

# Sustainable Insurance Policy

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As a responsible and diversified insurance company, Ping An is committed to integrating ESG concepts into its corporate insurance business and personal insurance business, conducting all activities in the insurance value chain in a responsible and forward-looking manner and taking full account of ESG factors in the development, design and underwriting of insurance products to reduce risks. Meanwhile, the Company is committed to developing innovative solutions which benchmark and integrate its diversified insurance business with the United Nations Sustainable Development Goals (SDGs) and contribute to the sustainable development of environment, society and economy and promote global sustainable development. As a signatory of the Sustainable Insurance Principles (PSI) of the United Nations Environment Programme Financial Initiative (UNEP FI), Ping An is committed to implementing the UN PSI in the whole life cycle of insurance business.

## © Principle 1: We will integrate environmental, social and governance factors into our decision-making model of insurance business.

### Company Strategy

Ping An comprehensively integrates ESG factors into the Company's development strategies for its core business including insurance business, establishes a sustainable development model and clarifies an ESG governance system and an identification, assessment and management system of key ESG issues and risks. The Board of Directors, as the highest governing authority of the Company, comprehensively oversees the Company's ESG compliance and regularly hears ESG reports and makes ESG-related decisions. For more information about how Ping An integrates ESG into its core business strategies, please refer to the "Sustainability" section of its official website and related contents in its regular reports.

### Risk Management

Ping An has established insurance risk management rules and processes for product development, underwriting, claim settlement, product management, reserve assessment and reinsurance management. We continuously research and monitor global climate change risks (i.e. global temperature rise, extreme weather catastrophes, etc.) and social change risks (i.e. changes in socio-demographic structure, population aging, high-incidence diseases, etc), implement specific ESG risk management measures to achieve reasonable ESG risk pricing for insurance products and effectively manage and prevent risks in the underwriting process, striving to address and mitigate the impact of ESG risks on business.

Senior management is briefed at least semi-annually on routine monitoring and internal reporting of insurance risks.

ESG factors are included in actuarial analysis and risk pricing and inform the adjustment of expected incidence rates and risk premiums.

In response to potential risks, the Company conducts research on relevant ESG risks including climate change, demographic change and change in health trends, integrated technological innovation into risk control and established a risk management system powered by innovative technologies to comprehensively manage risks brought by ESG issues.

The various subsidiaries of Ping An have established insurance risk management rules and processes consistent with the Group's requirements with clear appointment of persons-in-charge and approval procedures to identify, measure, manage and prevent significant insurance risks in a timely way:

#### **Property and casualty insurance**

Ping An Property & Casualty is responsible for establishing risk prevention, underwriting and claim handling policies, strengthening management of products with relevant directly or indirectly identified ESG risks, and implementing monitoring, analysis and regular scrutinization to provide an up-to-date picture of ESG risks. For innovative products that lack empirical data, heightened attention should be paid to trends with a view to avoiding excessive exposure to risks. A reinsurance management system should be established to transfer and control ESG risks through reinsurance contracts.

#### **Life insurance**

Ping An Life, Ping An Health and Ping An Annuity are responsible for establishing effective product development management, risk management, underwriting and claim handling policies. An ESG risk review should be taken for new insurance products and the price should be reasonably priced. Management of insurance products related to direct or indirect EGS risks should be strengthened, which should be subject to monitoring and analysis and regular scrutinization for an up-to-date picture of EGS risks. Trend factors should be introduced to address risks of bias brought by ESG risks and trends, and changes in such factors should be reflected in assumption adjustments on a regular basis. For innovative products that lack empirical data, heightened attention should be paid to trends with a view to avoiding excessive exposure to risks. A reinsurance management system should be established to transfer and control ESG risks through reinsurance and facultative reinsurance contracts.

## Product and Service Development

Ping An continuously increases the integration of ESG factors in product development, design and assessment as well as promotes product innovation in order to steadily improve and diversify Ping An's sustainable insurance product portfolio.

Ping An's sustainable insurance products fall in three categories: climate insurance, social insurance and inclusive insurance.

### Climate insurance

Insurance designed against property losses brought by environmental liability, environmental accidents, climate disasters and climate change. Insurance designed against property losses brought by environmental liability, environmental accidents, climate disasters and climate change.

### Social insurance

Personal insurance designed against high-incidence diseases and health threats brought by China's demographic and health trends, as well as property and casualty insurance and liability insurance related to social livelihood.

### Inclusive insurance

Personal insurance and property and casualty insurance designed for small and micro businesses, farmers and agriculture, including but not limited to agricultural insurance, personal insurance for farmers, business insurance for small and micro businesses, as well as life insurance and property and casualty insurance designed for vulnerable groups such as elders, teenagers and children, and people with disability.

Ping An’ s sustainable insurance product portfolio includes but not limited to the following categories:

Climate Insurance	Social Insurance	Inclusive Insurance
Disaster insurance	Medical insurance	Property & casualty insurance for small and micro businesses
Environmental pollution liability insurance	Elderly insurance	Agricultural insurance
Forest insurance	Critical illness insurance	Agricultural property insurance
Wildlife insurance	Medical insurance	Agricultural guarantee insurance
	Property & casualty insurance	Life insurance for special groups such as people with disability and elders
	Liability insurance	

### Underwriting and Claim Handling

Ping An provides customers with efficient, convenient and transparent underwriting and claim handling services. It leverages its technological strengths including AI, blockchain and cloud computing to provide innovative technology-powered services applicable to different scenarios for customers and improve the quality and efficiency of underwriting and claim handling services.

### Investment Management

Ping An integrates ESG factors into investment analysis, decision-making and practice processes, utilizes active shareholders’ impact, requires invested companies to make appropriate ESG disclosures and promotes the wide adoption of responsible investment in the industry. For more information about responsible investment, please refer to *Ping An Group Responsible Investment Policy*.

**© Principle 2: We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.**

**Clients and Suppliers**

Ping An proactively maintains dialogue and communication with customers and suppliers to learn about relevant ESG risks, and reflects the findings in insurance product development and risk identification. Besides, we provide customers with relevant information and tools to manage ESG risks via sustainable insurance products, helping customers better manage risks.

**Insurers and Reinsurers**

Ping An is committed to becoming an industry leader in sustainable insurance, we maintain exchanges and communication with insurance and reinsurance companies and do our part to strengthen the awareness of ESG and sustainable insurance in the insurance industry to promote more organizations to adopt and implement the principles for sustainable insurance.

**© Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread actions across society on environmental, social and governance issues.**

Ping An will proactively support exchanges and cooperation with governments, regulators, academic institutions, research institutions, and other stakeholders on sustainable insurance and further increase the understanding by all sectors of society of ESG and sustainable insurance.

Ping An will proactively support and participate in the development of relevant regulatory policies, regulations and legal frameworks on sustainable insurance and maintain communication with regulators and industry associations, giving play to our role as a pioneer in sustainable insurance.

**© Principle 4: We will regularly disclose our progress in implementing the Principles, showing our accountability and transparency.**

Ping An will regularly and transparently disclose our latest progress and achievements in sustainable insurance in annual reports, interim reports and sustainability reports.

This policy is published on the official website of Ping An Group.

Ping An scrutinizes this policy opportunely or at least once a year.