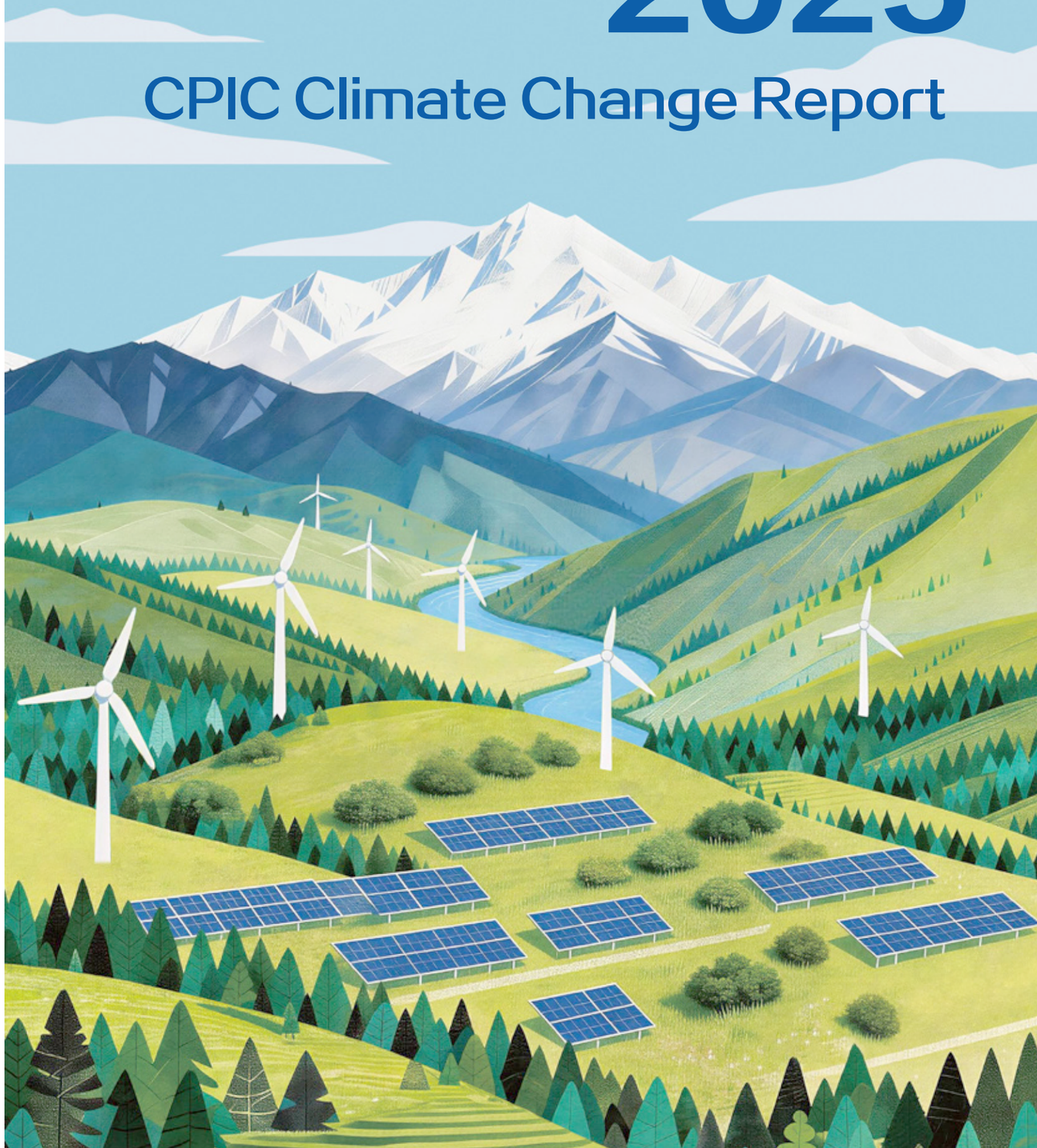
太平洋保险
CPIC

2025

CPIC Climate Change Report



Contents

01 Foreword

02 About CPIC

03 2025 · Our climate action achievements

Governance

07 Governance structure

08 Capacity building

11 Evaluation and incentive mechanisms

12 Industry exchange and collaboration

Strategy

17 Identification of climate-related risks and opportunities

21 Climate strategy

25 Climate scenario analysis and stress testing

Risk management

33 Incorporating climate risk into enterprise risk management

34 Risk management procedures and methods

39 Climate risk response strategy

Metrics and targets

51 Insurance business

56 Investment business

58 Business operations

Appendix

65 Index of "Part D: Climate-related Disclosures of the Environmental Social and Governance Reporting Code" of HKEX

67 Index of "the Sustainability Disclosure Standards for Business Enterprises No.1—Climate (Trial)"

69 About this report



Foreword

>>>

In recent years, the intensification of climate change has triggered increasingly frequent extreme weather events and ecosystem imbalances, prompting the international community to strengthen climate action and accelerate the green and low-carbon transition, which also marks a new critical period for global climate governance. Against this background, China has announced a new round of nationally determined contributions (NDCs) targets to further exercise leadership in global climate governance. As a "shock absorber" and "stabilizer" of the economy and society, the insurance industry not only underwrites climate risks but also serves as an enabler and co-builder of sustainable development. CPIC has incorporated climate change action into its medium- and long-term corporate development strategies, leveraging its insurance expertise to safeguard ecological security, empower green development, and fulfil its mission in supporting China's "Dual-Carbon" strategy.

The year 2025 was crucial for CPIC as it deepened climate action and accelerated green transition. In 2025, the Company continued to optimize its climate governance and systematically advanced initiatives in climate action. It stepped up research on climate scenario analysis and stress testing for both insurance and investment businesses, continuously improved quantitative climate risk modelling and measurement methods, and enhanced climate risk management capabilities. It enhanced innovation in green insurance, diversified product and service offerings, and provided risk coverage for key sectors including clean energy, green transport and ecological carbon sinks. It strengthened stewardship of its investment activities, enhanced the identification of green assets and evaluation of high-carbon assets, actively tapped into opportunities in green industries, and steadily scaled up green investments. The Company also improved the group-wide operational carbon management mechanism, defined carbon emissions reduction targets and pathways, implemented energy conservation and emissions reduction initiatives, so as to achieve an orderly reduction of carbon emissions.

During the 15th Five-Year Plan period, CPIC will continue to promote green development, further integrate climate action with business operations and development, further enhance capabilities in climate risk management, collaborate with all stakeholders to tackle global climate challenges, and jointly build a green, lower-carbon and more sustainable future.

About CPIC

>>>

Founded in 1991 and headquartered in Shanghai, China Pacific Insurance (Group) Co., Ltd. ("CPIC", "the Group" "the Company") is a leading comprehensive insurance group in China. It is also the first Chinese insurer listed on the stock exchanges of Shanghai, Hong Kong and London (A+H+G). With a wide range of insurance-related licenses, including licenses for property and casualty insurance, life insurance, pension, health insurance, agricultural insurance and asset management, CPIC provides comprehensive risk solutions, wealth planning and asset management services to over 180 million customers.

The Company stays focused on insurance business, vigorously pursues reform and transformation in key areas to improve development quality. In 2025, its operating income amounted to RMB435.156 billion, up by 7.7% year on year ; net profit attributable to shareholders of the parent reached RMB53.505 billion, a growth of 19.0% year on year; as of the end of 2025, Group AuM stood at RMB3.89 trillion. In 2025, CPIC received the top AAA MSCI ESG rating , which testified to its leading performance in sustainable development among global peers.

2025 · Our climate action achievements

>>>

Green insurance

exceeded **RMB66** billion
Total premium income of green insurance

14.3%
a year-on-year increase of

40 types
Developed industry-first green insurance products

exceeded **RMB1.15** trillion
Total sum assured (SA) of catastrophe

exceeded **RMB73** trillion
Total SA for clean energy sector

exceeded **RMB12** billion
Total SA of environmental pollution liability insurance

The first
Launched the industry's first cross-border service plan for new energy vehicle insurance and issued the first policy in Thailand

over **6.3** million
Provided insurance cover to new energy vehicles

Green investment

Over **RMB300** billion
in total green investments

14.6%
a year-on-year increase of

14.5510 million tonnes of CO_2e
Carbon emissions of equity assets[1]

5.2596 million tonnes of CO_2e
Carbon emissions of bond assets[1]

Notes
1.Based on market value of investments at net price as of December 31, 2024.
2.The Company's operational carbon emissions cover Scope 1 (stationary sources, mobile sources, refrigerants, fire extinguishers), Scope 2 (purchased electricity and heating), and Scope 3 (purchased goods and services, business travel). The target covers entities included in the Company's consolidated financial statements (excluding retirement communities and rehabilitation hospitals).

Green operation

CPIC's operational carbon emissions target[2]:

20% reduction in total carbon emissions by 2028 compared to 2023 baseline

7.65 tonnes CO_2e per RMB100 million
Scope 1 greenhouse gas emission intensity

40.93 tonnes CO_2e per RMB100 million
Scope 2 greenhouse gas emission intensity

Climate risk management

Advancing quantitative climate risk measurement

On the insurance side, the Company quantified impact of typhoons and floods on loss ratios of major business lines in key regions (Guangdong Province, Fujian Province and Hubei Province) across different climate scenarios. On the investment side, it analysed the impact of extreme climate events and transition policies on the profitability and asset value of underlying investments, laying a solid foundation for optimizing strategic asset allocation.

Improving catastrophe risk management system

The Company has established an end-to-end risk management framework covering key sectors including solar PV, offshore wind power and agricultural insurance. It deepened the application of catastrophe risk models, developed a smart risk control platform, and achieved more granular management of natural disasters. It proactively delivered risk reduction services, and refined the catastrophe risk diversification mechanism to effectively mitigate climate risks.

Strengthening climate resilience of investment portfolios

In 2025, the Company strengthened the identification and assessment of high-carbon assets, and implemented regular carbon accounting for its investment portfolios. It continued to refine the ESG rating and analysis system, and embedded climate and other ESG factors into core investment decision-making processes. It also stepped up its stewardship efforts, and pushed investees to mitigate climate-related risks and enhance their overall ESG performance.

01 Governance

Governance structure

Capacity building

Evaluation and incentive mechanisms

Industry exchange and collaboration

Governance

>>>

Governance structure

CPIC has integrated climate action into its corporate sustainable development strategy, and established, at the Group level, a complete ESG governance structure covering the decision-making body (the Board of Directors), the management and the execution. With clearly defined roles and responsibilities, the Company has formed a closed-loop management mechanism that runs from strategy to execution, enabling a more professional and systematic approach to climate action.

The Board of Directors is the Company's highest decision-making body for all ESG-related matters, and assumes overall responsibility and oversight for material ESG issues, including climate change. The Strategic and Investment Decision-Making & ESG Committee is established under the board, with a mandate to identify and assess climate-related risks and opportunities, and embed them into the Company's strategic planning. The board hears and reviews reports on the Company's work plans on ESG and climate action and their implementation progress semi-annually, ensuring alignment of climate action with the Company's corporate strategies.

At the management level, the Group ESG Committee is responsible for establishing and refining the ESG and climate change management system, setting annual climate targets, and holding quarterly meetings to review and supervise key matters including climate risk response. In 2025, the Committee convened 4 meetings and reviewed 37 agenda items, effectively enhancing the integration between climate action and the insurance business.

At the execution level, the Group ESG Office serves as the central coordinating body for all ESG-related work, ensuring the orderly implementation of initiatives in key areas including climate action. All subsidiaries and relevant business lines integrate climate risk management requirements into their daily business operations based on their actual business conditions to meet climate-related targets.



CPIC ESG Governance Structure

Board of Directors	Top decision-making body, responsible for overall oversight of climate action planning and execution, ESG strategy decision-making.
Strategic and Investment Decision-Making & ESG Committee	Identify and evaluate ESG risks and important ESG topics (including climate action), conduct research and formulate ESG strategies, determine ESG objectives, plans and results of performance evaluation, supervise implementation of ESG strategies, ensure that climate factors are embedded into strategic decision-making.
Group ESG Committee	Establish and improve the Group ESG management framework, management rules and work mechanisms, formulate ESG annual priorities of the Group and subsidiaries, coordinate resource allocation, oversee/evaluate execution status of key tasks, organize and advance Group-wide ESG professional capacity-building, and enhance the effectiveness of management over climate-related risks and opportunities.
Group ESG Office	Coordinate implementation of ESG-related policies, work mechanisms and professional guidelines across the entire Group, supervise execution of key ESG tasks and projects, ensure orderly implementation of climate action initiatives.
Group Departments and Subsidiaries	Implement climate action tasks, ESG risk mitigation, ensure effective ESG management.

Capacity building

Enhancing ESG decision-making capacity

Strengthening Strategic Decision-Making Capacity of Board of Directors. In 2025, the Company engaged external experts to develop tailored ESG training sessions for the board. The courses provided in-depth briefings on global and local climate-related regulatory requirements and disclosure obligations, highlighted the core responsibilities of directors in climate risk management, and helped board members better understand the latest regulatory trends and enhance their capacity for strategic decision-making on climate issues.

Consolidating Management Professionalism. Members of the Group ESG Committee possess relevant professional backgrounds and experience in green insurance, responsible investment, low-carbon operation and risk management, enabling them to provide specialised technical support for the Company's major climate-related decisions and ensuring the professionalism and forward-looking nature of climate governance.

Talent pool development

The Company adheres to a full-cycle talent management framework encompassing "talent selection, deployment, development and retention", and has established a dedicated talent development system for climate and ESG domains, with a focus on building a professional and interdisciplinary talent pool for climate governance. In respect of talent selection and deployment, the Company recruits high-calibre professionals with specialized backgrounds in climate risk management, sustainable development, green finance and related fields through multiple channels including campus recruitment, open hiring and post-doctoral research programmes. It also clearly defines ESG and climate-related requirements for all key positions. For talent development, the Company has established a Company-wide tiered training system to enhance professional competencies in climate risk identification, green product innovation, and carbon accounting management. In terms of talent retention, the Company has established clear career pathways for professionals in the sustainable development sector, thereby building a strong talent base to support the advancement of climate action and green finance.

In 2025, the Company conducted various training sessions to strengthen employee competencies in ESG and climate-related areas at all levels. Leveraging the online "Sustainability Classroom", the Company developed a full suite of courses covering green insurance, ESG investment, low-carbon operations, carbon markets and other related topics. Aligned with specific business scenarios and operational requirements, the Company organized offline thematic training sessions. Through expert presentations and case study workshops, employees deepened their understanding of climate related risks and opportunities, translating theoretical knowledge into practical skills and ensuring the integration of climate action into day to day business operations.

Investment business

CPIC AMC invited external experts to deliver thematic presentations on *Climate Change Risk & Asset Allocation Strategies for Insurance Funds* and *Portfolio Decarbonization & Green Finance Investment Practice for Insurance Funds*. Changjiang Pension conducted in-depth discussions with professional institutions on ESG investment strategies and ESG data application. CPIC Capital hosted more than 20 investment research seminars in green-related fields, with multiple fund managers sharing their insights on green investment.

Insurance business

CPIC P/C held seminars on high-quality development of green insurance, with experts from third-party institutions and academics from universities conducting in-depth discussions on key green insurance topics such as new energy vehicles and intelligent driving, clean energy, green shipping, and carbon markets.

Business operations

The Group and its subsidiaries organized carbon inventory training sessions on carbon emissions data collection, input, verification and accounting to improve carbon data quality. By sharing experience, CPIC disseminated proven practices for building green workplaces across all business units to enhance employees' capabilities in low-carbon operations and carbon management.

Case | Co-hosting Thematic Training with ANZIIF

CPIC co-hosted the "Green Insurance and Sustainable Development for Insurance Companies" training programme with the Australian and New Zealand Institute of Insurance and Finance (ANZIIF) in Australia. The programme combined in-person instruction with on-site visits and involved 20 participants from the Group and its key subsidiaries and branch offices.

During the training, participants attended lectures by Australian regulatory authorities and senior industry practitioners. The curriculum covered topics such as insurance product and service innovation, climate change trends and catastrophe management systems, as well as catastrophe and index-based insurance.

Case | CPIC P/C Green Insurance Taskforce Selected for Youth Professional SDG Innovation Accelerator Programme

The Green Insurance Taskforce of CPIC P/C was selected for the 2025 UN Global Compact (UNGC) Youth Professional SDG Innovation Accelerator Programme. The initiative was designed to inspire and empower young professionals, with a focus on climate action, circular economy, clean energy and other critical sustainable development agendas. Through in-person sessions, expert presentations, interactive brainstorming and corporate study tours, participants acquired theoretical knowledge, practical tools and case studies related to sustainable innovation, and developed innovative solutions to advance the sustainable development of the Company's green insurance business.

Advancing research and joint standardization efforts

The Company attaches great importance to ESG research and standard-setting. Through active involvement in drafting of industry standards and guidelines, and collaboration of industry, academia and research institutions, the Company continuously consolidates the foundation for climate change response, and drives the transition of climate risk management from ad-hoc exploratory efforts to formalized, systematic frameworks.

Driving Industry Development by Setting Industry Norms and Standards. The Company was invited by the Ministry of Finance to the standard-setting workshop for the *Sustainability Disclosure Standards for Business Enterprises No.1—Climate (Trial)*, and contributed expert input and policy recommendations. It participated in the formulation of the *Interpretation and*

Case Studies for the Guidelines on Environmental, Social and Governance Information Disclosure for Insurance Institutions by the Insurance Association of China, facilitating the adoption of standardized ESG disclosure practices. It also co-drafted the *Green Finance (Product) Classification Guidelines for the Asset Management Industry* for the Asset Management Association of Shanghai, providing more clarity on the classification standards of green finance products. It was also involved in the preparation of *China Insurance Industry Social Responsibility Report 2024* to facilitate industry exchanges; and co-drafted the *Shanghai ESG Development Report 2025*, which provided solid support for Shanghai's ESG development, and helped to build a "Shanghai Model" of sustainable governance.

Strengthening Professional Support for Climate Action via Thematic Research. The Company has completed the research project "Study on Climate Risk Transmission Mechanism and Its Impact on Insurers" commissioned by the Insurance Society of China (ISC), providing a practical guide for climate risk management of insurance institutions. Another CPIC research project, "Legal Aspects of Intelligent Driving from an Insurance Perspective," was approved by the ISC as a 2025 Annual Research Project, laying the groundwork for product innovation and service enhancement. In terms of industry-academia collaboration, the Company partnered with the Fudan Institute of Insurance Application and Innovation to carry out the research project "Opportunities, Challenges and Countermeasures for Insurers in the Context of Carbon Market Expansion," exploring the integration of the insurance business with the carbon market and supporting China's "Dual-Carbon" goals.

Deepening Industry Research and Addressing Key Challenges in Green Industry Development. CPIC P/C co-published the"White Paper on Insurance Risk Research of Green-Electricity-Based Hydrogen Production Stations" with China Huaxin Insurance Brokers Co. Ltd. The white paper systematically reviewed end-to-end risks in green-electricity-based hydrogen production and proposed targeted insurance solutions, which filled the gap in risk quantification and insurance coverage in this sector. The Company also led and contributed to the development of an industry standard, "Technical Protocols for Accident Definition and Data Collaboration for Combined Driver Assistance and Conditional Automated Driving", under the auspices of the China Association of Automobile Manufacturers (CAAM), which set out the criteria for accident definition to support the healthy development of the intelligent driving industry.

Performance evaluation and incentive mechanisms

The Company has been continuously refining its incentive and restraint mechanisms for sustainable development, linking the performance assessment of the chairman and senior management to ESG targets, including those related to climate action. For the chairman, specific metrics are set for his/her term-of-office performance evaluation, covering social responsibility performance and ESG governance system development. For the senior management, quantitative targets are established for each business line based on their respective characteristics, covering areas such as asset carbon accounting, operational carbon emissions, green insurance business growth, and green investment scale, to effectively translate climate action from strategic planning into tangible outcomes.

Industry exchange and collaboration

CPIC is committed to building a global cooperation network, continuously expanding domestic and international dialogue and collaboration in climate governance, ESG and green finance, while sharing the green philosophy and practical experience of Chinese insurers with global partners.

In 2025, leveraging international platforms such as the Principles for Responsible Investment (PRI) and the United Nations Environment Programme Finance Initiative (UNEP FI), as well as high-profile events including the Sustainable Global Leaders Conference and the China-Singapore Green Finance Working Group Meeting, CPIC played an active role in global sustainable financial governance, advanced the implementation of cross-sectoral and cross-regional cooperation, and contributed to a fair, sound and mutually-beneficial global climate governance system.

Case | Active Engagement at the 2025 Sustainable Global Leaders Conference

In 2025, CPIC once again attended the Sustainable Global Leaders Conference as a partner and participated in the Green Industry and Sustainable Consumption Expo. It delivered keynote speeches entitled New Growth Paradigm under Shanghai's Five Centers Initiative, New Drivers and Ecosystems for Sustainable Finance, and Toward Transition Finance: Strategic Reshaping and New Pathways for Sustainable Development. It also discussed practical approaches and long-term mechanisms for sustainable development with leading experts and representatives from Chinese and international academia and the industry, communicating China's green commitments and initiatives to the global community.

As a key follow-up of the conference, on 17 October, the conference organizer led a visit to the headquarters of CPIC P/C as part of its Corporate Tour of Exemplary ESG Companies. Nearly 20 delegates from international organizations, leading enterprises, renowned universities and professional institutions took part in the visit. They gained an in-depth understanding of how CPIC translates ESG strategy from "top-level design" into "front-line practice", and jointly discussed the ESG development trends and their implications for business sustainability.

Case | Hosting Seminar on Development and Practice of Climate Insurance

To promote exchanges and dialogues on climate insurance and natural disaster risk response, CPIC hosted the Seminar on Development and Practice of Climate Insurance during the 20th Western China International Expo in May 2025, with nearly 200 guests participating, representing government departments, industry associations, key enterprises, research institutions and media outlets. LI Wenqing, Vice Governor of Sichuan Province, ZHUO Zhi, former President of Southwestern University of Finance and Economics, and FU Fan, Chairman of CPIC, attended the seminar and delivered opening remarks on climate risk response and high-quality industry development.



Fu Fan, Chairman of CPIC, attended the seminar's opening ceremony and delivered a keynote speech.

At the seminar, the Company officially launched CPIC Cloud Hub: Integrated Meteorological Disaster Risk Management Solution, an industry-first programme that established a full-process management framework encompassing end-to-end coverage, disaster prevention and mitigation, rescue and relief, and post-disaster compensation. It leverages digital technologies to strengthen organizational capacity for climate disaster response.

Case | Sharing China's Sustainable Investment Insights

As a key player in global sustainable investment, CPIC is deeply involved in global sustainable investment governance by virtue of its leading ESG practices and professional capabilities.

In 2025, as the only Chinese representative on both the PRI Asset Owner Technical Advisory Committee (AOTAC) and the Future of Responsible Investment-Asset Owner Leaders Working Group (FoRI, an ad hoc body established for PRI's 20th anniversary), CPIC participated in quarterly meetings, group sessions, thematic group discussions, and contributed expert input and policy recommendations on core issues including the sustainable finance policy framework and ESG stewardship guidelines for investment managers. The Company's proven track record in climate risk management and responsible investment serves as a reference for international standard-setting and industry development, and offers a Chinese perspective on the improvement of the global sustainable investment framework.

Case | Active Engagement in International Green Finance Dialogues and Exchanges

Deepening cross-border cooperation in green finance. Mr. SU Shaojun, the Board Secretary of CPIC, attended the third meeting of the China-Singapore Green Finance Working Group, co-hosted by the People's Bank of China (PBoC) and the Monetary Authority of Singapore (MAS). He delivered a keynote speech titled Leveraging Insurance Expertise to Steer a Green and Sustainable Future, and presented the Company's achievements in green finance over recent years. He also voiced the hope that, under the regulatory framework of Singapore, CPIC will deepen collaboration with local market players in sustainable disclosure and green finance standard-setting, so that both sides can pool their professional expertise to advance green finance.

Championing the transition towards nature-positive future. As the sole representative from China's property and casualty insurance sector, Mr. LEI Dapeng, Assistant General Manager of CPIC P/C, attended the UNEP FI Regional Roundtable on Sustainable Finance for Asia and the Pacific, hosted by the United Nations Environment Programme Finance Initiative (UNEP FI). During the event, he delivered a thematic presentation titled Empowering Insurance Industry and Enabling a Nature-Positive Future for Asia-Pacific, where he elaborated on how insurers, through product innovation and risk mitigation, promote natural capital protection and unlock ecological value.



02 / Strategy

Identification of climate-related risks and opportunities

Climate strategy

Climate scenario analysis and stress testing

Strategy

>>>

Identification of climate-related risks and opportunities

Climate-related risks

Physical risks

Acute risk	Time frame: Medium and long term	Impact severity: High

Insurance business

The intensification of climate change is leading to more frequent extreme weather and catastrophic events including heavy rains, floods, typhoons and heatwaves. Accordingly, the claims pressure on auto insurance, non-auto insurance and agricultural insurance is likely to rise, which may in turn push up the combined ratio and result in declining underwriting profit. Furthermore, higher insurance claims may push up reinsurance prices, further squeezing the profit margin of direct underwriting business. Reinsurers may also narrow underwriting scope (e.g., excluding specific climate-related disasters from policy terms), increase deductibles, or impose reinsurance ceding limits on high-risk regions, all of which will increase the Company's retained risk exposure.

Investment business

The Company's investments in infrastructure, real estate and other sectors are vulnerable to direct losses from extreme weather events, which may lead to a decline in the overall asset value of the investment portfolio.

Business operations

Extreme weather events pose increased safety risks to the Company's operational sites and employees. Notably, where field operations are required in the aftermath of disasters, the personal safety risk of relevant personnel will increase materially.

Long-term risk	Time frame: Medium and long term	Impact severity: Medium-high

Insurance business

In the long run, risks stemming from climate change including sea-level rises, increasing average temperatures, changes in soil productivity and water scarcity will not only exacerbate property losses, but also further threaten human health. For example, sustained climate change may lead to changes in key actuarial assumptions such as mortality rates for healthy populations, mortality rates for disabled populations and the incidence of diseases; climate change may also trigger more mental health issues such as anxiety and post-traumatic stress, which will in turn increase the underwriting risk of life insurance, health insurance and related business lines.

Investment business

Rising sea levels and higher frequency of extreme weather events across more regions may drive an increase in the proportion of climate-exposed investment portfolios, thereby exposing the Company to the risk of accelerated asset impairment.

Transition risks

Policy and legal risk	Time frame: Short and medium term	Impact severity: Medium

Insurance business and investment business

Increasingly stringent climate-related policies, laws and regulations have imposed low-carbon transition pressures such as rising costs on traditional industries. At the same time, as regulators continue to raise risk prevention and control requirements, insurers need to put in more resources to strengthen relevant risk management capabilities. For example, enhancing client risk management, due diligence and post-investment management will increase operating costs. Compared with the insurance business, the investment business faces even more pronounced transition risks: if the financial performance of portfolio companies in high-emission and high-polluting industries deteriorates, the Company may face increased risks including higher default risk, lower asset valuation and reduced liquidity.

Business operations

China is gradually improving its green building standards and strengthening low-carbon operation requirements. If the Company owns more real estate, more spending will be required to achieve low-carbon operation.

Technical risk	Time frame: Medium and long term	Impact severity: Medium-high

Insurance business

As China implements the "Dual-Carbon" strategy, a growing number of industries are advancing low-carbon transition, boosting the fast growth of clean energy technologies and accelerating the phasing-out of legacy technologies. New technologies may be prone to higher frequencies of failures and damage during the early commercial deployment phase, especially in sectors such as electric vehicles and renewable energy. This may result in higher insurance claims and harm the Company's profitability. Furthermore, the popularity of new energy vehicles will lead to contraction of traditional auto insurance business, while giving rise to new risks related to battery and autonomous driving.

Investment business

In the process of green transition, certain investees of the Company may require additional capital injection for technological upgrading and business restructuring. In the worst-case scenario, transition failure may occur, resulting in a material impairment in the Company's investments.

Reputational risk	Time frame: Short and medium term	Impact severity: Low

Insurance business, investment business, and business operations

As public awareness of sustainable development grows, a company's climate risk management capabilities are attracting more attention from all its stakeholders. Should the Company fail to implement proactive and effective measures to meet stakeholder expectations, its reputation and brand image among regulators, the general public and customers may suffer.

Climate-related opportunities

Product, service and market opportunities	Time frame: Medium and long term	Impact severity: High

Insurance business

Climate insurance is a key instrument for addressing climate risks. Amid the global low-carbon transition, market demand for green and climate-related insurance products continues to grow. The Company can develop innovative products targeting various climate risks to meet the increasing demand for climate risk coverage. Meanwhile, it can leverage its expertise in risk prevention and control to develop customized climate risk mitigation solutions, thus offering substantial risk management support for a wider range of industries.

Investment business

With the advancement of green transition in the entire society, demand for green capital across all sectors continues to grow. The Company can capture sustainable development investment opportunities through a variety of direct and indirect investments.

Resource efficiency and energy source opportunities	Time frame: Medium and long term	Impact severity: Medium

Investment business

The Company can proactively engage with its investees to encourage their adoption of lower-carbon technologies and equipment, improve resource and energy efficiency, and facilitate their green transition while driving steady growth of its own investment asset value.

Business operations

Improving resource efficiency and increasing the use of clean energy are key measures to reduce greenhouse gas emissions. To achieve effective carbon reduction, the Company needs to increase corresponding investments in management, facilities and equipment. However, over the medium to long term, it can deliver considerable energy conservation benefits and cost reduction.

Note

1.In accordance with standards such as the *Corporate Sustainability Disclosure Standards – Basic Standard (for Trial Implementation)* issued by the Ministry of Finance of China, and the *Self-Regulatory Guidelines for Listed Companies No. 4 – Preparation of Sustainability Reports* released by the Shanghai Stock Exchange, the Company defines the time frame for climate-related risk and opportunity analysis as follows: short-term (0-1 year, inclusive), medium-term (1-5 years, inclusive), and long-term (over 5 years). This time frame classification is consistent with the Company's relevant strategic planning.

Climate strategy

Incorporating climate factors into corporate strategy

Aligned with China's "Dual-Carbon" strategic priorities, the Company has fully integrated climate change action into its 15th Five-Year Development Plan, and specified key tasks and initiatives including "expanding green insurance offerings to advance the low-carbon transition of the economy and society" and "focusing on technology-enabled green investment to empower new quality productive forces".

For climate action, the Company has developed a dedicated green low-carbon transition programme under the framework of its 15th Five-Year Development Plan, taking into account market and industry trends and dynamics. The programme further specifies the primary objectives, implementation pathways and key initiatives for green development. The Company is committed to leveraging its strengths in underwriting and investment to address climate change challenges, step up support for the green, low-carbon and circular economy, strengthen the prevention of climate-related and other ESG risks, enhance climate resilience across the entire industry value chain, and continuously improve its green operations, thereby providing robust support for the Beautiful China initiative and the achievement of China's "Dual-Carbon" goals.

Green, Low-Carbon Transition Planning of CPIC: Core Targets and Key Initiatives

Core targets

- Maintain industry-leading position in green finance development
- Achieve an orderly reduction in carbon emissions from the Company's operations
- Achieve top ranking in industry in terms of domestic and international influence in the ESG field

Key initiatives

Drive high-quality development of green insurance	Expand green insurance offerings in key sectors such as new energy vehicles, deepen product innovation in emerging sectors including green shipping and carbon markets, and improve capabilities for accurate pricing and risk management.
Enhance offerings of catastrophe insurance	Expand the coverage of catastrophe insurance, strengthen the development of catastrophe service capabilities, and improve the catastrophe risk diversification mechanism.
Improve sustainable investment management system	Fully integrate ESG factors into the entire investment decision-making process, explore innovative paths for insurance funds to support low-carbon technologies and industrial upgrading; strengthen carbon emissions management of investment portfolios, and promote an orderly reduction in carbon emissions intensity.
Establish a leading low-carbon and energy-efficient operational model	Improve the Company-wide carbon emissions management system to effectively promote green office practices and low-carbon operations.
Strengthen climate risk management systems and capabilities	Integrate climate risk response into the ERM process, and improve the climate risk assessment, monitoring and reporting mechanisms.
Strengthen ESG collaboration and exchange	Proactively participate in the global sustainable development agenda and deepen international cooperation; strengthen research on industrial policies and risk management, deepen collaboration with professional institutions, and jointly build an integrated innovation platform of the industry, universities and research institutes.

Resource allocation for climate strategy

The Company continues to strengthen resource allocation for climate governance, focusing on climate action and the green and low-carbon transition. It strives to provide solid support for the advancement of climate action and green finance through a multi-pronged approach including building a dedicated organizational system, allocating earmarked budgets and enhancing talent development.

In terms of organizational safeguards, the Company has established and refined a top-down organizational and management framework for ESG and climate governance, which defined responsibilities at all levels, ensured accountability, and enabled standardised, routine, and systematic implementation of climate governance. The Group and all its subsidiaries have designated lead departments to coordinate ESG efforts, and have set up specialized units, including Green Insurance Departments and ESG Investment Working Groups, in relevant subsidiaries or business lines to facilitate the execution of the climate strategy.

In terms of funding, the Company has earmarked budgets for ESG and climate action, covering key areas of the entire climate risk management process, including the procurement of climate risk models, improvement of the ESG data system, engagement of professional consulting services, and implementation of climate risk research, among others. In 2025, with over RMB28 million earmarked for climate and ESG-related work, the Company continued to provide funding for climate risk identification, quantitative assessment, risk reduction and green transition.

In terms of talent and research support, leveraging its in-house post-doctoral research programmes, the Company focused on climate risk management for the insurance industry and recruited post-doctoral researchers for a project on "Quantitative Climate Risk Management for Insurance Companies". The project centres on climate risk identification, scenario modelling and analysis, financial impact assessment and risk pricing, and develops quantitative climate risk tools and decision-support solutions tailored for the insurance industry, thus providing professional talent support for the green low-carbon transition.

Case | CPIC P/C Strengthens Human Resources Allocation for Climate Action

In response to climate-related risks and opportunities, CPIC P/C has deployed nearly 1,000 professionals specializing in climatology, disaster science, agronomy, civil engineering and actuarial science from agricultural insurance and non-motor business lines to key underwriting projects in agriculture, energy and power, and civil construction. These projects involved insurance expertise in catastrophe risk modelling, climate risk pricing calibration, risk mitigation and claims services. Starting from 2026, the Company will implement a talent allocation strategy centering on "professional excellence", and further increase the recruitment of professionals with relevant expertise in climate action and specific risk scenarios.

Leveraging technologies such as big data and the Internet of Things, the Company has developed a risk radar early-warning platform to provide risk reduction services to its clients. It pushes for ownership of climate risk management by all employees, and has incorporated climate risk assessment into responsibilities of staff in underwriting and claims management. Specifically, underwriters are required to consider climate change impacts in their decision-making, while claims staff need to regularly review loss patterns from climate-related disasters.

Current financial impact

On the insurance business side, the Company incurred RMB3.31 billion in catastrophe loss before reinsurance in 2025. Given the pressure on claims payout by frequent extreme weather events, the Company dynamically adjusted underwriting strategies, strengthened control over high-risk regions, and optimised reinsurance mix, thus effectively managing the impact of catastrophe losses. On the investment business side, the Company conducted a comprehensive review of climate risk impacts through stress testing, and established an integrated climate scenario analysis and stress testing framework. Leveraging AI technology and advanced macroeconomic models, the framework quantifies the specific effects of climate-related physical and transition risks on investment assets to ensure their resilience to climate change. In terms of business operations, the Company made efforts to drive energy-saving transformation and adopt clean energies. In 2025, the Company completed projects including rooftop photovoltaic installations and energy-efficient lighting retrofits, effectively reducing operational energy consumption. In addition, it participated in a virtual power plant project launched by the Development and Reform Commission of Huangpu District, Shanghai, for which it received funding, achieving both operational carbon reduction and economic gains.

Expected financial impact

In the medium to long term, climate change will have structural financial impact on the Company. On the insurance business side, more extreme weather events will drive up catastrophe-related payouts, which may lead to an increase in the combined ratio. At the same time, the low-carbon transition has generated new market demand, which can boost the Company's green insurance

premium income. On the investment business side, the transition risks of high-carbon assets may lead to asset devaluation. By increasing allocation to green assets and tightening control over high-carbon assets, the Company can reduce the overall climate risk exposure of its investment portfolios, achieve more long-term and stable investment returns and enhance the climate resilience of its investment portfolios. On the business operations side, although energy conservation upgrades entail certain capital expenditures, the resulting improvements in energy efficiency and resource conservation will continuously reduce operating costs over the long term.

Climate scenario analysis and stress testing

Insurance business

In 2025, the Company further deepened its research on climate risks, improved the quantitative assessment models and methods for climate risks, carried out climate scenario analysis and stress tests targeting key regions and major business lines, and measured the impact of climate risks on the Company's solvency margin ratios.

Time frames

The Company selected two time frames for testing: 2030 and 2050. The year 2030 is a key milestone in the Company's 5-year strategic plan, when the trends in climate induced typhoon and precipitation patterns can be initially identified. By 2050, the difference in temperature rises across various scenarios will fully unfold, while the cumulative effects of physical climate risks will also be significant. Therefore, the relevant measurement results can serve as a useful guide for the Company's medium and long-term climate response decision-making.

Disaster factors

Based on patterns of natural disasters in China, typhoons, torrential rains and floods, given their material impacts, were selected as the main climate risk factors.

Objects of analysis

Based on the Company's business realities and exposure to climate risks, the regions selected for testing are Guangdong Province, Fujian Province and Hubei Province. Specifically, Guangdong and Fujian were chosen for typhoon testing, while Hubei for flood testing. The business lines under testing include commercial property insurance, homeowner's insurance and agricultural insurance[1].

Stress Testing Objects and Scope

Regions	Disaster Type	Business Lines
Guangdong Province	Typhoon	Commercial Property Insurance
Fujian Province	Typhoon	Homeowner's Insurance
Hubei Province	Flood	Agricultural Insurance

Note
1.Due to factors such as the applicability of the measurement model, the testing scope of homeowner's insurance was limited only to residential buildings, and that of agricultural insurance only to rice.

Scenario selection

Based on the climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), and given the climate characteristics of China, this analysis projects trends of typhoons, torrential rains and floods under the SSP2-4.5 and SSP5-8.5 scenarios.

Climate Scenarios	Scenario Description
SSP2-4.5	It represents the "middle-of-the-road" development pathway. The scenario assumes that global socio-economic development follows a historically continuous pattern, with neither major breakthroughs nor systemic collapse.
SSP5-8.5	It represents the "fossil fuel-rich development" pathway, and is a typical high-emissions scenario. The scenario assumes that the global economy will continue to grow rapidly, and technological progress will focus on human capital and institutional optimization rather than on energy transition.

Climate modelling and analysis

The Company has developed a physical climate risk stress testing model based on the catastrophe modelling architecture. The model consists of a hazard module, a vulnerability module and a financial module. The hazard module generates stochastic hazard event sets across different scenarios; the vulnerability module develops loss curves for insured assets under different perils; and the financial module calculates the specific losses caused by typhoon and flood events.

Climate Risk Stress Test Model

Risk Exposure

Supports regional aggregated data and inventory data

Geographic location
Replacement cost
Building vulnerability attributes

Underwriting Conditions

Scope of coverage
Sum assured

01 Hazard Module

- Generates event sets
- Estimates hazard intensity

02 Vulnerability Module

- Establishes the functional relationship between hazard intensity and loss ratios for specific types of insured asset

03 Finance Module

- Quantifies economic loss and insured loss
- Calculates AAL, EP,ELT and PML

Analysis and conclusions

The analysis demonstrates that insurance losses induced by typhoons, torrential rains and floods generally exhibit a gradually increasing trend over time, while the level of the increase remains manageable.

Analysis of Typhoon Testing Results

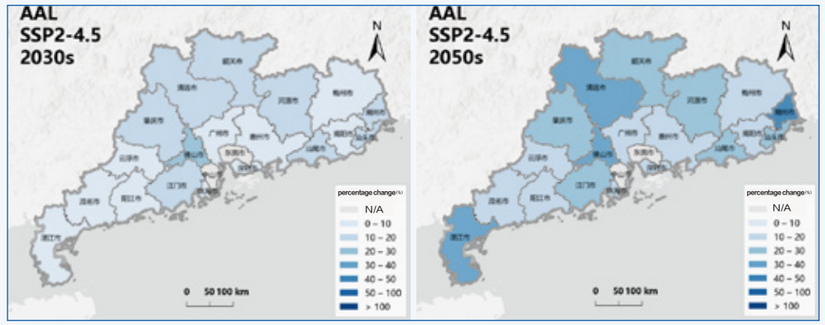
Take commercial property insurance in Guangdong as an example. The test finds that by 2030, the difference in changes to annual average loss between the SSP2-4.5 and SSP5-8.5 scenarios will not be material, with growth under both scenarios not exceeding 10%. By 2050, however, the divergence across the scenarios will widen. Under the extreme scenario (SSP5-8.5), the annual average loss is projected to increase by nearly 30%.

As for tail risk, the growth of losses for Guangdong's commercial property insurance remains relatively stable at medium return periods (50-year/ 100-year return period), which becomes more significant in the extreme tail scenario (200-year return period).

Changes In Losses of Commercial Property Insurance from Typhoons in Guangdong Province under Different Climate Scenarios

Scenarios	SSP2-4.5		SSP5-8.5	
Time frames	2030	2050	2030	2050
AAL	5%-10%	15%-20%	5%-10%	25%-30%
50-year return period	5%-10%	15%-20%	5%-10%	30%-35%
100-year return period	≤5%	15%-20%	5%-10%	30%-35%
200-year return period	15%-20%	30%-35%	20%-25%	45%-50%

Spatial Distribution of Annual Average Loss Changes of Commercial Property Insurance in Guangdong Province



Analysis of Flood Testing Results

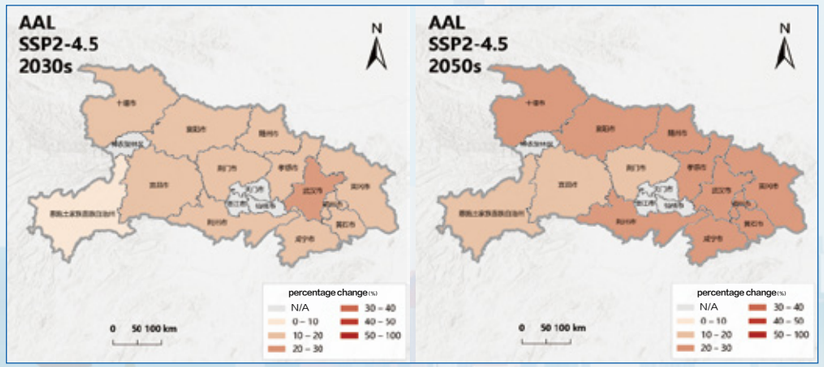
Take agricultural insurance in Hubei Province as an example. By 2030, the difference in changes to annual average loss between the SSP2-4.5 and SSP5-8.5 scenarios will already be noticeable. The growth rate under the SSP5-8.5 scenario is approximately 10% higher than that under SSP2-4.5; by 2050, the difference between the two scenarios becomes even more pronounced, with the growth of annual average loss under SSP5-8.5 reaching approximately 30%.

As for tail risk profile, the growth of losses from floods in Hubei is similar across medium return periods (50-year/100-year return periods) and the extreme scenario (200-year return period).

Changes in Agricultural Insurance Losses from Floods in Hubei Province under Different Climate Scenarios

Scenarios	SSP2-4.5		SSP5-8.5	
Time frames	2030	2050	2030	2050
AAL	10%-15%	20%-25%	20%-25%	25%-30%
50-year return period	5%-10%	10%-15%	10%-15%	20%-25%
100-year return period	5%-10%	10%-15%	10%-15%	15%-20%
200-year return period	5%-10%	10%-15%	10%-15%	20%-25%

Spatial Distribution of Annual Average Loss Changes of Agricultural Insurance in Hubei Province



Analysis of impact on solvency margin ratios

Within the scope of this climate stress test, the findings indicate that climate risk will lead to a decline in the Group's solvency margin ratios, but the impact is limited. Both the Group's comprehensive and core solvency margin ratios remain far above the regulatory minimum level, pointing to overall resilience against risks.

Since climate change is a long-term, complex process full of uncertainty, existing approaches to climate scenario analysis and climate stress testing have their limitations, particularly in terms of modelling and data availability. The Company will continue to upgrade its climate scenario analysis models, conduct periodic quantitative assessments, and facilitate the integration of research findings into its strategies and business decision-making processes, so as to enhance its climate resilience.

Investment business

The Company continued to strengthen its capabilities in identifying, measuring, and managing climate risks in its investment business, and integrated both physical and transition climate risks into research on asset classes, risk assessment, and strategic asset allocation.

For physical risks, based on the AI-enabled climate large-scale model, the Company optimised climate scenario simulation with high spatial and temporal resolution. The use of global and regional meteorological data enabled it to accurately characterise the probability, intensity and spatial distribution of future extreme climate events, supporting more granular identification of geographical exposures and potential losses.

For transition risks, the Company introduced a multi-regional, sector-specific Computable General Equilibrium (CGE) model from Fudan University. Based on the mainstream international climate policy scenario assumptions from the NGFS, it customized climate transition scenarios in line with China's energy mix, industrial landscape and policy directions, and quantified the impact of policy developments, technological advancement and market demand changes on industry profitability and asset value.

In strategic asset allocation, based on the above assessment results for physical and transition risks, the Company estimated expected returns and assessed the uncertainties of major asset classes, and re-evaluated its major asset class portfolio structure. This underpins a comprehensive assessment framework that combines top-down and bottom-up approaches. The integration of AI, big data, climate science, economic modelling, and investment management provides a scientific basis for insurance funds in addressing climate change, optimising asset allocation, and achieving stable returns and long-term sustainable development.

03 Risk management

Incorporating climate risk into enterprise risk management

Risk management procedures and methods

Climate risk response strategy

Risk management

>>>

Incorporating climate risk into enterprise risk management (ERM)

The Company has embedded ESG-related requirements into its risk management policy, requiring all subsidiaries to identify, monitor, prevent and mitigate all types of ESG risks associated with their business activities, including climate risk, and to optimize climate risk management procedures in relation to its insurance business, investment business and business operations.

Insurance business

At the Group level, the Company has embedded ESG-related requirements into its risk limit framework. With respect to physical risks stemming from climate disasters, CPIC has established concentration risk limits and constantly monitors the risk exposure in high-risk regions to prevent large claims arising from extreme climate events and ensure that the aggregate risk exposure stays within the Group's defined risk appetite. In 2025, all of the Company's risk limit indicators operated within limits, with no breaches recorded throughout the year.

All subsidiaries continue to enhance their ESG risk assessment and management frameworks. CPIC P/C has refined the ESG risk-related provisions in the *Enterprise Risk Management Regulations* and policies on managing major risk categories, and established a catastrophe risk emergency response mechanism within its *Enterprise Risk Management Regulations*. CPIC Life has been improving its ESG risk limit indicator system, with quarterly monitoring and analysis of ESG risk status via intelligent systems. It has incorporated ESG-related risk events into its internal control manual and conducts ESG risk assessment as part of its internal control self-inspection.

Investment business

The Company takes steps to incorporate climate change factors into its investment decision-making. It has formulated the *Responsible Investment Policy*, which sets out requirements for strengthening the identification, assessment and management of risks associated with high-carbon assets, and established a climate risk control framework. The Company updates its investees' ESG scores on a regular basis, with constant tracking and monitoring of key ESG risk factors such as climate risk. It continues to improve carbon emissions accounting for investment portfolios, and strengthen stewardship of high-carbon investees. To further reduce climate-related and other ESG risks of its investment portfolios, the Company developed the *Voting Guidelines in 2025 based on the Stewardship Guidelines for Investment Activities*. The Guidelines were designed to enable all subsidiaries to exercise their voting rights and reach well-informed voting decisions, thus prompting investees to enhance their ESG governance standards and reduce climate-related risk exposure.

All subsidiaries of the Company have incorporated ESG-related requirements into their respective risk management policies based on their conditions. Changjiang Pension has issued the *Regulations on Sustainable Development Risk Management*, which implements full-cycle risk control covering all stages of ESG risk management including identification, assessment, control, monitoring and reporting, serving as an institutional safeguard for climate risk mitigation.

Business operations

With respect to climate-related physical risks, the Company formulated the *Typhoon and Flood Emergency Response Plan in 2025* to improve its emergency response capability for extreme weather events including typhoons, heavy rains and floods. CPIC P/C has developed the *Emergency Response Plan for Major Natural Disasters, Fires, Work Safety and Traffic Safety Accidents* and the *Self-Prevention and Self-Rescue Emergency Plan for Major Disasters and Accidents*. It implements tiered emergency response mechanisms depending on the magnitude of disasters and accidents, so as to mitigate their impact on employees and the Company's properties.

Risk management procedures and methods

Insurance business

CPIC identifies climate risks in relation to its insurance business through tools such as meteorological early warning and geographic information systems, quantifies the impact of extreme weather events via catastrophe modelling, and dynamically optimizes its underwriting strategies. Leveraging its "Risk Radar", the Company enables automated tracking of key indicators and threshold-based early warning. Once an early warning is triggered, the Company will activate risk reduction services and emergency response plans to reduce claim losses arising from climate-related risks and ensure the stable operation of its insurance business.

Climate risk management procedures and methods of CPIC P/C

Risk identification	◆ Collect data through meteorological early warning, historical disaster information, and geographic information systems (GIS) to identify climate risks. ◆ Utilize catastrophe models to quantify potential losses from typhoons, heavy rainfalls and floods, etc., and assess risk exposure levels.
Risk assessment	◆ Conduct risk grading based on disaster probability and severity, and dynamically adjust underwriting strategy.
Risk monitoring	◆ Leverage the Risk Radar system to conduct automated tracking of key indicators including typhoon paths and rainfall intensity. ◆ Establish risk control thresholds (e.g., precipitation volume) to trigger automated early warning and activate emergency response protocols. ◆ Disaster prevention alerts are sent to policyholders in affected regions to support proactive loss reduction. ◆ Refine catastrophe risk accumulation monitoring framework based on outcomes of climate and environmental stress testing.
Risk response	◆ Provide disaster prevention and mitigation recommendations for high-risk exposures to reduce the frequency of large claims and mitigate overall economic losses. ◆ Conduct rapid on-site damage assessment for post-disaster loss adjustment; streamline claims procedures to accelerate claims payments. ◆ Diversify risk exposure through arrangements such as purchasing non-marine catastrophe insurance and excess of loss reinsurance.

Investment business

CPIC has integrated climate-related factors into its investment risk management framework and progressively stepped up the identification and assessment of climate risks, with on-going monitoring of climate risk exposures. Based on key indicators including risk exposure breakdowns and concentration levels, the Company identifies the most relevant and material risks and implements targeted risk management measures. Moreover, it continuously tracks ESG ratings and adverse media coverage, and responds to any material rating adjustments or significant negative publicity in a timely manner in accordance with the established risk management protocols.

Climate risk management procedures and methods for investment business

Risk identification	◆ Review target asset types to determine the scope of assets with ESG risk exposure on a preliminary basis. ◆ Identify and score ESG risk factors based on third-party ESG assessment or due diligence.
Risk assessment	◆ Assess impact of ESG risks on assets and rank them by descending order of severity.
Risk response	◆ **Investment access:** Establish access criteria based on ESG risk ratings. ESG risk reports are mandatory for non-standard investment projects with material ESG risks. Implement a watchlist system for high ESG-risk customers and impose line-of-credit (LoC) restrictions. ◆ **ESG compliance review:** focus on compliance, effectiveness, and completeness of ESG documentation prior to investment to ensure that the investee maintains robust dynamic control over ESG risk exposures. ◆ Enhance LoC and investment due diligence, define priorities of ESG due diligence based on sector/regional characteristics. Conduct in-depth investigation via in-house/third-party teams and establish corresponding limits and credit lines. ◆ Changjiang Pension actively engaged with investee companies during the reporting year, urging them to work out decarbonization roadmaps, set green targets and conduct climate stress testing.

Risk monitoring	◆ **Pre-investment monitoring:** Establish ESG risk limits in the risk control system to track changes to ESG risk exposure of target assets before investment. ◆ **Media monitoring:** Strengthen post-investment media monitoring to identify potential ESG-related risks and assess their financial and reputational impact. ◆ **Fund disbursement tied to ESG risk:** Link fund disbursement to investees' ESG risk management, with checkpoints for ESG risk assessment at different stages of the investment. For investees exhibiting material ESG risks or flaws, suspend or terminate fund transfer as per contractual agreements. ◆ **Handle material ESG risks during the holding period:** Require investees to formulate and implement risk mitigation measures and contingency plans.
Risk reporting	◆ **Combine regular reports with ad hoc reporting of material risk:** Integrate ESG risk management into daily risk monitoring and reporting framework, track implementation status of risk limits, and submit periodic reports to the management and board of directors. In the event of emergencies or material ESG risk incidents, implement fast response measures and promptly report potential impacts to relevant stakeholders.

Business operations

The Company has established a full set of risk management procedures, covering both physical and transition risks across all its business lines, to effectively mitigate the impact of climate change on operational continuity, employee health and compliance costs, and underpin its operational resilience and sustainability.

Climate risk management procedures and methods for business operations

Risk identification	◆ **Physical risk management** Identify threats posed by extreme weather events to the safety of operational sites and both field force and staff. ◆ **Transition risk management** Identify compliance and retrofitting cost pressures arising from tightening policies such as energy conservation and carbon reduction, green building requirements and other related regulations on the Company's operations.
Risk assessment	◆ **Physical risk management** Assess occurrence probability of extreme weather events, as well as their scope of impact and potential damage to personnel and assets. ◆ **Transition risk management** Assess potential financial impact of regulatory requirements on the Company's existing and new properties in terms of energy consumption and retrofitting investment. Continuously monitor energy and carbon emissions data via intelligent systems and carbon footprint platforms, and accurately identify high-energy-consumption operational areas.
Risk response	◆ **Physical risk management** Reinforce critical infrastructure, formulate safety protocols and improve emergency response plans. ◆ **Transition risk management** Construct green buildings, formulate and implement energy-saving retrofitting plans for existing properties, and improve operational energy efficiency and digital management capabilities.

Climate risk response strategy

Insurance business

Enhancing climate risk response in key sectors

The Company intensified research on green shipping, agricultural insurance, photovoltaic power and offshore wind power, and developed new risk protection solutions for these sectors, which enhanced its climate risk management capabilities.

Green shipping

The Company jointly released the *Action Plan on Strengthening Shanghai's Home-Field Advantage to Support the Development of Shanghai as an International Shipping Centre, and on Advancing Green Shipping*. The plan covers four core dimensions: digital infrastructure development for shipping trade, transition finance standard setting, full-cycle service systems for green ports, and low-carbon retrofitting of maritime vessels, and is designed to elevate the financial service capabilities that underpin the digital, intelligent and green transition of the shipping industry.

Agricultural insurance

The Company has incorporated climate risk management into the entire underwriting cycle, covering pre-underwriting, in-force and post-claims. Leveraging the three smart systems, namely, the "Zhitian Huinong" intelligent platform, the E-agricultural Insurance System and the "Huiyan · Zhiyuan" AI remote sensing system, the Company has been able to identify, assess, monitor and issue early warning on climate risks. It has also improved emergency response plans for catastrophes, coordinated cross-regional resources, and jointly built a data sharing and collaborative risk platform with the government, research institutions and other stakeholders to promote industry data standardization and experience sharing.

Photovoltaic and offshore wind power

The Company has established standardized risk management procedures for underwriting, risk survey and claims settlement, and strengthened technological innovation to enhance the efficiency of loss inspection and claims settlement. It has also built a network of preferred service providers, who can promptly help clients complete post-disaster repairs and power grid restoration to reduce business interruption losses.

Case | Improving Climate Risk Coverage in Agricultural Insurance

Focusing on key agricultural sectors such as grain cultivation, aquaculture and cash crops, CPIC P/C has expanded its product offerings to include climate risk coverage for low temperatures, drought and heavy rainfalls – covering not only crop yield but also crop quality and local ecology. Through the "insurance + technical service" model, CPIC P/C has embedded climate early warning and disaster prevention solutions into the insurance package, and established an end-to-end risk management mechanism.

- For product pricing, by using remote sensing, meteorological, agricultural and claims data, CPIC P/C conducts risk-based zonal pricing and stress testing, and sets differentiated premium rates based on regional climate vulnerability to improve pricing accuracy and business sustainability.
- In the formulation of underwriting standards, CPIC P/C considers physical climate risks as a core assessment dimension. Based on meteorological big data and historical disaster records, it sets differentiated underwriting thresholds for all regions and crop types, and imposes stricter risk management or disaster prevention support requirements on climate-sensitive crops.

Case | End-to-End Risk Management for PV and Offshore Wind Power Businesses

CPIC P/C has established a comprehensive risk management model for the PV and offshore wind power sectors, with clearly defined standards for underwriting thresholds, risk surveys and claims settlement, etc.

- **Underwriting:** CPIC P/C has formulated the *Underwriting Guidelines for Catastrophe Risk Accumulation Control and PV Property & Engineering Insurance*, setting forth the underwriting requirements for typhoon-prone regions; it has established a catastrophe risk accumulation management and threshold control scheme for PV and offshore wind power businesses, enabling real-time calculation and monitoring of accumulated underwriting sum assured in each region, dynamic threshold comparisons and risk early warning.
- **Risk surveys:** CPIC P/C stepped up pre-underwriting risk survey. For offshore wind power projects, expert input is required for the survey report.
- **Claims settlement:** CPIC P/C has formulated standards for end-to-end claims handling which covers survey preparation, on-site survey, liability determination, loss assessment, negotiation and subrogation, and risk feedback.

Deepening research on and application of catastrophe models

To address climate change risks, CPIC uses catastrophe models to conduct regular accumulation monitoring and early warning of climate risks, and assess the impact of extreme weather events such as typhoons, earthquakes and heavy rains on the Company's operations.

In 2025, the Company completed the local deployment of multiple mainstream domestic and overseas catastrophe models, built a tiered typhoon early warning model, and established a national meteorological catastrophe database. Focusing on the impact of frequent natural disasters on auto insurance, the Company continued to refine auto insurance catastrophe models and further improved the soundness and accuracy of the model by incorporating climate-related factors.

Catastrophe Model Application

AIR catastrophe model	For typhoon and earthquake perils, the model predicts catastrophe-induced losses across auto, property and engineering insurance by simulating hundreds of thousands of historical and stochastic scenarios in conjunction with geospatial and structural analysis of the insured assets.
AIR multi-Peril model	For forests and staple crops under agricultural insurance cover such as rice, wheat and corn, the model predicts the cumulative risk of climate-related perils (e.g., drought, extreme heat, windstorms, floods) on in-force agricultural insurance policies.
Extreme precipitation model	The model runs with inputs from historical rainfall data and details of the insured assets, then calculates expected losses for insured assets based on real-time rainstorm alerts from the National Meteorological Centre. It automatically issues early warnings to regional branches of the Company facing high loss probability.
China re catastrophe model	The model quantifies accumulation risk for typhoon and earthquake perils across the Company's commercial property insurance and homeowner's insurance business lines. It provides annual average expected loss and expected loss ratio for key return periods by regions and by Company branches, and issues real-time typhoon early warning alerts during the typhoon season.

Improving "Risk Radar" functionality

The "Risk Radar", a digital and visualized smart risk control platform developed independently by CPIC, integrates core technologies such as meteorological numerical forecasting, geographic information system and quantitative risk assessment. It is capable of local deployment of risk maps and visualized layers covering 12 perils, including heavy rains, typhoons and floods. The platform enables accurate lookup of natural disaster risk ratings for any location across the country; it sends the results directly to risk survey reporting and underwriting systems for efficient output. Based on on-site risk survey information, it uses smart assessment models to deliver quantitative evaluation of wind and flood damage to the insured asset, enabling accurate identification and proactive control of natural disaster risks.

The Company is committed to providing risk reduction services for renewable energy business across the entire insurance policy cycle, and has put in place a dedicated risk management system for the business centering on the "Risk Radar".

- **Clean energy platform:** The Company has developed a Clean Energy Platform that integrates and continuously updates multi-dimensional data – including risk survey, underwriting, claims, and marine weather data – to provide typhoon early warning, typhoon damage simulation, and natural disaster inquiry services for the construction and operation of renewable energy projects such as PV, onshore wind and offshore wind. The platform can also calculate the exposure accumulation for high-risk regions and support risk monitoring of renewable energy businesses in such areas.
- **Maritime risk mitigation platform:** The platform integrates insurance policy and AIS data to track the Company's insured vessels in real time. Through geofencing, it delivers entry alerts and enables monitoring and statistical tracking of sensitive offshore wind zones, supporting the safe construction and stable operation of offshore wind projects and the sustainable growth of the renewable energy business.

Rolling out risk reduction services

Guided by the philosophy of "prevention over indemnity", CPIC has established a risk reduction management system featuring "professional teams + technology empowerment + end-to-end service". By integrating offline services with online monitoring, the Company is committed to delivering full-cycle risk reduction services to its customers. It has built a professional team of risk engineers to serve a range of sectors including subway, electric power, chemical industry and fire safety. In 2025, the team conducted a total of 65,000 pre-underwriting risk surveys and provided 37,200 flood preparedness and fire hazard inspection services during the policy term, which raised the risk awareness and enhanced loss prevention capacity of the insured enterprises.

The Company rolled out IoT monitoring solutions including "Shui Jing Ling" and "Fang Huo Bao", enabling uninterrupted, dynamic sensing and proactive management of critical risks. Between 2024 and 2025, these solutions triggered a total of 9,425 valid alerts and delivered services to food processing, warehousing, logistics and many other sectors.

Improving catastrophe risk diversification mechanism

CPIC adopted a centralized reinsurance management model at CPIC P/C Headquarters and has built a comprehensive reinsurance framework with extensive coverage for multi-tiered risk diversification and loss control. As per the *Reinsurance Strategy* and the *Implementation Rules on Reinsurance Counterparties and Concentration Risk Management of Insurance Business*, the Company centrally manages and coordinates the level of retained business, inward/outward reinsurance, as well as cessions within the Group, promotes standardized reinsurance operation among subsidiaries, optimizes management of reinsurance business, and strengthens reinsurance risk management.

CPIC P/C makes plans for annual reinsurance treaties across all business lines, which automatically include climate risks under primary insurance contracts. For risks exceeding its retention limits, it employs facultative reinsurance to transfer excessive exposure. Additionally, each year, it purchases per risk excess-of-loss reinsurance and catastrophe excess-of-loss reinsurance. For major climate catastrophes, per risk excess-of-loss reinsurance can mitigate retained losses from large single-risk claims, while catastrophe excess-of-loss reinsurance can reduce aggregate net retained losses. Collectively, such mechanisms effectively cushion the impact of major climate disasters on the Company's financial performance.

The Company makes steadfast efforts to enhance its reinsurance business management. When designing reinsurance programs, it takes into full consideration the risk of climate-induced catastrophes, continues to increase the scope and protection levels of reinsurance coverage for extreme weather events, so as to meet the needs of all business lines for catastrophe protection.

Investment business

To achieve optimal long-term risk-adjusted returns, CPIC has integrated ESG factors into its investment management framework, as well as the full process of investment research, investment decision-making, and risk management. The Company continues to refine its ESG rating and analytics system, deepen stewardship engagement, and enhance its assessment of external asset managers to better identify, manage and tackle climate risks for its investment business.

Integrating ESG factors into investment decisions

To promote sustainable development of investment portfolios, CPIC integrated ESG factors into the investment decision-making processes across all asset classes, including listed equity, fixed-income, private equity, infrastructure and real estate, fund-of-funds (FoF), and outsourced investments.

Listed equity investment	Incorporate both quantitative ESG ratings and analysts' qualitative ESG assessments as priority factors into investment decision-making processes, and establish an ESG investment pool and negative screening list based on ESG ratings. The risk management department oversees the ESG factors in investment portfolios, including conducting regular monitoring of portfolio ESG risk profiles, and promptly alerting the investment department to material ESG risks.
Fixed-income investment	For bond investments, the Company constructs an ESG-eligible universe based on ESG ratings and other factors, and selects investment targets in accordance with its ESG investment strategy. For investments in financial products, ESG factors are fully incorporated into product due diligence and evaluation, and ESG risks are continuously monitored throughout the product's life cycle; risk mitigation measures will be implemented when necessary.
Private equity infrastructure and real estate investment	Pay close attention to projects' environmental and social impacts, and incorporate environmental impact and corporate governance, among others, into project assessment. Conduct ESG performance evaluation through due diligence; assess potential impact of climate change and other factors on investment.
FoF, and outsourced investment	Implement ESG evaluation for third-party asset managers.

Case | Refining ESG Evaluation Model

CPIC AMC established and continued to refine the comprehensive equity ESG modelling and evaluation framework. The framework adopts an integrated approach combining quantitative and qualitative assessment to analyse the ESG performance of listed companies, and the results are used to construct an ESG equity universe. As it gained more insights into climate change and ESG topics, the research team further optimized the ESG evaluation model for key sectors including utilities, telecommunications, non-ferrous metals, food and beverages, coal and banking, so as to better align the model with sector-specific characteristics and enhance its applicability to investment decision-making.

ESG ratings and analytics system

CPIC continues to upgrade and refine its ESG ratings and analytics system, and has established a three-tiered "look-through" evaluation framework covering "assets - portfolios - asset managers". In 2025, building on existing functions such as ESG scoring and rating, risk event identification and assessment, asset labelling and statistics, portfolio carbon footprint measurement, ESG screening lists and investment stewardship, the Company added new functions such as green label identification, third-party asset manager evaluation and PRI reporting.

The ESG ratings and analytics system is built on a core indicator framework across three dimensions: environmental (E), social (S), and governance (G). It also incorporates industry-specific indicators tailored for 20 distinct sectors, forming a comprehensive ESG assessment framework for each industry. The system covers all major asset classes—including listed equities, fixed income, private equity, infrastructure, and real estate—as well as all asset managers and owners across the Group. In addition, it enables targeted analysis on sector-specific issues, such as environmental factors in renewable energy and carbon emissions in thermal power, and conducts in-depth research by introducing new topics or adjusting weightings. Based on the system, the Company regularly tracks ESG scoring trends and score distribution across portfolios, facilitating the integration of climate and ESG factors into investment decisions.

Case | Strengthening Green Asset Identification

Leveraging third-party green label data, CPIC has developed a centralized green asset database. With positive screening and negative exclusion, the Company conducts systematic enterprise analysis and modelling to identify eligible "high-green" companies. Moreover, it enhances its capacity to identify unlisted green enterprises and non-standard green assets, improves the completeness and accuracy of green asset statistics, thus laying a solid foundation for informed investment decision-making across both standard assets and non-standard investment projects.

Green Asset Selection Criteria

- **Positive screening:** Green revenue ⩾50% of total operating revenue; Included in the official Green Manufacturing List; Designated as an "Environmental Integrity Enterprise", etc.
- **Negative exclusion:** Classified as an "Environmentally Non-Compliant Enterprise"; or Received material administrative penalties for environmental violations within the past three calendar years.

Active stewardship

CPIC fulfils its stewardship responsibilities through engagement, proxy voting, questionnaire surveys, policy formulation and industry collaboration. The efforts aim to mitigate ESG risks of investee companies and improve their ESG performance.

Exercising active ownership, the Company assigns dedicated investment managers and research analysts to financial investment projects, engaging in corporate governance through voting, research feedback, industry summits, conference calls and formal correspondence, to advance the sustainable development of investees and enhance investor returns. For strategic investments, the Company directly participates in corporate governance by appointing directors and supervisors.

Furthermore, leveraging in-house and third-party expertise, the Company reviews shareholder meeting agenda items of investee companies, and directly participates in their governance by voting at such meetings.

Equity assets listed on stock exchanges	By exercising active ownership through engagement and voting, we strengthen two-way communication with the board or management of investees, pushing them to enhance substantive ESG risk management and make strategic business decisions aligned with long-term value creation.
Fixed-income asset management	Proactively engage with investee companies by exercising voting rights at bondholder meetings, driving effective ESG risk management and substantial improvement.
Unlisted direct-investment equity projects	The Company regularly monitors investee companies' ESG risks, and maintains continuous oversight to urge them to address material ESG issues. To advance the sustainable development of investees, the Company uses the following methods: exercising investor rights; appointing representatives to investees as per the investment agreements to enhance the Company's influence and leverage; and communicating with the board of directors or senior management of investees.
Outsourced assets under management	Encourage evaluation of stewardship capabilities of third-party asset managers and promote their compliance with the *Company's Investment Stewardship Guidelines*.
Private equity fund	Conduct capability assessment on private equity fund managers, and require them to build and enforce an investment stewardship mechanism. Embed ESG factors into the investment process, execute stewardship activities including stakeholder engagement and voting, and apply relevant policies and operational experience to the portfolio management mandated by CPIC.

Case | **Advancing Responsible Investment Stewardship Practices**

CPIC AMC conducts ESG surveys on mutual fund managers, and engages with them based on the assessment outcomes. It engages independent third-party proxy voting service providers to support voting activities; the in-house investment research team prudently reviews the service providers' recommendations and makes independent voting decisions, while also drawing on voting guidance from professional voting institutions when voting on the resolutions. During the reporting period, CPIC AMC voted on shareholder meeting resolutions for 24 listed investee companies in its portfolios.

Changjiang Pension strengthens credit review and investment due diligence. Based on industry and regional characteristics of each investee, the Company identifies key focus areas of ESG risk due diligence to ensure comprehensive and in-depth sustainability assessment. For investees with material non compliance or material ESG risks, it places them on a restricted list and imposes strict investment restrictions. For investees with material ESG risks during the holding period, it exercises its legal rights as a creditor or shareholder and urges them to implement risk mitigation measures, including developing and implementing contingency plans for material risk events.

ESG evaluation and management for third-party asset managers

CPIC has established an ESG evaluation framework for third-party asset managers. In 2025, it conducted ESG surveys and assessments of over 140 third-party asset managers, including segregated account fund managers and collective investment portfolio managers. The evaluation looked at their ESG performance at both corporate and investment strategy levels across multiple dimensions: ESG governance, ESG ratings system, ESG risk management, investment stewardship, and climate change etc. The scores will be benchmarked against those of their peers and against historical performance, and help with the selection, engagement and appraisal of third-party asset managers, as well as development of stewardship plans. The Company will also engage with underperforming managers to facilitate their ESG performance improvements.

04 Metrics and targets

Insurance business

Investment business

Business operations

Metrics and targets

>>>

Insurance business

Committed to green insurance, CPIC continuously improves its green insurance product portfolio to support key sectors including green energy, green transport, pollution reduction and carbon emissions reduction, and ecological carbon sinks.

• Target

Green insurance premiums grow faster than CPIC P/C's overall growth.

• 2025 Performance

Innovative green insurance products, including carbon revenue loss insurance and carbon information disclosure liability insurance.

5 types
green insurance products

40 types
cumulative innovations

the green insurance premium
exceeded **RMB66** billion

14.3%
a year-on-year increase

Achieved
annual target

Innovating climate insurance products

CPIC strives to deepen its presence in climate insurance, offering targeted risk solutions for meteorological hazards such as typhoons, heavy rainfalls, droughts and freeze events for different regions and industries, helping to enhance the climate resilience of businesses and the society. CPIC offers various types of catastrophe insurance: relief-oriented, innovation-driven, and index-based.

aboout **RMB1.15** trillion
catastrophe insurance
sum assured

Case | Customized County-level Meteorological Catastrophe Index Insurance

Based on catastrophe risk modelling and multi-year meteorological data, CPIC developed "An Hui Bao", a nation-wide county-level catastrophe index insurance product. The product covers government fiscal spending on emergency disaster relief, with claims payout based on hazard intensity; it offers flexible choices of "per-peril solutions" or "per-county solutions", and delivers customized catastrophe risk protection against typhoons, heavy rainfalls, low temperatures and freeze events across all districts and counties.

Supporting clean energy development

Aligned with China's new energy strategy, CPIC continuously refines its risk protection programmes for clean energy projects, delivering professional services to support key clean energy projects and major energy initiatives.

exceeded **RMB73** trillion
clean energy insurance SA

Case | CCER Carbon Asset Loss Insurance for Offshore Wind Power Project

CPIC developed a customized CCER carbon asset loss insurance solution for the Dafeng H6 Project of Longyuan Guoneng Offshore Wind Power (Yancheng) Co., Ltd. to support its sustainable operation. This solution is tailored for investors and operators of CCER projects, and covers carbon asset losses (i.e., lower emission reductions) caused by the insured's business interruption due to physical property damage by risks under property insurance. The product covers wind turbines, photovoltaic power generation units, and waste-to-energy projects.

Serving green and low-carbon transport

To meet the diversified risk protection needs of green transport, CPIC pursues innovation in insurance products and service models to facilitate the green, low-carbon transition and high-quality development of the transport sector.

Over **6.3** million units
NEV insurance covered

Case | Deepening Innovation of NEV Insurance and Related Services

Collaborating with new energy vehicle (NEV) manufacturers, CPIC has been developing specialised insurance products based on intelligent driving technology and end-user demand to build a multi-scenario intelligent driving risk protection system. The Company launched relevant products such as charging station property insurance and safety liability insurance. The Company worked with OEMs (Original Equipment Manufacturers) to jointly formulate vehicle maintenance and loss assessment standards, and promote cost optimization and service improvement. To support the global expansion of China's NEV industry, CPIC co-launched the industry's first cross-border motor insurance solution, with the first policy issued in Thailand.

Reducing pollution and carbon emissions

CPIC continues to develop environmental pollution liability insurance, fulfilling its responsibility in supporting national strategies, delivering people-centred financial services and facilitating pollution and carbon emissions reduction.

Over **RMB12** billion
offered SA for environmental pollution cover to enterprises in chemicals power and other sectors

Case | Facilitating Development of Environmental Pollution Liability Insurance in Shanghai

In 2025, in alignment with China's "Dual-Carbon" strategy and Shanghai's green finance development requirements, CPIC actively promoted the implementation of environmental pollution liability insurance (EPLI) in Shanghai and the renewal of EPLI policies in Pudong New Area, thus supporting the institutionalized, standardized and intelligent development of Shanghai's EPLI system.

While rolling out online insurance application, the Company conducted policy briefings and follow-up visits to companies in collaboration with the Pudong New Area Ecological and Environmental Bureau. During the year, it completed policy renewals and new policy issuance for 62 enterprises, among which 19 successfully transitioned from the Pudong demonstration clauses to the Shanghai municipal demonstration clauses. This set a good example for standardization of EPLI across Shanghai. In addition, the Company led the development of the *Risk Control Service Guidelines for Environmental Pollution Liability Insurance*. The Guidelines set forth a total of 9 service standards in 4 categories, namely, risk investigation, industry education and training, risk early warning, and emergency response drills. It helped to turn the EPLI service model from a compensation-based framework to a prevention-and-control-based one.

Ecological carbon sink insurance

CPIC continues to pursue product innovation in ecological carbon sink insurance, offering risk coverage for ecosystems including forests, wetlands, grasslands and oceans, so as to support the green economy and contribute to China's "Dual-Carbon" goals.

Case | Marine Blue Carbon Aquaculture Insurance

Marine organisms such as macroalgae, shellfish and phytoplankton, absorb and sequester carbon dioxide from the atmosphere or seawater, forming marine carbon sinks (also referred to as "blue carbon"). CPIC has launched oyster aquaculture meteorological index insurance and laver aquaculture wind index insurance in Ningbo, to cover losses incurred by aquaculture farmers from catastrophic weather events including typhoons and strong winds during the farming cycle, thus underpinning the growth of the blue carbon industry.

351 households
laver farmers

7 households
oyster farmers

As of the end of 2025, the product had provided protection to 351 laver farmers and 7 oyster farmers.

Empowering carbon information disclosure

CPIC launched innovative carbon information disclosure liability insurance, filling a gap in risk coverage for the carbon information services. The programme is intended to promote orderly and standardized development of the carbon information disclosure market, and is conducive to establishing an efficient carbon information management system with clearly-defined roles and responsibilities.

Case | Carbon Information Disclosure Liability Insurance

CPIC rolled out a carbon disclosure liability insurance solution in Wuxi, which focuses on core risks associated with third-party services, including carbon footprint calculation and verification, to ensure the accuracy and reliability of carbon information. In the event of material data discrepancies in carbon footprint calculation or carbon information disclosure, the Company will promptly initiate a claims settlement process and indemnify against costs such as re-calculation of carbon footprints, thus mitigating potential losses for enterprises due to carbon information data irregularities.

Diversifying "carbon neutrality" solutions for large-scale events

CPIC pioneered the "Carbon Neutrality for Large-Scale Events + Comprehensive Insurance Protection" model. It has served the China International Import Expo (CIIE) for 8 consecutive years, supported other major events, and partnered with event organizers to set an example for "carbon-neutral" green events.

Case | Promoting Event Carbon Neutrality through Forestry Carbon Sinks

During the 8th China International Import Expo (CIIE), CPIC purchased and donated forestry carbon sinks from the Greater Khingan Forestry Group. Through the national carbon trading platform, the ecological value generated by approximately 533 hectares of forestland and 640,000 trees was converted into tangible economic assets, "unlocking the value of ecological products" and adding new meaning to the "Zero-Carbon CIIE" initiative.

Investment business

Stepping up green investment

Implementing ESG investment philosophy, CPIC focuses on sectors such as energy conservation, environmental protection, clean energy and green transformation by steadily scaling up green investment.

- **Target**

  5% growth in total green investments

- **2025 Performance**

  Total green investments exceeded **RMB300** billion

  14.6% a year-on-year increase

  Achieved annual target

Case | Green Debt Investment Plans

Project Name	Investment Scale	Environmental Benefits	Green Certification
CPIC-Wuhan Metro Infrastructure Debt Investment Plan (Phase II)	New investment: RMB500 million Outstanding balance: RMB3 billion	Annual carbon dioxide emissions reduction: 1,069 tonnes standard coal equivalent (SCE) savings: 511 tonnes	Highest-grade (G1) green certification from Lianhe Equator
CPIC-Wuhan Metro Infrastructure Debt Investment Plan (Phase III)	New investment: RMB150 million Outstanding balance: RMB1.85 billion	Annual carbon dioxide emission reduction: 2,112 tonnes standard coal equivalent (SCE) savings: 974 tonnes	
CPIC-Wuhan Metro Infrastructure Debt Investment Plan (Phase IV)	New investment: RMB400 million Outstanding balance: RMB400 million	Annual carbon dioxide emission reduction: 646.28 tonnes standard coal equivalent (SCE) savings: 302 tonnes	
CPIC – HBIS Group Debt Investment Plan (Phase I)	Investment: RMB400 million Outstanding balance: RMB400 million	Annual carbon dioxide emission reduction: 1,699.9 tonnes standard coal equivalent (SCE)savings: 821.2 tonnes	Highest-grade (G-1) green certification from China Chengxin Green Finance
CPIC – Ningbo Rail Transit Debt Investment Plan (Phase II)	New investment: RMB740 million Outstanding balance: RMB1.54 billion	Annual carbon dioxide emission reduction: 2,116.68 tonnes standard coal equivalent savings: 1,009.07 tonnes	Highest-grade (G1) green certification from Lianhe Equator
CPIC-Qingdao Metro Infrastructure Debt Investment Plan	New investment: RMB1.8 billion Outstanding balance: RMB1.8 billion	Annual carbon dioxide emission reduction: 9,400 tonnes standard coal equivalent (SCE) savings: 4,600 tonnes	Highest-grade (G-1) green certification from China Chengxin Green Finance

Case | **CPIC AMC– 21Vianet Data Centre Holding–type Real Estate Green ABS**

CPIC AMC has launched the first green holding–type real estate ABS of China's national data centre industry: CPIC Asset – 21Vianet Data Centre Holding–type Real Estate Green Asset–backed Scheme, with an issuance scale of RMB860 million. By installing rooftop photovoltaics, deploying AI energy efficiency management platforms, and increasing the proportion of green electricity utilization, the project significantly reduced PUE (Power Usage Effectiveness) and carbon emissions, achieving improvements in both operating costs and environmental benefits. In addition, the project introduced ESG investment standards and established a positive correlation mechanism between environmental benefits and investment returns. As such, it created a virtuous cycle of "green operation – enhancing value – attracting capital", and provided a quantifiable evaluation system for green infrastructure investment. This project has been awarded the highest (G–1) green asset–backed securities certification by China Chengxin Green Finance.

Conducting carbon accounting for asset portfolios

The Company measures the carbon emissions and carbon intensity of its investment portfolios as per global standards such as PCAF (Partnership for Carbon Accounting Financials), covering all investment managers, both in–house and third–party, and asset owners. For non–standard assets, such as in transport, logistics, energy, municipal infrastructure, affordable housing and urban renewal projects, where direct access to underlying emissions data is limited, we have developed dedicated factor libraries and estimation models for individual assets to expand the scope of carbon footprint accounting.

Carbon Footprint of CPIC's Investment Portfolios

Asset type	Carbon emissions (10,000 tonnes CO_2e)	Carbon accounting coverage ratio
Stocks	1,455.10	99.9%
Bonds	525.96	99.2%

Note
1.Based on asset holdings as of 31 December 2024, using market value at net price.

Business operations

Setting carbon emissions targets for the first time

In line with China's "Dual–Carbon" goals, CPIC has established operational carbon emissions targets and continues to advance low–carbon and energy–efficient operations. The Company makes steadfast efforts to reduce its operational energy consumption and environmental impacts by enhancing energy efficiency and applying innovative technology.

In formulating operational carbon emissions reduction targets, the Company adopted a "top–down" and "bottom–up" approach to ensure the targets are feasible, science based, and aligned with national strategic priorities and industry best practices. On the one hand, it conducted top down benchmarking against national and industrial carbon reduction requirements and systematically reviewed the carbon reduction pathways of industry leading peers. Through industry benchmarking and policy analysis, the Group set forth its overall carbon reduction requirements. On the other hand, it carried out bottom up emissions analysis. Based on historical carbon emissions data, it assessed the potential for carbon reduction and projected emissions trends for each entity based on their development plans. Ultimately, through cross checking and dynamic calibration between macro requirements and its actual operations, the Company formulated its overarching carbon emissions reduction targets which are both ambitious and actionable, and underpinned by a science based approach.

The Company's carbon emissions reduction targets have been reviewed and approved by the Group's ESG Committee. To ensure orderly implementation of those targets, the Company has established a quarterly review mechanism for carbon emissions reduction, and convenes regular ESG Committee meetings to review progress and supervise the implementation of carbon emissions reduction initiatives.

CPIC's operational carbon emissions target

Reduce total carbon emissions from operations
by 2028 from 2023 baseline

by **20%**

Notes
1.The Company's carbon emissions from operations cover Scope1(stationary sources, mobile sources, refrigerants, fire extinguishers), Scope2 (purchased electricity, heating), and Scope3 (purchased goods and services, business travel).
2.The accounting scope is based on consolidated financial statements (excluding CPIC Home retirement communities and rehabilitation hospitals).
3.The greenhouse gases covered by the target include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

Strengthening operational carbon emissions management

To guarantee the quality of carbon emissions data and improve operational carbon management capabilities, CPIC has developed an in-house, proprietary carbon footprint management platform for its operations, and established unified corporate carbon accounting standards and emission factor database. In 2025, the Company optimized the platform's functions to enable automated data collection and visualized analysis; upgraded the carbon emissions factor database to ensure that emission factors are consistent with the latest nationally published emission factors; conducted sampling verification of carbon inventory data, compiled a list of data quality findings to facilitate corrective actions, thus driving the transition from "extensive coverage" to "quality application" in carbon data management.

Operational Carbon Emissions

Greenhouse gas emissions (GHG)	2023	2024	2025
GHG emissions (Scope 1) (tCO_2e)	45,085	44,792	33,306
GHG emissions (Scope 2) (tCO_2e)	202,742	171,018	178,106
GHG emissions intensity (Scope 1) (tCO_2e)	13.92	11.08	7.65
GHG emissions intensity (Scope 2) (tCO_2e)	62.59	42.32	40.93

Notes

1.Types of greenhouse gases measured: Carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

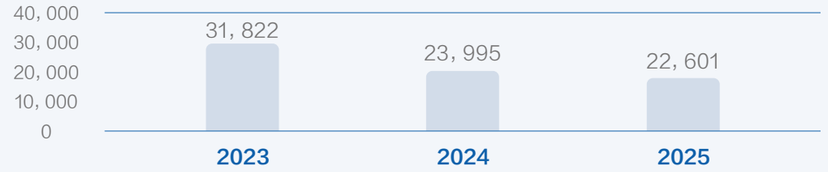
2.Greenhouse gas emissions accounting covers the following emission sources: Stationary sources, mobile sources,process emissions and fugitive emissions. Scope 1 emissions mainly come from stationary sources, mobile sources, refrigerants, and fire extinguishers, and Scope 2 emissions mainly come from the Company's purchased electricity and heat, and are calculated under the location-based method.

3.Greenhouse gases measurement standards: The *Greenhouse Gas Emissions Accounting Method and Reporting Guidelines for Power Generation Facilities (Revised in 2021)* issued by the Ministry of Ecology and Environment of the People's Republic of China (MOE) and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* published by the Intergovernmental Panel on Climate Change (IPCC) were used for the measurement. Accounting factors were selected from the *China Products Carbon Footprint Factors Database 2022* developed by the Ministry of Ecology and Environment, and database of Defra (Department for Environment, Food and Rural Affairs of the United Kingdom).

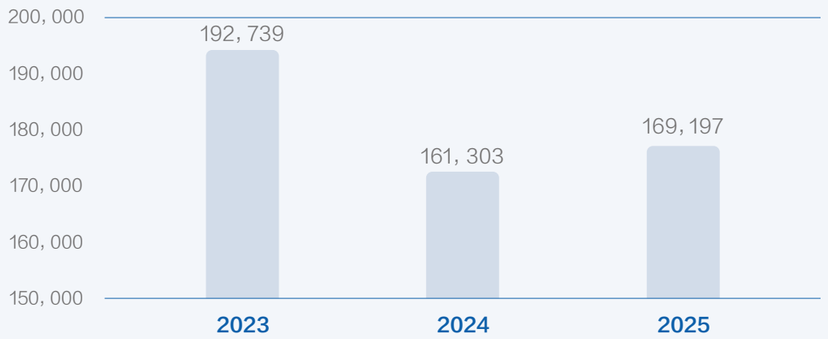
4.The operational control approach is adopted for greenhouse gas measurement, and the organizational boundary covers the entire operation of the Company (including all its branches and subsidiaries).

5.Reflecting the Company's latest data, the figures for 2023 and 2024 have been restated in this report.

Carbon Emissions from Mobile Sources (tonnes)



Carbon Emissions from Purchased Electricity (tonnes)



Energy and Resource Use

Energy use	2023	2024	2025
Natural gas use (m^3)	2,245,326	2,570,947	3,013,236
Natural gas use efficiency (m^3/RMB100 million)	693	636	692
Electricity consumption (kWh)	337,940,289	327,867,421	342,612,955
Electricity use efficiency (kWh/RMB100 million)	104,320	81,137	78,733
Total energy consumption (MWh)	506,144	467,019	460,065

Notes

1.The scope of resource and energy consumption statistics covers the entire Group including all its subsidiaries and branches.

2.The total energy consumption was calculated based on electricity, natural gas, and other fuel consumption, using the conversion factors provided in the *General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020)* standard.

3.Reflecting the Company's latest data, the figures for 2023 and 2024 have been restated in this report.

Improving green operations system

As per the *Guidelines on Green Operations of Self-use Office Buildings at Group Headquarters*, the Company has implemented specific measures on daily energy consumption management, innovative energy-saving initiatives and energy-efficient technology application, and formulated relevant KPIs to enhance sustainable operation of its workplaces. All CPIC subsidiaries have set up task forces for green operations and workplace energy conservation & carbon emissions reduction, and developed rules on green operations to boost carbon reduction efforts. CPIC P/C has implemented an internal carbon pricing mechanism, rolled out the *Low-Carbon Operation Manual 2.0*, and carried out regular carbon inventory and data monitoring to drive an orderly reduction of operational carbon emissions.

The Company has embedded the green and low-carbon philosophy into its supplier management, implemented regulations such as the *Supplier Management Policy* and the *Implementation Rules on Centralized Procurement Supplier Management*, thus incorporating ESG factors into supplier evaluation, selection and performance assessment to foster a green supply chain.

Promoting paperless operations

CPIC continued to increase the application of paperless technologies and expand online service scenarios, which resulted in higher service efficiency and notable reduction in paper consumption.



Paperless Operation

CPIC Life	Subscription rate of e-letters reached 93%, with 93% of policy amendments in electronic forms; cutting paper consumption by over 90 million sheets annually through e-letters, electronic amendments, and electronic policies; achieved a 92% digital adoption rate for policyholder service; and a reduction of over 17 million business trips for 2025.
CPIC P/C	50% of auto insurance claims were processed online; 93% of personal injury outpatient cases of auto insurance claims were processed online; collected 2,127,500 online signatures from customers in auto insurance claims, with the self-service penetration rate for auto claims reaching 13.94%; 100% of claims for accident and health insurance were paperless and reported online; online claims for non-auto insurance reduced the annual usage of paper by over 2 million copies on average.
CPIC Health	Achieved 100% paperless operation for individual insurance policy issuance, policy amendments and claims settlement notification; over 70% of group insurance policies were issued electronically, 98.13% of policyholder service was processed digitally, and 98.84% of claims were reported online.

Building green data centres

Focusing on the energy intensive operations of its data centres, CPIC has adopted a systematic approach to energy efficiency and carbon reduction, with efforts spanning technological innovation, equipment management and policy research, and has achieved considerable progress.

In 2025, taking into account the characteristics of its data centres, the Company effectively cut the operational carbon emissions from infrastructure through various means: coordinated optimization of air cooling and water cooling, widening of natural cooling windows, and iterative operational strategies. The Power Usage Effectiveness (PUE) of Luojing Data Centre and Chengdu Data Centre stood at 1.385 and 1.407 respectively. Officially commenced operations in 2023, Songjiang Data Centre has an operational PUE of 1.300.

Promoting green travel

CPIC formulated and refined the *Implementation Rules on Green Travel Rating* to promote green transport, low-carbon accommodation and paperless itineraries. The Company organizes awareness campaigns and training programmes on green commute and green business travel, and promotes online meetings as a substitute for non essential business trips. When business travel is necessary, employees are required to choose low-energy and low-emission mode of transport such as high-speed rail. To encourage employees to adopt green travel practices, the Company has added carbon emissions and carbon reduction reminders on the "CPIC e-Travel" business travel platform, and embedded a train recommendation section on the itinerary booking page. In 2025, the Company achieved a reduction of 3,884.6 tonnes of carbon emissions from business travel across the entire organization.

The Company continues to increase the share of new energy vehicles (NEV) in its corporate vehicle fleet. In 2025, CPIC P/C purchased 469 vehicles, 91 of which were NEVs.

Green buildings

CPIC continues to implement requirements for green and sustainable buildings across its workplaces and CPIC Home retirement communities, with a steady increase in the number of projects obtaining green building certifications. As of the end of 2025, the Company's Beijing Pacific Insurance Tower, Chengdu Pacific Insurance Financial Tower, Guangzhou Bao Wan Tower, Shanghai Century Commerce Plaza, Pacific Xintiandi Tower T1 and T2 had obtained LEED Platinum certification, while Pacific Xintiandi Commercial Plaza and Pacific Life Tower had obtained LEED Gold certification.

14
CPIC Home retirement communities in operation

12
have obtained green building certifications

Encouraging green behavior

To unlock its potential for emissions reduction and encourage employees to practice low-carbon lifestyles, CPIC has built a personal carbon credit platform "Tan Xian Jia", which quantifies emissions reduction from low-carbon behaviors and converts them into incentive points, thus encouraging employees to fulfil their environmental responsibilities in daily work and life. The platform covers 9 major low-carbon behaviour categories, including green commute, green meetings, low-carbon travel, green printing, green procurement, remote work, and daily environmental quizzes. With a unified carbon credit account system, it utilizes a credit distribution and incentive mechanism for carbon reduction behaviour to stimulate employees engagement.

over **42,000** people
By the end of 2025, the total number of "Tan Xian Jia" users

Appendix

>>>

Index of "Part D: Climate-related Disclosures of the Environmental, Social and Governance Reporting Code" of HKEX

Dimensions	Climate-related disclosure content	Disclosure index
Governance	(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities (b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Governance (Governance structure, Capacity building, Evaluation and incentive mechanisms)
Strategy	Climate-related risks and opportunities	Strategy (Climate-related risks and opportunities)
	Business model and value chain	Strategy (Climate-related risks and opportunities)
	Strategy and decision-making	Strategy (Climate strategy), Metrics and targets (Insurance business, Investment business, Business operations)
	Financial position, financial performance and cash flows	Strategy (Climate strategy)
	Climate resilience	Strategy (Climate scenario analysis and stress testing), Risk management (Climate risk response strategy)
Risk Management	(a) The processes and related policies the issuer uses to identify, assess, prioritise and monitor climate-related risks (b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities)	Strategy (Climate scenario analysis and stress testing), Risk management (Incorporating climate risk into ERM, Risk management procedures and methods)
	(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	
Metrics and Targets	Greenhouse gas (GHG) emissions	Metrics and targets (Business operations)
	Climate-related transition risks	Metrics and targets (Insurance business)
	Climate-related physical risks	Strategy (Climate scenario analysis and stress testing), Metrics and targets (Insurance business)
	Climate-related opportunities	Metrics and targets (Investment business)
	Capital deployment	Strategy (Climate strategy)
	Internal carbon pricies	Metrics and targets (Business operations)
	Remuneration	Governance (Evaluation and incentive mechanisms)
	Industry-based metrics	Metrics and targets (Investment business)
	Climate-related targets	Metrics and targets (Insurance business, Investment business, Business operations)
	Applicability of cross-industry metrics and industry-based metrics	Metrics and targets (Investment business)

Index of "the Sustainability Disclosure Standards for Business Enterprises No.1—Climate (Trial)" Ministry of Finance of the People's Republic of China

Dimensions	Climate-related disclosure content	Disclosure index
Governance	Information on the governing bodies (including the board of directors and its subordinate committees or other similar bodies) or personnel responsible for overseeing climate-related risks and opportunities	Governance (Governance structure, Capacity building, Evaluation and incentive mechanisms), Strategy (Climate strategy)
	The role of the management in the governance structure, control measures and procedures adopted for managing and overseeing climate-related risks and opportunities	Governance (Governance structure)
	Leverage the internal audit department, legal department or other departments with oversight responsibilities to supervise climate-related risks and opportunities, and engage an independent third-party institution to provide assurance on climate-related information	The Company has yet to engage an independent third-party institution to conduct assurance procedures on its climate-related information
Strategy	Climate-related risks and opportunities	Strategy (Climate-related risks and opportunities, Climate strategy), Risk management (Climate risk response strategy)
	Strategy and decision-making	Strategy (Climate strategy), Metrics and targets (Insurance business, Investment business, Business operations)
	Current and expected financial impacts	Strategy (Climate strategy)
	Innovative measures (and their effects) implemented in production and operations to facilitate climate change mitigation and adaptation, as well as the costs incurred therefor	Strategy (Climate strategy), Risk management (Climate risk response strategy)
	Costs, expenditures, gains or losses arising from transactions or matters such as carbon emissions allowance trading, purchase of green electricity certificates, development of voluntary greenhouse gas emission reduction projects, sale and purchase of emission reductions, and execution of renewable energy contracts	Not Applicable
Strategy	If quantitative information on current or expected financial impacts cannot be identified, reasons and explanations shall be provided	Not Applicable The Company has disclosed quantitative information on the current or expected financial impacts of climate-related risks or opportunities.
	Climate resilience	Strategy (Climate scenario analysis and stress testing), Risk management (Climate risk response strategy)
Risk Management	Processes for identifying, assessing, prioritizing and monitoring climate-related risks	Strategy (Climate scenario analysis and stress testing), Risk management (Incorporating climate risk into ERM, Risk management procedures and methods)
	Processes for identifying, assessing, prioritizing and monitoring climate-related opportunities	Strategy (Climate scenario analysis and stress testing), Risk management (Risk management procedures and methods)
	Processes integrated into enterprise risk management	Risk management (Incorporating climate risk into ERM)
Metrics and Targets	Greenhouse gas (GHG) emissions	Metrics and targets (Business operations)
	Climate-related physical risks	Strategy (Climate strategy, Climate scenario analysis and stress testing), Metrics and targets (Insurance business)
	Climate-related transition risks	Metrics and targets (Insurance business)
	Climate-related opportunities	Metrics and targets (Investment business)
	Capital deployment	Strategy (Climate strategy)
	Internal carbon pricing	Metrics and targets (Business operations)
	Remuneration	Governance (Evaluation and incentive mechanisms)
	Industry-based metrics	Metrics and targets (Investment business)
	Climate-related targets	Metrics and targets (Insurance business, Investment business, Business operations)
	Progress against targets	Metrics and targets (Insurance business, Investment business, Business operations)

About this report

>>>

This is the 2025 Climate Report published by China Pacific Insurance (Group) Co., Ltd., aiming to disclose to its stakeholders the Company's governance, strategy, risk management, practices and performance in climate change.

Scope

China Pacific Insurance (Group) Co., Ltd., its wholly-owned subsidiaries, subsidiaries where it owns the majority stake, and the branches thereof.

Reporting frequency

This is an annual report. Unless otherwise stated, the actions or practices covered in this report occurred during the period from 1 January 2025 to 31 December 2025.

Guidelines

This report has been prepared primarily in accordance with the *Climate Disclosure Guidance* issued by Hong Kong Exchanges and Clearing Limited (HKEX) and the *Sustainability Disclosure Standards for Business Enterprises No.1 — Climate (Trial)* by the Ministry of Finance of China.

Information sources

Events and data disclosed in this report are mainly based on CPIC's internal documents and relevant public disclosure documents, which have been consolidated by the report preparation team. Unless otherwise stated, all financial data in this report is measured in RMB.

How to access the report

The electronic version of this report is available for download on the website of CPIC (www.cpic.com.cn).