Sustainability for a Better Future

April 2022

Ping An
Finance · Technology
Contents

01 Overall Performance
02 Corporate Governance
03 Environment
04 Social Responsibility
Our Vision is to Become a World-leading Integrated Financial and Healthcare Services Provider

One Positioning

Two Focuses

Two Models

N Pillars

World-leading Retail Financial Services Group

Integrated Finance

Healthcare

Finance + Technology

Finance + Ecosystem

Insurance

Banking

Asset Management

Financial Services Ecosystem

Healthcare Ecosystem

Auto Services Ecosystem

Smart City Ecosystem
Milestones of Ping An’s Sustainability

1988
- Established in Shenzhen
- The first insurance company to adopt a shareholding structure in China

1994
- Funded the first Primary School under Project Hope

1998
- Established

2003
- Launched “Ping An Inspirational Plan for China” to support college students

2009
- Set up a CSR team
- Released first CSR report

2010
- Launched Low Carbon 100 Initiative
- Established the Employee Volunteer Association

2006
- Established Ping An Charity Fund and donated RMB10 million to China Youth Development Foundation

2009
- Launched Ping An Charitable Trust Initiative for Education Development

2016
- Founded Ping An Educational Charity Council

2017
- Launched the Rural Communities Support Program
- The first asset owner signatory for Principles for Responsible Investment (PRI) in China
- The first asset owner to join Climate Action 100+ in China
- The first company to join UN Principles for Sustainable Insurance (PSI) in China
- The first financial company in China to disclose TCFD report

2018
- Recognized in the S&P Global Sustainability Yearbook 2022
- The first asset owner to join Climate Action 100+ in China
- The first company to join UN Principles for Sustainable Insurance (PSI) in China
- The first financial company in China to disclose TCFD report

2019
- Established the Group Green Finance Committee
- Announced Five Year Plan for Green Finance Development and Operational Carbon Neutrality Plan
- Included in FTSE4GOOD Index Series
- Won the Hong Kong Corporate Governance Excellence Award 2021 for the sixth time
- Won the Directors of The Year Awards for the fifth time

2021
- Joined UNEP FI Global Steering Committee representing insurance company in APAC
- Recognized in the S&P Global Sustainability Yearbook 2022
- Won the Directors of The Year Awards for the fifth time
Ping An integrates sustainability into its development strategy. It has built a rational, professional corporate sustainability management framework and a clear, transparent ESG governance structure to guide and instruct the functional units and member companies of the Group to enhance corporate governance and business sustainability systematically.

- Level 1: The Strategy and Investment Committee under the Board of Directors oversees all ESG issues, in charge of the Group’s ESG strategic planning, risk management, and policy making.

- Level 2: The Investor Relations Management Committee under the Group Executive Committee is responsible for identifying relevant ESG risks and opportunities, setting concrete objectives, formulating plans, and appraising performance.

- Level 3: The Group ESG Office and other functional centers of the Group act as task forces to coordinate ESG work within and outside the Group.

- Level 4: A matrix consisting of the Group’s functional units and member companies is responsible for ESG execution.
## Performance Review

### Environment

<table>
<thead>
<tr>
<th>Metric</th>
<th>Quantity</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual GHG emissions (Scope1,2,3)</td>
<td>428,994.85 tCO₂e</td>
<td>19%</td>
</tr>
<tr>
<td>Annual electricity consumption at workplace</td>
<td>513,946,880 KWh</td>
<td>2.65%</td>
</tr>
<tr>
<td>Annual solid waste generated</td>
<td>210,773 Tons</td>
<td>36.35%</td>
</tr>
<tr>
<td>Annual paper consumption</td>
<td>1,631 tons</td>
<td>75.89%</td>
</tr>
</tbody>
</table>

### Social

<table>
<thead>
<tr>
<th>Metric</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial revitalization in 2021:</td>
<td>RMB12 bn</td>
</tr>
<tr>
<td>Cumulative funding for poverty alleviation and industrial revitalization</td>
<td>RMB41.85 bn</td>
</tr>
<tr>
<td>Total funded Ping An Hope Primary Schools:</td>
<td>119</td>
</tr>
<tr>
<td>Total number of volunteers from Ping An</td>
<td>555,000</td>
</tr>
</tbody>
</table>

### Employee

<table>
<thead>
<tr>
<th>Metric</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees benefited from Long-term Service Plan and Key Employee Share Purchase Plan</td>
<td>89,304</td>
</tr>
<tr>
<td>Average hours of training</td>
<td>28.54 hours per employee</td>
</tr>
<tr>
<td>Total annuity payments</td>
<td>RMB1 billion</td>
</tr>
</tbody>
</table>

### Responsible Investment and Financing

- Responsible Investment and Financing: RMB1.22 trillion
- Inclusive investment and financing: RMB68.467 billion
- Social investment and financing: RMB926.860 billion

### Responsible Banking

- Green banking: RMB89,813 billion
- Inclusive banking: RMB400,022 billion
- Social banking: RMB1,549 billion

### Sustainable Insurance Premium

- Environmental: RMB44,569.22 million
- Inclusive: RMB23,403.42 million
- Social: 453,813.28 million

### Green investment and financing

- Green investment and financing: RMB224.580 billion

### Environment

- Annual GHG emissions (Scope1,2,3): 428,994.85 tCO₂e
- Annual electricity consumption at workplace: 513,946,880 KWh
- Annual solid waste generated: 210,773 Tons
- Annual paper consumption: 1,631 tons

### Social

- Industrial revitalization in 2021: RMB12 bn
- Cumulative funding for poverty alleviation and industrial revitalization: RMB41.85 bn
- Total funded Ping An Hope Primary Schools: 119
- Total number of volunteers from Ping An: 555,000

### Employee

- Number of employees benefited from Long-term Service Plan and Key Employee Share Purchase Plan: 89,304
- Average hours of training: 28.54 hours per employee
- Total annuity payments: RMB1 billion

As of 31 December 2021
<table>
<thead>
<tr>
<th>8 Topics</th>
<th>14 ESG policy statements</th>
</tr>
</thead>
</table>
2. Employee Code of Conduct |
| 2. Responsible Investment | 3. Policy Statement on Responsible Investment  
4. Policy Statement on Coal Related Business |
7. Policy Statement on Privacy Protection  
8. Policy Statement on AI Ethics Governance |
14. Policy Statement on Community Impact |
## An ESG Leader in China with Global Recognitions

<table>
<thead>
<tr>
<th>Initiative/Organization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNEP FI member</td>
<td>UNEP FI Global Steering Committee member representing insurance companies in APAC</td>
</tr>
<tr>
<td>The first</td>
<td>The first asset owner signatory in China that joined Climate Action100+</td>
</tr>
<tr>
<td>PSI Principles for Sustainable Insurance</td>
<td>The first company in mainland China to sign up for the UNEP FI Principles for Sustainable Insurance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Index &amp; Rating</th>
<th>2021</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI ESG Rating</td>
<td>BBB</td>
<td>The leading performer among insurance companies in China</td>
</tr>
<tr>
<td>CDP Rating</td>
<td>A-</td>
<td>The highest level for a financial company in China</td>
</tr>
<tr>
<td>Sustainalytics</td>
<td>Low risk</td>
<td>The best rating among financial companies in China and leading position globally</td>
</tr>
<tr>
<td>FTSE4GOOD Index Series</td>
<td>Included</td>
<td>A constituent of the FTSE Russell Sustainability Index</td>
</tr>
<tr>
<td>Hang Seng Corporate Sustainability Index</td>
<td>Included</td>
<td>Included in the Hang Seng China Enterprise Index ESG Index and the Hang Seng ESG50 Index</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative/Organization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first</td>
<td>The first asset owner signatory in China that joined UN-supported Principles for Responsible Investment network</td>
</tr>
</tbody>
</table>
Ping An discloses ESG performance twice a year through interim report and Sustainability Report.

- We issued the first Sustainability Report (CSR report) in 2009. 2022 is the 14th consecutive year that we issue the Report.

- The Report was compiled in accordance with the ESG Reporting Guide of the HKEX and by reference to GRI (Global Reporting Initiative) Sustainability Reporting Standards, as well as the SASB (Sustainability Accounting Standards Board standards) on Commercial Banks, Insurance and Asset Management & Custody Activities. Deloitte carried out an independent third-party assurance on the Report.

- In 2019, Ping An disclosed environmental information for the first time in accordance with the framework proposed by the Taskforce on Climate-Related Financial Disclosure (TCFD) of the G20 Financial Stability Board (FSB), as the first financial institution in China to do so.

- In 2022, sustainability disclosure is emphasized through Ping An’s revamp of the ESG session of website, marking a further step to achieve our commitment to improving the governance transpency.
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Ping An has established a professional and sound governance structure, continued to adopt global best practices in governance, and fostered stable operation of the Company through a series of innovative governance measures.

### Corporate Governance Structure

#### General Meetings

<table>
<thead>
<tr>
<th>Board of Directors (Board)</th>
<th>Nomination and Remuneration Committee</th>
<th>Audit and Risk Management Committee</th>
<th>Supervisory Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strategy and Investment Committee</td>
<td>Related Party Transaction Control and Consumer Rights Protection Committee</td>
<td></td>
</tr>
</tbody>
</table>

- **General Meetings**: Relatively scattered shareholding structure with no controlling shareholder or de facto controlling party.
- **Supervisory Committee**: Effectively supervise the performance of the Board and Executive Committee to protect the interests of minority shareholders, employees and other stakeholders. Ping An is the first company in China to have Independent Supervisors.
- **Board of Directors**: Independent, diversified and professional
  - The proportion of Independent Directors is 40%, exceeding the requirements of the Company Law of PRC, HKEX and SSE and ahead of listed companies in China.
  - Members of the Nomination and Remuneration Committee are all Independent Directors.
  - More than half of the members of the Audit and Risk Management Committee and the Related Party Transaction Control and Consumer Rights Protection Committee are Independent Directors.
  - Female directors accounting for 20% of the Board.
  - All Directors are professionals with extensive working experience in fields of law, accounting, actuarial or investments.

#### Executive Committee

| Strategy and Budget Management Committee | Investment Management Committee | Risk Management Executive Committee | Investor Relations and ESG Committee | Technology Development Committee |

- **Executive Committee**: The highest execution authority under the Board. The Executive Committee shall be accountable to the Board and is responsible for daily operation and management as well as implementation of the resolutions of the shareholders’ general meeting and the Board. The Executive Committee undertakes collective responsibility for the decision making of major matters.
A matrix management of “Executive Officer + matrix” decision-making management mechanism is adopted to realize "collective decision-making, division of labor and coordination, matrix management, restriction and balance".

All member companies are “independent corporations with independent operation and independent accounting”.

<table>
<thead>
<tr>
<th>Functional Executive Officer</th>
<th>CFO (Chief Financial Officer)</th>
<th>CIA (Chief Internal Auditor)</th>
<th>CIO (Chief Investment Officer)</th>
<th>CIO (Chief Information Officer)</th>
<th>CHRO (Chief Human Resources Officer)</th>
<th>Brand Director</th>
<th>Life Insurance</th>
<th>Property and Casualty Insurance</th>
<th>Bank</th>
<th>Securities</th>
<th>Ping An Good Doctor</th>
<th>Ping An Technology</th>
</tr>
</thead>
</table>

Collective Decision-making Mechanism is Improving with Matrix Management
Ping An’s Board of Directors focuses on the foresight, guidance and accuracy of the Company’s strategy, pays attention to the long-term and sustainable development of the enterprise, captures future development opportunities with high awareness of crisis, and is committed to building a century-old brand.

- Building systems and mechanisms
- Exploring modern insurance
- Focusing on insurance
- Exploring integrated finance
- Enhancing integrated finance
- Exploring “finance + technology”
- Deepening “finance + ecosystem”

### The first decade (1988-1997)
- The first joint-stock insurance enterprise
- The first financial enterprise to introduce foreign investors
- The first enterprise to adopt international accounting standards and international actuarial standards

### The second decade (1998-2007)
- One of the first batch of three pilot holdings group approved by the State Council of China to provide integrated financial services

### The third decade (2008-2017)
- The Board approved to invest 1% of the revenue in R&D every year.

### The fourth decade (2018- )
- Aims to become a world-leading retail financial and healthcare services provider.
- Deepening “finance + technology” strategy. Ping An’s technology patent applications totaled 38,420 more than most other international financial institutions.
- Ping An also ranked first globally by the number of fintech and digital healthcare patent applications
Continuously Improving the Dividend Level to Create Long-term and Stable Returns for Investors

Ping An is a mixed-ownership company dually listed on the Shanghai Stock Exchange (A-shares) and the Stock Exchange of Hong Kong (H-shares). The shareholding structure of the Group is relatively scattered. There is no controlling shareholder nor de facto controller.

Ping An attaches importance to shareholder returns and the annual cash dividend per share grew 8.2% year on year to RMB2.38, marking a continued increase in cash dividends.

<table>
<thead>
<tr>
<th>Year</th>
<th>Interim Dividend</th>
<th>Final Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1.50</td>
<td>0.50</td>
</tr>
<tr>
<td>2018</td>
<td>1.72 (14.7%)</td>
<td>0.62</td>
</tr>
<tr>
<td>2019</td>
<td>2.05 (19.2%)</td>
<td>0.75</td>
</tr>
<tr>
<td>2020</td>
<td>2.20 (7.3%)</td>
<td>0.80</td>
</tr>
<tr>
<td>2021</td>
<td>2.38 (8.2%)</td>
<td>0.88</td>
</tr>
</tbody>
</table>
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Ping An Group established the Group Green Finance Committee in 2021.

Presided over by the Chairman of the Board of Directors with CEOs and senior executives of the acting as deputy directors.

### Structure
- **Green Finance Committee**: Committee serves as the main body for developing and reviewing the green finance strategies, plans, and policies of the whole group.
- **Green Finance Office**: promotes the execution of green finance related work.
- **Green Finance/ESG Offices of Member Companies**: Each subsidiary establishes its own Green Finance Office (or ESG Office) to execute green finance related work.

### Review Mechanism
- **Monthly Report**: ESG Office of member companies are expected to fill in data on green finance on the AI-ESG platform, summarizing relevant work progress, highlights and difficulties.
- **Quarterly Review**: Group ESG Office reviews the progress of subsidiaries towards objectives and reports to the Group Green Finance Committee.
- **Biannual Meeting**: The Group holds biannual meetings on green finance, which is one of the topics for the Group Investor Relations Committee.
- **Annual Appraisal**: The Group summarizes progress in green finance and recognizes excellent performance of business units, products, and individuals.

### Requirement
- **Green Investment**: Increase investment in green targets and encourage innovation in green financial products; make divestment strategy for high-pollution and high-emissions industries.
- **Green Loan (including loan and lease)**: Reduce loans and financing support for industries with high energy consumption or high pollution; increase support for green financing, open green channels, and provide financial concessions, etc.
- **Green Insurance**: Encourage the enrichment of green insurance products and services; introduce preferential policies for green insurance customers; develop and promote green life insurance products and services suitable for enterprises or individuals.
- **Asset and Liability Management in terms of Climate Change Risks**: Assess the impact of climate change risks on the assets and liabilities, and ensure that assets and liabilities are matched in terms of maturity, income, and costs, so as to make macro-plans for future asset allocation.
Ping An strives to become a world-leading green financial service group by leveraging its integrated financial services, including green insurance, green investment and green credit.

In long term, Ping An aims to achieve carbon neutrality at portfolio level by 2060.

<table>
<thead>
<tr>
<th>Green Finance Achievement</th>
<th>Green Finance Five-Year Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green investment and financing: RMB224,580 million;</td>
<td>Green investments  &lt;br&gt; <strong>Annual growth rate no less than 20%</strong></td>
</tr>
<tr>
<td>Green banking business: RMB89,813 million;</td>
<td>Green insurance premiums  &lt;br&gt; <strong>Annual growth rate no less than 70%</strong></td>
</tr>
<tr>
<td>Environmentally sustainable insurance premium income: RMB44,569 million.</td>
<td>Green credit balance  &lt;br&gt; <strong>Annual growth rate no less than 20%</strong></td>
</tr>
</tbody>
</table>

As of 31 December 2021

<table>
<thead>
<tr>
<th>Green credit + investment</th>
<th>Green insurance premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB400 billion by 2025</td>
<td>RMB250 billion by 2025</td>
</tr>
</tbody>
</table>
Ping An has pledged to achieve **operational carbon neutrality by 2030** and will implement comprehensive policies to support green economy transformation.

**Operational Carbon Neutrality Achievement**

Ping An focused on reducing the impact of its operations on the environment through energy-saving transformation, smart office features and digitalization to reduce energy consumption and carbon emissions.

- The total carbon emissions including scope 1, 2, 3: 428,994.85 tons, down 19.1% YoY
- Total paper consumption at Ping An’s operating sites and workplaces: 1,631 tons, down 75.89% YoY
- The electricity consumption of own workplaces and leased workplaces: 513,946,880KWH, down 2.65% YoY.
- The use of mineral water in the workplace of Ping An Financial Center reduced by 808 boxes (19,392 bottles);
  The use of mineral water in conference rooms reduced by 2,130 boxes (51,120 bottles)

In August 2021, the Shenzhen Ping An Financial Center, designed, built and operated by Ping An Real Estate, obtained LEEDv4.1O+M: EB (Operation and Maintenance: Existing Building) Platinum Certification

**Operational Carbon Neutrality Plan**

1. Prioritized internal emissions reduction.
2. Looking at external ways to further reduce emissions, including purchasing external green power.
3. Finally, achieve carbon neutrality through multiple approaches, including buying carbon credits.
Apply AI to Empower ESG Management and Practice

### AI-ESG Investment Platform

- **Application Level**
  - Intelligent interview management
  - ESG public opinion monitoring
  - ESG data management
  - ESG report generation
  - ESG intelligent Q&A

- **Modeling Level**
  - The Group’s ESG expert model
  - Public opinion monitoring model

- **Technical Level**
  - Web crawler
  - ASR
  - NLP
  - Machine learning
  - Deep learning
  - Reinforcement learning

- **Data Level**
  - The Group’s ESG internal management data
  - The Group’s ESG public opinion data

### AI-ESG Integrated Management Platform

- **Application Level**
  - ESG valuation of stocks and bonds
  - ESG score for portfolio
  - ESG capability evaluation of fund managers
  - Climate Var
  - ESG strategy research and development
  - ESG public opinion monitoring

- **Technical Level**
  - Natural language processing middle office
  - Knowledge atlas middle office
  - Machine vision middle office

- **Data Level**
  - Public reports and announcements of enterprises
  - Ping An investment database (such as Euler atlas)
  - Regulatory websites, news, social media
  - Remote sensing satellite data
  - Third-party ESG data
  - Other public data (such as government reports)
The Crane Beach Hydropower Station is a critical part of the “Clean Energy Corridor” of the Yangtze River. The power generated by Crane Beach Hydropower Station per day can support electricity consumption of 500,000 people for a year.

Ping An Bank has been supporting the construction of the Crane Beach Hydropower Station of RMB5.23 billion by issuing green bonds and granting green credit for four consecutive years.

Ping An Property & Casualty Insurance, as the chief underwriter, has underwritten the project with an insurance coverage of RMB6.12 billion, providing protection against natural disaster and accident.

Shenzhen government requests all pollution-heavy companies to purchase environmental pollution liability insurance from 2021 onwards.

Ping An Property & Casualty was one of the first batch of insurance companies to be approved by government to offer the Compulsory Environmental Pollution Liability Insurance.

As of December 31, 2021, Ping An P&C provided nearly 2,000 enterprises with the environmental pollution liability insurance.

Ping An Life issued the ChinaBond Ping An Life Insurance ESG Integration Strategy Credit Bond Index in 2022.

It is the first ESG bond index issued by an insurance company in China, aiming to promote high quality sustainable development of different industries through environmental, social and governance (ESG) investing.

As of the end of March 2022, there were 2,765 bonds in the index, with a total market value of RMB7.27 trillion. The rates of return of the index are 2.01% for six months, 4.73% for one year, 13.42% for three years and 25.99% for five years.
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In 2018, Ping An launched the "Rural Communities Support" program in directions of "Village Officer, Village Doctor and Village Teacher" to support health and education in rural areas.

<table>
<thead>
<tr>
<th>Program</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village Doctor</td>
<td>Bridging the medical gap between urban and rural areas</td>
</tr>
<tr>
<td>Total upgraded village clinics</td>
<td>1,228</td>
</tr>
<tr>
<td>Total trained village doctors</td>
<td>11,843</td>
</tr>
<tr>
<td>People covered by free medical examination</td>
<td>110,000</td>
</tr>
<tr>
<td>Village Officer</td>
<td>Support for self-reliance based on local conditions</td>
</tr>
<tr>
<td>Distributed poverty alleviation</td>
<td>RMB 41.85 billion</td>
</tr>
<tr>
<td>Supported primary schools</td>
<td>1,054</td>
</tr>
<tr>
<td>Trained rural school teachers</td>
<td>14,110</td>
</tr>
<tr>
<td>Village Teacher</td>
<td>Optimize the allocation of quality education resources</td>
</tr>
<tr>
<td>Directly impacted filed low-income families</td>
<td>150,200</td>
</tr>
<tr>
<td>Benefited low-income households over</td>
<td>730,000</td>
</tr>
<tr>
<td>Benefited poverty students more than</td>
<td>310,000</td>
</tr>
</tbody>
</table>
In 2021, Ping An sent Ping An Healthcare Diagnostics Center vehicle to Jiangxi, Hubei, Guangdong, Shaanxi, Guizhou, Shandong provinces to offer free physical checkup and medical consultations services. During the year, Ping An held 69 charitable healthcare events and lectures and provided services to 9,483 people.

Ping An launched the “Ping An Inspiration Plan” in 2003, organizing competition activities related to insurance, healthcare, technology, etc. to encourage college students to fully present their talents and intelligence.

Since launch of this plan, Ping An has provided nearly RMB20 million in scholarships to over 5,900 students to support and encourage them to carry out academic research and apply what they learned to serve the community and society.

In 2021, 6,400 teams of college students participated in the Plan.

In 2021, Ping An Public Welfare Foundation and Shenzhen Project Care Foundation have jointly launched a one-year welfare campaign to promote conservation of the South China Tiger.

The South China Tiger is one of the top 10 most critically endangered species in the world with only 250 such tigers left in captivity in China.

The South China Tiger conservation campaign is being launched with social and corporate donations, with Ping An initially donating RMB1.5 million.
Thank you!