

PING AN

Expertise Creates Value

Ping An ESG Company Presentation

Jan 2025

Contents

1 Introduction to MSCI ESG Rating

2 Leading Key Issues

3 Privacy & Data Security

4 Human Capital Development

5 Responsible Investment

6 Climate Change Vulnerability

7 Access to Finance

8 Outlook and Action



1 Ping An MSCI ESG Ratings

According to the latest results in December 2024, the Group's rating has been upgraded to AA, ranking 1st in Asia-Pacific and 8th in the world among industry peers

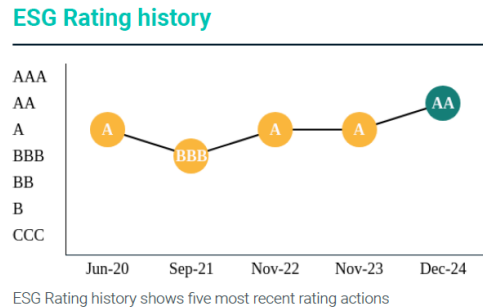
The Group rated AA, ranking 1st among industry in Asia-Pacific



MSCI
ESG RATINGS

Rating scale: CCC, B, BB, BBB, A, **AA**, AAA

RATING ACTION DATE: December 04, 2024
LAST REPORT UPDATE: December 04, 2024



Weighted-average score	6.6
Industry ranking in world	#8 of 56 (Previous year: #16 of 56)
Industry ranking in Asia-Pacific	#1 of 23

Ping An ranked 8th among 56 peers worldwide

Top 10 in Multi-Line Insurance & Brokerage

Rank	Company Name	Country	Current rating*	Weighted-Average Score
1	Swiss Re	Switzerland	AAA	7.98
2	Generali	Italy	AAA	7.44
3	Aviva	UK	AAA	7.44
4	Zurich	Switzerland	AAA	7.24
5	AXA	France	AAA	7.10
6	Munich Re	Germany	AAA	6.90
7	Allianz	Germany	AA	7.16
8	Ping An	China	AA	6.59
9	China Pacific Insurance CPIC	China	AA	6.56
10	ASR Nederland N.V.	Netherland	AA	6.30

*Ping An has become a **Top 10 industry leader** with the **highest rank in Asia-Pacific**

* MSCI underlying database was introduced for analysis, and the total sample of the industry was 56. Among them, there are 6 AAA, 12 AA, 12 A, 11 BBB, 6 BB, 7 B, and 2 CCC.

Ping An Outperforms Industry Averages in 5 Key Issues

The table below highlights the company's score relative to the industry average for each key issue

Key Issue	Weight	Industry Average	Score* (1-10)	Difference	Explanation
Privacy & Data Security	12%	5.0	8.4	↑ 3.4	Evidence of extensive data protection processes, including certification to external information security management standards and robust compliance programs (e.g. system audits and employee trainings).
Human Capital Development	16%	4.1	6.9	↑ 2.8	Strong efforts to attract and retain talent relative to peers.
Responsible Investment	12%	5.3	7.3	↑ 2.0	Evidence of efforts to integrate ESG risk analysis into due diligence and investment process.
Climate Change Vulnerability	13%	3.0	4.8	↑ 1.8	Robust efforts to offset risks of physical climate change in underwriting impacts compared to industry peers.
Access to Finance	7%	5.6	6.2	↑ 0.6	High potential to address underserved markets' financial needs and robust efforts to capitalize on access to finance opportunities relative to peers.

* This table shows the key issue scores and weights contributing to the company's ESG Rating. The range of possible scores is 0-10, where 10 is best and 0 is worst.

Key Issue – Privacy & Data Security, ranked #1 among the industry in Asia-Pacific

Ping An has implemented the following practices to achieve its industry-leading performance:

Data Protection Policy



Ping An updated Policy Statement on Privacy Protection covering **all relevant business lines and subsidiaries** in 2024.

Data Protection Management



- Took a proactive approach to preventing data breaches by conducting **external independent audits** of information security systems at least **once every two years**, and arranging **data breach drills** at least **once a year**.
- In 2023, the Group and member companies completed **59** security emergency drills, covering **nine** scenarios such as ransomware and phishing emails.

Supply Chain Programs



- Ping An's **data protection programs cover all suppliers and business partners**, and inspections are conducted to verify their compliance. Ping An requires information security and confidentiality agreements with suppliers, monitors their information security risk management during cooperation and conducts information security audits.
- Information security training is mandatory for all third-party personnel with access to information assets.

Training



Ping An provides training on privacy and data security **for all employees, including contractors**. In 2023, Ping An provided **more than 50 information security training and education sessions** for all employees and relevant third-party personnel.

Information Security Certification



More than **93%** of Ping An's information security systems have achieved **international information security-related certifications**, including **ISO 27001 and ISO/IEC 27018**.



“Evidence of extensive data protection processes, including certification to external information security management standards and robust compliance programs (e.g. system audits and employee trainings).”

- MSCI Report

MSCI Key Issue Score (12%):

Score	8.4*
Industry Average	5.0

*Ranked first among the industry in Asia-Pacific

Key Issue – Human Capital Development, ranked #1 among the industry in Asia-Pacific

Ping An has implemented the following practices to achieve its industry-leading performance:



Human Resource-related Grievance Reporting or Escalation Procedures

Ping An established relevant **processes to protect employees' freedom of expression**, with clear guidelines on authorization and scope of access to employees' personal information and feedback. Ping An **strictly protects the confidentiality of relevant information** to safeguard personal information.



Employee Satisfaction

Ping An conducted an **Employee Satisfaction Survey annually**. According to the 2024 Survey, the overall employee satisfaction score reached **90/100 points**, increasing for two consecutive years.



Employee Development Training

- Ping An invested **more than RMB1.6 billion** on employee training in 2023.
- Ping An built a Talent Development Key Stage Training System, which includes **375** high-quality online and offline courses. In 2023, the average number of training hours per employee was **45** hours.



Core Personnel Stock Ownership Plan and Long-Term Service Plan

Ping An established a long-term incentive and retention mechanism. As of the end of 2023, a total of **103,232** employees participated in the **Employee Stock Ownership Plan** and the **Long-Term Service Plan**, a coverage rate of **36%**.



Diversified Work Environment

- **42%** of senior management team are women (5 of 12).
- More than **50%** of the total 288,751 employees are women.



“Strong efforts to attract and retain talent relative to peers.”

-MSCI Report

MSCI Key Issue Score (16%):

Score	6.9*
Industry Average	4.1

*Ranked first among the industry in Asia-Pacific

Key Issue – Responsible Investment, ranked #1 among the industry in Asia-Pacific

Ping An has implemented the following practices to achieve its industry-leading performance:



Policy on Responsible Investment

Published a **Policy Statement on Responsible Investment**, covering all investment member companies.



ESG Integration in Investment Process

- Ping An has fully integrated **ESG factors into the process of basic research, analysis and decision-making**, covering all asset classes.
- The ESG Secretariat and investment team jointly carry out active company engagement and stewardship.



Support for Responsible Investment, Powered by AI

- Ping An developed an **AI-powered-CN ESG platform** that evaluates the disclosed ESG data of companies, using technologies such as **natural language processing, knowledge graphs, and machine learning** to provide investment teams with comprehensive information. The platform covers **5,000 Chinese A-share listed companies**, more than **2,500 Hong Kong-listed companies**, more than **5,000 corporate credit bond issuers**, nearly **58,000 types of bonds**, and nearly **140 fund management companies**.



Company Engagement

- Ping An is the **first asset owner** in Mainland China to join the global **Principles for Responsible Investment (PRI)** and **Climate Action 100+** initiatives.
- Ping An discloses its **proxy voting policy** and a detailed **engagement policy** that addresses environmental, social and governance issues.



Company Responsible Investment: Key Performance

- In 2023, responsible investment of insurance funds reached **RMB725.3 billion**, covering **15%** of insurance funds investment.
- In 2023, green investment of insurance funds reached **RMB128.6 billion**, with a YOY increase of **19%**; inclusive investment of insurance funds reached **RMB22.9 billion**, with a YOY increase of **190%**.



“Evidence of efforts to integrate ESG risk analysis into due diligence and investment process.”

-MSCI Report

MSCI Key Issue Score (12%):

Score	7.3*
Industry Average	5.3

*Ranked first in the industry in Asia-Pacific

Key Issue – Climate Change Vulnerability

Ping An has implemented the following practices to achieve its industry-leading performance:



Updated and Released Business Policies for Carbon-Intensive Industries

Ping An updated its **Policy Statement on Coal Related Business**, adding details on investment, underwriting standards, and transition finance.



Carbon Inventory and Released Operational Carbon Neutrality Roadmap

- Ping An conducted an operational **carbon inventory** of 21 subsidiaries and disclosed short-, medium- and long-term **carbon neutrality roadmaps and emission reduction plans**.
- In 2023, Ping An's total greenhouse gas emissions in its operation was **420,000 tons of carbon dioxide equivalents (tCO₂e)**, a YOY decrease of nearly **14%**; per capita emissions were **1.35 tCO₂e**, a YOY decrease of **5.6%**



- Ping An launched **China's first employee carbon account platform** in the insurance industry in 2023. At the end of 2023, **113,200 employees** had recorded **494,500 carbon reduction behaviors** and **17,869 tons of carbon reduction**.



Industry Environmental Risk Research

Ping An published the **Climate Change Adaptation and Disaster Risk Governance Report: Practices and Prospects for the Insurance Industry** to help the industry better face the challenges and opportunities posed by climate risk.



Environmental Risk Management

Ping An developed its **Disaster Risk System (DRS 2.0)** for physical risk identification and management. It can assess risks from **8 types** of natural and send **15 types** of early warning messages. In 2023, DRS sent **8.57 billion** early-warning messages to **87.04 million** individuals and enterprises to help them better prepare for the disasters.



“Robust efforts to offset risks of physical climate change in underwriting impacts compared to industry peers.”

-MSCI Report

MSCI Key Issue Score (13%):

Score	6.2
Industry Average	5.6

Key Issue – Access to Finance, ranked #5 among the industry in the world

Ping An has implemented the following practices to achieve its industry-leading performance:



Financial Inclusion Products and Services

Ping An provides a wide range of financial inclusion products and services for **small and micro enterprises, low-income individuals, rural residents, elderly people and other underserved groups**, including microinsurance, loans, and investment wealth management. As of the end of December 2023:

- Ping An Property & Casualty provided over **2.29 million** small and micro enterprises with comprehensive risk protection.
- Ping An Bank served over **1.03 million** small and micro enterprises through inclusive loans, with the agricultural loan balance amounting to **RMB131.68 million**.

Financial Services Distribution and Outreach



- Ping An has **more than 7,000** insurance and banking branches nationwide, covering vast rural areas.
- Ping An has **more than 33,000** touchpoints* in rural and county areas.
- Ping An has **more than 19,000** self-service machines and intelligent devices.

Financial Inclusion Risk Management



Ping An applies **technological innovation to solve the financial difficulties of small and medium-sized enterprises (SMEs)**. Financial institutions face significant challenges and high risks in approving SMEs' finance applications due to their long supply chains, numerous cross-regional businesses, and due diligence difficulties. Ping An Bank uses Internet of Things (IoT) technology and remote sensing satellites to help banks capture real-time data on supply chains and effectively assess loan risks, enhancing the accessibility and convenience of financial services.



“High potential to address underserved markets’ financial needs and robust efforts to capitalize on access to finance opportunities relative to peers.”

-MSCI Report

MSCI Key Issue Score (7%):

Score	4.8*
Industry Average	3.0

*Top 5 Industry Leader

Looking forward, Ping An will enhance its “Integrated Finance + Health and Senior Care” strategy, adopt international best practices, and innovate to create long-term, sound and sustainable value for customers, employees, shareholders, and society.



Enhance Transparency and Accountability: We will continuously strengthen the transparency and accountability of our ESG governance structure, ensuring that the decision-making process is scientific and fair, while pursuing the highest international standards within the framework of compliance requirements.



Improve Board Diversity: We will advocate for further diversification of board members in terms of background and professional skills.



Strengthen Climate Risk Management: We will conduct quantitative climate scenario analyses and fully integrate climate risks into insurance pricing, measure insurance premiums, investments in insurance funds, and the scale of loan balances of coal-related businesses, and disclose the impact of climate risks on financials.



Deepen Green Operations Management and Take More Active Measures to Reduce Carbon Footprint: We will increase the proportion of green energy, link carbon emissions of member companies to their KPIs, explore internal carbon pricing, and enhance resource utilization efficiency.



Enhance Customer Service and Sales Compliance Management: We will improve customer service experience while strengthening the compliance management system to ensure that business activities are legal and compliant, protect customers' rights and interests, safeguard customers' privacy, and deter any illegal sales practices.



Thank you

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