

# CPIC ESG Achievements

November 2023

# Innovation & Practice in Green Insurance by CPIC P/C

# First in Industry to Formulate Strategic Planning System for Green Insurance

Articulated strategic directions, road-map & implementation measures for green insurance, incorporating **ESG** elements into management process and Enterprise Risk Management (ERM) system, enhancing information disclosure and communication with stakeholders, improving relevant policies, regulations and management process.

Exploratory efforts date back to the end of 2020. Based on insights into ESG and the role of insurance, CPIC P/C became the first P/C insurer with a clear strategic plan for sustainable insurance and a systematic approach towards its implementation.

In August 2022, formulated **Strategic Plan and Implementation Programme for Green Insurance (sustainable insurance) between 2022 and 2024**, seeking to advance green agenda at strategic level.



## First in Industry to Develop Green Insurance Protocols

Our **sustainable (green) insurance** classification was based on areas and directions of professional service, a reflection of industry needs for green insurance business development. Implementation follows the principle of unified design, prioritisation and step-by-step improvement.

### First to Develop Corporate Standards

In July 2022, developed guidelines for green insurance, first of its kind in industry, which covered all types of encouraged green insurance business, while completing statistical platform for green insurance.

### Coordinating Formulation of Industry Standards

Joined in drafting Guidelines of Green Insurance Classification for the industry, leading document interpretation, which was publicly distributed.

# First in Industry to Launch Products & Services for Green Insurance

Promoted innovation in products and services centring on **green energy, reduction of pollution and carbon emissions, green transport, and environment protection**, with a total of 26 “first-of-its-kind” products on the market, and 4 of them launched in 2023. By the end of September 2023, CPIC P/C provided cumulatively 12 trillion yuan in SA.

## 01 Green Energy

Cumulative 1.2 trillion yuan in SA in the past 20-odd years, contributing to China’s energy security and energy mix transition.

### Innovation

“Feng Guang Wu Xian” platform; maritime weather early-warning platform

## 02 Reducing pollution & carbon emissions

Served nearly 700,000 clients in 8 sectors with high energy consumption and carbon emissions, with SA nearing 9 trillion yuan.

### First in industry

Insurance against loss in carbon trading of machinery damage for low-carbon projects, guarantee insurance for carbon-secured loans, guarantee insurance for performance of carbon-assets repurchase, insurance for oil CCUS

## 03 Green Transport

Covering more than 2mn new-energy vehicles, with SA totalling over 2 trillion yuan

Serving risk protection for Rail Transit over 600billion yuan in SA

### First in industry

New business model for NEV auto insurance

## 04 Environment

Contributing to farmland fertility, carbon sequestration, water quality, and bio-diversity

### First in industry

Carbon sink insurance for forestry, wetland, grassland, and oysters; indemnity insurance for carbon leakage in cases of fire; water quality insurance, liability insurance for relief & rescue of environment-related emergencies; liability insurance against damage caused by wildlife



## First in Industry to Build 2 Activity Models

Developed comprehensive risk solutions integrating all-around risk protection and carbon neutrality for large events, a benchmark for insurance to serve exhibitions of green industries.

### Carbon Neutrality Service

Carbon neutrality for large events

Tan Puhui system

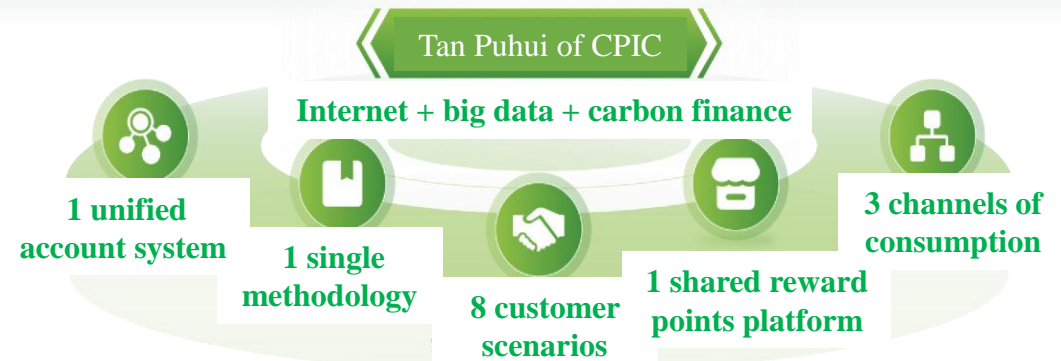


### All-around Risk Protection

Comprehensive insurance coverage

Risk reduction service

Launched Tan Puhui for insurance, the first of its kind in the industry, a **user-authorised, single-purpose platform** to measure and incentivise low-carbon behaviours.



No. of provinces covered (6)

Cumulative users (115,000)

Green actions completed (25,000)

No. of cities covered (38)

NEV users (74%)

Total interactions (66,000)



# First in Industry to Establish Low-carbon Operating System

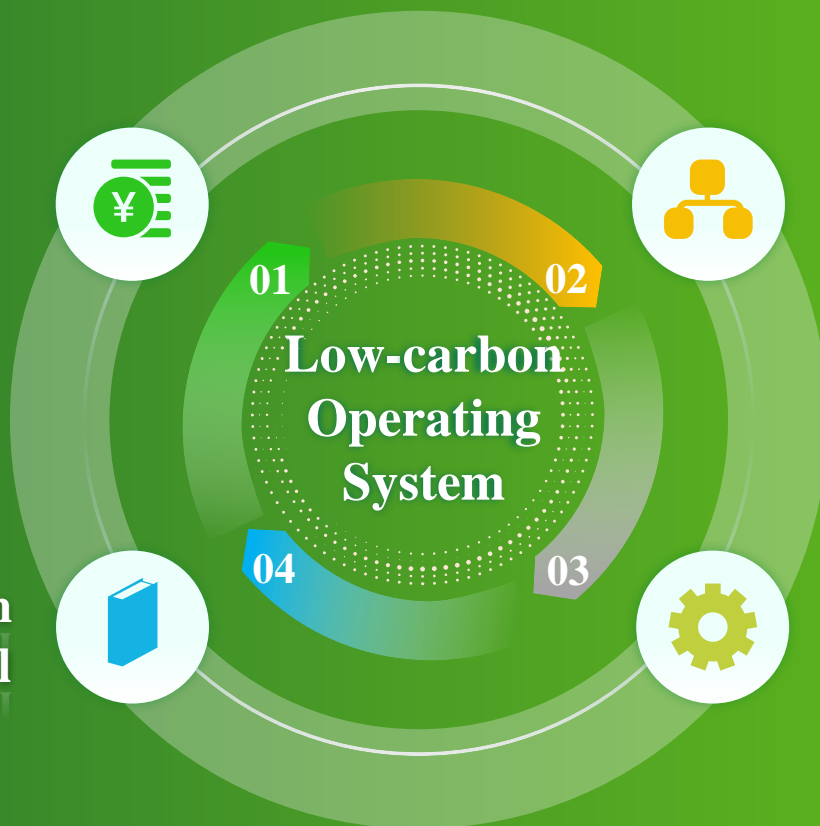
To lower carbon emissions, we built an integrated management model of “**physical objects + finance + carbon emissions**” based on combinations and upgrading of various measures across asset types and operational processes, such as improvement of rules and policies, regulation of work process, system support, follow-up and tracking, and institutional innovation.

By the end of September, our carbon emissions fell by **8.4pt** year on year.

## 6 typical asset types



## 1 low-carbon operating manual



## 1 low-carbon operating platform

A closed-loop integrating carbon information collection, measurement, and presentation, which enables differentiated monitoring and management of data for low-carbon operation. Completed data collection from 2022 till now.

## 1 set of mechanisms to promote innovation and reduce carbon emissions

Put in place guidance for corporate low-carbon, first used in business travels.

# Support for Rural Invigoration



Since 2018, CPIC P/C has actively engaged in serving the national rural revitalisation strategy, focusing on the overall initiative of "thriving industry, livable ecology, civilised village style, effective governance, and prosperous life". Giving full play to the advantages of the main insurance business, CPIC P/C follows the path of "products + technology + services" to boost innovation, with vigourous efforts and positive results in ensuring food security, improving rural financial services, protecting rural ecology and improving the life of farmers.



In 2019, the Leading Group for Poverty Alleviation and Development of The State Council awarded the Company the "National Poverty Alleviation Award for Organisational Innovation Award".



In 2021, the Party Central Committee and The State Council awarded the Company the honorary title of "National Advanced Collective in Poverty Alleviation".



In 2020, "Anti-poverty insurance", was awarded Best Poverty Reduction Case at the 1st Global Cases of Poverty Alleviation.



In 2021, Price index insurance for sugar canes in Guangxi was awarded Best Poverty Reduction Case at the 2nd Global Cases of Poverty Alleviation.



In 2022, "Insurance + futures" programme for corn income protection in Shandong was awarded Best Poverty Reduction Case at the 3rd Global Cases of Poverty Alleviation.

Thriving industry

Livable ecology

Civilised village style

Effective governance

Prosperous life

## Facilitate agricultural development, continuously innovate in products

We push for higher standards, expanded coverage and diversification of products for agricultural insurance, put in place a product system of “government-sponsored basic insurance + commercial insurance + rural-related riders”, and have developed cumulatively over **3,500** agricultural insurance products, covering agriculture, forestry, fishery, animal husbandry. In 2022, we provided **507.7bn** yuan in SA of agricultural insurance to **24.49mn** rural households.

### Safeguarding Food Security

Food security is a national priority. Developed a wide range of products such as insurance for the 3 staple food crops, full cost indemnity and income protection. In 2022, we offered risk cover of nearly 100bn yuan in SA to the 3 staple food crops.

### Contributing to Seed Industry Vitalisation

Seeds are like “chips” of agriculture. We write a range of seed insurance, and in 2022, provided SA of over 600mn yuan to seed production of wheat, corn and rice in 22 provinces/municipalities.



### Supporting High-standard Farmland

Achieved integration of building and management of high-standard farmland via “insurance + service” .

In 2022, provided 1.4bn yuan in risk cover to high-standard farmland in 15 provinces/municipalities.





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## Facilitate Green, Transition of Rural Areas, Serving Livable Rural Ecology

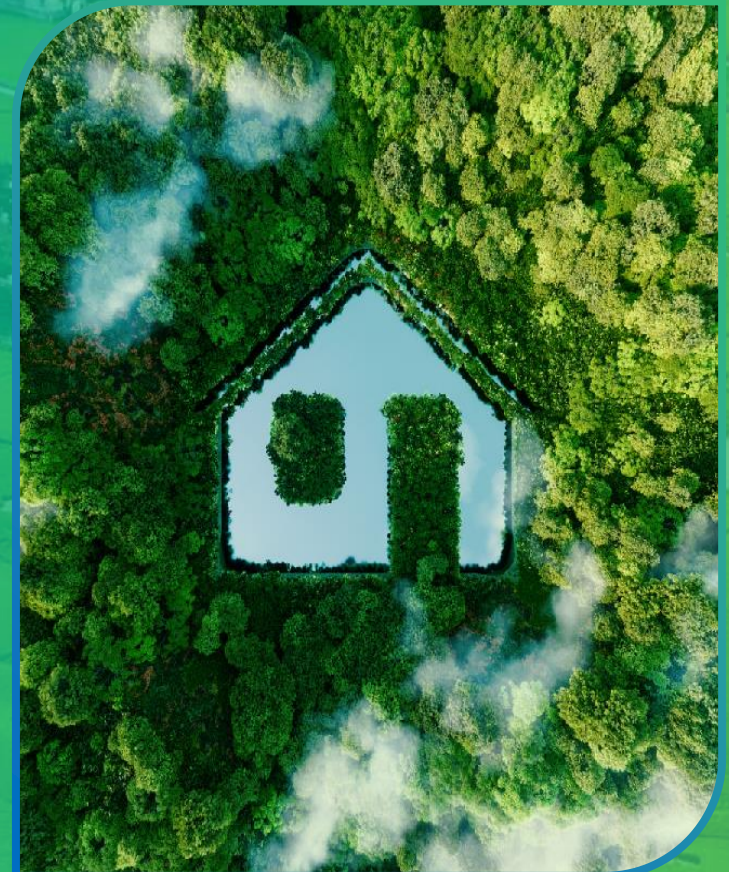
CPIC P/C continues to innovate and serve rural infrastructure insurance, farmland water conservancy insurance, rural road insurance, etc., to help rural infrastructure construction. In addition, to serve the national dual carbon strategy. The company has successfully launched carbon sink insurance programmes in multiple places, covering forests, grassland, wetland and tea trees, etc.

### 1st Policy Wrote Nationwide

- Carbon sink insurance for bamboos in Anji, Zhejiang Province
- Grassland remote carbon sink index insurance in Inner Mongolia
- Wetland carbon sink ecological value insurance in Ningbo
- Tea plantation carbon sink insurance in Xiamen
- Single-stem carbon sink "Rural Invigoration + Tan Puhui" insurance in Liuzhou, Guangxi Province
- Forestry carbon certificates insurance in Guizhou
- Carbon sink price index insurance for bamboo groves in Lishui, Zhejiang Province

### 1st of its Kind Nationwide

- Ningbo "general national and provincial highway catastrophe loss" insurance model
- Wenzhou "disaster + management" agricultural drinking water facilities commercial insurance model
- "2020 national Top ten grassroots flood control experience"
- Suzhou "worry-free water quality" comprehensive insurance model





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## Consolidate Progress in Fight against Poverty, Prevent Fall below Poverty Line on Large Scale

The company has always resolutely adhered to the bottom line of not returning to poverty on a large scale, and continues to carry out fund assistance, village cadres assistance and consumer assistance, etc., to consolidate the achievements of poverty alleviation.

### Cash Hand-outs

Cumulatively donated a total of **51mn** yuan to poverty reduction and rural invigoration efforts.

### Empower in Talent

Dispatched **168** employees to over 120 rural villages. Of this, **39** served as chief of work teams.

### Buy & Help

Made purchase of over **33mn** yuan to help with poverty reduction and rural invigoration efforts.

### Achievements

#### Kashi, Xinjiang:

Donated PA insurance to 19,000 volunteers stationed in villages  
Offered travel PA insurance to tourists  
Provided call centre manpower of 94 people, and paid out more than **11mn** yuan in compensation

#### Yongping County, Yunnan Province

Donated “anti-poverty insurance”, with over **2.4mn** yuan paid out in claims  
Donated **1.6mn** yuan on behalf of CPIC Group for village face-lift  
Donated **1mn** yuan for cultivation of organic tea and herbs for TCM

#### Shagai Township, Inner Mongolia

Cumulatively contributed over **17.5mn** yuan in assistance funds  
Donated anti-poverty insurance and Covid-19 insurance worth **5.755mn** yuan in premiums  
Donated **2.6mn** yuan for thermostatic warehouse  
Purchased **6mn** yuan worth of local produce like oat and quinoa  
Donated **2mn** yuan for construction of industrial park for Mongolian horses

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## Build Governance Risk Management System and Promote Beautiful Countryside Initiative

Established comprehensive insurance system for rural governance, including property insurance, management responsibilities, environmental protection and risk cover for local administration personnel, which helps to address concerns of and solve problems for farmers.

### Rural Property Insurance

- Public property all risks insurance
- Engineering & machinery insurance
- House renovation insurance
- Collectively-owned assets insurance
- Elevator comprehensive insurance
- Charging poles insurance



### Rural Management Responsibilities

- Public administration liability insurance
- Government assistance, assistance for contagious diseases
- Liability insurance for home-based elderly care
- Public liability insurance
- Liability insurance for law enforcement
- Liability insurance for property management of residential estates for resettlement

### Rural Environment Protection

- Environment liability insurance, indemnity insurance for cost of water pollution treatment, catastrophe insurance

### Risk Cover for Local Administration Personnel

- Liability insurance for rural administration personnel



In Suzhou, we launched the “Beautiful Countryside” comprehensive risk solution, and have cumulatively provided over 700mn yuan in risk protection for Wuzhong and Wujiang, addressing social governance issues arising from risks or accidents in village-level public areas.



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## Coordinate efforts to raise farmers' income

Put in place an income protection insurance system centring on grain crops, livestock pigs, vegetables, and specialty crops to contribute to an affluent countryside. In 2022, we provided 8.2bn yuan in income risk protection via 210,000 insurance policies, with claims payment of almost 400mn yuan. In addition, the company integrates the financial resources of the industrial chain, explores model innovation, and ensures the increase of farmers' income.

### Outsourcing of Agricultural Production

In Tianjin, we explored the model of "insurance + guarantee + credit". Launched indemnity insurance for cost of wheat outsourcing, followed by cost indemnity and income protection insurance for corn outsourcing. In 2022, cumulative SA exceeded 15mn yuan for agricultural outsourcing services.



### Rural Finance Service

In Shanxi Province, we launched the package of "insurance+loans", providing a wide range of financial services to new business entities, such as wheat income protection insurance for dry land and wet land, corn price index "insurance + futures" insurance, comprehensive insurance for agricultural machinery, personal accident insurance for operators of agricultural machinery, with a loan of over 2mn yuan extended.



### Village Economy of Collective-ownership

In Jiangsu, our "village collective economy income insurance" made debut in 6 counties and prefectures of Huai An, cumulatively covering 551 villages with 153.94mn yuan in SA.



# Support for Belt & Road Initiative

# Achievements - Underwriting Results

Cumulatively provided over **2 trillion** yuan in insurance sum assured(SA) for overseas business under the Belt & Road Initiative, covering more than **1,000** major projects in nearly **120** countries and regions of the world, ranking **No.1** in number of key projects among domestic,

Chinese-funded insurance companies.

## 1 Port



**Lead underwriter of  
Lekki deep-water port in  
Nigeria**

Largest deep-water port in West Africa  
Result of 2nd “Belt & Road” Summit on  
International Cooperation  
Sino-French third-party market cooperation  
demonstration project

## 3 Railways



**West Bogota Tram,  
Colombia**

A major achievement of Sino-  
Colombian economic  
cooperation



**10th of Ramadan City  
Railway, Egypt**

Beginning of electrified  
railway in Egypt



**China-Thailand High-  
Speed Railway**

Bridge of friendship between  
Kunming of Yunnan Province and  
Bangkok

**CPIC P/C cumulatively underwrote dozens of infrastructure projects under Belt  
and Road, involving over 50bn yuan in SA**

## 679 Schools



**Lead underwriter of 679  
schools in Iraq**

Improving access to education and  
benefiting 430,000 Iraqi children

**Our professional insurance solutions  
and legal counselling service are  
highly recognised**

Note: Data based on statistics of the Chinese “Belt & Road” Reinsurance Consortium as at the end of June, 2023



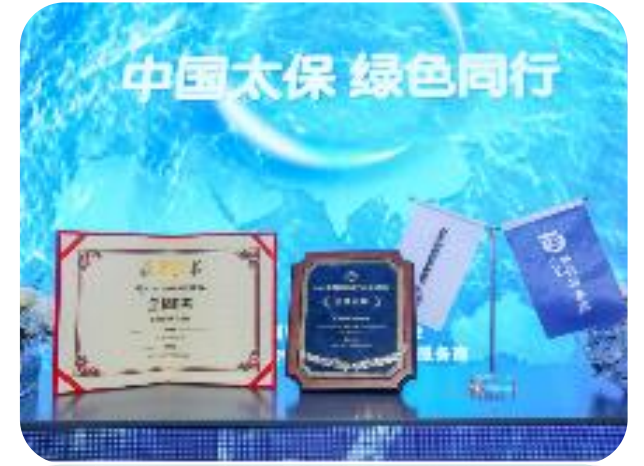
## Achievements - Industry Perspectives



Joined UNGC, bearing witness to the release of its key achievements as an owner of the 16 practical accomplishments of the Action Platform for “sustainable infrastructure-building to facilitate Belt & Road and accelerate SDGs”



Awarded **Most Influential Insurer** of the Year for “Belt & Road” Services for 2 consecutive years



“Belt & Road” Smart Cloud listed among **“Global Cases of Services”** at the 3rd CIFTIS

## Specialty & Strengths - Product Innovation

In 2018, CPIC P/C joined hands with China International Contractors Association and launched a **specialised insurance solution for overseas personnel** in countries along Belt & Road, offering a package of coverage in work-place safety, people's health and public security.



**300,000+**

Individual insurance  
policies issued



**150mn yuan+**

Accumulative  
claims payment



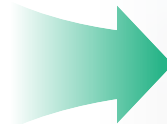
**1000+**

Enterprises

**Political violence insurance**

**Professional liability insurance for  
international projects**

**Surety bond for overseas projects**



**First of their kind among domestic,  
Chinese-funded insurance companies**



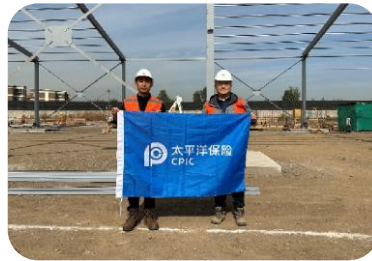


# Specialty & Strengths - Global Network

We are in cooperation with **16** overseas insurers in more than **50** countries, which enabled insurance policy issuance for projects of all countries along the Belt & Road



March 2023  
Thailand



June 2023  
Chile



August 2023  
Indonesia



October 2023  
Namibia

March 2023  
Thailand



August 2023  
Turkey



September 2023  
Switzerland



CPIC P/C organised overseas business task-force to provide local customer service, including contract negotiation, risk investigation, with footprints in South-east Asia, the Middle East, Africa, Europe, and South America.

# Risk Reduction Service System

## Vision

Showcasing service capabilities, achieving industry leadership in risk reduction, with reduction in both risk and losses, enhancement of both profitability and brand value, leadership in both expertise and models

**Objectives: Lower accident frequency, contain losses, improve business quality**

Covering Entire Business Process

Ensuring Quality Control via Risk Investigation

Lowering Claims Frequency

Strengthening Resilience post Disasters via Risk Assessment

### Integrated Disaster Response System of Prevention, Mitigation, Relief and Claims Payment

#### Prevention

- 01 Risk assessment
- 02 Potential risk screening
- 03 Prevention of accidents
- 04 Education & training

#### Mitigation

- 05 Weather early-warning
- 06 Monitoring via IoT
- 07 On-site inspection

#### Relief

- 08 Relief & rescue system
- 09 Assist in building of emergency-response system

#### Claims payment

- 10 Fast-track claims handling to support reconstruction
- 11 Industry early warning
- 12 Corporate risk files

### Strategic Directions

Company strategic planning

“Breakthroughs on 4 fronts”

Green and low-carbon

Basic research

Projects for systematic capacity-building

### Rules and Policies

#### Rules & Regulations

Overall planning, Service standards, Third-party management, Accounting, Review & revisit

#### Resources allocation

Funds for disaster relief, Team for disaster relief, Professional teams, IT infrastructure, Education & training

#### Performance Evaluation

Organising & leading, Assignment of responsibility, Actuarial review, Data dashboard, Consumer service

### Technology Empowerment

Risk big data

Remote-sensing satellites

AI

IoT/Cloud computing

Weather forecast

Catastrophe modelling

Scenario-based output to customers

Package of products & services

One-stop service solutions

# Impact

## 1. Mitigating catastrophe losses for society

**82**mn yuan

Typhoon Talim, No. 4 in 2023

**83**mn yuan

Typhoon Doksuri, No. 5 in 2023

**37**mn yuan

Typhoon Saola, No. 9 in 2023

**337**mn yuan

Typhoon Muifa, No. 12 in 2022

First in industry to  
establish risk  
reduction service  
system

## 2. Expedited claims payment to support post-disaster reconstruction

**96**%

Customer contact ratio  
within 24hrs,  
Typhoon Doksuri

**60**%

Claims settlement ratio by number of  
cases within 14 days,  
Typhoon Doksuri & Flooding in Beijing,  
Tianjing and Hebei

**60**%

Claims settlement ratio by claims amounts  
within 30 days,  
Typhoon Doksuri & Flooding in Beijing,  
Tianjing and Hebei

Most experienced  
risk engineering  
teams

## 3. One-stop risk reduction solutions

**EASY  
INSURE**

Reported claims ratio  
down by 17pt (for early-warning  
risk control equipment)  
down by 30pt (for pro-active risk  
control equipment)

**WATER  
FAIRY**

2.2mn

Based on number of claims caused by flooding  
in June in Suzhou

**CAMPUS  
INSURE**

0 death from drowning

Yunnan Province

Strong basic  
research to support  
technological  
empowerment

# Direction

One-on-one, customer-oriented risk reduction solutions based on scenarios and specific to industries, with continuous adaptation and upgrading, achieving long-term improvement in risk management

Risk assessment

Accident prevention

Corporate physical checks

Equipment monitoring

PPE

Submarine cable scouring detection

Catastrophe risk map

Training for workplace safety

Typhoon early warning

Smart fire fighting

Early warning of thunders and lightening

Loss adjustment by remote sense



Jointly formulating risk assessment standards with world's leading reinsurers

Conducting joint research into risk reduction expertise platforms with professional research outfits

Working with clients for development of solutions centring on green industrial transitioning



Thanks!