

# Policy Statement on Responsible Investment of Ping An Group

September, 2025

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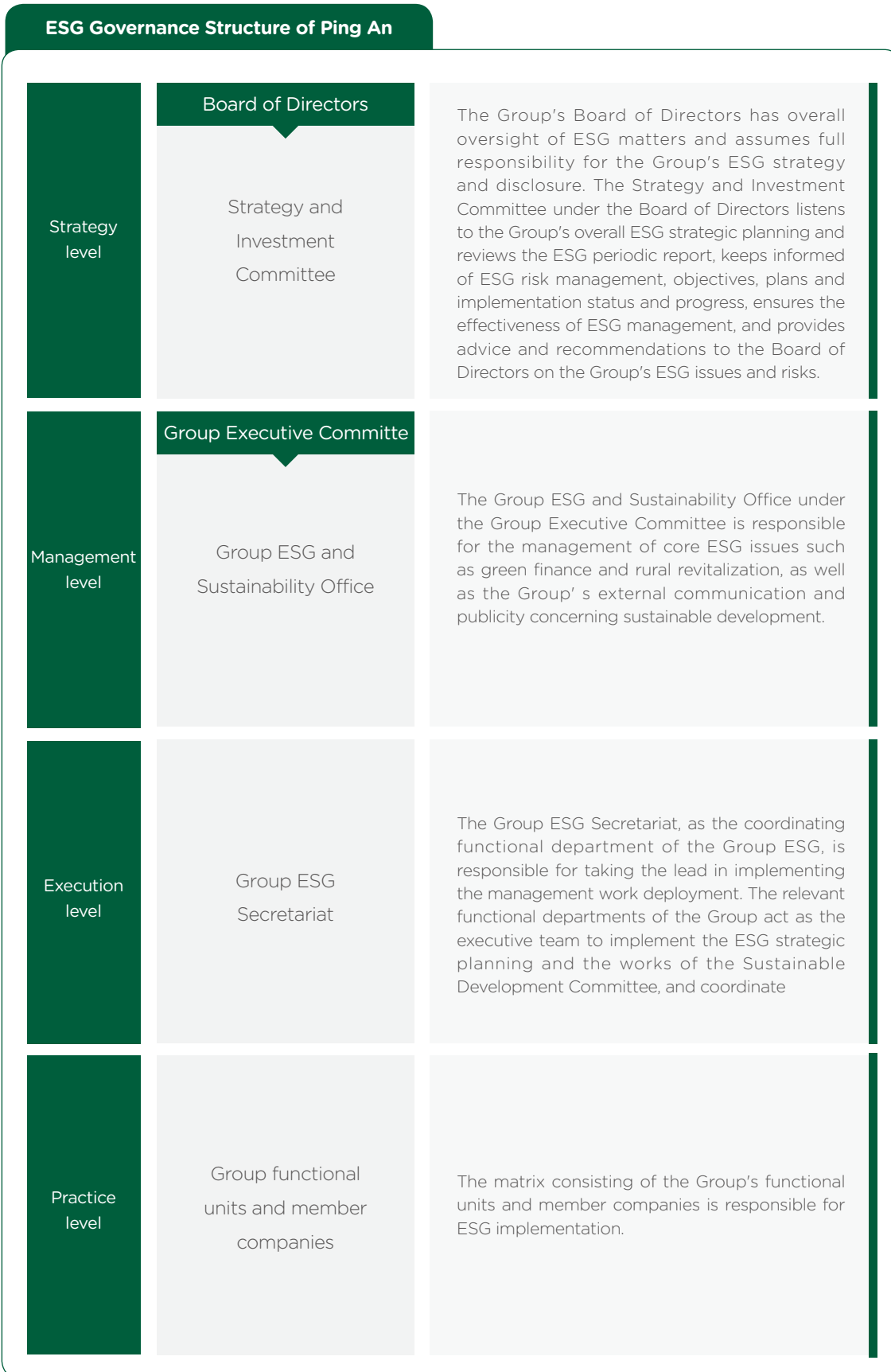
## Chapter I Background

As a member of initiatives and organizations such as the Principles for Responsible Investment and Climate Action 100+, Ping An is committed to advancing the sustainable development of the financial system and the global economy, and will work with other like-minded investors and managers to fulfill the mission. As an insurance fund manager and a large conglomerate with several professional asset management member companies, Ping An's responsible investment practices need to be in line with the overall tone of serving China from a Chinese base and actively implementing social responsibilities

## Chapter II Organization and Management

- 1. Through the implementation and management of responsible investment, Ping An comprehensively enhances the Group's ability to use ESG factors to obtain returns, prevents broader ESG risks beyond the traditional risk management and financial indicators, and promotes the construction of its member companies' responsible investment system.
  
- 2. Ping An implements multiple key issues, including responsible investment, through a well-established ESG management structure.

▼ Chart 1. ESG Management Structure of Ping An Group



- **3.** The Board of Directors and its Strategy and Investment Decision Committee have oversight of all responsible investment issues and is the highest decision-making body for responsible investment matters in Ping An Group. They take on responsibilities related to the Group's sustainable development strategy planning, risk management, policy development and progress review and are ultimately responsible for the soundness and effectiveness of this policy and the guideline within this policy.
  
- **4.** The Group ESG and Sustainability Office under the Group Executive Committee is responsible for the practice, management, and external communication of the core issues on sustainable development, including formulating the Group's responsible investment strategies and goals, instructing member companies to carry out responsible investment, regularly reporting the progress of responsible investment to the Board of Directors, and reviewing responsible investment policies and other related charters.
  
- **5.** Ping An's responsible investment governance relies on Ping An's ESG governance structure, which is led by the Board and has established governance, supervision and reporting mechanisms at all levels, to supervise and manage responsible investment related issues. The Group ESG and Sustainability Office and the Group Functional Units form a driving team and coordinate the internal and external work on sustainable development of the Group. The Group ESG and Sustainability Office, as the manager of this policy, is responsible for the preparation and publication of all responsible investment materials and ESG disclosure information of the Group. As the manager of this Policy Statement, the Group ESG and Sustainability Office is required to review this Policy Statement at least once every three years, and revise it in a timely manner as necessary, so that the relevant guidelines reflect the latest requirements of laws and regulations, of regulators and internal and external audits, and match the updates of the Group's investment management process and the relevant resolutions of the Group's Board of Directors. The Group ESG and Sustainability Office is responsible for the consolidation of ESG and responsible investment activities. The Group ESG and Sustainability Office is responsible for performing tasks such as:
  - Fully assessing the needs of various stakeholders, establishing and improving Ping An's responsible investment concepts based on the Group's sustainable development plans;
  - Formulating responsible investment policies, integration strategies, guidelines and rules and other relevant documents to integrate ESG factors into the investment management process of the Group's various business lines;
  - Coordinating and supporting the Group to implement the commitments as stated in Chapter 1 of this policy;

- Conducting regular dialogue with peers, partners and other relevant parties on ESG topics, while communicating and cooperating with stakeholders on ESG topics from time to time as needed in our daily work, communicating the impact of Ping An's ESG investment incorporation approach on various stakeholders and publicly disclosing the implementation of responsible investment.

■ **6.** The Group ESG and Sustainability Office and the Group Asset Management Center, together with the investment teams of major member companies, establish a responsible investment expert team to provide support and guidance on formulation of responsible investment strategies and investment application for different types of investment businesses, help member companies understand the basic elements of ESG, share ESG best practices, and implement the Group's responsible investment policy. Under the guidance of the Group, the member companies identify ESG risks, establish professional teams for responsible investment and ESG investment (e.g. a dedicated team of ESG analysts), integrate ESG factors into investment portfolios of kinds of assets, and are responsible for the effective implementation of the responsible investment policy.

■ **7.** Commitment to the UN Principles for Responsible Investment: As shown in Table 1, Ping An incorporates environmental, social and corporate governance ("ESG") factors into its investment analysis, decision-making and practice processes, exert the influence as an active shareholder, require investee companies to make appropriate disclosures of ESG factors, promote the widespread acceptance of responsible investment in the industry, and put responsible investment in place and enhance the effectiveness of the principles.

▼ Table 1: Ping An's responsible investment commitments

UN principles for responsible investment	Ping An's actions
<i>Principle 1: Integrate ESG issues into the investment analysis and decision-making process.</i>	Ping An Group has formally formed the Group's responsible investment policy system in 2019, incorporating ESG issues into the investment activities of the entire Group.
<i>Principle 2: Be an active owner, incorporating ESG issues into ownership policies and practices.</i>	The active ownership policy, as the main principle of the Group's responsible investment, proactively exerts ownership influence to achieve a win-win situation with investee companies.
<i>Principle 3: Seek reasonable disclosure of ESG-related issues from investee entities.</i>	Form different levels of disclosure requirements for different types and levels of institutions and enterprises, taking into account actual situations of the investee entities.
<i>Principle 4: Promote the widespread adoption and implementation of responsible investment principles by the investment industry.</i>	Actively participate in discussions on responsible investment and green financerelevant fields at home and abroad to create a benchmark for responsible investment by Chinese financial groups.
<i>Principle 5: Make a concerted effort to improve the implementation of responsible investment principles.</i>	Actively share information, tools and resources with companies in the same industry as well as other industries to address new ESG-related issues.
<i>Principle 6: Report on the implementation and progress of the principles for responsible investment.</i>	Regularly report on the UN Principles for Responsible Investment (UNPRI) on an annual basis and publicly disclose progress and practices on responsible investment.

- 8. Ping An incorporates significant environmental, social and governance (ESG) issues into its investment decisions. The asset classes included in the investment decisions and the corresponding strategies are detailed in the following table:

▼ Table 2: Investment decisions and the corresponding strategies

Principle	Strategy	Notes to strategy	Equities	Fixed income	Others
Principle of ESG incorporation	Strategy of ESG incorporation	Essential elements of investment risk management applicable to all industries	✓	✓	✓
Principle of active shareholder	Strategy of active shareholder	Coaching and guiding investees for sound development through communication	✓		✓
Principle of thematic investing	Sustainability themed investment strategies	Focusing on relevant segments based on sustainable environmental themes	✓	✓	✓
	Influence-based investment strategies	Focus on industry segments which may bring about extra social benefits involving poverty alleviation and inclusive finance.	✓	✓	✓
Principle of prudence	Strategy of excluding industries with negative impacts		✓	✓	✓
	Convention-based exclusion strategy	Delete investing in the sectors of gambling and pornography businesses or in controversial areas with reference to international conventions.	✓	✓	✓
Principle of transparency			✓	✓	✓

- **9.** After joining the Task Force on Climate-Related Financial Disclosure and the Climate action 100+ initiative, Ping An takes a cautious approach to the impact of climate change on its business operations and encourages its investee companies to take measures to manage the impact of climate change on their business, strengthen climate-related disclosure, and engage in active communication and dialogue with companies that have a significant negative impact on climate.
  
- **10.** To fulfill the Paris Agreement's commitments to address climate change, Ping An has formulated the Policy Statement on Coal Related Business and actively responds to national regulators and the UN Principles for Responsible Investment initiative by regularly conducting special controls around industries with more significant negative impacts, such as low value-added, high pollution, high energy consumption and high risk.
  
- **11.** The establishment of Ping An Group's responsible investment system is in strict accordance with responsible investment standards and with reference to relevant guidelines from regulators, covering five areas: meaning and scope of application of responsible investment, organization and policy management, responsible investment principles and implementation, responsible investment training and information disclosure.
  
- **12.** To ensure the accuracy and continuity of the implementation of policies and process related to the responsible investment, the Group ESG and Sustainability Office is responsible for organizing responsible investment performance, collecting and reviewing relevant data on a regular basis. The outcome identification and measurement of data metrics varies between companies and may include greenhouse gas emission reductions, the proportion of renewable energy consumption, biodiversity protection, employee compensation, etc.
  
- **13.** Ping An utilizes its own CN-ESG evaluation system to assess the ESG performance of stocks and listed assets within its insurance fund portfolio. The outcomes of these evaluations provide essential guidance for the investment team when analyzing the ESG risks of investment objectives.

## Chapter III Social Responsible Investment (SRI)

### Principle 1: ESG Integration Principle

■ 14. As ESG Integration Principles provide the best risk-adjusted returns over the long term, in fundamental research, analysis, and investment decision-making, we should actively take into account ESG issues and topics, including climate change risks like transformation towards low- carbon and physical risks, in investments decision-making for a variety of asset classes. The ESG Integration Principles apply to all asset classes, but the importance of ESG factors varies across companies and industries due to the differences of ESG risks faced by the investment targets. Ping An formulates specific implementation procedures for each asset class based on the company's investment philosophy, target characteristics and the company's actual situation, coordinates ESG factors into fundamental research, analysis, and investment decision-making, and actively takes into account ESG factors including climate change risks in investments decision-making of a variety of asset classes.

■ 15. The ESG integration can play roles in three aspects through long-term investing:

- **Opportunities and risks**

More and more studies suggest that ESG factor contributes significantly to the longterm performance of investments and is also a source of investment value in the Chinese market . Under the help of the ESG integration principle, investors can achieve excess returns and effectively identify and prudently manage investment opportunities. Considering potential ESG risks over the long term can help build more rigorous risk management process and make investors fully aware of ESG risks that are not yet reflected in asset values.

- **International investors' expectations**

International investors, represented by the global large pension and insurance companies, urgently ask investment teams to demonstrate a structured approach to manage ESG opportunities and risks. Therefore, Ping An has actively established a comprehensive responsible investing process, including effectively managing ESG

issues at different portfolio levels based on the ESG Integration Principle. In so doing, we can meet asset owners' expectations and improve Ping An's competitiveness to further expand AUM scale.

• **Regulations and policies**

Regulatory authorities are a key driver for raising awareness of sustainable investment in China. Green Finance Regulation of Shenzhen Special Economic Zone regulates the principle of information transparency. Ping An took the lead in integrating ESG factors into the investment process to respond to the impact of the policy.

- **16.** ESG analysis and management should not be separated from other investment processes, such as commercial, financial and legal due diligence and physical asset supervision of investment portfolio.
  
- **17.** The ESG Integration Principle can identify ESG characteristics of targets that are generally considered not fully reflected in current market prices, but can more accurately determine their future value. When there is a large ESG risk, analysts will accordingly adjust the discount rate applicable to future cash flow and fair value.
  
- **18.** The ESG Integration Principle needs to be continuously optimized according to the market and regulatory environment. Ping An encourages investment team members to supplement and upgrade it as needed based on existing policies, and procedures.

## ----- Application to listed stocks -----

- **19.** Ping An has established a responsible investment system with Chinese characteristics (CN-ESG, see Chapter 4 for details). Ping An recommends investors to use the CN-ESG system so as to identify the ESG performance of industries and companies based on CN-ESG scoring results. In addition to traditional research analysis, CN-ESG scoring results are recommended as an important reference indicator for stock investment.
  
- **20.** Non-material ESG factors have limited impact on investment decisions. Therefore, when investors evaluate the impact of CN-ESG scoring results on investment opportunities and risks, they can consider the following factors to determine whether the main ESG factors affecting CN-ESG scoring results will exert significant impact on the company's business:
  - From an industry perspective, CN-ESG has different settings for issues and indicator weights in different industries based on the different importance of ESG issues in these industries.
  
  - From the perspective of the company, further judge the correlation between the company's specific business and the industry's material ESG factors:
    - More material ESG factors that are not related to the industry may arise in the company's business field, which has a more significant impact on the company's business;
  
    - The company's products and services may benefit from better ESG performance, thereby reducing the industry's original ESG risks or bringing greater potential investment opportunities;
  
    - Strong management of environmental and social factors and good governance will mitigate ESG risks in the industry;
  
  - From a time horizon perspective, ESG factors are more important for long-term investment because ESG factors have a large impact on long-term performance.

- **21.** In addition to considering the CN-ESG scoring results, investors should also integrate ESG factors with all other important factors when making financial forecasts/valuations, and comprehensively consider adjusting future revenue growth rates, operating costs, capital expenditures, discounts rate, final valuation and other variables.

#### Revenue

When judging the growth rate of the industry and the company's market share, the impact of ESG factors can be considered, and the expected revenue growth rate of the company can be appropriately adjusted upward or downward.

#### Operating costs, operating margins and EBIT margins

Directly adjust operating costs by estimating the impact of ESG factors on future operating costs. Investors can also adjust operating profit margins and EBIT margins based on disclosure by each company.

#### Book value and impairment charges

ESG factors can affect the expected cash flow of an asset, such as a prolonged or permanent closure of business due to ESG factors that can change operating revenue expectations, resulting in a decrease in a company's NPV valuation calculated at a discounted future cash flows, thus resulting in a decrease in the book value.

#### Capital expenditures

ESG factors may cause companies to reduce or increase future capital expenditures.

#### Ultimate Value

ESG factors may cause the company or one of its business lines to shut down in the future, thus reducing its ultimate value to zero.

#### Beta coefficient and discount rate adjustment

Through comparison with CN-ESG scoring results of other similar companies and analysis, the company's beta coefficient or discount rate is adjusted upward/downward, thereby reducing/increasing its fair value.

- **22.** The decision on "buy (increase position)/sell (reduce position)/hold (keep position)/no investment" for stocks is made based on the valuation results and CN-ESG scores.
- **23.** The CN-ESG scoring framework is used to evaluate the positive contribution of target companies to sustainable development. The target companies with the best score have better ESG performance than their peers, and are included in the "Encouragement List" of responsible investing. Investment will be prioritized on the premise of having the same financial evaluation results.

- **24.** The CN-ESG scoring framework is used to evaluate the subjective initiative of target companies for sustainable development, the ESG performance of the target companies with the poorest score is at risk of significant deficiencies compared with peers, and they are included in the "Prudential List" of responsible investing, and investment is not encouraged.

## ----- Application to fixed-income -----

- **25.** In the field of fixed-income, the main purpose of ESG Inclusion Principle is to evaluate ESG factors at the issuer level and the impact on the company's debt repayment willingness and ability to manage downside risks by referring to ESG assessment standards when conditions are ripe.
- **26.** When conditions are ripe, credit raters can estimate the possible financial impact of the risks when they actually occur by analyzing the material ESG risks faced by the issuers and their ability to manage these risks, and give an internal credit rating. Table 3 provides examples of ESG issues that credit raters may consider, which may already be reflected in the company's original credit rating framework.

▼ Table 3: Examples of ESG topics

Environmental	Social	Governance
Climate change	Employee relationship	Commercial reputation
Biodiversity	Experienced labors	Shareholder rights
Energy management	Health and safety	Senior executive remuneration
Bioinclusion and ecosystem quality	Diversity	Audit practice
Air pollution	Customer relation	BoD independence and professionalism
Natural resources	Product responsibility	Transparency/Reliability
Water resources and pollution		Related-party transaction
		Dual shareholding structure

■ **27.** With its self-developed ESG bond evaluation system, Ping An comprehensively considers the issuer's situation and conducts ESG bond evaluation. Ping An's investors should use the system to identify ESG issues that may affect downside risks through ESG scoring results. When a bond is included in the corporate bond investment pool, it is recommended to mark the issuer's ESG score for investors' reference. Here are a few examples of ESG Integration Principles-enabled investment decision-making:

- Recommend purchasing/increasing position of companies with improving fundamentals and ESG conditions;
- Recommend selling/decreasing position of companies with deteriorating fundamentals and ESG conditions;
- When a company's ESG is good (poor) and its fundamentals are weak (strong), ESG factors may not affect its spread performance.

■ **28.** For responsible investment in fixed income, the time horizon is particularly important, and the importance of ESG factors varies under different horizons. When making investment decisions, bond investors should judge whether the impact of ESG factors on the issuer is important based on the investment period. Most risks faced by short-term bond investments come from low-frequency but large-impact events, such as extreme weather, industrial disasters or corporate governance scandals. Bond investments with a tenor of more than 15 years, their returns may be more affected by ESG trends, such as population and climate change.

Note: Short-term bonds issued by the company can be selected for investment if bond investors believe that the ESG risks revealed by the ESG assessment results have little impact in the short term.

■ **29.** Through Ping An's self-developed ESG scoring system for bond issuers, the target entity's positive contribution to sustainable development is evaluated, and its solvency and willingness to pay debts are confirmed. The "Encouragement List", can be prioritized for investment under the same financial assessment results.

■ **30.** Through the ESG scoring system for bond issuers developed by Ping An to assess the positive contribution of the target entity to sustainable development, and supplementary confirmation of its solvency and willingness to repay, should the scoring entity exhibit significant risk of deficiencies compared with its peers in the industry, the entity is listed in the "Prudential Investment" List", which discourages investment.

## ----- Application to PE -----

- **31.** When screening PE investment projects, Ping An's various investment teams should screen according to the Policy Statement on Responsible Investment of Ping An Group and identify key issues. The screening content should be based on Ping An's strategy and the Group's long-term investment objectives. In addition, we study ESG opportunities and risks related to geographic locations and industries, such as the list of serious ESG risks (such as environmental damage), or the prudent handling checklist of controversial industries (such as tobacco, controversial weapons industry) (see Principle 4 for details). Member companies should regularly review the screening content and update with new content that may have an impact on ESG opportunities and risks.
- **32.** Member companies should comprehensively consider investment scale, industry and other factors to formulate investment project standards with targeted ESG due diligence. Substantive ESG issues should be investigated and member companies should study how to manage them during the due diligence stage, such as:
- Determine whether investment portfolio companies have developed ESG policies and/or related reporting processes through questionnaire;
  - Explore opportunities to increase company value and reduce risk by developing ESG action plans, such as providing health and safety training;
  - Assess the potential impact of major trends, such as climate change on performance. For example, for physical assets such as infrastructure/real estate, emissions, physical risks, and community impacts and labor rights issues should be assessed;
  - Review legal requirements related to ESG issues, such as environmental permits and business licenses.
- **33.** Member companies should take into account ESG factors when making investment decisions. ESG issues identified by member companies during due diligence can be included in an investment memorandum to ensure that the Investment Committee is aware of these ESG issues when deciding whether to invest in a company. Even if we found no risks in due diligence, including the findings in the memorandum helps to highlight ESG issues considered during due diligence, and the company's performance relative to its peers is covered.

- **34.** When negotiating and finalizing investment agreements with investee, member companies should clarify their management requirements for ESG issues to ensure that investees understand Ping An's responsible investing philosophy. The results of ESG due diligence should be reflected in the investment agreement.
  
- **35.** After completing the investment, the member company should regularly discuss with the management of the investee its ESG issue priorities, and formulate corresponding management plans, such as negotiating the process for energy consumption data collection and goals for energy consumption reduction.
  
- **36.** Member companies need to monitor investees so as to assess whether their ESG goals are achieved, and regularly inquire whether investees' ESG issues are properly handled. Supervision methods include: arranging meetings with investees, collecting internal data from companies, and reviewing any public sustainability reports. See "Principle 2 Active Shareholder Principles" for details.

## ----- Application to Real Estate Investment -----

- **37.** Ping An conducts rigorous due diligence when screening real estate investment projects, including technical and environmental due diligence as well as real estate-related ESG evaluation. At the same time, real estate projects that have obtained normative certification of building types as shown in the Green Industry Guidance Catalogue (2019 Edition), comply with national green building standards or international environmental or sustainability certification can be given priority for investment under the same financial evaluation results.
  
- **38.** During the operation phase of real estate investment projects, member companies are encouraged to actively communicate and cooperate with stakeholders (such as external property management companies, tenants, etc.) to explore measures such as energysaving renovation of equipment, use of green power, and construction of distributed photovoltaic power generation facilities to improve project energy efficiency and reduce its environmental impact, so as to improve the ESG performance of real estate portfolios.

## Principle 2: Active Shareholder Principle

- **39.** The Active Shareholder Principle is implemented through voting, active participation in the underlying investee, and cooperation with policy makers. We can monitor and track performance through close communication with the investee.

Ping An continuously supervises and actively participates in the ESG management of investees, and monitors the target companies in the portfolio through implementing the Active Shareholder Principle to understand their strategies for creating long-term values and the risks and opportunities they face, and implements proactive and due management after investment to guide the sound development of investee companies. Ping An conducts post-investment due diligence management for the Group's important strategic investment targets and companies that are highly relevant to the Group's ESG strategy. According to investment methods and industry attributes, Ping An continuously monitors and manages the ESG performance of investees, promotes the popularization of ESG investment management in the Chinese market by strengthening exchanges and cooperation among the industry, and timely discloses the results of investment supervision and communication.

In terms of post-investment due diligence management structure, According to the control and influence of the target company, Ping An conducts classified monitoring, supervision (including the implementation of ESG related provisions in the due diligence management guidelines) and management. Professionals from each business team are responsible for analyzing and monitoring the post-investment due diligence management. Specialists designated by the Group ESG and Sustainability Office to analyze ESG issues of due diligence management.

- **40.** The Active Shareholder Principle can play roles in three aspects for Ping An:

1. Stewardship of asset classes currently held and invested in the future should be in line with increasing regulatory requirements and objectives;
2. Underlying companies are encouraged to incorporate ESG principles into their governance and daily operations so as to gain better risk-adjusted returns. Studies show that market returns can gradually increase and company share price performance can be improved through active participation;
3. As the concept of the Active Shareholder Principle becomes more popular, more investors have come to realize its importance. Ping An's well-established Active Shareholder Principle aligns with the expectations of customers and investors. We strive to build an industry benchmark in this field.

■ **41.** Ping An strives to develop a best-practice model and formulates five main provisions of the Active Shareholder Principle:

1. As the owner and manager of insurance funds, Ping An Group keeps management and investment methods consistent with the interests of customers and beneficiaries in all investment activities.
2. Ping An Group has incorporated material environmental, social and governance (ESG) issues into its investment decisions, including Active Shareholder principle. See Article 10 for details.
3. Ping An Group insists on supervising and actively participates in ESG management of investees. The Group monitors target companies in portfolio to understand their strategies for creating long-term value and the risks and opportunities they face. Issues taken into consideration include, the investee's governance, strategy, performance, capital structure, business and systemic risks, opportunities, and the handling approach regards these matters. Due to different investment methods, the characteristics of the investees and the attributes of the industry, the ESG issues that need to be monitored can vary. CN-ESG will only be used as an analysis framework for reference, and a list of key issues will be determined according to the actual situation.
4. Ping An strengthens exchanges and cooperation with peers, continuously promotes the popularity of the Chinese market and optimizes ESG investment management. The Group actively interacts with listed companies, policy makers, other participants in the investment chain, and experts and scholars. The Group regularly conducts and publishes specialist research and investor guidance.
5. Ping An adheres to information transparency, and promptly discloses information during implementation of investment supervision and communication, including but not limited to the number of companies, the number of communications, key cases, measures taken and major decisions. In addition, Ping An will also disclose clear policies outlining the escalation strategies that Ping An may take in necessary situations if the engagement with investment targets or issuers is unsuccessful. The escalation strategies include, but are not limited to: meeting with management and holding relevant meetings to discuss specific issues; submitting shareholder resolutions and speaking at the shareholders' meeting, etc.

- **42.** Taking into account the international supervision model and China's national conditions, Ping An adopts the following direct and indirect methods to conduct stewardship and communication.

### Company engagement

Establish partnerships with the investee or potential investee in order to conduct constructive dialogue, including but not limited to meeting with the chairman or other BoD members, holding meetings with management, writing to the company, or logging into AI ESG platform and other means to participate. In addition, Ping An actively communicates with the target companies in its portfolio through investment managers (entrusted third parties) and industry collaboration initiatives (such as the "Climate Action 100+" initiative) to enhance the company's long-term value.

### Voting

For those with director seats and strategic investment targets of Ping An Group, the investment team needs to take ESG into account with regard to all voting opportunities, and votes; keep voting records and monitor voting statistics, and appropriately disclose data and or reports to clients. If voting recommendations are provided through external service providers, such recommendations must comply with the requirements of this statement to be adopted.

### Industry collaboration and public policy engagement

Cooperate with regulators and governments, associations and other non-profit institutions to provide suggestions or comments on proposed regulatory rule reform for important content related to protecting the rights and interests of investors and improving investor returns.

## Selection of supervised targets

In order to improve the efficiency of the company's participation in work and gradually promote the Group-wide stewardship after investment, Ping An Group determines the selected targets in the following two ways:

1. Ping An's strategic investment targets and targets in which Ping An holds a board seat.
2. According to regulatory requirements and ESG issues of social concern, Ping An responds to industries that are supported by the regulation, and selects companies with high relevance. For example, on the issue of climate change, Ping An proposes requirements for green transformation and provides diversified financial support to companies with high-carbon emission such as coal, thermal power, and steel.

Selection of key topics: Under the guidance of national policies and with reference to key topics in the international community, Ping An will assess the significance of ESG issues from the perspective of the degree of impact and the possibility of occurrence.

# Engagement

## ■ 43. Engagement

▼ Table 4: Basic reference principles for engagement

<b>Climate change</b>
Encourage companies to disclose information on greenhouse gas emissions and energy consumption, and set quantitative targets for reducing greenhouse gas emissions
Encourage companies to conduct climate-related opportunity and risk analyses that affect their business strategies, including climate change scenario analyses
Encourage companies to develop emission reduction strategic plans that support the low-carbon transition
Encourage companies to diversify their power generation and consumption to increase the proportion of renewable energy sources
<b>Biodiversity</b>
Encourage companies to promote the concept of biodiversity conservation and promote sustainable consumption
Prevent companies from conducting development and productive construction activities outside the core protected areas of natural reserves within the ecological protection red line
Encourage companies to scientifically evaluate the impact and dependence of their operations on biodiversity, and reduce or remediate adverse impacts on biodiversity in their operations
Encourage companies to strengthen the identification and prevention of biodiversity-related risks
Encourage companies to develop policies that directly or indirectly affect biodiversity, such as deforestation, water use, waste management, and circular economy
<b>Governance</b>
Encourage companies to enhance the effectiveness of their boards, appoint experienced directors, and consider achieving diversity in terms of gender, background, professionalism, and experience
Encourage companies to operate in good faith, antitrust and anti-unfair competition, and encourage companies to formulate business ethics policies and provide relevant training

Social
Encourage gender equality, diversity and inclusion in the workplace, and eliminate any form of discrimination and harassment
Encourage companies to develop fair and reasonable compensation systems to attract and retain talent
Encourage companies to provide employees with a healthy and safe working environment, and regularly conduct relevant training and sharing

## Voting principles

■ **44.** Ping An formulates basic voting principles below for reference based on globally applicable governance standards and guidelines.

▼ Table 5: Basic reference principles for voting

Effectiveness of BoD
Appointed directors should have extensive relevant experience
Know the director’s work attitude based on their experience and background investigation
The establishment of the board of directors needs to consider gender, background, professionalism, experience and other aspects to achieve diversity
Support regular updates of the BoD to maintain efficiency
Supervise the directors’ responsiveness and execution on corporate governance
Remuneration
Attract/retain core talents
Ensure that the compensation system is linked to employee performance and is fair and just
Compensation should be set in line with shareholders’ interests
Accounting report
Regular reports are properly prepared and published in a timely manner
Comply with regulatory requirements and international accounting standards
Clearly state major risks and not hide them
Accurate and transparent presentation of objectives and performance

<b>Shareholder rights</b>
Protect the rights of minority shareholders, including distributing company profits and consultation in major decisions
Fairly formulate pre-emption rights
<b>Environmental and social issues</b>
Timely and accurate disclosure of significant environmental and safety impacts
Develop clear and effective solutions for environmental or social issues

## ----- Application to listed stocks (example) -----

- **45.** Member companies should vote for listed investee's resolution to express approval or disapproval based on Ping An's commitment to responsible investment and propose shareholder resolution on specific ESG issues.
  
- **46.** Member companies may take factors below into account when assessing the participation priority:
  - Whether the topic aligns with Ping An's investment perspectives and objectives?
  - Whether the client wants Ping An to participate in the topic?
  - According to the potential impact of the topic on risks and return in the long and medium-term?
  - The weight or importance of the topic in the investment portfolio?
  - The possibility of achieving Ping An's desired transformation in 2-3 years?
  - The positive impact of success

■ **47.** Regarding participation, member companies should ensure that the following requirements are met

- Clarify company or topics priority;
- Clarify indicators to measure whether participation is successful;
- Clarify indicators to monitor participation progress and results;
- Clarify participation timeline;
- Clarify communication methods with participants, such as email, on-site/telephone conference;
- Clarify the target personnel you want to contact, such as BoD representatives, chairman, CEO, etc.; and
- Clarify the improvement process in the event the company's participation fails, including public statement, adjustment of stock position, voting against the re-election of the responsible director and withdrawal of capital.

■ **48.** Member companies should appropriately disclose/report on participation to clients based on the actual situation. Given the confidentiality, the report may include:

- Statistical reports on the volume of participation by topic (such as environmental, social or governance);
- Report on progress, such as “ongoing”, “success” or “no progress”; and
- Case study report shows the real effect.

## ----- Application to PE (example) -----

■ **49.** Member companies should work with the management of companies in which PE projects are invested in to balance responsible investment objectives and other responsibilities.

■ **50.** Member companies may adopt methods below to participate in the investee:

- Promote the investees to implement the ESG plans, and help senior executives and management better know the potential impact of ESG opportunities and risks on business value;
- Learn the best practice from other investees;
- Work with the investee to establish ESG policies, assign ESG operation responsibilities, and formulate ESG implementation procedures;
- Some performance of the investee's directors/employees is linked to ESG related indicators; and
- Share ESG related knowledge with the investee's representatives.

■ **51.** Regarding participation, investors should ensure that the following requirements are met:

- Clarify company or topics priority;
- Clarify indicators to measure whether participation is successful;
- Clarify indicators to monitor participation progress and results;
- Clarify participation timeline; and
- Clarify communication methods with participants, such as email, on-site/telephone conference.

■ **52.** Member companies should appropriately disclose/report on participation to clients based on the actual situation. Given the confidentiality, the report may include:

- Statistical reports on the volume of participation by topic (such as environmental, social or governance);
- Report on progress, such as "ongoing", "success" or "no progress"; and
- Case study report shows the real effect.

## Principle 3: Thematic Investing Principle

- **53.** Ping An believes that long-term sustainable environmental and social themes as well as trend-driven allocation are helpful in improving risk management and presenting new investment opportunities. Ping An Group is dedicated to thematic investing in various asset classes among different regions and sectors.
- **54.** Thematic investing can generate positive, measurable social and environmental outcomes alongside financial returns. Ping An seeks thematic investing in line with the United Nations Sustainable Development Goals with focus on key sustainable development areas.

▼ Chart 2. United Nations Sustainable Development Goals



- **55.** The principle of thematic investing is applicable to all asset classes, including equities, fixed income assets and other asset classes that are associated with transition to low carbon economy and promotion of sustainable development. The principle is also applicable to green bonds, certified green building investments, and infrastructure investment in developing economies. Being consistent with both Ping An Group’s investment concentration management and the UN Principles for Responsible Investment, the principle of thematic investing is helpful in addressing environmental or social issues.

■ **56.** The principle of thematic investing includes two strategies in accordance with themes:

1. Green investing strategy—focus on green-development and carbon-neutral investment; and
2. Impact investing strategy—focus on investments that can generate additional social benefits.

### ----- Green investing strategy -----

■ **57.** Under the sustainability theme, capital is allocated to investments in response to climate changes. Green investments were screened in line with the Green Bond Endorsed Projects Catalogue (2021 Edition) jointly released by the People's Bank of China, the National Development and Reform Commission, and the China Securities Regulatory Commission.

### ----- Impact investing strategy -----

■ **58.** The impact investing strategy is designed to ensure investments can generate additional social benefits, including but not limited to:

Impact investing strategy
Social infrastructure construction
Small and micro-business support
Elderlycare
Healthcare
Education
Poverty alleviation and rural revitalization
New urbanization construction

## ■ 59. “Social infrastructure construction”

The theme of “social infrastructure construction,” also known as “public utilities” or “public facilities,” refers to hardware and services that address public demand and facilitate production and circulation as well as people’s livelihoods, including public transport and telecommunication, environmental health, public security, energy services, and public services.

- Products, services, infrastructures or technologies of qualified “social infrastructure construction” companies meet at least one of the following standards:
  - Traffic infrastructures, including roads, bridges, railways, and airports;
  - Commercial buildings, including shopping malls, offices, and stadiums;
  - Energy infrastructures, including power plants, and power lines;
  - Telecommunication, including public network security enhancement, and information protection;
  - Development of new-energy public transport;
  - Increase of public green spaces; and
  - Improvement of cultural, sports and entertainment venues by quantity and quality.
- It is important to note that some topics cannot be recognized as “social infrastructure construction” themes due to their complexity, lack of clear benefits, or indirect relevance, such as coal power plants, reduction of resource scarcity and degradation, and biodiversity protection.
- Typical “social infrastructure construction” companies and businesses involve medical waste disposal and treatment and construction of 5G infrastructures, roads and ports.

## ■ 60. “Small and micro-business support”

The theme of “small and micro-business support” refers to provision of financial services to small and micro businesses who have difficulties in getting bank loans and related financial services, for the purpose of supporting small and micro business customers who have transparent business, stable and sustainable operations and secure running, and use revenue as the primary repayment source.

- Products, services, infrastructures or technologies of qualified “small and microbusiness support” meet at least one of the following standards:
  - Provision of financial services and products to small and micro businesses; and
  - Development and provision of products and services for small and micro financial institutions.

- Some themes are not qualified for “small and micro-business support” due to complexity, lack of obvious benefits or lack of direct linkage, such as insurance for small and medium-sized enterprises.
- Typical “small and micro-business support” companies and businesses involve fintech firms, and digital financial service companies.

## ■ 61. “Elderlycare”

The theme of “elderlycare” refers to providers and services of living and dining, sanitation and hygiene, caring, medical care, health management, and entertainment that secure the basic needs of the elderly.

- Products, services, infrastructures or technologies of qualified “eldercare” companies meet at least one of the following standards:
  - Construction of care organizations and senior housing projects, including nursing homes, retirement homes, care homes, senior communities, and senior homes;
  - Provision of domestic services, including home nursing, family care, and home renovations;
  - Provision of education and entertainment for the elderly, including senior social centers, universities for the elderly, and senior travels;
  - Development of smart eldercare and provision of specific, personalized products and services, including smart devices, and IoT;
  - Development of healthcare products for the elderly, including medications, healthcare supplements, medical devices, fitness equipment, and rehabilitation devices; and
  - Development of basic supplies for the elderly, including slip prevention devices, magnifiers, hearing aids, walking sticks, wheelchairs, garments, foods, dinnerware, and adult diapers.
- Typical “elderlycare” companies and businesses involve chronic disease hospitals, dementia care, and community-based elderlycare.

## ■ 62. “Healthcare”

The theme of “healthcare” refers to active and fair provision of affordable, premium medical services, medical staff, drugs and technologies to the public.

- Products, services, infrastructures or technologies of qualified “healthcare” companies meet at least one of the following standards:
  - Hospital, clinics, and health facilities;
  - Labs and pharmaceutical companies; and
  - Tech companies developing and providing products and services for health facilities and labs.
- Typical “healthcare” companies and businesses involve hospitals, health clinics, health facilities, and health tech companies.

## ■ 63. “Education”

The theme of “education” secures fair, affordable, premium, non-discriminatory education and/or professional training programs for the public including lower earners, disabled people, marginalized groups, women, children and minority groups and other disadvantaged groups with difficulties, and teachers and educators.

- Qualified “education” companies meet the following two standards:
  1. At least two of the following certifications or equal certifications:
    - 1.1 GB/T 19001-2016;
    - 1.2 GB/T 19004-2000;
    - 1.3 GB/T 36000 (with reference to the *Guidance on Social Responsibility*);
    - 1.4 GB/T 45001-2020;
    - 1.5 National health certifications or similar certifications issued by governmental authorities or third parties.
  2. Products, services, infrastructures or technologies meet at least one of the following standards:
    - 2.1 Operating facilities, services and technologies for pre-school education, elementary and secondary education, and higher education;
    - 2.2 Vocational education services for professionals and educators; and
    - 2.3 Companies providing technologies for education services.
- Typical “education” companies and businesses involve professional training services and vocational training services for teachers as well as tech companies providing technologies for education services.

## ■ 64. “Rural revitalization”

The theme of “rural revitalization” aims to promote comprehensive rural development, improve infrastructures such as water supply, power supply and telecommunication, accelerate the modernization of rural governance and governance capabilities, drive rural reforms, and quicken the pace of modernization of agriculture in rural areas.

- Qualified “rural revitalization” companies comply with the Opinions of the Central Committee and the State Council on Implementing the Rural Revitalization Strategies and the Central Committee and the State Council Strategic Planning for Rural Revitalization (2018-2022). Products, services, infrastructures or technologies of qualified “rural revitalization” companies meet at least one of the following standards:

### Thriving businesses

Building of modernized industrial, production and operation systems via intensified supply-side reforms in agriculture; integrated development of the primary, secondary, and tertiary industries in rural areas; improvement of innovation and competitiveness in agriculture by shifting focus to quality from quantity;

### Pleasant living environments

Acceleration of green rural development in coordination with governance of mountains, rivers, forests, farmlands, lakes, and grasslands; prosperity and environmental harmony by improving living environments in rural areas;

### Social etiquette and civility

Exploration of excellent farming culture and philosophies, humanity, and ethics; innovation transition and development on the basis of tradition; diversification and inheritance of Chinese traditional culture;

### Effective governance

Better rural governance systems with improvement at grass-roots levels, ensuring prosperous and contented lives and social stability;

### Prosperity

Development of more channels to increase rural incomes; improvement of rural working and living conditions; promotion of social justice and fairness, and enhancement of people’s livelihoods.

- Typical “rural revitalization” companies and businesses involve enhanced overall grain production capacities, advancement of agricultural technologies, rural tourism, comprehensive utilization of livestock and poultry wastes, domestic waste disposal, comprehensive cultural service centers in villages, improvement of the sanitary conditions of public toilets in rural areas, access to running water, and rural education and entertainment.

#### ■ 65. “New urbanization construction”

The theme of “new urbanization construction” refers to companies making investment in addition and improvement of urban infrastructures, including healthcare, living facilities, transportation construction, education services, and cultural development. Local residents have access to basic supplies at reasonable prices without standard information.

- Products, services, infrastructures or technologies of qualified “new urbanization construction” companies are directly linked to the theme.
- Typical “new urbanization construction” companies and businesses involve public housing service/management companies, infrastructure companies, and suppliers providing key components for new urbanization construction related projects and support services.

## Principle 4: Principle of Prudence

■ 66. Based on Ping An’s existing investment risk management measures, the principle of prudence provides systematic methods and definitions, and also identifies companies, industries or specific businesses that should be treated prudently, aiming to minimize the investment risk while managing Ping An’s reputational risk.

■ 67. The principle of prudence applies to all asset classes.

■ 68. Some assets are subject to prudent treatment due to a range of factors which indicate that portfolio exposure may result in expected negative impact on the Company’s philosophy, risk management, social impact, public policies, reputation, customer expectations, impact capabilities and portfolio returns.

■ 69. Some companies are subject to prudent treatment because of poor scores as they fail to disclose industry-related activities out of business or security reasons; importance and impact capabilities of some companies’ participation should be considered. The purpose of the principle of prudence is, according to an agreed definition, to prevent investment staff from investing in a target if they are aware of poor ESG performance.

■ 70. According to the principle of prudence, prudent treatment of a company, industry or business activity means an investment strategy that prevents investment staff from knowingly making investment in the above mentioned targets by default. If customers request investment in the target that is subject to Ping An’s principle of prudence, the requestors should be first informed of the prudent treatment and reasons. If the requestors insist on the investment

and the investment team accept the investment value, the team should submit an application and support documents to the decision-making committee of the member company, and make investment after obtaining the approval.

■ **71.** The principle of prudence is the final responsible investing filter in response to an extreme event or circumstance. The member company shall resolve the issues of potential concern to the regulators and other market players (e.g. stock exchanges or industry organizations) in the best interest of the Group.

■ **72.** The principle of prudence includes two strategies in accordance with themes:

1. Prudent industry treatment strategy—coal, fossil fuel-fired power, oil and gas, hydroelectricity, nuclear power, clinic trial, animal testing and other industries;
2. Norm-based screening strategy—exclusion of investments in the sectors of gambling and pornography businesses or in controversial areas based on international law.

## ----- Prudent industry treatment strategy -----

■ **73.** The Company evaluates and screens key industries in accordance with the prudent industry treatment strategy under the principle of prudence. The investment personnel should report to their business line/department heads for approval and keep the records when they make relevant investment decisions.

■ **74.** Coal-related projects:

### Direct investment area

Evaluation of all thermal coal mining and coal-fired power generation projects is required and put down in the evaluation report for record-keeping purpose. In principle, it is expected that Ping An will divest all unlisted projects such as direct equity or debt by the end of 2035 (except for projects that can achieve net-zero emissions).

### Securities investment

It is expected that Ping An will exit from holding of shares, and bonds and other capital market securities investment in companies with more than 30% of revenue generated from thermal coal and coal-fired power businesses by the end of 2035.

### Active communication

Ping An communicates with key carbon emission customers to make it clear that financial support needs to be linked to their transition path and transition goals. Those companies will be requested to develop transition plans, such as a goal that carbon intensity will decline at a rate of no less than a certain percentage per year (the extent of control at different time stages is determined by the interval reduction rate in the carbon emission roadmap). At the same time, Ping An will support their transition financing through green bonds, green loans as well as green asset securitization, and follow up on implementation over time.

For existing coal-related investees, we suggest annually reviewing their greenhouse gas emission reduction strategies, and management of low-carbon transformation opportunities and risks. Investments will be reduced or terminated if the following documents can't be provided:

- Information about greenhouse gas emission (self-generated electricity and purchased electricity);
- Climate-related opportunities and risks affecting business strategies, including warming scenario analysis;
- Present and future plans to support low-carbon transformation and emission reduction;
- Plans to diversify power sources away from the coal-fired power; and
- Quantitative targets of greenhouse gas emission reduction.

The prudent industry treatment strategy is not applicable to the following situations:

- Biomass sources for total electricity generation are sufficient to reduce carbon emissions by 20%;
- Projects utilizing the CCS (Carbon Capture and Storage) technologies or other systems can greatly reduce carbon dioxide emissions; and
- Other potential alternatives that can reduce greenhouse gas emissions by 20%.

**75.** The investee company shall be subject to prudent treatment if it directly or indirectly participates through its controlled entity (at least 20% of its shares) in the “hydropower” project which is in any of the following situations:

- The project lacks protection measures to reduce the negative impact on the endangered species listed on the “List of Endangered and Protected Species of China” and the “List of Protected Wild Plants of China”;
- The project lacks termination/obsolescence plans;

- The project will generate negative impacts on the upstream and downstream, including fishery, pollution, flood risk changes, and social and economic impacts;
- The project is located within 30 km of the site of environmental, social and/or cultural significance as listed in the “China National Biodiversity Conservation Strategy and Action Plan” and the “UNESCO World Heritage Sites; and
- The project violates the “Regulations of the People’s Republic of China on Nature Reserves” and other policies.

■ **76.** The investee company shall be subject to prudent treatment if it directly or indirectly participates through its controlled entity (at least 20% of its shares) in the “nuclear power” project which is in any of the following situations:

- The evacuation and crisis response plans of the project do not meet the basic safety standards of International Atomic Energy Agency (IAEA);
- The facility design and operation plans of the project do not meet the safety standards and requirements of IAEA and China Atomic Energy Authority (CAEA);
- The transportation and storage plans of the project do not meet the standards of IAEA;
- The project doesn’t belong to the member states of IAEA and is not subject to IAEA’s inspection;
- The projects doesn’t belong to the signatories of the *Treaty on the Non-Proliferation of Nuclear Weapons* and its amendment; and
- The Nuclear Steam Supply System (NSSS) of the project does not meet the standards and requirements of IAEA.

■ **77.** The investee company shall be subject to prudent treatment if it directly or indirectly participates through its controlled entity (at least 20% of its shares) in the “clinic trials” project which violates the “Good Clinical Practice of Pharmaceutical Products” jointly issued and revised by the National Medical Products Administration (NMPA) and the National Health Commission (NHC).

■ **78.** The investee company shall be subject to prudent treatment if it directly or indirectly participates through its controlled entity (at least 20% of its shares) in the “animal testing” project which violates the “Laboratory Animal—Guideline for Ethical Review of Animal Welfare” jointly issued and revised by the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China (AQSIQ) and the Standardization Administration of China (SAC).

## ----- Convention-based screening strategy -----

■ **79.** The convention-based screening strategy follows the international conventions that China has signed, including:

- United Nations Treaties
- United Nations Sanctions Ordinance
- United Nations Global Compact
- Universal Declaration of Human Rights
- OECD Guidance
- Paris Agreement

■ **80.** Investments are not suggested if the products, services or commercial projects do not comply with above mentioned international conventions, such as gambling, pornography or controversial businesses. Specifically:

- Production, transportation and transaction of biochemical weapons (bacteria, toxins, etc.)
- Production, transportation and transaction of cluster munitions
- Production, transportation and transaction of anti-personnel landmines
- Trade of endangered species
- Human trafficking
- Nuclear weapons
- Mercury mining, production or mercury industries including mercury switches, relays, and mercuric-compound pesticides
- Pornography
- Gambling (excluding investees associated with welfare and sports lotteries)
- Illegal drugs

- Production and trade of persistent organic pollutants, including  $\alpha$ -Hexachlorocyclohexane,  $\beta$ -Hexachlorocyclohexane,  $\gamma$ -Hexachlorocyclohexane, chlordecone, pentachlorobenzene, hexabromobiphenyl, perfluorooctanesulfonic acid, perfluorooctane sulphonate, perfluorooctanesulfonyl chloride, 4-Bromophenoxybenzene, pentabromobiphenyl ether, hexabromodiphenyl ether, and heptabromodiphenyl ether.
- Illegal use of ozone-depleting substances
- Destruction of biodiversity
- Illegal fishing
- Others

## Principle 5: Information Transparency

■ **81.** Ping An Group's member companies report responsible investing progress to the Group ESG and Sustainability Office at least every half a year. The Group ESG and Sustainability Office prepares and discloses the regular reports and other required reports to the public.

■ **82.** For externally managed assets that are not directly invested by Ping An, teams of the member companies should:

- **Explicitly** keep the execution teams informed of Ping An Group's responsible investing expectations and requirements;
- **Regularly supervise** the execution teams' responsible investing and activist shareholder activities;
- **Actively participate** in the execution teams' ESG optimization practice; and
- **Disclose** the executive team's implementation of responsible investment policy to the Group ESG and Sustainability Office.

▼ Table 6: supervision rules of externally managed assets

Assets	Listed stocks	Fixed-income assets	Private equity
Supervision	<ul style="list-style-type: none"> <li>Regularly evaluate responsible investing capabilities and execution through the External Manager ESG Questionnaires, including qualitative and quantitative investing strategies;</li> <li>Monitor ESG topics related to the portfolios, including holdings in industries sensitive to climate changes.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly evaluate responsible investing capabilities and execution through the External Manager ESG Questionnaires;</li> <li>Monitor ESG topics related to the portfolios, including holdings in industries sensitive to climate changes.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly evaluate responsible investing capabilities and execution through the External Manager ESG Questionnaires;</li> <li>Monitor ESG topics related to the portfolios.</li> </ul>
Participation	<ul style="list-style-type: none"> <li>Assist managers in improving the weaknesses identified during supervision of ESG valuation and responsible management; and</li> <li>Ask managers to provide opinions on major ESG topics (such as climate changes), and considerations in investment analysis and portfolio building.</li> </ul>	<ul style="list-style-type: none"> <li>Assist managers in improving the weaknesses identified during ESG valuation and supervision.</li> </ul>	<ul style="list-style-type: none"> <li>Assist managers in improving the weaknesses identified during ESG valuation and supervision.</li> </ul>
Reporting	Annually report fulfillment of above promises to investors (based on the ESG capability development of domestic asset managers)		

■ **83.** Ping An not only seeks to improve its investment processes through inclusion of ESG factors, but also hopes to fulfill the responsibilities of the asset owner, encourage managers to make responsible investment to directly and indirectly influence the investees. Ultimately, Ping An will further promote industry and community development and realize its social responsibility as a benchmark of the industry.

## Chapter IV Introduction to CN-ESG

- **84.** Ping An has developed the CN-ESG system to realize long-term value of the Group, lead China's ESG investment, and empower internal and external ecosystems. Leveraging the AI-ESG intelligent investment platform, Ping An launches ESG themed financial products and builds a benchmark from three dimensions of scientific assessment system, technological empowerment, and financial practice.
  
- **85.** Ping An combines global standards, codes of conduct, initiatives and best practices with the Group's characteristics to formulate systematic and standardized procedures and standards and provide them to investment personnel as guidance. Ping An promotes the Policy Statement on Responsible Investment and lays a solid ground work for report disclosure to boost the Group's sustainable investment leadership and brand influence.
  
- **86.** The CN-ESG system classifies industries into 41 categories based on existing domestic and international regulatory requirements and assessment standards in environmental disclosure, product responsibility, corporate governance, corporate results, and human capital. It creates an ESG indicator list by combining general indicators and industry factors with controversies and public opinion scores. The CN-ESG system will meet the needs of the local market and international investors by providing an accurate and intelligent evaluation system with Chinese characteristics.
  
- **87.** Through the CN-ESG system, Ping An's investment personnel have access to in-depth information in addition to financial information of A-share and H-share listed companies, and make investment decisions based on ESG risks and opportunities.
  
- **88.** Please refer to [Ping An's website](#) for more information on CN-ESG system.