhoons.

Quotation assistance

Provide convenient and efficient mobile quotation services.

Maritime Risk Mitigation Platform

Our Maritime Risk Mitigation Platform integrates ship positioning data, voyage tracks, meteorological information, nautical charts, and insurance u/w data to monitor the insured objects in real time, including marine cargo, inland waterway transport, and offshore installations. It can provide weather/sea condition alerts, high-risk waters monitoring and vessel risk profiles; it supports voyage tracking before risk events occur, risk monitoring and early warning, and review & analysis afterwards, which effectively enhanced maritime risk reduction.

Promoting risk reduction services

CPIC leverages its expertise to deliver risk reduction services. We boast a dedicated team of risk engineers, consisting of 163 full-time professionals and over 1,300 part-time personnel. We developed an advanced catastrophe early-warning model to track typhoon trajectories in real time and predict potential impacts. The model adopts a five-tier risk zoning system, identifies insured assets in high-risk areas and issues early warning, which resolves the "last-mile" problem. During the 2024 typhoon season, it issued 268,700 early-warning policies to 155,000 customers.

The Company estimates expected losses via catastrophe modelling, which, coupled with the Risk Radar system, enabled precise identification of high-risk customers and generation of inspection tasks before disasters strike. In the run-up to disasters, CPIC's risk engineering team would do on-site assessment for each flagged case. Using a WeChat mini-program, they would generate and deliver "Risk Alerts" to customers and help high-risk enterprises take last-minute risk mitigation measures, thus reducing the number of large claims. During the 2024 typhoon season, the team completed over 5,700 visits, helping high-risk customers adopt precautionary measures to minimise losses.

Application and optimisation of reinsurance

CPIC implements a centralised reinsurance management model, builds a comprehensive reinsurance structure with extensive coverage for multi-levelled risk diversification and loss control. In accordance with its Reinsurance Strategy and Implementation Rules on Reinsurance Counter-parties and Concentration Risk Management of Insurance Business, the Company manages the level of retained business, outward/inward reinsurance, as well as internal cessions on a centralized basis.

CPIC P/C makes plans for annual reinsurance treaties across all business lines, which automatically include climate risks under primary insurance contracts. For risks exceeding its retention limits, it employs facultative reinsurance to transfer excessive exposure. Additionally, each year, it purchases per risk excess-of-loss reinsurance and catastrophe excess-of-loss reinsurance. For major climate catastrophes, per risk excess-of-loss reinsurance can mitigate retained losses from large single-risk claims, while catastrophe excess-of-loss reinsurance can reduce aggregate net retained losses. Collectively, such mechanisms effectively cushion the operational impact of severe climate disasters on CPIC P/C's financial performance.

CPIC continuously enhances its reinsurance management capabilities and reinsurance risk control. During the renewal of catastrophe excess-of-loss reinsurance treaties, CPIC P/C has fully considered catastrophe risks arising from extreme weather events to ensure adequate catastrophe cover across all business lines.

Investment business

CPIC has integrated ESG factors into its investment management framework covering investment research, investment decision-making, portfolio construction and risk management so as to achieve long-term optimal risk-adjusted returns. In 2024, it upgraded its ESG ratings and analytics system, implemented active stewardship management, and conducted assessments on third-party asset managers to manage and tackle climate-related risks for its investment business.

Integrating ESG factors into investment decisions

To ensure sustainable development of investment portfolios, CPIC integrates ESG factors into investment decision-making processes across all asset classes, including listed equity, fixed-income, private equity, infrastructure and real estate, fund-of-funds (FoF), and outsourced investments.

NO.1
—
Listed equity investment

Incorporate both quantitative ESG ratings and analysts' qualitative ESG assessments as priority factors in investment decision-making processes; establish an ESG investment pool and negative screening list based on ESG ratings.

NO.2
—
Fixed-income investment

Integrate both quantitative ESG ratings and analysts' qualitative ESG assessments as priority factors in investment decision-making processes; establish ESG positive and negative screening lists based on ESG ratings.

NO.3
—
Private equity, infrastructure and real estate investment

Conduct ESG performance evaluation through due diligence; assess potential impact on investment from climate change and other factors.

NO.4
—
FoF, outsourced investment

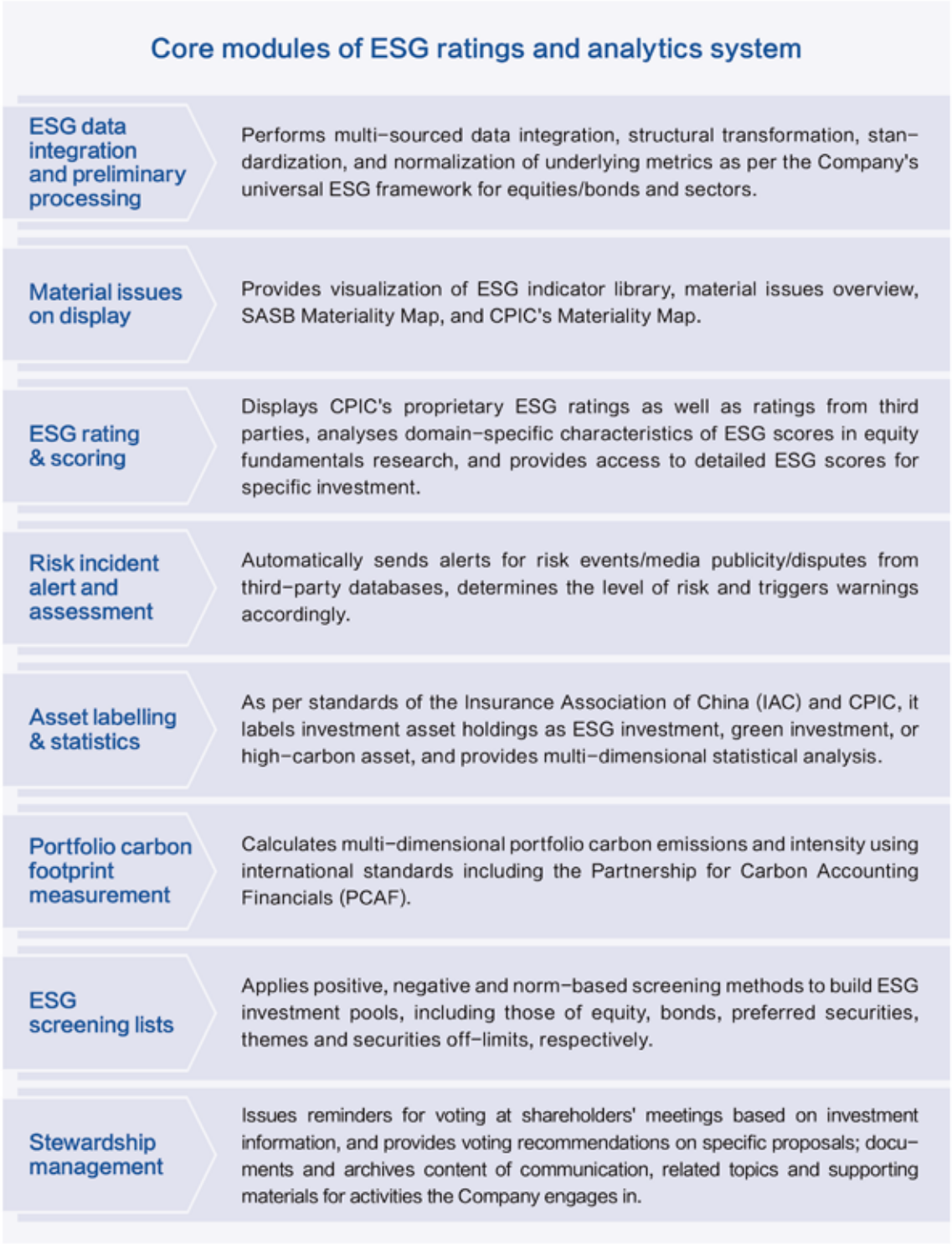
Implement ESG evaluation for external asset managers.

ESG ratings and analytics system

To strengthen ESG investment management capabilities, CPIC further defined its ESG investment standards, enhanced its ESG indicators system and optimised its ESG ratings and analytics system.

The ratings system applies to multiple asset classes, including listed equity, fixed income products, private equity, infrastructure and real estate, covering all investment managers and trustees. We established eligibility criteria for the ESG Bond Pool and Carbon-Neutral Bond Pool based on ESG evaluation scores, and a minimum score of 6 is required for inclusion in the pool.

The system complements traditional financial analysis, steering CPIC's investments toward companies with superior ESG performance. With this system, we can monitor trends in ESG scores and score distribution of portfolios on a regular basis, include ESG ratings and explanatory notes in research reports and credit-ratings reports, and further integrate ESG factors into investment decision-making processes.



Active Ownership and Stewardship

CPIC fulfills its stewardship responsibilities through engagement, proxy voting, public policy advocacy, and industry collaboration. The efforts aim to mitigate ESG risks of investee companies and improve their ESG performance.

NO.1
Equity assets listed on stock exchanges

By exercising active ownership through engagement and voting, we strengthen two-way communication with the board or management of investee companies, pushing them to enhance substantive ESG risk management and make strategic business decisions aligned with long-term value creation.

NO.3
Private equity

Regularly monitor investee companies' ESG risks, maintain ongoing oversight of their handling of material ESG issues, and promote sustainable development by exercising voting rights at their shareholder meetings, engaging in two-way dialogue with their boards/management, and nominating director candidates to boards of key investees.

NO.2
Fixed-income asset management

Proactively engage with investee companies by exercising voting rights at bondholder meetings, driving effective ESG risk management and substantial improvement.

NO.4
Outsourced assets under management

Encourage evaluation of stewardship capabilities of third-party asset managers and promote their compliance with the Company's Investment Stewardship Guidelines.

Case CPIC's stewardship initiatives

CPIC AMC participated in stewardship activities organized by securities firms. It offered recommendations and action plans regarding improvement of a particular listed company in green procurement, low-carbon operations, consumer data protection, and ESG governance. It will follow up on the investee's progress in rectification to help improve its ESG performance.

Changjiang Pension conducted stewardship of a power generation company. Based on in-depth research and underlying data, it advised the company to implement more efficient hydrologic forecasting and management to improve resource utilization. After evaluating the recommendations, the company installed advanced remote water monitoring systems, developed a Yangtze River Basin hydrologic forecasting system through industry-academia collaboration, and optimised the dispatch model of cascade hydropower stations, thus greatly enhancing power supply-demand matching with reduced water spillage rates. By releasing hydrologic data, it strengthened investor communication and won recognition of the public for the frequency and timeliness of information disclosure.

ESG evaluation and management for external asset managers

CPIC has established an ESG evaluation framework for external asset managers. In 2024, it conducted an ESG questionnaire survey of 120 external asset managers, including segregated account fund managers and aggregate investment portfolio managers. The evaluation looked at their ESG performance at both corporate and investment strategy levels across multiple dimensions, i.e., ESG governance, ESG ratings system, ESG risk management, investment stewardship, and climate change. The scores would be benchmarked against those of our peers and historical performance, which would help with selection, engagement and appraisal of external asset managers, as well as development of stewardship plans. For under-performing managers, CPIC will engage communication to facilitate ESG performance improvements.

Special topic:
climate scenario analysis and stress testing

To enhance climate risk management capabilities, CPIC launched a climate risk scenario analysis and stress testing programme for its underwriting business in 2024. The Company developed a climate risk assessment model customised for Chinese insurers by combining international scenarios under IPCC with localised Chinese data. The model provides quantitative analysis of the impact of typhoons and rainstorm floods on commercial property insurance, engineering insurance, agricultural insurance, and auto insurance businesses.

Time frame

Given the long-term and progressive nature of climate change, the Company selected 2030, 2040, 2050, 2060, and 2080 as key time frames for climate scenario analysis and stress testing.

Subject under analysis

Based on business realities and climate vulnerability of CPIC, the scope of analysis includes commercial property insurance, engineering insurance, auto insurance and agricultural insurance.

Catastrophic perils

Based on characteristics of natural disasters in China, typhoons and rainstorm-induced floods are selected as the primary climate risk factors.

Scenario selection

Building on the SSP1-2.6, SSP2-4.5 and SSP5-8.5 scenarios defined by the Intergovernmental Panel on Climate Change (IPCC), we worked with research institutes and professional meteorological agencies to optimise and calibrate the scenario models based on China's localised meteorological data, which generated a refined set of climate scenarios at municipal/county levels nationwide. Additionally, given China's "dual-carbon" strategy and green low-carbon transition policies, we developed the "3060" Dual-Carbon Scenario, which better aligns with China's planning.

Climate scenario	Scenario description
SSP1-2.6	Low-emission scenario. Global carbon emissions reach net-zero after 2050, with end-of-century warming of approximately 1.8°C.
SSP2-4.5	Medium-emission scenario. Global carbon emissions remain at current levels until mid-century, and then gradually decline to net-zero, with end-of-century warming of approximately 2.7°C.
SSP5-8.5	High-emission scenario. Carbon emissions rise rapidly, reaching twice current levels by mid-century, with end-of-century warming of approximately 4.4°C.
"3060" Dual-Carbon	The scenario model was constructed based on China's "dual-carbon" policy (carbon peaking by 2030 and carbon neutrality by 2060) combined with the Nationally Determined Contributions (NDC) targets under the NGFS scenarios, assuming end-of-century warming of approximately 2.3°C.

Climate model construction and analysis

CPIC used multiple physical risk loss models to assess the impact of natural disasters on its business portfolio under various climate scenarios:

AIR model

Based on the AIR catastrophe model, we conducted typhoon track simulations under different climate scenarios to generate a new catastrophe event set; and applied the AIR catastrophe model to analyse the Company's property insurance portfolios, with projection of disaster losses under various climate scenarios for future time frames.

In-house proprietary model

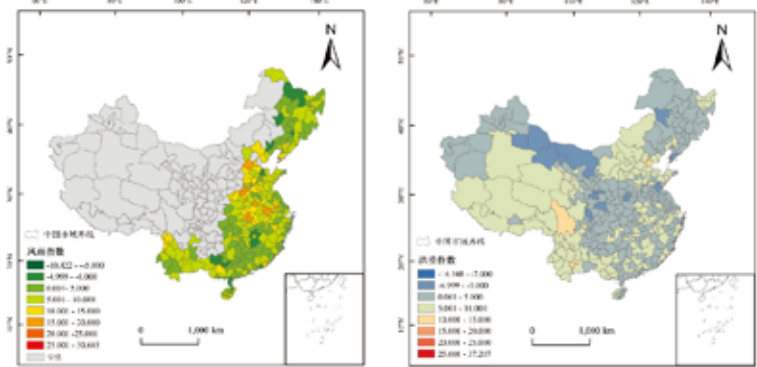
Based on CMIP6 climate models, we predicted trends in severity of typhoons and rainstorm-induced floods. We combined academic research findings with internal and external databases and developed a physical risk loss model adapted to our business characteristics, and analysed impact on commercial property insurance, engineering insurance, auto insurance, and agricultural insurance separately.

Analysis conclusions

Natural disaster trends analysis

The results indicate that the intensity of climate change-induced natural disasters shows an overall upward trend over time. As global temperature rises, natural disaster intensity escalates.

Projected changes in typhoon and flood intensity under SSP2-4.5 scenario (2050)



Changes to DRI from base year under SSP2-4.5 scenario, Changes to FDRI from base year under SSP2-4.5 scenario, Municipal administrative boundary

Insurance portfolio impact analysis

The results indicate that insurance losses from typhoons and rainstorm-induced floods exhibit a gradually increasing trend over time, though the rate of increase remains moderate and overall risks are under control.

Taking commercial property insurance as an example, the increase in average annual loss caused by typhoons by 2030 is projected to be relatively small. By 2050, the average annual loss will increase further, but not more than 25%. Afterwards, it continues to accelerate, potentially exceeding 30% by 2060 under the SSP5-8.5 scenario for typhoon-related losses. Meanwhile, rainstorm-induced floods contribute less to the rise in expected annual losses for commercial property insurance, not more than 20% even under the SSP5-8.5 scenario by 2060.

Average annual losses for commercial property insurance from typhoons & floods under different scenarios

Type of disasters	Scenario	2030	2050	2060
Typhoons	SSP1-2.6	5%-10%	5%-10%	10%-15%
	SSP2-4.5	≤5%	20%-25%	30%-35%
	SSP5-8.5	5%-10%	15%-20%	30%-35%
	"3060"Dual-Carbon	≤5%	10%-15%	15%-20%
Rainstorm-induced floods	SSP1-2.6	≤5%	5%-10%	10%-15%
	SSP2-4.5	≤5%	10%-15%	15%-20%
	SSP5-8.5	≤5%	10%-15%	15%-20%
	"3060"Dual-Carbon	≤5%	5%-10%	5%-10%

Climate change is a long-term, complex process full of uncertainty. As such, current methodologies of climate scenario analysis and stress testing still have their limitations in models and data. CPIC will continue to refine its climate risk analysis models and conduct regular assessments to ensure preparedness for climate-related risks.



Impact footprint



Insurance
business



Investment
business



Business
operations

Impact footprint >>>>

Insurance business

CPIC is committed to green insurance business. It continuously diversifies offerings of green insurance products to support the growth of sectors such as green energy, green transport, pollution reduction and carbon emissions reduction, ecological carbon sinks and green construction.



Developing climate insurance products

We strive to deepen our presence in climate insurance, offering customised risk solutions for climate-related hazards such as typhoons, heavy rainfalls, droughts and freezing disasters, which helped to enhance the climate resilience of businesses and society. Our catastrophe insurance products encompass different types – relief-oriented, innovation-driven, and index-based.

970 billion

In 2024, our catastrophe insurance SA exceeded RMB 970 billion.

Case Hainan's first weather index insurance policy for tea

Escalating global climate change and increasingly frequent extreme weather events have taken a heavy toll on the tea industry. To improve tea farmers' resilience in the face of natural disasters, CPIC issued Hainan's first tea weather index insurance policy in 2023, providing risk cover for 33 acres of tea plantations of Baisha Farm Group.

In 2024, CPIC made prompt claims payment to Baisha Farm Group as per the insurance contract and based on weather data to help the company tackle the impact of prolonged drought and heatwaves.

Supporting green energy development

CPIC continued to improve its risk solutions for natural disasters and accidents during the construction and operation of green energy projects. Such efforts helped to safeguard China's energy security and support the high-quality development of new energy sectors.

RMB 20 trillion

By the end of 2024, the Company had provided over RMB20 trillion in SA for the clean energy sector.

Case Comprehensive operations insurance for energy storage facilities

As a sector with strong government support, energy storage has been vital in advancing the energy transition and achieving China's "dual-carbon" goals. Energy storage technologies can resolve the mismatch between intermittent renewable energy supply and the demand for continuous power supply, thus greatly improving energy efficiency. They provide critical support for building a clean, low-carbon, safe, and efficient energy system.

To meet diverse needs of energy storage facilities during their operation, CPIC partnered with a leading new energy technology company and developed a tailor-made Energy Storage Facility Operation Insurance solution. Based on insights into the risk profiles of energy storage systems in real-world operations, the product provides all-around risk management and exclusive value-added services, including all-risk insurance for energy storage operations, equipment damage and business interruption insurance. It helps to safeguard the operational stability of energy storage facility operators.

Serving green and low-carbon transport

CPIC has been proactively developing insurance products for new energy vehicles and green shipping to support the green and low-carbon transformation of transport.

4.6 million

By the end of 2024, the Company had provided insurance cover for 4.6 million new energy vehicles.

Exploring NEV insurance services

CPIC's foray into the automotive industry ecosystem dates back to 2021. After three years of efforts, we have established an innovative direct sales model for NEV insurance and enhanced risk prevention in key areas to promote the sustainable development of NEV insurance.

Under this model, we developed a solution package based on characteristics of new energy vehicles, including EV battery extended warranty, charging point risk coverage and auto-driving risk plans. We set up 34 dedicated NEV service centres nationwide to boost the green transition of transport.

Shipping decarbonization insurance

China's shipping industry has been included in the EU Carbon Market. To help the industry handle relevant risks, CPIC launched China's first carbon emissions price index insurance for shipping – the shipping decarbonization insurance – in May 2024. The product, based on actuarial pricing models, helps shipping companies mitigate risks caused by price rises in EU carbon allowance.

Promoting pollution and carbon reduction

In 2024, CPIC offered over RMB 12.4 billion in environmental pollution risk cover to over 7,000 enterprises in chemicals and power generation sectors.

Case CPIC spearheads Environmental Pollution Liability Insurance Programme of Shanghai Pudong New Area, with issuance of the first policy

CPIC joined hands with six industry peers and developed the Model Clauses for Environmental Pollution Liability Insurance of Shanghai Pudong New Area. It also issued the first insurance policy under such terms & clauses. The product ties corporate environmental credit ratings to premium rates, which means floating rates in u/w based on firms' environmental credit ratings. Status of insurance cover under the product will be reflected in the corporate environmental credit-ratings system, which provides incentives for enterprises to seek cover and equips the government with a new tool for environmental risk management. The policy covers liability for progressive pollution, making it the most comprehensive environmental pollution liability insurance product in China. By the end of 2024, the cumulative SA under the programme had exceeded RMB160 million.

Ecological carbon sink insurance

CPIC is committed to providing carbon sink risk cover for ecosystems such as forests, wetland and grassland to support green economy while contributing to China's "dual-carbon" goals.



Case Exploring the mangrove CCER project insurance model

CPIC partnered with the Fujian Strait Resources & Environment Exchange to provide insurance services for CCER (China Certified Emission Reduction) project in Jiulongjiang Estuary Mangrove Provincial Nature Reserve of Longhai, Fujian. The initiative aims to facilitate the restoration of degraded mangrove ecosystems and improve biodiversity conservation.

The Company worked with the Administration Centre of the nature reserve and Zhangzhou Information Industry & Big Data Service Co., Ltd. and jointly developed an integrated "insurance + technology" solution for mitigating carbon sink loss risks in mangrove ecosystems. The solution helped to enhance risk protection for mangrove CCER projects and eased concerns of project developers.

Facilitating low-carbon transition of construction sector

CPIC continued to boost insurance innovations for green buildings and ultra-low energy consumption buildings, with multiple green construction insurance projects up and running to support low-carbon transition in urban development.

Case Supporting Huzhou's green construction

Huzhou is China's first city selected for the pilot programme of coordinated development of green buildings and green finance. As an active participant of the programme, CPIC signed a strategic cooperation agreement with the Green Finance Centre on green building performance insurance, under which CPIC launched the Longyuewan Green Building Performance Insurance Project in February 2024. According to the agreement, CPIC provides insurance cover while the Green Finance Centre oversees the construction process. To deepen the "insurance + services" model, CPIC would offer relevant risk management services and ensure that the project meets China's Two-Star Green Building standards.

Case Digital & smart carbon reduction insurance

To address potential risks in technology, equipment and construction during energy-efficiency retrofits which may affect the actual energy-saving performance, CPIC developed the digital & smart carbon reduction insurance, an integrated energy-saving solution which covers energy-saving performance and energy-efficient technologies and facilities under green building energy conservation scenarios.

Carbon asset insurance innovation

CPIC launched a number of new products and services in carbon asset insurance to support the carbon finance market.

Case Carbon account insurance

In March 2024, CPIC signed the carbon account comprehensive insurance policy, the first of its kind in China, with Ningbo Property Rights Exchange Centre. The policy provides a risk solution for carbon account of the blue carbon ecosystem and covers against risks arising from human error and system security failures during carbon account registration and operation. It includes carbon asset registration liability, carbon account cybersecurity liability, and carbon asset account security liability, providing all-around protection for the secure, stable, and smooth operation of carbon account system.

Case Carbon asset loss insurance under Carbon Inclusive Project in Shanghai

"Carbon inclusion", an innovative energy-saving and emissions reduction mechanism, has been promoted and rolled out in Shanghai. In 2024, CPIC, in collaboration with its partners, designed and launched a carbon asset loss insurance product to protect carbon asset owners under the Carbon Inclusive Framework. In the event of a predefined risk event that leads to impairment of carbon assets, the insurer will compensate the asset owner accordingly. The mechanism helps to mitigate financial losses, ensure continued progress of carbon reduction projects, and maintain orderly operation of the carbon market.

The product also fills the gap in risk management for carbon inclusive initiatives. While boosting Shanghai's sustainable carbon reduction efforts, it also marks a meaningful exploratory effort to promote the healthy and stable development of China's carbon finance market.

Case Repurchase of credit insurance for carbon asset safety

In 2024, CPIC launched repurchase credit insurance and issued its first policy in Shanghai's pilot carbon market to protect carbon assets for the carbon repurchase transaction between Shenergy Carbon Technology and Oriental Securities. Based on carbon asset repurchase agreements, the product would compensate carbon asset owners for their economic losses in the event that the counter-party failed to fulfil its obligation to sell back the carbon assets. It enhances the asset safety of carbon assets owners, particularly enterprises under carbon emissions quotas, so that they are more willing to sell carbon assets, which would improve the carbon market liquidity and efficiency.

Carbon neutrality solutions for large-scale events

CPIC pioneered in the "Carbon Neutrality for Large-Scale Events + Comprehensive Insurance Protection" model. It served the China International Import Expo (CIIE) for seven consecutive years, supported other major events, and partnered with event organizers and set a good example for "carbon-neutral" green events.

Case Debut of "Zero-Carbon Conference + Carbon Sink Insurance" service model in Lanzhou

In May 2024, CPIC launched China's first "Zero-Carbon Conference + Carbon Sink Insurance" service programme in Lanzhou. The programme employed satellite remote sensing technology to measure wetland carbon sinks in the Lanzhou New Area and introduced surplus value restoration compensation insurance for wetland carbon sinks. Leveraging CPIC's Carbon Inclusive Platform and resources of third-party institutions, the solution measured and certified carbon emissions of the Insurance Services for Rural Invigoration Symposium for 5 Northwestern Provinces in Lanzhou, and purchased "Silk Road Carbon Credits" for the insured wetland carbon sinks. Accordingly, it directly channelled funds as compensation of the conference's carbon neutrality costs to support for local ecological development, marking a meaningful exploratory effort to expand the benefits of "zero-carbon conference".

Case Zero-carbon CIFTIS

CPIC has been the official global partner and insurance provider of the China International Fair for Trade in Services (CIFTIS) for 5 consecutive years. In 2024, we added ESG-related coverage to our insurance package, offering RMB60 million of SA in excess carbon emissions insurance. The policy covers additional carbon emissions resulting from disaster recovery efforts caused by natural disasters or accidents during CIFTIS, including rescue operations, loss mitigation, accelerated reconstruction and asset replacement. Compensation will be made in the form of carbon allowances or carbon credits.

During CIFTIS, Capital Exhibition Group, the United Nations Global Compact (UNGC) and CPIC jointly launched the "Zero-Plastic CIFTIS, Low-Carbon Journey" initiative, which called for a low-carbon lifestyle of the public.

Investment business

To support the green industry, CPIC continued to explore green investment opportunities by investing in green projects via debt investment plans, equity investment plans, asset-backed securities, and industrial funds.



Asset portfolio carbon emissions accounting

The Company measures the carbon emissions and carbon intensity of its investment portfolios as per global standards such as PCAF (Partnership for Carbon Accounting Financials), covering all investment managers, both in-house and third-party, and asset owners. For non-standard assets, such as in transport, logistics, energy, municipal infrastructure, affordable housing and urban renewal projects, where direct access to underlying emissions data is challenging, we have developed dedicated factor libraries and estimate models for individual assets to expand the scope of carbon footprint accounting.

Footprint of CPIC's investment portfolios

Asset type	Carbon emissions (tonnes CO ₂ e)	Carbon intensity (tonnes CO ₂ e/million RMB yuan AUM)	Carbon accounting coverage ratio
Stocks	10,233,313.10	38.74	99.83%
Bonds	18,773,866.33	24.59	95.07%

Note: Based on asset holdings as of December 31, 2023, using market value at net price.

Green debt investment plans

01

Changjiang Pension has invested RMB800 million in the Changjiang Pension-Hu-nan Rail Transit Infrastructure Green Debt Investment Plan to finance the intercity railway projects in Changsha, Zhuzhou, and Xiangtan. Based on the scale of funds raised as a percentage of total project investment, it is estimated that the plan will reduce 2,574.35 tonnes of CO₂ emissions and save 1,227.65 tonnes of standard coal annually. The plan has received the highest-grade G1 green certification from Lianhe Equator.

02

Changjiang Pension has invested RMB470 million in the BoC-Hefei Rail Transit Green Infrastructure Debt Investment Plan (Phase I). Upon completion and operation of the project, the plan is projected to reduce 3,422.33 tonnes of CO₂ emissions and save approximately 1,652.87 tonnes of standard coal annually.

03

CPIC AMC completed the registration of the Pacific-Chengdu Rail Transit Infrastructure Debt Investment Plan (Phase II) in August 2023, with a registered size of RMB6.5 billion. The plan was successfully launched in February 2024. As of the end of 2024, it had invested RMB1.3 billion exclusively for the construction of Chengdu's rail transit network. The plan received the highest-grade (G1) green certification from Lianhe Equator.

04

In September 2023, CPIC AMC completed the registration of the Pacific-Wu-han Metro Infrastructure Debt Investment Plan (Phase II), with a registered size of RMB3 billion. The plan was successfully launched in October 2023. By the end of 2024, it had invested RMB2.5 billion, exclusively for the construction of Wuhan Metro infrastructure. The plan received the highest-grade (G1) green certification from Lianhe Equator.

05

In October 2024, CPIC AMC completed the registration of the Pacific-Ningbo Rail Transit Infrastructure Debt Investment Plan (Phase II), with a registered size of RMB4 billion. The plan was successfully launched in December 2024, with an investment of RMB800 million dedicated to the construction of Ning-bo's rail transit network.

Green equity investment plans

In December 2023, CPIC AMC completed the registration of the Guangzhou Metro Fangbai Inter-city Equity Investment Plan (Green), with a registered size of RMB3.66 billion. The plan was launched in March 2024, and by the end of 2024, RMB235 million had been invested. The investment plan aims to expand urban space southward to make the city an even better place for living. Upon its operation, the project is expected to reduce CO₂ emissions by 66,838 tonnes annually and save approximately 31,961 tonnes of standard coal equivalent in energy consumption. The product passed green assessment by China Chengxin Green Finance Technology and received G1-grade green certification.

Green asset-backed plans

In July 2024, CPIC AMC launched the Pacific-Henan Investment-Beijing Xinyi 2024 Green Asset-Backed Special Plan for Subsidy Receivables, with an investment size of RMB860 million. It was CPIC AMC's first exchange-traded ABS product with green certification. The product funds the effort of

a company specialising in waste resource recycling to establish channels for waste collection and processing based on its sales and post-sales service network, which aims to explore a new model for extension of the responsibilities of Chinese electrical and electronic manufactures. The plan was awarded the highest-level G1 green certification by Lianhe Equator.

Green industry funds

CPIC invested RMB1.5 billion in the CICC Titanium Green Carbon Technology Fund. The fund primarily targets the following sectors: energy-mix transition, including photovoltaic power generation, wind power generation, integrated energy services, industrial energy efficiency, and biomass energy; efficient energy utilization, including photovoltaic manufacturing, fuel cell production, wind turbine manufacturing, and hydrogen energy equipment; green transport, such as new energy vehicles, EV charging/battery-swapping infrastructure, and shared mobility solutions; green urban development, particularly low-carbon urban logistics, green digital infrastructure, energy-efficient data centres, and green building technologies.

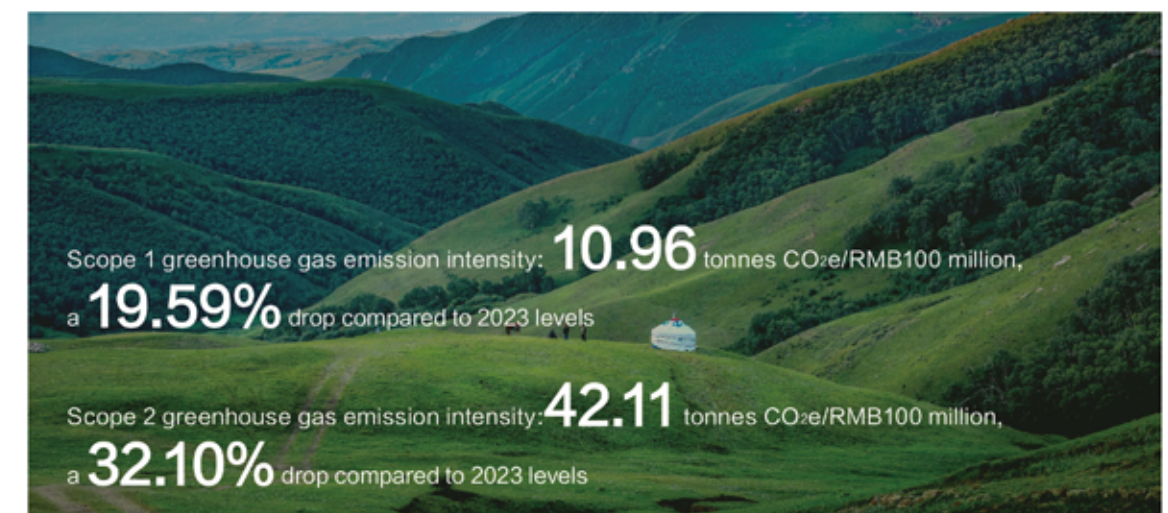
ESG-themed asset management products

In 2024, Changjiang Pension integrated ESG factors into its product development system and launched a new ESG Select asset management product based on fixed-income ESG strategy. Moreover, ESG factors will be included in modifications of terms & clauses of all existing products, thus continuously enhancing our green investment capabilities.

In July 2024, Changjiang Pension's ESG Select asset management product completed registration with China Insurance Assets Registration & Exchange System (CIREx) and was officially launched. By the end of 2024, its assets under management (AUM) reached RMB460 million. The product, a pure-bond ESG strategy, focused on investments in mid/long-term fixed-income assets with superior ESG performance based on CPIC's ESG ratings system and third-party ESG baseline scores. It integrated ESG principles into securities selection, tried to better understand the correlation between ESG metrics and asset returns/risk profiles, and explored new investment models for long-term money such as insurance funds.

Business operations

CPIC strengthened its low-carbon operations with improvement in energy conservation and emissions reduction. The Company encourages its employees to practice low-carbon both at work and in daily life to jointly contribute to green and sustainable development.



Improving carbon emissions management in operations

Under the guidance of China's "dual-carbon" goals, CPIC continued to improve its low-carbon and energy-efficient operational model, optimize energy consumption and reduce the environmental impact of its operations. To boost green operation, the Company set targets for carbon emissions reduction (2028 vs 2023) as follows:

CPIC's operational carbon emissions targets

Reduce total carbon emissions from operations by **20%** by 2028 from 2023 levels.

Notes:
1.The Company's carbon emissions from operations cover Scope 1 (stationary sources, mobile sources, refrigerants, fire extinguishers), Scope 2 (corporate electricity and heating), and Scope 3 (external procurement and business travel).
2.The accounting scope is based on consolidated financial statements (excluding CPIC Home retirement communities and the rehabilitation hospital).

To enhance operational carbon management capabilities, CPIC developed an in-house, proprietary carbon footprint management platform for its operations, established unified corporate carbon accounting standards and emission factor database, enabling real-time monitoring and analysis of carbon emissions across multiple dimensions, i.e., by branches, emission sources and time periods.

In 2024, the Company upgraded the platform, updating 66 carbon inventory emission factors in alignment with the latest standards issued by the Ministry of Ecology and Environment (MEE) and the National Bureau of Statistics (NBS). Additionally, 7 regional electricity emission factors were newly incorporated. To ensure efficient data entry and validation, the Company developed supporting materials including Carbon Footprint Platform Users Guide, FAQ Handbook, and instruction videos. Topical training sessions were conducted to continuously empower the carbon inventory team.

Greenhouse gas emissions

Greenhouse gas emissions	2024	2023	2022
GHG emissions (Scope1) (tCO ₂ e)	44,275	44,162	43,519
GHG emissions (Scope2) (tCO ₂ e)	170,143	200,897	188,008
GHG emissions density (Scope1) (tCO ₂ e/RMB 100 million)	10.96	13.63	13.10
GHG emissions density (Scope2) (tCO ₂ e/RMB 100 million)	42.11	62.02	56.61

Notes:
1. Types of greenhouse gases measured: Carbon dioxide, methane, nitrous oxide, hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6).
2. Greenhouse gas emissions sources: Stationary emission sources, mobile emission sources, process emission sources and fugitive emission sources. Scope 1 emissions mainly come from stationary sources, mobile sources, refrigerants, and fire extinguishers, and Scope 2 emissions mainly from the Company's electricity usage and heating.

3. Greenhouse gases measurement standards: The Greenhouse Gas Emissions Accounting Method and Reporting Guidelines for Power Generation Facilities (Revised in 2021) issued by the Ministry of Ecology and Environment of the People's Republic of China (MOE) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories published by the Intergovernmental Panel on Climate Change (IPCC) were used for the measurement. Accounting factors were selected from the China Products Carbon Footprint Factors Database 2022 developed by the Ministry of Ecology and Environment, and database of Defra (Department for Environment, Food and Rural Affairs of the United Kingdom).
4. Scope of GHG measurement covers the entire Group including all its subsidiaries and branches consolidated for financial statements. Errors identified in the 2023 carbon emissions inventory have been corrected based on actual operational data.

Energy and resource use

Energy use	2024	2023	2022
Natural gas use (m ³)	2,715,963	2,496,213	2,043,191
Natural gas use efficiency (m ³ /RMB 100 million)	672	771	615
Electricity consumption (kWh)	340,890,545	355,865,398	310,203,029
Electricity use efficiency (kWh/RMB 100 million)	84,360	109,854	93,395
Total energy consumption (MWh)	467,019	506,144	460,317

Notes:
1.The scope of resource and energy consumption statistics covers the entire Group including all its subsidiaries and branches.
2.The total energy consumption was calculated based on electricity, natural gas, and other fuel consumption, using the conversion factors provided in the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020) standard.
3.Errors identified in the 2023 energy consumption statistics were corrected based on actual operational data.

Low-carbon office

The Company established a weekly energy consumption reporting mechanism based on "CPIC e-Smart" to identify and tap energy-saving potential; launched a "virtual power plant" project to implement load-shifting operations and alleviate peak electricity demand pressure during winter and summer seasons; and completed the Capacity-to-Demand Conversion to reduce basic electricity costs by improving the utilization efficiency of contracted capacity.

With a smart management module, the Company's cloud-based office platform can automatically shut down idle user sessions to reduce server energy consumption. Compared with traditional PCs, each cloud terminal user saves 283.69 kWh of electricity annually. With 20,000 cloud terminal users currently deployed, the Company reduces total CO₂ emissions by approximately 4,500 metric tonnes per year.

Multiple measures to reduce energy consumption at Group HQ building

CPIC runs diagnostic assessment of the facilities and equipment at its Group Headquarters building to produce an energy efficiency analysis report which identifies energy-saving opportunities and supports the adoption of energy-efficient technologies. In its daily operations, the Company implemented multiple advanced energy-saving measures, including optimised HVAC system

design, heat recovery systems, rainwater harvesting systems, solar water heating systems, smart water purification systems, and high-efficiency lighting solutions. Additionally, CPIC enhanced energy efficiency by promoting smart energy-saving upgrades and utilizing energy consumption sensors for real-time automated monitoring. These initiatives collectively improved energy efficiency while reducing operational carbon footprint.

The Company formulated the Winter/Summer Air Conditioning Energy Efficiency Manual to reduce HVAC energy consumption through measures such as off-peak operation of central air conditioning units, optimised startup times and operational parameters, and proper indoor temperature settings. Besides, lighting systems are nearly all LED-based, with dynamic adjustments to usage schedules based on seasons, weather conditions, and holiday arrangements.

In 2024, the headquarters building achieved significant energy and resource savings. The HVAC system reduced electricity consumption by about 150,000 kWh; heat recovery system saved about 30,000 kWh of electricity; rainwater harvesting system saved about 400 tonnes of tap water; energy-efficient heating system produced about 380 tonnes of hot water which saved 3,000 kWh of electricity; and the smart water purification system saved 402,988 plastic bottles and reduced carbon emissions by 17.7 tonnes.

According to the Carbon Emissions Management Platform of Key Energy-Consuming (Emitting) Units of Huangpu District, Shanghai, the Group HQ building was granted the highest "Green" rating at both the 2024 "Energy Intensity Early Warning Grading" and "Total Energy Consumption Early Warning Grading", exceeding targets on both indicators.

fresh air system, and strengthened energy-saving measures for auxiliary facilities.

At the Luoqing Data Center, the actual PUE decreased from 1.398 in 2023 to 1.387, equal to an annual reduction of 263,000 kWh in electricity consumption and 252.5 tonnes in CO₂ emissions. Meanwhile, the Chengdu Data Center achieved a PUE reduction from 1.45 in 2023 to 1.44, saving 774,000 kWh of electricity annually and cutting CO₂ emissions by 743 tonnes.

Green travel

CPIC formulated the Implementation Rules on Green Travel to promote green commute and sustainable business travel. The Company organised publicity campaigns and training programmes on green transport, low-carbon accommodation, and paperless itineraries, increased the number of virtual meetings to reduce non-essential business trips. Essential business travels were carried out with a preference for low-energy and low-emission transportation such as high-speed rail to achieve green mobility.

The Company continued to optimise its new energy vehicle (NEV) fleet mix, adjusting the split between ICE vehicles and NEVs. In 2024, the proportion of NEVs in CPIC P/C increased by 1.2 percentage points from the previous year.

Green buildings

CPIC continued to advance the implementation of green and healthy building standards across its offices and CPIC Home retirement communities, with a steady increase in the number of projects obtaining green building certifications. Notably, 7 CPIC Home projects already achieved green building certification.

Promoting paperless operations

CPIC continued to expand online services to reduce paper consumption.

Paperless operation

PCIC Life	Subscription rate of e-letters of CPIC Life reached 91%, with 92% of policy amendments in electronic forms; 43.3% of long-term individual life insurance policies were in electronic forms, cutting paper consumption by over 100 million sheets annually through e-letters, electronic amendments, and electronic policies.
CPIC P/C	99.99% of auto insurance policies of CPIC P/C were in electronic forms, reducing print paper insurance policies by 64.09 million; 57% of auto insurance claims of CPIC P/C were processed online; 97.7% of personal injury outpatient cases of auto insurance were processed online.
CPIC Health	CPIC Health has achieved 100% paperless operation for insurance policy issuance for individual customers, policy amendments and claims settlement notification. Over 70% of group insurance policies were issued electronically, with a 97.6% digital adoption rate for post-sale policyholder service and 98.84% online claims reporting rate.

Building green data centers

In 2024, our data centers improved energy efficiency through refined management and technological upgrades, including optimisation of cooling source systems, adjustment of AC operating conditions, airflow improvements, HVAC operational mode modifications, operation scheduling optimisation of the

Office building of CPIC Group HQ	3-star Green Building Design Certification (China)
Office building of CPIC Greater Bay Area HQ	WELL HSR Certification (US), LEED-CS Platinum Certification (US)
Office building of CPIC Life at Shanghai Xintiandi	WELL Health Building Platinum Certification (US), LEED Green Building Gold Certification (US)
CPIC Data Centre at Chengdu	LEED Green Building Certification (US)
CPIC Home retirement community in Xiamen	3-star Green Building Design Certification (China)
CPIC Home retirement community in Hangzhou	WELL Health Building Gold Certification (US)
CPIC Home retirement community at Chongming of Shanghai	WELL Health Building Gold Certification (US)
CPIC Home retirement community at Putuo of Shanghai	WELL Health Building Gold Certification (US)
CPIC Home retirement community in Beijing	WELL Health Building Gold Interim Certification (US)
CPIC Home retirement community in Sanya	WELL Health Building Gold Interim Certification (US)
CPIC Home retirement community in Dali (Phase 2)	Gold-Level Pre-Certification for Carbon-Neutral Building Operation

Promoting green behaviour

CPIC launched the personal carbon credit platform "Tan Xian Jia," which quantifies the emissions reduction effects of low-carbon behaviours and converts them into incentive points, thus encouraging employees to fulfil their environmental responsibilities and integrate green practices into daily work and life.

The Company continued to enrich platform functionalities and diversify platform scenarios, which now cover 9 major low-carbon behaviour categories, including green commute, green meetings, low-carbon travel, green printing, green procurement and remote work, and established a unified carbon credit management system. By the end of 2024, the total number of "Tan Xian Jia" users had exceeded 41,000.

Case Collecting ideas for carbon reduction

In July 2024, CPIC Life launched a campaign to collect new ideas from employees on green and low-carbon initiatives. We received about 600 proposals, covering areas such as green office practices, green commute, green procurement, and the "Clear Your Plate" initiative. Over 300 proposals were adopted. The campaign not only raised employees' environmental awareness but also provided the Company with practical energy-saving and emission-reducing solutions.



Appendix >>>>

Recommendations of the Task Force on Climate-Related Financial Disclosure

TCFD recommendations for disclosure Chapter

Governance: Disclose organization's governance of climate-related risks and opportunities.

a) Describe the Board's oversight on climate-related risks and opportunities.	Governance structure
b) Describe the management's role in assessing and managing climate-related risks and opportunities.	Governance structure

Strategy: Disclose the actual and potential climate-related impacts on the organization's businesses, strategy and financial planning.

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Climate-related risks and opportunities
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Climate-related risks and opportunities
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or worse scenario.	Governance structure; Capacity building; Evaluation mechanism; Climate strategy; Policies and regulations; Special topic: climate scenario analysis and stress testing

Risk Management: Disclose how the organization identifies, assesses and manages climate-related risks.

a) Describe the organization's processes for identifying and assessing climate-related risks.	Incorporating climate risk into enterprise risk management
b) Describe the organization's processes for managing climate-related risks.	Incorporating climate risk into enterprise risk management; Climate risk response
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Incorporating climate risk into enterprise risk management

Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related issues where such information is material.

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2024 · Our Climate Action Achievements; Impact Footprint
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b) Disclose the green house gas emissions and related risks within Scope 1, Scope 2, and Scope 3 (if applicable).	Special topic: climate scenario analysis and stress testing; Impact Footprint-Investment business; Impact Footprint-Business operations
c) Describe the targets used by the organization to manage climate-related risks and opportunities and the target performance.	Governance; Strategy; Incorporating climate risk into enterprise risk management; Climate risk response; Impact Footprint

PBoC Guidelines for Financial Institutions Environmental Information Disclosure Index

Indicators	Disclosure index
Annual overview	Foreword;2024 · Our Climate Action Achievements; Capacity building; Evaluation mechanism;Strategy; Risk Management; Impact Footprint-Business operations
Environment-related governance structures for financial institutions	Governance structure;Incorporating climate risk into enterprise risk management
Environment-related policies and regulations for financial institutions	Policies and regulations
Innovations in environment-related products and services by Financial Institutions	Deepening ESG research;Impact Footprint-Insurance business; Impact Footprint-Investment business
Environmental risk management process of financial institutions	Incorporating climate risk into enterprise risk management; Climate risk response
Impact of environmental factors on financial institutions	Climate-related risks and opportunities; Climate risk response; Special topic: climate scenario analysis and stress testing
Environmental impact of the investment and financing activities of financial institutions	Incorporating climate risk into enterprise risk management; Climate risk response; Impact Footprint-Insurance business; Impact Footprint-Investment business
Environmental impact of financial institutions' business activities	Impact Footprint-Business operations
Results of innovation and research in green finance	Deepening ESG research

About this report

This is the 2024 Climate Report published by China Pacific Insurance (Group) Co., Ltd., aiming to disclose to its stake-holders the company's governance, strategy, risk management, practices and performance in climate change.

• **Scope of the report**

China Pacific Insurance (Group) Co., Ltd., its wholly-owned subsidiaries, subsidiaries where it owns the majority stake, and the branches thereof.

• **Reporting cycle**

This is an annual report. Unless otherwise stated, the actions or practices covered in this report occurred during the period from 1 January 2024 to 31 December 2024.

• **Basis for preparation of the report**

This report has been prepared primarily in accordance with the Guidelines for Financial Institutions Environmental Information Disclosure issued by the People Bank of China (PBoC) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), with reference to the Climate Disclosure Guidance issued by Hong Kong Exchanges and Clearing Limited (HKEX).

• **Information sources of the report**

Events and data disclosed in this report are mainly based on CPIC's internal documents and relevant public disclosure documents, which have been consolidated by the report preparation team. Unless otherwise stated, all financial data in this report is measured in RMB.

• **How to access the report**

The electronic version of this report is available for download on the website of CPIC (www.cpic.com.cn).