

Ping An Group

Low Carbon Business and Operation Policy

Climate change and the reduction of carbon usage in the environment is a key issue affecting society and customers in the 21st Century.

In 2016, China, one of the main players, signed the Paris Agreement to work with other signatories: to keep the increase in global average temperature to well below 2 °C above pre-industrial levels; and to limit the increase to 1.5 °C. This is a significant achievement in environmental protection worldwide.

As a leading integrated financial services group, Ping An incorporated environmental protection into its corporate development plan all along, and has implemented the Group's low-carbon policy and promoted green finance in its business and operations.

Governance system

Low carbon business and operations is one of the important components of the Ping An ESG management system: policies are first formulated by Group ESG office, reviewed by the Group of Investor Relations & ESG Committee and finally implemented by functional departments and all members of the group. This matrix management ensures the supervision and assessment of low carbon business and operation at the company.

In ESG, our “Low Carbon Business” operation system complements our policies relating to “Ping An Group Responsible Investment Policy” and “Ping An Group Sustainable Insurance System Policy” , details of which are contained in the following sections of this report.

Green operations

Ping An strictly abides by the relevant laws and regulations in its operations and service provision, reducing direct passive impact on the environment.

Commitment

- **Office:** Adopt low-carbon measures in daily office activities to directly achieve carbon emissions goals.
- **Carbon Neutrality:** Encourage employees to participate in environmental protection activities, promoting the use of renewable energy and new energy in architectural design and renewal projects.

- **Education:** Encourage all employees and partners to contribute in reducing carbon emission and advocating low carbon ideas.
- **Target Management and Data Disclosure:** Set environmental targets on a regular basis and publish internal and external monitoring results (annual goals and operation on green business will be disclosed in the Group's annual report).

Measure

- **Office:** Each member of the Group formulates relevant regulations for office environmental management based on its own circumstances. Meanwhile, guide and supervise employees to take active actions in low-carbon travel, energy conservation and emission reduction and garbage recycling sorting. Also promote the use of smart office apps to reduce printing of documents.
- **Carbon Neutrality:**
 1. Actively organize environmental voluntary activities, such as Earth Day theme events, desertification reduction, public walks for charity and tree planting activities to increase employee participation.
 2. Ping An's office buildings encourage the use of renewable energy and energy, management consumption. Major office buildings will achieve green operations goals by applying construction techniques that comply with green building certification.
- **Education:** Ping An provides scientific training to employees and disseminates information promoting low-carbon concepts and lifestyles.
- **Target Management and Data Disclosure:**
 1. **Internal:** Environmental data is also required when collecting the Group's financial data for disclosure. Ping An regularly sets, monitors and updates low carbon management related targets and KPIs, based on business and environmental status. These include emission density, carbon potential and quantitative annual targets, compatible with certification.
 2. **External:** We have an independent third-party ESG data verification and participate in the evaluation of independent third-party ESG rating agencies annually.
 3. **Goals for Green Business and Operation**
Ping An developed the following goals for reducing carbon emissions:
 - **Carbon emission intensity:** Taking 2018 as the base year, we will reduce carbon emission intensity by 5%, 10% and 20% by 2020, 2025 and 2030 respectively.
 - **Paper use intensity:** Taking 2016 as the base year, we will reduce paper use intensity by 50%, 60% and 80% over the next three, five and ten years respectively.

- **Carbon emissions reduction potential (through electronic operations):** Taking 2016 as the base year, we will increase carbon emissions reduction by 60% and 80% over the next three and five years respectively, and ultimately routinize electronic operations.
- **Green building:** Ping An pledges that all new buildings of Ping An Group will reach China's Green Building Label (2-star) or equivalent LEED certification. Ping An will renovate buildings of headquarters and obtain green building certificates by 2020.

Cooperation and exchange

Actively respond to UNPRI, join China Finance Association Green Finance Professional Committee and the TCFD pilot team, fulfill member obligations and jointly promote the realization of the Paris Agreement.

Green business

According to the underlying theory of the Paris Agreement: the international capital market will show a further preference in investing portfolios related to green energy, low-carbon economy and environmental governance. The way Ping An actively implements green and sustainable methods to achieve business growth will achieve win-win cooperation among stakeholders.

Commitment

- Develop a systematic business strategy to reduce risks and capture the financial opportunities of low-carbon concepts.
- Ping An will not issue loans to, undertake underwriting for and provide other related products and services to businesses with high-emission, high-pollution or in damage-protected areas recognized by national environmental protection regulators.

Policy

- Comprehensive assessment of: how will climate change and environmental management affect Ping An Group.
- Strictly support national and regulatory authorities' green finance policies.
- Avoid guarantees or loans to firms in the non-renewable energy industry.
- Enrich the green financial product system and support the development of environmental protection and new energy industries.
- Actively participate in cooperation and communication covering governments, institutions, and enterprises to promote setting standards for a low-carbon economy and deal with possible climate and environment risks in a collaborative way.