

Policy Statement on Coal Related Business of Ping An Group

December, 2025

Background

Since the beginning of 2021, in response to China's strategic targets to peak carbon emissions, by 2030, and reach carbon neutrality, by 2060, Ping An Group undertook to achieve carbon neutrality within its own operations no later than 2030.

China's current resource landscape is characterized by an abundance of coal, scarcity of oil and limited natural gas. As a result, coal accounts for a disproportionately high proportion in primary energy consumption and the considerable carbon emissions from secondary industries have a significant share in the economy. This, in turn, makes China's journey towards carbon neutrality more challenging and demanding. In response to the *Action Plan for Carbon Dioxide Peaking Before 2030*, Ping An Group is committed to safeguarding national energy security and promoting economic development. We aim to facilitate the gradual shift away from fossil fuels towards cleaner energy sources, thereby ensuring a seamless transition towards a low-carbon future, all the while ensuring a secure reduction in carbon emissions.

As Ping An's member companies engage in various businesses, they have different exposure to climate-related transitional and physical risks. To further support China's green transition and address global climate issues, we deal with investment, underwriting and credit business in a differentiated approach as follows.

Investment

■ Direct investment

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

■ Securities investment

We expect to exit from holding of shares, bonds, and other capital market securities investment in companies with over 30% of their revenue generated from thermal coal mining or thermal power businesses by the end of 2035.

■ Responsible Management

We communicate with major carbon emitters and clarify that financial support should be linked to transition paths and goals, requesting them to determine their transition direction and path – to reduce their carbon intensity annually by a certain percentage, for example. (The range at different stages will be determined by the overall national carbon emission road map commitment).

As for existing investees in thermal power, we will review their annual strategy of greenhouse gas (GHG) emissions reduction and the management of low carbon-related transition opportunities and risks. We will consider reducing or eliminating the investment if they cannot offer the following materials.

- Information on GHG emissions (self-generated power and purchased power);
- Climate-related opportunities and risks which exert an impact on business strategies (including global warming scenario analysis);
- The company's emission reduction strategic plan supporting low-carbon transition currently and in the future;
- A plan for shifting electricity generation to diversified power sources, away from thermal carbon emission power;
- Quantitative goals for reducing GHG emissions.

For details about policies on investing in coal and more industries, see the *Policy Statement on Responsible Investment of Ping An Group*. Meanwhile, Ping An will support these companies in financing via green bonds, green loans and green ABSs to enable green and low-carbon transition, and we will follow up on their implementation.

*Details of investing criteria¹

Investment decisions are based on assessments of all coal mining and power generation projects. The exclusion thresholds mentioned below are minimum requirements, and more stringent criteria may be applied based on the actual project conditions during the investment process.

Coal-Fired Power Generation

- Projects involving the constructional coal-fired power units with a single capacity of 300,000 kw or less.
- Projects with wet-cooled power units exceeding 285 grams of standard coal per kilowatt-hour in coal consumption.
- Projects with air-cooled power units exceeding 300 grams of standard coal per kilowatt-hour in coal consumption.
- Projects using outdated production technology equipment.

¹ The details of various business standard in this Policy mainly refer to various national policies, such as the *Guidance Catalog for Industrial Structure Adjustment (2019 Edition)*, the *Notice of the National Mine Safety Administration on Issuing the '14th Five-Year Plan for Mine Safety Production*, and the *Benchmarking Levels in Key Fields of Clean and Efficient Coal Utilization (2022 Edition)*. We will also closely monitor national policy developments and update the standard details in this Policy as needed."

Coal Mining

- Projects with a single well type below the following scales (classified by region):
 1. Shanxi, Inner Mongolia, Shaanxi: 1.2 million tons per year;
 2. Ningxia: 600,000 tons per year;
 3. Other regions: 300,000 tons per year.
- Projects employing non-mechanized mining techniques.
- Large and medium-sized coal mines with depths exceeding 1,000 meters and expansion depths exceeding 1,200 meters, and other coal mines with depths exceeding 600 meters.
- New coal mine projects with more than 2 underground mining faces.
- Enterprises with product energy consumption per unit product greater than 11.8 kilograms of standard coal per ton.
- Projects using outdated production process equipment for coal mining.

I Underwriting

Under the guidance of the government, we will exit from the thermal power projects that do not meet the national standards and continue to lower the share of coal-fired plants alongside increasing the proportions of new energy such as photovoltaic and wind power. Ping An follows the government's coal policies but avoids a one-size-fits-all approach. As for Ping An's current underwriting projects, not all bear climate-related risks. Ping An will try its utmost to cooperate with coal companies and coal-fired electric power companies in environmental optimization projects, without hurting society and people's livelihood. Ping An will give more consideration to companies with higher thermal efficiency and lower environmental risks, or those planning a low-carbon transformation.

Ping An member insurance companies will also lower their underwriting exposure to coal companies and adopt a case-by-case evaluation method, following the Policy Statement on Sustainable Insurance of Ping An Group. In conducting insurance due diligence, Ping An member companies in insurance business will investigate the project's environmental impact, including location, production technology, management, waste treatment, and environmental protection. Projects will be underwritten based on the results of this investigation. The exclusion thresholds mentioned below are minimum requirements, and more stringent criteria may be applied to tailor to the specific circumstances of the projects during the underwriting process. For existing underwriting business, we will follow the direction of national policies, discuss with customers about gradual decrease or exit while increasing the proportion of new energy sources.

Details on New Underwriting Business Standards

Coal-Fired Power Generation

- Projects involving the constructional coal-fired power units with a single capacity of 300,000 kw or less.
- Projects with wet-cooled power units exceeding 285 grams of standard coal per kilowatt-hour in coal consumption.
- Projects with air-cooled power units exceeding 300 grams of standard coal per kilowatt-hour in coal consumption.
- Projects using outdated production technology equipment.

Coal Mining

- Single well type projects below the following scale (regionally based):
 1. Shanxi, Inner Mongolia, Shaanxi provinces: 1.2 million tons per year.
 2. Ningxia: 600,000 tons per year.
 3. Other regions: 300,000 tons per year.
- Projects using non-mechanized mining techniques.
- Large and medium-sized coal mines with depths exceeding 1,000 meters and expansion depths exceeding 1,200 meters, and other coal mines with depths exceeding 600 meters.
- New coal mine projects with more than 2 underground mining faces.
- Coal mining enterprises with product energy consumption per unit greater than 11.8 kilograms of standard coal per ton.
- Projects using outdated production process equipment for coal mining.

Credit

As the basic energy source in China, coal is difficult to completely replace. The strategic layout of the national energy structure transformation will be steadily promoted, and clean, efficient, and intelligent development is an effective path for the transformation and upgrading of the coal industry. According to the national energy security strategy and China's energy structure and national conditions, bank credit policies still maintain a moderate support strategy for energy industries such as thermal power and coal, especially in areas that comply with national policy guidance such as low-carbon transformation and flexible transformation. Ping An will focus on relying on national industrial policies and industry norms, and on this basis, refine customer groups and project admission indicators to facilitate implementation. In terms of specific customer admission standards:

1. In the coal-fired power industry, large power generation groups are selected from aspects such as installed capacity, standard coal consumption per kilowatt-hour, power generation efficiency, and regional restrictions to support flexible transformation projects that improve peak shaving capacity within the industry.

2. In the coal industry, large coal group customers and their high-quality member enterprises and projects are selected from aspects such as production capacity and scale advantages, advanced production equipment, leading environmental and energy consumption indicators, and good safety production records.

Ping An has incorporated green finance requirements into its basic credit business policy. For high-emission industries like coal, we will enforce strict management in line with *China's Risk Manual for the Green Finance Business* and conduct annual industry climate risk stress tests as required by regulatory authorities, such as the People's Bank of China, to reasonably control climate risk exposures, especially in high-carbon and high-emission industries.

| About Transition Finance

Transition finance involves financial activities that support traditional industries in reducing pollution and achieving a low-carbon or zero-carbon transformation. These transformations typically involve technological upgrades and equipment improvements, all in alignment with the carbon neutrality goals of various countries and regions. Against the backdrop of China's "30-60" dual-carbon goals, transition finance has become an important avenue for the systematic advancement in dual carbon, driving industrial upgrades, and ensuring economic stability.

Ping An has integrated the concept of "Transition Finance" into its sustainable development philosophy. Leveraging its strengths in comprehensive finance and financial technology, as well as its early initiatives in green finance and transition finance, Ping An aims to contribute to China's lowcarbon transformation. This involves developing a more diverse range of transition finance products, improving its risk identification and management for high-carbon industry customers, and assisting high-pollution, high-emission companies in achieving a smooth transition towards green practices in the trend of green transformation.

When providing transition finance products and services, Ping An also pays attention to and guards against potential negative impacts on energy security, income distribution, community development, ecological environment, and other aspects that transformation activities may have on. We take active measures to assess and mitigate these effects to ensure the fairness of transformation activities.

This policy will be implemented after review and approval by the company's senior management. Ping An will update the policy in a timely manner in accordance with national policies, regulatory requirements and industry development, and follow this procedure when amending it.