



2021

PING AN BANK

Environmental Information Disclosure Report

Ping An Bank Co., Ltd.

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About Us

Ping An Bank Co., Ltd. is a national joint-stock commercial bank headquartered in Shenzhen (Stock Code: sz00001). Its predecessor, Shenzhen Development Bank, is the first publicly listed national joint-stock bank in mainland China. Ping An Insurance (Group) Co., Ltd. of China is the controlling shareholder of the bank. As of the end of 2021, Ping An Bank had 109 branches and 1,177 outlets.

With the strategic goal to build "China's most outstanding, world-leading smart retail bank" Ping An Bank adopts the strategic approach of "being technology-driven, pursuing breakthroughs in retail banking, and reinventing its corporate banking". We persist to enhance strategic transformation and strive to position ourselves as "a digital bank, an eco-, and a platform" and provide customers with heartwarming financial services.

Ping An Bank actively integrates social responsibility into the development strategy, operation and management, which making it among leading banks in China to implement green development. Ping An Bank has a thorough, accurate and comprehensive integration of the new development concept in its business operation, and promotes green finance as a long term strategy, mobilizes support for green, low-carbon and recycling economy, forestall and manage s environmental, social and governance risks, improves its environmental, social and governance performance, and promotes comprehensive green transformation of economic and social development.



Major honors in sustainable development over past three years



Annual Overview

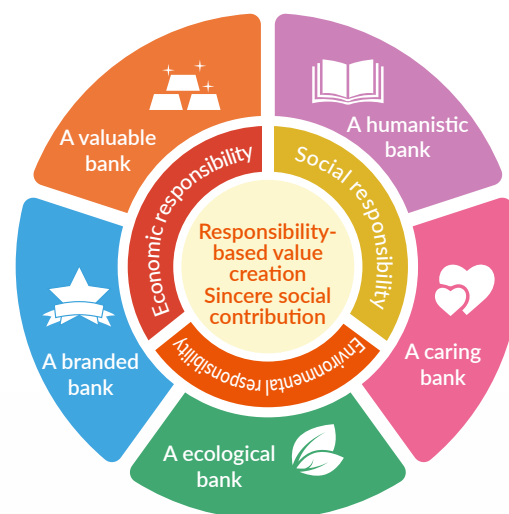


Annual Overview

Vision and Objectives

Sustainability development concept Scope

Adhering to the sustainability concept of "Responsibly create value and sincerely contribute to the society", Ping An Bank insists on the unity of economic, social, and environmental benefits and helping the real economy and the people. We continuously improve our operations and management capabilities by concentrating on customer needs, technology application, and risk management. We seek to grow into a valuable, branded, humanistic, ecological, and caring bank that promotes economic, social, and environmental enhancement through responsible finance.



Strategic planning

Ping An Group is committed to becoming a leading green financial group worldwide. To support national carbon neutrality goals, Ping An plans and promotes green finance comprehensively through a set of concrete actions, formulating and publishing "Five-year Development Plan of Green Finance, announcing its five-year business objectives, and pledging to achieve carbon neutrality at business operation level by 2030, putting forward green finance action plans with tailored development requirements in place for all business sectors. At the same time, Ping An takes lead to formulate "Net Zero Development Strategy" which set goal of net zero greenhouse gas emissions both for its asset portfolio and also at the operation level.

Green Finance Strategy of Ping An for the 14th Five-Year Plan Period (2021-2025)

On April 21, 2021, Ping An Group published a "Letter to the Earth", setting targets of no less than 20% for the annual growth rate of its green investments, no less than 70% for green insurance premiums, and no less than 20% for green loan balance. By 2025, Ping An aims to achieving the overall targets of RMB 400 billion in green investment plus green loan balance, and RMB 250 billion in total green insurance premiums. It will actively promote green investment and climate change risk management, provide premium concessions, specialized approval procedures for green loan or preferential interest rates on loans to green projects and green companies, and diversify green financial products.

Near-Zero Emissions Development Strategy of Ping An

Against the backdrop of China's carbon peak and carbon neutrality goals, Ping An will launch a near-zero emission development strategy in due time. In combination with the sustainable development strategy, responsible investment strategy, and green finance development strategy, Ping An will achieve near-zero emissions of greenhouse gas including CO₂ in its own operations and asset portfolios no later than the carbon neutrality of the whole nation, through energy saving and emission reduction in its own operations, optimizing and adjusting the structure of portfolios of different carbon intensities, increasing the support for zero-carbon assets, etc.

Strategic objective

Fully embracing the national carbon neutrality strategy and sustainability strategy of Ping An Group, we actively integrates green finance into our corporate strategy, and approaches it as a long-term endeavor with focus on promoting real economy through green finance in business operation, and building a green bank to support high quality development of real economy.

It is put forward in "Strategic Plan for Three Year Development of Ping An Bank (2020-2022)" that Ping An Bank will contribute to the "Beautiful China Initiative", fully integrate sustainability into business development, and further promote green finance, enhance capacity in green credit management, and build a green bank.

Annual Highlights

Boost green finance business to lead on new development

In 2021, Ping An Bank elevates green finance to a strategic level and puts forward development objective of building a green bank. We improve top-level design by establishing Green Finance Office chaired by the President, and a Green Finance Business Department; meanwhile, we put in place a set of well-developed green mechanism to enhance management and promote development of green finance business. As of the end of 2021, combined balance of green finance business under Ping An Bank and Ping An Wealth Management reached RMB 113.727 billion, registering an increase of 199.6% over the end of the previous year: within which, balance of green credits was RMB 69.135 billion, a year-on-year increase of 204.6%, which was much higher than the average level in the banking industry, positioning Ping An Bank as leading in green finance.

“Ping An Initiative and Approach” in green finance innovation

We actively respond to the national goals of carbon peak and neutrality, vigorously develop a matrix of green finance products including green credit, green bonds, green credit cards and green wealth management; building on advantages and leveraging financial resources of Ping An Group, Ping An Bank innovates business portfolio and strategic approach to provide tailored and comprehensive green financial services for enterprises, and explores new development models in supporting green building, clean energy and rail transportation sectors, contributes “Ping An Approach” in green finance innovation.

Implementing the philosophy of transition to green development, strengthening capacity in climate risk management

We actively advance business transformation, expand products and services in green finance and transition finance, in a way to promote green and low-carbon transformation of traditional industries. During the reporting period, we carried out accounting of carbon emissions on loans granted in five carbon intensive industries, namely steel, building materials, power generation, petrochemical and papermaking; meanwhile, we also carried out quantitative analysis of climate risk in thermal power, steel and cement industries to study and analyze the potential impacts of climate risks on our asset quality. This would guide us to adjust the allocation of financing resources to industries and enterprises with high climate risks, so as to lower the overall credit risks and promote the green transformation of our assets.



Key Environmental Performance Indicators

Indicator		Unit	2021
Green Finance Business			
Total green finance business		RMB billion	113.727
Green credit balance		RMB billion	69.135
Increase in green credit balance year on year		%	204.6
Proportion of green credit balance in total credit amount		%	2.23
Amount of green bonds underwritten		RMB billion	5.20
Balance of investments in green bonds		RMB billion	5.225
Environmental Performance of Green Credits			
Annual savings of standard coal		thousand tonne	474.2
Annual reduction in carbon dioxide equivalent emission		thousand tonne	1,038.6
Annual reduction in chemical oxygen demand		tonne	4,094.42
Annual reduction in ammonia nitrogen emission		tonne	21.46
Annual reduction in sulfur dioxide emission		tonne	10,469.41
Annual reduction in NOx emission		tonne	1,779.81
Annual savings of water		thousand tonne	14,083.3
Credits to “industries with high pollution, high energy consumption or excess capacity”			
Balance of credits to “industries with high energy consumption, high pollutant emissions or excess capacity”		RMB billion	24.998
Proportion in the total credit balance		%	0.82
Green office operation			
Natural Resources consumption	Natural gas consumption of the canteen in Shenzhen headquarters	cubic metre	108,000.00
	Gasoline consumption of vehicles for business use in Shenzhen headquarters	litre	36,778.37
	Water consumption of self-owned offices in Shenzhen headquarters	tonne	130,216.00
	Power consumption of self-owned offices in Shenzhen headquarters	Megawatt hours	6,945.08
	Paper consumption of self-owned offices in Shenzhen headquarters	Thousand sheets	3,189.6
Greenhouse Gas Emission	Direct emissions (scope 1) of Shenzhen headquarters	tCO ₂ e	313.52
	Indirect emissions (scope 2) of Shenzhen headquarters	tCO ₂ e	3,660.75
	Scope 1 & Scope 2 emissions of Shenzhen headquarters	tCO ₂ e	3,974.27
	Aviation carbon emissions of all employees' travel	tCO ₂ e	7,552.85
	Carbon emissions of credits to some carbon-intensive industries	tCO ₂ e	2,383,854.41
Number of video conference		Times	104,901

An aerial photograph showing a lush green landscape. In the center, a winding white road or path cuts through a dense forest. To the left of the path, there are several terraced tea fields, which appear as concentric, curved green patterns on the slopes. The rest of the image is filled with a thick, vibrant green forest canopy.

2

Governance Structure in Environmental Management

Governance Structure in Environmental Management

Sound and effective corporate governance is the cornerstone of stable and sustainable development of commercial banks. Over the years, Ping An Bank relentlessly strengthen governance in green finance including sound environmental risk management, and improve management system in green finance development. We have formed a management system and working pattern for sustainable development, directly led by the Board of Directors and senior management. The Green Finance Business Department takes the lead in coordinating all departments and branches to implement the strategies at the operation levels. To ensure the sustainability concept and management behavior are incorporated into daily work, all employees should take part in.

Strategic decision by board of directors

The board of directors is the highest responsible and decision-making body for planning green finance business, determining the green credit development strategy, reviewing and approving the green credit objectives set by the senior management and the green credit report submitted, and supervising and evaluating the implementation of the green credit development strategy. Our board of directors believe that financial institutions are vital in advancing ecological civilization system and promoting the comprehensive green transformation of economic and social development, and they also acknowledge the importance of establishing a sustainable development mode, and implementing the green development concepts of thrifty, low-carbon, environmental protection and sustainable development.

Management role of senior executives

In accordance with the resolution of the board of directors, the senior management sets green finance objectives, establish mechanisms and business processes, clarifies responsibilities and scope, carries out internal supervision, inspection and evaluation, reports the development of green finance to the



board of directors, and reports and discloses relevant information of green finance to the China Banking and Insurance Regulatory Commission or its dispatched offices according to regulations. In 2021, we established the Green Finance Office, with President Hu Yuefei serving as the director, and the executives in charge of related business as the deputy director, which provides organizational guarantee for the overall development of green finance business.

Specialized department lead the implementation

To further expand green finance business, we have set up a Green Finance Business Department in May, 2021, which also serves as secretariat of Green Finance Office in our bank. It plans, promotes, and coordinates the green finance work of the entire bank, studies potential market opportunities, and advances the business presence of the Bank in innovative green finance and green industry services to build the green finance brand of Ping An Bank.

Joint efforts bank-wide to ensure implementation

At the same time, we also established a green finance service system under agile coordination and collaboration mechanism led by the project management office (PMO). The service system enables and facilitates resources coordination at the headquarters, and all-round green financial business support allocated to the branches. Through the system, an online green finance promotion system is established with the characteristics of Ping An Bank.



Ping An Bank Green and Low-Carbon Themed Public Poster (I)

An aerial photograph of a river winding through a forest. The river's water is a clear, vibrant blue. The surrounding forest is in autumn, with trees displaying a mix of bright yellow, orange, and green foliage. The riverbanks are rocky and uneven, with some sparse vegetation. The overall scene is a beautiful natural landscape.

3

Environmental Management Policies and Systems

Environmental Management Policies and Systems

Implement Green Finance Policy

Following the Guidance on Building a Green Financial System issued by the People's Bank of China and other seven ministries and commissions, *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* issued by the Party Central Committee and the State Council, and "Action Plan for Carbon Dioxide Peaking Before 2030" by State Council, We seized the opportunities brought by building ecological civilization and green and low-carbon development, promoted the construction of green finance system and mechanism, strengthened capacity in forestalling and managing environmental climate risks, established policy framework for developing green finance and managing environmental climate risk. Under these efforts, a set of green finance and environmental climate risk management policy system and measures are introduced to consolidate the foundation of green finance management.

Respond to External Initiatives

Ping An Group actively responds to domestic and international initiatives, following international sustainable financial standards, managing environmental and climate related risks, and leveraging financial resources to support green and low-carbon transformation of society, and strengthen biodiversity conservation, so as to enhance our influence.



Building Green Finance Management System

We take a holistic view on implementing the goal of carbon peak and neutrality, and further promote the construction of green finance system and mechanism, continuously improve relevant management measures to enhance green and sustainable development.

Formulate development plan

We issued *Ping An Bank's Three-Year Development Strategic Plan (2020-2022)*, in which we integrated green finance into our corporate strategy, and actively supported major green industries, such as clean energy, energy conservation, environmental protection, cleaner production, and ecological environment, green upgrading of infrastructure and green services.

Establish management requirements

In order to effectively promote the development of green finance, we have formulated policies related to green finance management, and clarified the scope and responsibilities of various departments regarding green finance, as well as the requirements of green financing business certification marks, and information disclosure. At the same time, we issued *Ping An Bank's Green Finance Marketing Guidelines* to promote key business marketing at branch level.



Ping An Bank Green and Low-Carbon Themed Public Poster (II)



Enhance credit policy guidance

We continue efforts to optimize the credit policy by industries, and issued 2021 Ping An Bank's Risk Policy Guidelines, which adopts strict list-based management to control credits to industries with high energy consumption, high pollution and overcapacity; besides, we also issued the *Management Measures for the Green Channel for Corporate Credit Approval*. For eligible green credit applications, we open up green approval channels, and increase support of green industries with quick response and approval.

Strengthen environmental risk management and control

We prepare annual risk policy guidelines every year and have issued specialized risk policies for green finance business with hands-on *Green Finance Business Risk Manuals*, aiming to strengthening management of environmental and social risks. The *Manuals* cover latest policy interpretation, risk research updates, risk management practice, risk management mechanism construction, innovative product research, etc.,

Establish incentive and restraint mechanism.

To mobilize the enthusiasms and initiatives at branches, we launched special incentives and assessment measures; for example, we provide funds transfer pricing (FTP) subsidies to eligible green credit, and grant strategic quotas to green credit as exceptional support for green financial business and also independent pricing. At the same time, we strengthen performance evaluation on green finance with green credit balance incorporated as an indicator of evaluation for all branches.

Standardize green bond management

We have formulated *Management Measures for Use of Proceeds from Green Bond*, regulating working process including use of proceeds, evaluation and selection of green projects, information disclosure, and third-party certification.

Improve data and statistic management

To improve statistical work on green finance, we have built a bank-wide green business certification management system to regulate the green business certification application and approval. We have also enhanced the green business data statistical reporting system to uniformly manage the green business data of the entire bank, and established a ledger for a solid basis for data and statistics.

4

Innovation of Environmental Products and Services



Innovation of Environmental Products and Services

Closely monitoring national economic and financial situation and fully embracing national strategic deployment, Ping An Bank focuses on green finance to lead green development. We have improved capability in financial service to support the realization of carbon peak and neutrality goals, met new development needs, cultivated "green" momentum, and built a multi-level green finance product system including green credit, green bonds, green credit cards, green wealth management, providing diversified and comprehensive financing channels for enterprises, and integrating ecological environment protection in finance service with expanded coverage.

Green Credit

Ping An Bank set priorities on 15 sub-sectors spanning six fields, namely, clean energy, environmental protection, transformation of carbon-intensive industries, green transportation, green buildings and green services. Building on comprehensive financial, technological and ecological advantages, we broaden the financing channels for enterprises for low-carbon transformation, create tailored credit policies for green industries and projects, and provide accurate and comprehensive financial services for enterprises.

Through in-depth research, we found business opportunities and markets needs on "carbon permits", inspiring us to explore and develop carbon finance products featured by carbon emissions pledge loan; at the same time, we actively use carbon emission reduction support tools to help enterprises reduce greenhouse gas emissions. In 2021, we granted loans amounting to RMB273.23 million to carbon reduction projects, which brought annual carbon emission cuts of 87,605.51 tonnes.

Case Carbon emissions pledge loans expanding corporate financing channels

In 2021, with the launch of China Carbon Emission Trade Exchange, the "carbon assets" were endowed with market value and liquidity. After the "carbon assets" of enterprises were registered in the registration system of the national carbon emission trading market, they could be pledged in our bank. We will provide credit to enterprises according to a certain pledge ratio, and the credit could be granted through main types of public accounts. During the reporting period, taking "carbon emission right" provided by an electric power enterprise in Guizhou as the pledge, after checking corresponding exposure of carbon quota, registration on the pledge platform and availability of pledge products, we approved a credit exposure of RMB 200 million and remaining quota of RMB 100 million under the pledge, helping the enterprise to revitalize its carbon assets, broaden its financing channels, ease the financial pressure, and support its green transformation and development.

Case Digital technology enables distributed photovoltaic financing

Distributed photovoltaic power plants can be applied in a wide range of settings and have significant advantages in terms of land occupation, consumption, and sales price. However, because the power stations are scattered, it brings inconvenience to post-lending monitoring. Having satellites in the sky and the Internet of things on the ground, we innovate our post-lending management approach, by leveraging these financial technology advantage, and optimize the post-lending control with the nebula Internet of Things. By simplifying the credit approval process, we swiftly approved 14 green credits for distributed photovoltaic power plants to a leading household photovoltaic enterprise, with a total amount of RMB 450 million, solving the financing needs for the construction of distributed power plants.

Case Innovative financing scheme supports clean energy development

For a wind power project of a central state-owned enterprise in Shandong, we innovated our business strategy, changed the traditional financing that relying on credit support of large central state-owned enterprises. With the help of the professional ability of the new energy equity investment fund, we focused on the capital balance ability of the wind power project, streamlined the risk control, flexibly designed the credit scheme, and quickly approved and granted credit to the wind power project with a capacity of 150MW and an amount of nearly RMB 1 billion, which is expected to reduce carbon emissions by 347,000 tonnes, sulfur dioxide emissions by 33,00 tonnes and nitrogen 539.1 tonnes per year. This case won the *Pioneer Innovation Award of Green Finance* at the Shenzhen Excellent Green Finance Case Exhibition and Exchange Meeting.

Case Innovating business models to address obstacles in the upstream supply chain of new energy vehicles

The upstream auto parts industry has a long supply chain and a large scale of output value. They are generally faced with problems such as long periods of advanced payment and difficulties in accessing affordable financing. The explosive growth of new energy vehicles in recent years has increased financial pressure on upstream parts suppliers. Based on the good cooperative relationship with new energy vehicle manufacturers, we design innovative new supply chain products. With support of OEM's supply chain financial platforms, we use the core enterprises' direct credit quota in Furongtong to provide funds to meet their supply chain capital needs in batches. In 2021, the project of "the Innovating Furongtong Business Model and Increasing Credit for Green Industries" won the *Excellence Award for Green Finance Supporting the Real Economy* issued by the Shenzhen Finance Society of the People's Bank of China.



Green Bonds

We give full play to the role of the bond market in supporting sustainable development, actively build a framework for green bonds, and promote the development of green bond issuance, underwriting, and investment. In 2021, we underwrote green bonds totaling RMB 5.2 billion, among which four green bonds have obtained green bond certifications according to the International Capital Market Association (ICMA) standards.

Case Support "carbon neutrality" bond issued by the world's largest hydropower development enterprises

On March 25, 2021, we took the lead in underwriting a 3-billion-yuan carbon neutrality bond of the China Three Gorges Corporation, and invested RMB 1.5 billion to support the construction of Wudongde, Baihetan, Xiluodu and Xiangjiaba projects, supporting the construction and operation of the renewable energy facilities of the China Three Gorges Corporation. These four hydropower stations will have an annual power generation capacity of 189,220 GWh once put into operation, which will reduce carbon emissions by 101,229,300 tonnes annually compared with thermal power generation with the same power supply, and save 55.54 million tonnes of standard coal and reduce sulfur dioxide emissions by 34,480.47 tonnes. Thus, these projects will play an important role in promoting China's goal of "carbon neutrality".



Baihetan Hydropower Station

Case Ping An Bank supporting the issuance of Shandong Province's first carbon neutrality bond

In June 2021, Ping An Bank, as the lead underwriter, assisted Qingdao Metro Group in successfully issuing the first carbon neutrality bond in Shandong Province, with an amount of RMB 500 million and a coupon rate of 3.58%. All funds raised will be used for constructing green and low-carbon urban rail transit. It is expected to reduce carbon dioxide emissions by 256.53 tonnes, save 133.14 tonnes of standard coal, which has significant contributions to carbon reduction.

Case The first green industry REITs product in the inter-bank market successfully issued

On October 29, 2021, State Power Investment Corporation Limited (SPIC) successfully issued in book-building the first REITs in the inter-bank market and the first REITs in the energy industry, introducing equity funds of RMB 2.5 billion for its Guangdong company and reducing the asset-liability ratio by over ten percentage points. We were a joint lead underwriter of the product. The successful issuance of this product provides a new channel for SPIC to introduce equity funds at a lower cost, reduce the asset-liability ratio, release investment space, and increase the proportion of clean energy. It also provides a new solution for SPIC and the entire energy infrastructure industry to revitalize existing assets, with excellent innovative significance and demonstration effect. After the target asset is put into operation, it can save 207,700 tonnes of standard coal every year, and reduce carbon dioxide, sulfur dioxide, nitrogen oxides, and smoke emissions by 1,135,000 tonnes, 501.95 tonnes, 73.07 tonnes, and 92.63 tonnes respectively.



Green Credit Cards

As a bank in full transition to retailing-oriented, we actively develop green retailing business. In 2021, innovative green credit card products such as "Low-carbon Home" and "Safe Xpeng Card" were designed, aiming at guiding the environment-friendly and low-carbon lifestyle and promoting the "carbon peak and neutrality" development on part of consumers by incentivizing them for their low carbon actions and contributions to public welfare, rewarding them in the form of card bonus.

Case Create personal carbon account, Advocate low-carbon life through "low-carbon home"

Jointly with China UnionPay and Shanghai Environmental and Energy Exchange, Ping An Bank built a personal carbon account platform-"Low Carbon Home" in Ping An Pocket Bank APP, which is the first carbon account platform unifies UnionPay credit card and debit card in domestic banking industry.

On the basis of 110 million active users of the bank, "Low-carbon Home" creates carbon account that links personal financial consumption behavior and green low-carbon concept to build a more official, integrated and green ecosystem. Calculation of carbon emission reduction in "Low-carbon Home" is supported by China UnionPay and Shanghai Environmental and Energy Exchange, which provides users with carbon emission reduction accounting through daily transportation, presents the quantitative accounting data of users' green behavior, and helps them better practice the green low-carbon concept and contribute to the "low-carbon" strategy with green lifestyle. Users would experience sense of satisfaction with carbon emission reduction and green energy through 15 green behaviors in daily life. The product was officially launched on April 28th, 2022.



Case The first co-branded credit card for new energy vehicles launched in China to advocate green travel

To advocate environmental protection and intelligent travel, Ping An Bank Credit Card and Xpeng Motors jointly launched the first co-branded credit card for new energy vehicle in China-Ping An Xpeng Card. Users can get 1,088 points as energy rewards from Ping An's "Low Carbon Home" account by applying for this card. Every time the car owners use this card to charge new energy vehicles, they can get 58 points of "low-carbon home" green energy reward. Besides, users engage in green consumptions with Ping An Xpeng Card can also get bonus points with certain rights and interests that can be exchanged on the platform, so that users can practice the low-carbon environmental protection concept more continuously while enjoying their green life. This product was officially launched on May 13th, 2022.



Ping An Bank Green and Low-Carbon Themed Public Poster (III)

Green Investment

Adhering to the concept of sustainable development, we increased investment in green bonds and provided financial support for the green and low-carbon development of enterprises. By the end of 2021, balance of investment in carbon neutrality, carbon peak and green development related industries was RMB 5.225 billion.

Ping An Wealth Management, a wholly-owned subsidiary of the Bank, actively develops green finance and ESG investments. It incorporates green finance and ESG products into its overall plan, and develops ESG-themed products. In 2021, Ping An Wealth Management supported green finance and ESG investments of nearly RMB 13 billion, including 56 green bond investments with a total amount of RMB 2.685 billion.

Case Ping An Wealth Management launching the first ESG related wealth management product

On January 5, 2022, Ping An Wealth Management, a wholly-owned subsidiary of the Bank, successfully issued the first ESG wealth management product-*Ping An Wealth Management-Zhixiang ESG Daily Open Mixed Net Value Wealth Management Product*. Building on CN-ESG database from Ping An Group and ESG database of Harvest Fund, this product makes full use of Ping An Group's financial technology advantages and Harvest Fund's active investment and research advantages, and builds an inclusive and multi-dimensional ESG research framework with more than 200 ESG general indicators and more than 1,400 ESG models on public opinion, based on which, it comprehensively scores and ranks more than 4,000 listed companies and 4,800 equity public funds on A+H market. With the help of massive data, we can measure and select assets that are in line with ESG principle more truly and objectively.

This product focuses on investments in green industries such as environmental protection, social responsibility, corporate governance, new energy, and low-carbon development. Under ESG research framework of Ping An Wealth Management, the product uses the negative screening strategy in ESG investment to eliminate equity public funds with lower ESG scores. At the same time, it integrates the "Ping An Selective" fund model, combines objective scoring with subjective assessment, and builds ESG Selective Fund Pool, giving full play to capability of Ping An Wealth Management in "enable investment with sound research". Since its establishment, the product has consistently outperformed the industry benchmark.



Comprehensive Finance

As Ping An Group has full license in providing comprehensive finance service, Ping An Bank gives full play to the full license advantages , and uses a variety of financial products such as M&A loans, bonds, supply chain finance, bill integration, targeted real estate investment trust (targeted REITs), syndicated loans, carbon emission reduction support tools, etc., innovates business portfolio and strategic tactics, and builds three business models of "commercial bank + trading bank", "commercial bank + investment bank" and "commercial bank + investment bank + complex investment and financing". Ping An Bank is doing its best to meet the differentiated, diversified and comprehensive financing needs of various enterprises in realizing green transformation and upgrading and low-carbon development, further promote the high-quality development of enterprises.

Case Integrating "Equity + Debt + Loan" to empower enterprise in practicing " Carbon Peak and Neutrality" mission

As a capital and technology intensive industry, new energy entails heavy assets, large investment, long capital recovery period and high market risk. This is especially true for photovoltaic and wind power projects. They have a great demand for capital inputs and development loans in the construction and development stage. However, financial capability of the new energy enterprises, availability of financial resources on the market and the macro-economy environment make it difficult to get enough financing; therefore, new energy projects mainly rely on indirect financing such as fixed assets mortgage loans with limited financing channels, far from enough to meet the needs for large-scale, low-cost and long-term capital. To ease the financing strain of a central enterprise group in the new energy field, we innovated business model, worked with insurance company and trust company to create an investment model integrating "bond underwriting, equity direct investment and credit" (RMB 2 billion equity direct investment, RMB 4.75 billion low-cost debt underwriting and USD 200 million green credit). At the same time, with the help of offshore finance and supply chain finance, we provided enterprises with financing schemes with better pricing compared with domestic RMB loan, and revitalize the green business development of the group, and supported the national goal of carbon neutrality.



5

Environmental Risk Management Process



Environmental Risk Management Process

We put environmental and climate change related risks high on the agenda, and incorporate them into the "251" risk management system of Ping An Group, in a way to strengthen due diligence on environmental and social risks in credit grant, and apply differentiated policies for green credit business and industries with high energy consumption and high pollution.

Strengthen Environmental Risk Control

We implement strict risk control over the entire process of credit by establishing a "251" risk management system with which, "2" refers to the dual risk matrix management and control system at both headquarters and branch level, and "5" refers to the risk categories covering information security risk, asset quality risk, liquidity risk, compliance risk, and brand reputation risk in accordance with international standards, while "1" refers to a unified risk monitoring and operation review platform, which supplements and strengthens the risk control of the original risk management system with the ESG concept, so as to further improve our risk governance capability and achieve long-term sustainable development.

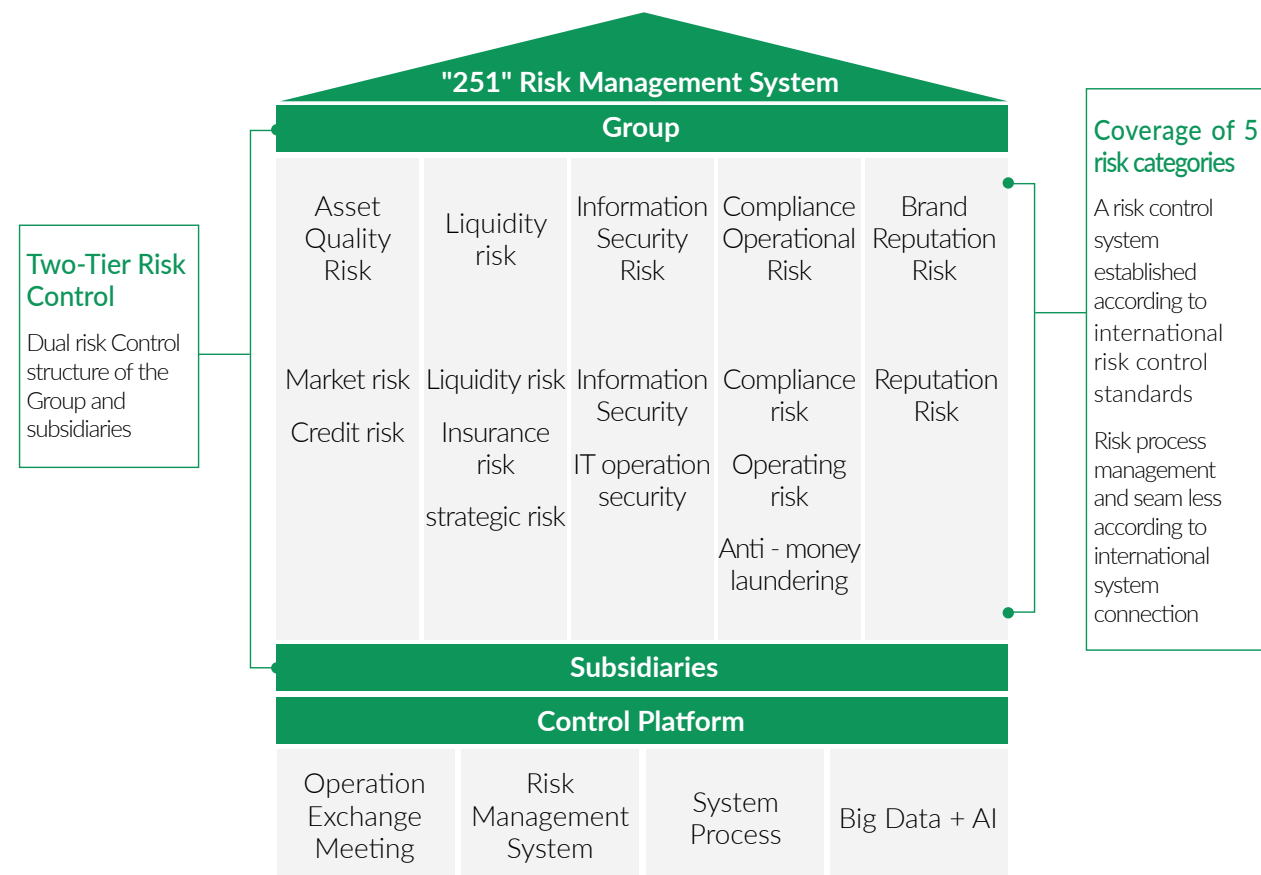


chart 3.2 Ping An's "251" Risk Management System

We fully comply with regulatory requirements in customer access, investigation, review, approval, contract signing, loan review, and post-loan management, and conducts critical investigations and comprehensive evaluations on environmental and social risks in customers and their projects. Besides, we strictly follow environmental and social risk compliance, and implement a "one-vote veto" for projects and enterprises that are explicitly prohibited by the state, or fail to meet environmental protection regulations.

Pre-lending

We have formulated the *Guidelines for the Pre-lending Investigation of Corporate Credit*, which sets the environmental information to be identified in the investigation of the use of credit, the borrower's operation, the credit status of the borrower, and the credit project.

Lending

We conduct thorough due diligence, in which it comprehensively evaluates the borrower's willingness and ability to manage environmental and social risks and relevant records, with a comprehensive assessment of the social and ecological risk control ability of the borrower's or the project, and then adopt differentiated credit procedures and authorities.

Post-lending

We continue to strengthen its post-lending management of borrowers exposed to environmental risks, pay close attention to the impact of state policies on borrower's business conditions, and conduct dynamic analysis, monitoring, change, and disposal accordingly.

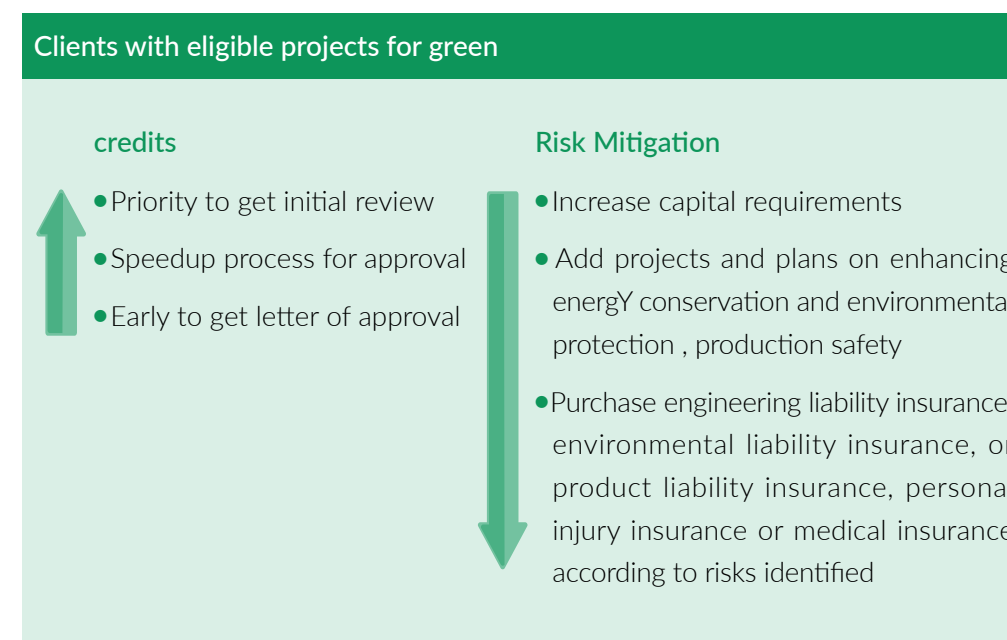
Post-Lending Monitoring and Management Mechanism of Environmental and Social Risks on Corporate Clients

Daily Monitoring		Regular Monitoring: Field Visits	
Early warning indicators	<ul style="list-style-type: none"> Failure to meet environmental standards Non-compliance in energy conservation and emission reduction Safety incidents 	Clients with no risk identified	Clients under monitoring
Internal reporting	<ul style="list-style-type: none"> Risk warning initiated once risks identified Approval completed within 5 working days Control and track risks until impacts end or situation improved 		
Risk control	<ul style="list-style-type: none"> Credits suspension Enhance warranty risk mitigation Subject to monitoring Client management Withdraw credits grants 		
		At least one time a quarter	At least one time a month



Green Credit Management

Green credits are included as strategic financial resources in our bank. We give priority to green credits in capital allocation, and speedup the approval process, and provide funds transfer pricing (FTP) subsidies to eligible green credit. Meanwhile, we incorporate customized restrictions into loan contracts to ensure environmental benefits would be attained, such as provisions requiring the borrower to demonstrate their compliance with energy conservation, emission reduction, as well as provisions allowing the Bank to suspend lending, or exercise the mortgage and pledge right in the event the borrower defaults on relevant commitments or risks of energy consumption or pollution appears.



Management of High Energy Consumption and High Pollution Industry

Fully embracing the concept of transition development, we make efforts to support the high-quality development of traditional industries, especially those with high energy consumption and high pollution such as iron and steel, coal, thermal power, chemical industry, cement, and paper-making, on one hand, we set higher technology, energy, and emission thresholds, and adopt the industry quota and list management system to strictly control the "two high" loans to prevent environmental and climate-related risks; on the other hand, actively guide credit resources to support quality customers in related industries, eliminate backward production capacity, improve production energy efficiency and emission standards, and promote the overall green upgrading and transformation of related industries.

6

Impact of Environmental Factors on Ping An Bank



Impact of Environmental Factors on Ping An Bank

Environmental Risks and Opportunities

With reference to the classification and definition of climate risk of Task Force on Climate-Related Financial Disclosure (TCFD), Ping An Bank identifies the potential climate-related physical and transition risks on the Bank's business lines at different time horizons, such as short-term (1-2 years), medium-term (3-5 years) and long-term (10 years or more).

Climate Risk Identification Matrix of the Bank

Risk type		Risk factors	Example description of risk	financial risk	Time horizon
Physical risks	acute risks	Extreme weather events such as typhoons and floods	In recent years, typhoons, floods and other climate disasters occur frequently, which will cause losses to physical assets such as houses and automobiles in the affected areas, resulting in asset losses or supply chain disruption, affecting the normal operation of enterprises, resulting in the decline in their profitability, further leading to the increase of non-performing loans.	Credit risk Operational risk	Short, medium-to-long term
	chronic risks	Average temperature rise, rainfall change, sea level rise, etc.	Climate change, such as rising temperature and rainfall change, may lead to the reduction of production in specific industries, such as agriculture, hydropower, etc. Sea level rise may affect the assets and business continuity in coastal areas, which may lead to asset depreciation or profitability decline of debtors, resulting in the risk of default.	Credit risk	Medium-to-long term

Risk type		Risk factors	Example description of risk	financial risk	Time horizon
Transition risks	Policy and legal risks	Regulatory authorities promulgate policies and regulations on energy conservation, emission reduction and low-carbon transformation	With the introduction of policies and regulations to support low-carbon transformation, carbon intensive economic activities will be under pressure, which may have a negative impact on the business of specific customers.	Policy risk credit risk market risk	Medium-to-long term
	Technology risks	Emerging technology	Enterprises in traditional industries with high-emission could loss competitive advantage with development of new technologies in the transition to low-carbon and energy-saving economy. Increasing pressure of technological transformation and the rising cost of technological transformation may lead to credit risk and the increase of non-performing loans. At the same time, clients engaged in investment and research in emerging low-carbon industries may also suffer loss in investment to technological innovation, which will lead to default risk and increase of non-performing loans.	Credit risk market risk	Medium-to-long term



Risk type	Risk factors	Example description of risk	financial risk	Time horizon
Transition risks	Market risks	Changes in investor preference and consumption behavior More and more investors tend to invest in companies with good ESG performance. At the same time, financial consumers are gradually inclined to invest in ESG-themed wealth management products. The market demand for carbon intensive products has decreased, and the prices of bulk fossil energy and other industrial products have fluctuated significantly due to market supply and demand. If banking institutions fail to provide green products and services that better meet market needs, they may face the risk of customer loss.	Market risk	Medium-to-long term
	Reputation risks	Negative public opinion Stakeholders are increasingly concerned about climate and environmental issues. If negative events such as environmental violations occur in enterprises or projects financially supported by a bank, then its reputation will be affected.	Market risk Credit risk Reputation risk	Medium-to-long term

Under the carbon peak and neutrality goals, the transitional risk and physical risk arising from environmental issues and climate change are challenges that banks must face in realizing sustainable development. Ping An Bank is deeply aware that risks coexist with opportunities which are brought by accelerated low-carbon transformation of economy and society under “carbon peak and neutrality” goal, also bringing huge market opportunities to banks. On the one hand, we are highly concerned about the impact of environmental climate risks on the loan quality, profits, business continuity and reputation of our bank; on the other hand, we should actively seize the new development opportunities in national strategy of ecological civilization construction and the “carbon peak and neutrality” goals, improve the green finance strategy and corporate governance mechanism, strengthen environmental risk management, innovate green finance products and services, promote the green and low-carbon transformation of our financial assets, and realize the low-carbon transformation of our own operations.

Quantitative Analysis of Environmental Risk

Environmental and climate risk stress testing is an important tool for environmental and climate risk management. With the "carbon peak and neutrality" goal underway, Chinese government and regulatory agencies issued a series of relevant policies and measures to promote green and low carbon transformation in all walks of life. Enterprises, especially those carbon intensive industries, are facing great transitional risks.

In 2021, Ping An Bank participated in the climate risk stress test organized by the People's Bank of China to assess the potential impact brought by carbon peak and neutrality on our credit assets. The test results show that the credit risks of our customers in thermal power, steel and cement industries have increased under the stress scenario, but the impact on the capital adequacy level controllable.

Environmental Impact of Investment and Financing Activities



Environmental Impact of Investment and Financing Activities

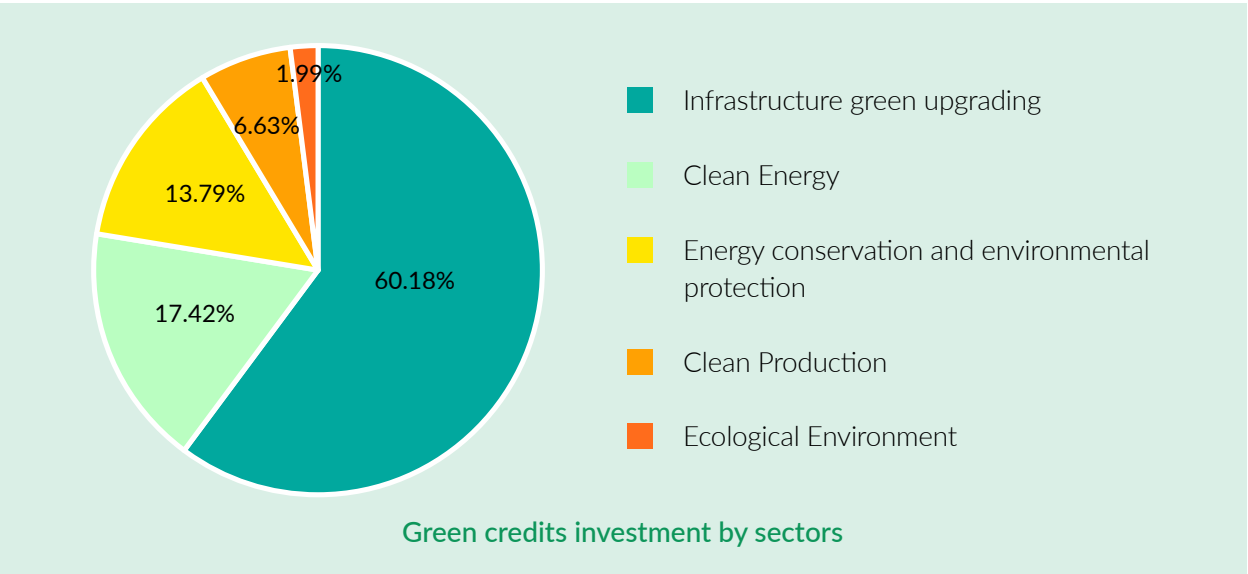
Ping An Bank conscientiously implements the national industrial, environmental protection policies and financial regulatory requirements, levelling up financing to green and low-carbon industries, increasing the proportion of green loan business, strictly controlling the credit grants to "industries with high pollution and high emission", playing an important role of green finance in promoting the green and low-carbon transformation of society, and enhancing the positive external impact of investment and financing activities on the environment.

Environmental Impact of Green Credits

Actively responding to the government's call, Ping An Bank makes continued efforts to increases the supply of green credits with outstanding achievements in promoting green credit to support green development and the real economy. In 2021, the green credit balance of our bank reached RMB 69.135 billion, an increase of RMB 46.457 billion, and up 204.6% over the beginning of the year; The proportion of green loans in the bank's credit balance increased from 0.84% at the beginning of the year to 2.23%.

Sectors green credits funded

As of December 2021, Ping An Bank granted a total amount of RMB 41.607 billion green credits to infrastructure upgrading, a total amount of RMB 12.041 billion to clean energy sector, and RMB 9.533 billion to energy conservation and environmental protection, as well as RMB 4.582 billion to clean production and RMB 1.373 billion to ecological environment protection.



Environmental impacts of green credits

In line with the *Guidelines for Measuring Energy Conservation and Emission Reduction of Green Credit Projects* (hereinafter referred to as the Guidelines) issued by China Banking and Insurance Regulatory Commission, Ping An Bank calculated and measured the environmental benefits generated by green credits with key data from the project feasibility study report and relevant approval documents. As of December 31, 2021, Ping An Back delivered remarkable environmental benefits through green credits:

Environmental benefit	Data
Annual savings of standard coal (thousand tonne)	47.42
Annual emission reduction of carbon dioxide equivalent (thousand tonne)	103.86
Annual chemical oxygen demand emission reduction (tonne)	4,094.42
Annual ammonia nitrogen emission reduction (tonne)	21.46
Annual total nitrogen emission reduction (tonne)	22.88
Annual total phosphorus emission reduction (tonne)	2.27
Annual sulfur dioxide emission reduction (tonne)	10,469.41
Annual NOx emission reduction (tonne)	1,779.81
Annual savings of water (thousand tonnes)	1,408.33
Note: Considering the data availability and calculation method, some unquantifiable environmental benefits are not included.	





Carbon Footprint of Investment and Financing Activities

Under the carbon peak and neutrality goal, Ping An Bank actively promotes the green and low-carbon transformation of investment and financing business, adopts differentiated management measures on capital allocation, authorization and pricing, channeling more supports to the "green" sectors, and limits financing for carbon intensive industries. By the end of 2021, Ping An Bank's credit balance on "industries with high pollution and high emission" was RMB 24.998 billion, accounting for 0.82% of the total credit balance, down 0.1% from the end of last year.

To measure the impact of investment and financing activities on climate change, we carried out exploratory accounting on carbon emissions from corporate business in the following five carbon intensive industries, namely steel, building materials, power generation, petrochemical industry and paper making.¹ The calculation was made in accordance with the methodologies specified in the *Technical Guidance for Carbon Accounting of Financial Institutions (Trial)* developed by the People's Bank of China (hereinafter referred to as the Guidance), with due consideration to current assets allocation by sectors and the availability of carbon emission data of these sectors. Such initiative accumulates experience for subsequent establishment of carbon emission data collection mechanism, and lays foundation for innovation of carbon financial products and climate risk management.

Accounting results

With reference to the calculation method in the Guidance, we calculated the overall carbon footprint of corporate loans with data available on carbon emissions and financial status at enterprise and project level. The results are as follow.

¹ Scope of the industry is listed according to Notice of Major Work on Management of Enterprise Greenhouse Gas Emission Reporting in 2022 issued by the Ministry of ecological environment

Overall carbon footprint of carbon intensive industries (calculated with data available)

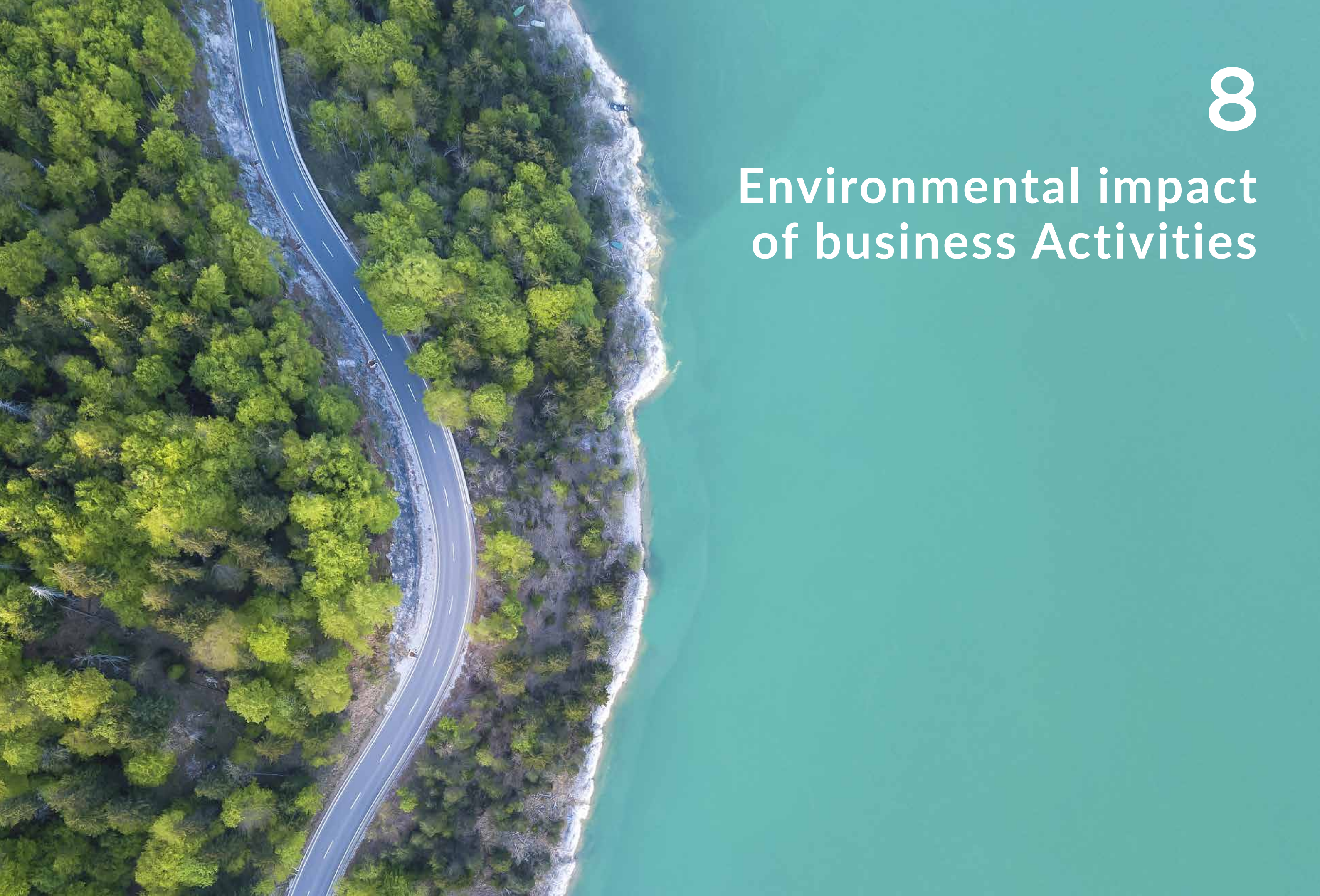
Indicators*	Unit	Disclosure data
Credit-based Carbon emissions	tCO ₂ e	2,383,854.41
Loan amount	RMB Ten thousand	559,173.21
Credit-based carbon footprint	tCO ₂ e/RMB ten thousand	4.26
Note: Calculation method of credit-based carbon emissions: a. carbon emissions per corporate loan business considering loan amounts, main income of the enterprise or the total investment of the project; the overall carbon emissions of the credit business are the sum of the corresponding carbon emissions pf each credit business; b. credit-based carbon footprint is calculated as follows: the sum of all the credit-based carbon emissions divided by the sum of the loan balance. (calculations are made for those emissions with data available)		

Carbon emission mix and carbon footprint of carbon intensive industries (calculated with data available)

Indicator	Unit	Steel	Building materials	Power generation	petrochemical	Paper-making
Proportion of credit-based carbon emissions	%	72.20	17.30	6.11	3.43	0.96
Credit-based carbon footprint	tCO ₂ e/RMB ten thousand	3.97	48.70	7.77	1.11	0.92

8

Environmental impact of business Activities



Environmental impact of business Activities

Ping An Bank works diligently to advance energy conservation and emission reduction, calls on all employees to lead a low-carbon and energy-saving living and working style. We continue to improve our environmental and social performance through technology-based, coordinated and systematic efforts, and professional services.

Greenhouse Gas Emissions and Natural Resource Consumption

In line with requirements of the *Green Finance Regulations of Shenzhen Special Economic Zone on Green Finance* and the *Guidelines for Environmental Information Disclosure of Financial Institutions*, Ping An Bank presented statistics on the energy and resources consumed by the self-owned properties in Shenzhen headquarters in 2021.

Green office operation			
Natural resources consumption	Natural gas consumption of canteens in Shenzhen headquarters	cubic meter	108,000.00
	Gasoline consumption of vehicles for business use in Shenzhen headquarters	Liter	36,778.37
	Water consumption of self-owned offices in Shenzhen headquarters	Tonne	130,216.00
	Power consumption of self-owned offices in Shenzhen headquarters	Megawatt hours	6,945.08
	Paper consumption of self-owned offices in Shenzhen headquarters	Thousand sheets	318.96
Greenhouse gas emission	Comprehensive energy consumption per construction area of self-owned offices in Shenzhen headquarters	Kg standard coal / m²	21.61
	Direct emissions (scope 1) of self-owned offices in Shenzhen headquarters	tCO ₂ e	313.52
	Indirect emissions (scope 2) of self-owned offices in Shenzhen headquarters	tCO ₂ e	3,660.75
	Scope 1 & Scope 2 emissions of self-owned offices in Shenzhen headquarters	tCO ₂ e	3,974.27
	Carbon emissions per construction area unit of self-owned offices in Shenzhen headquarters	kgCO ₂ e/m²	36.86
	Aviation carbon emissions of all employees' travel	tCO ₂ e	7,552.85
	Carbon emissions of credits to some carbon-intensive industries	tCO ₂ e	2,383,854.41

Note: Direct emissions (scope 1) of generated by self-owned offices in Shenzhen headquarters mainly come from gasoline used by its vehicles, and natural gas consumed by canteens; and indirect greenhouse gas emissions come from purchased electricity

In addition, we promote the use of online financial reimbursement system, *Intelligent finance cloud APP*, through which employees' travel information (including mileage) is collected, counted and automatically exported. Aviation carbon emissions arising from employees' travels in 2021 were 7,552.85 tCO₂e.

Calculation Method of Environmental Impact of Business Activities

We adopted the following methodology to calculate environmental impacts on business activities:

CO₂ = ∑_{i=1}ⁿ E_i×a_i

Note: this was a basic formula, where carbon emissions should be calculated separately according to specific energy consumption types against corresponding coefficients.
CO₂: Project-based carbon emissions, unit: tonnes of carbon dioxide equivalent;
E_i: Physical consumption of a certain energy of the project, unit: tonnes (or megawatt or 10000 cubic meters, etc.);
a_i: The carbon emission coefficient of the energy consumed by the project, unit: tonnes of carbon dioxide equivalent / tonnes (or MW or 10000 cubic meters).

Coefficients in the calculation are listed as follows: the carbon emission coefficient of gasoline used in the calculation is 2.98 tonnes of carbon dioxide/tonnes of gasoline, referring to the *Guidelines for Measuring Energy Conservation and Emission Reduction of Green Credit Projects*; the carbon emission coefficient of natural gas follows “*Guidelines on Enterprises Greenhouse Gas Emissions Accounting and Reporting-Public Building and Operation Enterprises (Trial)*”. As to the coefficient of purchased electricity, we checked the nationwide average carbon emission coefficients published by Department of Climate Change, National Development and Reform Commission in 2012, and used coefficient of Power Grids in Southern Chin where Shenzhen headquarters is located; The emission coefficient for employees' air travel is taken from the *Guidelines on Conversion Factors for Company Reporting (Defra / DECC, 2021)* which is widely accepted in calculation.



Effect of Environmental Protection Measures

With the goal of building a resource-saving and environment-friendly bank, we vigorously advocate low-carbon and energy-saving behavior of all staff, strengthens its own carbon footprint management based on science and technology and professional services, effectively reduces resource consumption, reduces environmental pollution, continuously improves its environmental and social performance, and realizes green operation, green office and green service.

Green outlets

In 2021, we set up intelligent service counters in all outlets. We used intelligent equipment to realize electronic operation and optimize business processes, significantly reducing paper consumption. Our application of electronic seals saves RMB 522,700 of costs every year, and the paperless business transformation saves about 17 million pieces of paper every year. By introducing status monitoring facilities for office equipment, equipment failure information is transmitted online. In 2021, we sent over 120,000 work orders to manufacturers, equivalent to a reduction of 1.2 million minutes of repair calls.

Green services

We continue to promote paperless account opening and card application. We replace the paper credit card application form with an electronic one and simplify the card packaging by replacing the card manual (six pages per card) in the package with a product brochure (0.81 pages per card). In 2021, we reduced the consumption of 124 million pieces of paper in credit card applications and packaging. We also encourage customers to practice green consumption. We have issued over 1 million electronic cards. As the average carbon emission of a single card is about 40 g, the practice has reduced about 40 tonnes of carbon emissions.

Green office

We always prioritize resource conservation and strengthen the management of energy conservation and emission reduction in an all-around way. We advocate the concept of a green office and comprehensively adopt many energy-saving and emission reduction measures to improve the efficiency of energy and resource utilization.



Saving Water and Electricity

We strengthened the staff's awareness of water and electricity conservation, issued water conservation initiatives and provided employee with guidance. We also advocated green concepts and called on all staff to set the office air conditioner at 26°C in summer, and to turn off lights, computers and power supplies after work.



Low carbon publicity in Nanjing Branch



Tips for energy saving of Shijiazhuang branch



Nanchang branch outlets equipped with four color environmental protection dustbins

Saving paper

By promoting the application of the Ping An online intelligence financial platform (Cai Zhi Yun), employees' travel, commuting, meals, parcel delivery, and other matters can be booked and reimbursed online, which significantly reduces paper consumption. Meanwhile, we launched the cloud printing project in 2020 and further expended it to the whole bank in 2021. This project enabled printing task management, roaming printing, and printing data collection, which reduces paper consumption and office costs. At the same time, we strengthened the centralized procurement management and control, and continued to optimize the e-procurement platform, promoted paperless procurement, and greatly reduced the use of paper in procurement documents.

Case Building an intelligent print server platform to reduce paper consumption

Qingdao Branch set up ten intelligent printing servers and leased 82 smart printing terminals to achieve printing task management and roaming printing. Employees can print on any roaming printer and cancel printing tasks at any time, which effectively improves equipment utilization and avoids misprinting and paper waste. The platform can monitor the printing costs in real-time, which helps to control the printing demand reasonably. Since the launch of the platform, Qingdao Branch has used an average of 240,000 pieces of paper every month, which costs RMB 32,000, a year-on-year decrease of 15%.

Remote-working

We actively promote the use of online video conference to reduces business travel and encourage business and activities carried out by remote collaborative office, aiming to saving resources and reducing greenhouse gas emissions.

Indicator	2021	2020	2019
Number of video conference (Times)	104,901	67,751	36,736

Reducing waste

We carry out waste management and reduction in a systematic manner, organizing workplace garbage sorting activities, guiding employees to classify waste by posting reminders and signs, and clearly stating the disposal approach of electronic waste in the *Management Measures for IT Assets*, repairing and upgrading 116 overdue computers before donating to rural schools for recycling and reducing waste

pollution. Besides, we launched an environmental protection and plastic reduction campaign, reducing the use of bottled water by 70,500 bottles compared with the previous year, and saving RMB 140,000. Meanwhile, we also launched the "Clean Your Plate" campaign and opposed extravagance and waste.

Waste by category	Unit	2021
Computer host	set	17,224
Monitor	set	7,537
Laptop	set	5,297
Server	set	723
Toner	set	4,969
Printer*	set	0
Note: with cloud printing project promoted throughout the bank in 2021, we leased printers instead of purchase, so the annual disposal amount of discarded printers is 0		

Green procurement

We have defined precise environmental protection requirements in the determination of procurement needs and procurement review, and prefer and guide suppliers to use green raw materials and provide green products and services. We set terms in standard procurement contracts and conducts annual supplier evaluations to restrict, inspect, or encourage suppliers to implement environmental protection policies in product packaging, logistics, and recycling, to avoid waste of resources and environmental pollution.

8.3.5 Green publicity

We carried out green publicity programs to promote green and low-carbon living style, with diversified activities organized on waste classification, "Clean Your Plate", tree planting, and "Earth hour" delivering positive green and sustainable messages to employees and the public, mobilizing all stakeholders to participate in the action against climate change, and supporting goals of "carbon peak and neutrality".



Case Turn off the lights for an hour as a display of our commitment for the planet

Actively responding to the call of "Earth Hour", we have participated this initiative for six consecutive years in self-owned offices of Shenzhen headquarters, calling on more people to start from themselves, save energy and environmental protection, and coexist with nature.

In 2021, lights out ceremony for the "Earth Hour" was held, with online and offline interactions of the national public. Many domestic city landmarks, such as Beijing Summer Palace, Shanghai Oriental Pearl TV Tower, Shenzhen Ping An Financial Center, Chengdu Financial City Tianfu twin Towers, Xi'an Drum Tower, Guishan TV Tower on Wuhan Yangtze River Bridge synchronously turned off non-essential lights during the hour from 20:30, as a way to encourage more people to protect nature, and light up hope for the harmony between human and nature in 2030. On the evening of the same day, a ceremony of "Renew our planet, Return to nature" was held in Shenzhen Ping An Financial Center.



Green training

We carried out different forms of training activities for green finance professional lines and employees throughout the bank to deepen the understanding of green development, improve employees' green financial ability, and promote the implementation of green development concept and sustainable development strategy throughout the bank.

- 56 green finance business training sessions were held in 30 branches, involving over 20,000 employees.



- Engage external experts to conduct 14 live broadcasts on the Zhiniao APP; and a live broadcast course on "Green to Gold-Science and Technology Empowerment" was launched attracted a number of 20,000 audience.

- We push the online course of "Green Financial Policy Promotion" on Zhiniao APP to all our staffs, with a total of 96,000 people watching. This course introduces carbon neutrality strategy, regulatory requirements and policy updates; meanwhile, compulsory examinations were also organized to help our staffs to understand the trend of green finance and popularize the concept of green finance.



- Through the wechat public account of "green finance of Ping An Bank", we update and share industry trends, research views and achievements in green finance to our employees and the public, including 12 in-depth industry research reports, 25 issuances of green finance biweekly and comments on green finance updates, so as to promote employees' understanding and capacity in green finance.



Ping An Bank Green and Low-Carbon Themed Public Poster (IV)

An aerial photograph of a tropical river winding through a dense, lush green forest. The water is a deep blue, and the surrounding forest is a vibrant green. A small white boat is visible on the river, moving towards the left. The sun reflects off the water, creating a shimmering path. The overall scene is serene and natural.

9

Data Sorting, Verification and Protection

Data Sorting, Verification and Protection

Building Data Security System

Data is the core asset of commercial banks. To effectively guarantee the safety of data (including environment related data), Ping An bank has actively established a data security management system, improved the information security governance structure, established and improved the data security emergency plan, strengthened the data security management measures, and enhanced information security management and data governance.

Information security framework

To optimize information security governance, we set up a Network and Information Security Committee as the highest organization for information and data security in 2021. The bank president serves as the director of the Committee and the chief information executive officer serves as the deputy director. The Committee is accountable to the Board of Directors and senior management and is responsible for strengthening information security and data security management.

Management system building

We built our information security management system in strict accordance with latest national laws and regulations and relevant standards, such as *the Cybersecurity Law of the People's Republic of China*, *the Data Security Law of the People's Republic of China* and the ISO27001:2013 standards. We have established an information security management system covering three aspects: security management, security operation, security technology, and 20 control principles. The management system has formed 29 policies, strategies, specifications, procedures, baselines, guidelines, and codes for information security, which are applicable to our headquarters and all branches and business lines to ensure the bank-wide implementation of unified information security regulations. We conduct information security inspections, implement a security incident reporting mechanism, and organize security training to ensure the integration of information security with daily management and operation and effectively implement information security regulations.

Emergency response

In order to enhance the emergency response ability to deal with sudden major failures of information technology and effectively prevent and manage information system risks, Ping An Bank has stated relevant provisions in the *Management Measures for Information Security Monitoring and Emergency Response*, standardized the response and handling process of information security events, and

clarified the mechanism of each link. In addition, we took the initiative in running drills of network and information security emergency response, tested our emergency response-ability to address Internet attacks and security incidents through practical exercise and simulation, and identified problems existing in the information security defense system and the weakness of security management, constantly improving its emergency response mechanism, safeguarding the information assets, and ensuring the safe and stable operation of various businesses.

In 2021, we carried out 12 emergency response drills related to information security, covering 11 scenarios such as customer-sensitive data leakage, phishing email, general vulnerability attack, virus incidents, and data anti-leakage practice.

Improve Environmental Data Management Mechanism

In order to improve basic data quality of green finance business, we have established the green business certification management system, standardized application and approval process for green certification, and clarified scope and responsibilities of the branches and the headquarters respectively in reviewing and verifying the accuracy of corresponding data; and assigned corresponding customer manager as the first person responsible for green finance certification. At the same time, we have established the green business data reporting system, and clarify the requirements for data submission. In addition, we arranged relevant departments to sort out and verify environmental related data to ensure the accuracy of corresponding data and calculations.

Launch green finance information system

In order to improve the work efficiency and data quality of our green business certification, and ensure the timely and accuracy of the data and information disclosed, we started the construction of the Green Financial System. The first phase of the project, Green Business Certification System and Reporting System were put into operation on January 13 2022, and later on April, "Pre-certification System" was put into operation. The system is capable of bank-wide automatic online aggregation, calculation, and report generation of green business data, and intelligent online certification and pre-certification for the green business, which significantly reduces workloads and improves the data quality.

Carry out internal audit regularly

In order to ensure the compliance of business operation, the head office regularly organized special internal audit to fully and effectively inspect, supervise and evaluate the quality of green business operation. If there is any non-compliance misinformation and mislabeling of green business, corresponding handling units are required to rectify and improve management to ensure the data accuracy.



10

Green Finance Innovation and Research Achievements



Green Finance Innovation and Research Achievements

We attach great importance to forward-looking research in green finance. We established a Green Finance Research Institute, carried out innovative research, and achieved a number of research results; meanwhile we strengthen exchanges with domestic and foreign peers, build a platform to exchange on carbon neutrality, green finance topics, and actively build our image in pioneering role in green finance.

Ping An Wealth Management Launching the First ESG Selected Green Bond Index in the Wealth Management Sector

On January 14, 2022, Ping An Wealth Management and ChinaBond Pricing Center jointly launched the ChinaBond-Ping An Wealth Management ESG Selected Green Bond Index. This is the first bond index in the wealth management sector that integrates the themes of “green finance” and “sustainable development.” The launch of the index will help to tap the long-term investment value of high-quality green assets in China from multiple perspectives, provide domestic and foreign investors with a reference for investment decision-making, and support the development of green enterprises.

The screening and selection of the constituent bonds of the index focuses on the sustainable development capabilities of domestic green bond issuers. Through multiple rounds optimization, the constituent bonds screened out targets that do not meet the conditions of environmental protection,

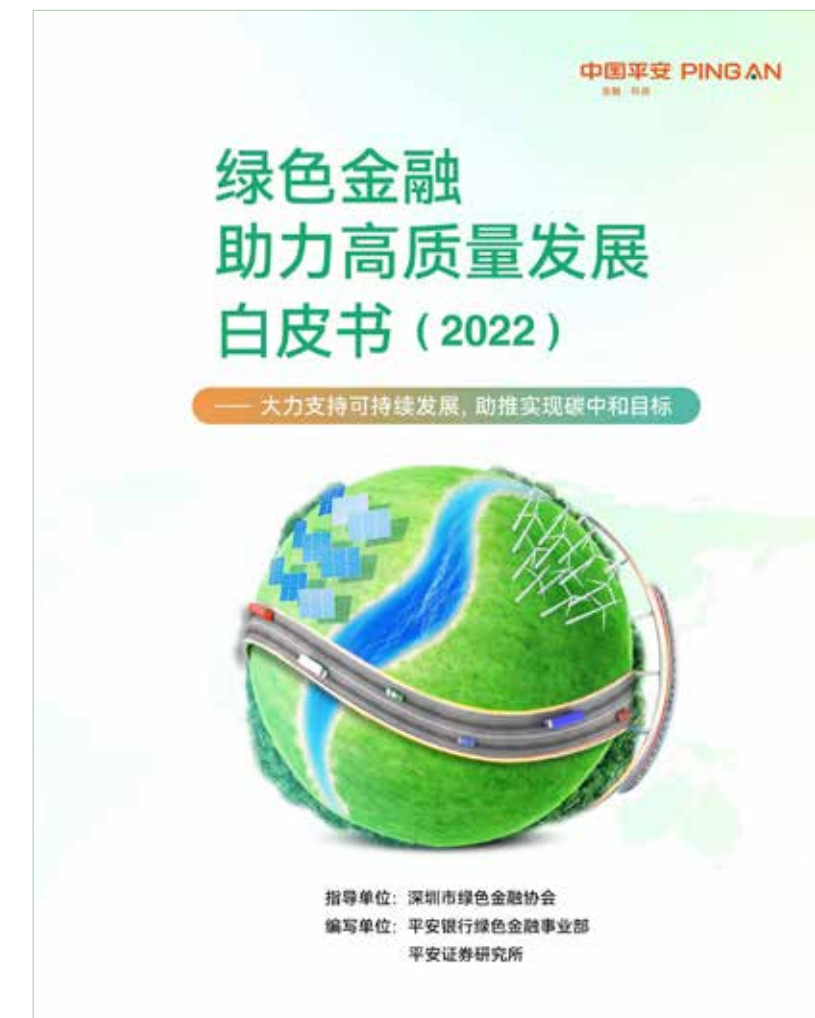


ChinaBond-Ping An ChinaBond-Ping An Wealth Management ESG Selected Green Bond Index trend

social responsibility, and corporate governance, reducing the potential implosion risk of investment targets because of environmental policy restrictions, poor management, or negative social news. The index helps reduce risks while earning an investment return that exceeds the market average.

Released the First White Paper on Green Finance in China's Banking Industry

In 2021, we, together with Ping An Securities, wrote the White Paper on Green Finance Helping High Quality Development (2022), which was released on January 6, 2022. It is the first white paper on green finance in China's banking industry and a stock-take of latest innovation and practice in green finance of banking sector. Through more than 400 pages of detailed information, the book systematically analyzes and discusses China's green finance related industries from the perspective of banking industry for the first time, focusing on the industrial transformation in the new era of low carbon, the industrial trend under the carbon neutral strategy, the system of green finance, opportunities and challenges, and the forward-looking prospect of green finance. It also briefly introduces the green finance practice of Ping An Bank, aiming to further promote the concept of green finance to the whole society and promote the development of green finance.



Strengthen Industry Exchanges and Jointly Build a New Ecological Environment of Green Finance

We are committed to strengthening industry exchanges, implementing the green finance strategy together with relevant organizations at home and abroad, and building a new ecological environment of green finance.

Jointly organized Forum on Integration of Industry and Finance in China's Photovoltaic Industry

On March 19, 2021, Ping An Bank, together with the China Photovoltaic Industry Association, held a forum on the integration of industry and finance in China's photovoltaic industry in Hefei; on the forum, we released *Analysis on China's Photovoltaic Industry (2021)*, jointly with Ping An Securities. Zhu Yuqiang, President of Green Finance Department of Ping An Bank, attended the forum and delivered a speech. Experts from the National Development and Reform Commission, industry associations and executives of more than 20 leading enterprises in the industry were invited to discuss how to fully embrace and implement Development Ideas of Innovation, Coordination, Green, Opening-up and Sharing in the financial sector to support the healthy and sustainable development of the photovoltaic industry.



Jointly organized Business Development Forum on Achieving 2030-2060 Carbon Peak and Carbon Neutrality Goal

On April 24, 2021, Ping An Bank, jointly with Ping An Securities, held the Business Development Forum on Achieving 2030-2060 Carbon Peak and Carbon Neutrality Goal in Shenzhen. Zhu Yuqiang, President of the Green Finance Department of Ping An Bank, delivered a keynote speech, emphasizing that financial Institutions should continue to innovate green financial products and provide professional support for low-carbon transitional financing to enterprises. Dai Yande, researcher and former director of the Energy Research Institute of the National Development and Reform Commission, was also invited as special guest to provide guidance.

Introduce the development opportunities of green finance at the G20 Summit Forum

On October 14, 2021, the G20 Global Climate Summit was held in Glasgow. Ping An Bank was invited to participate in the 2021 G20 Entrepreneurship Roundtable Dialogue co-organized by the G20, the Ministry of Human Resources and Social Security and Tsinghua University. Mr. Zhu Yuqiang, President of the Green Finance Department of Ping An Bank, made a speech on "Green Finance



Development Opportunities in the Era of Carbon Neutrality", and carried out in-depth and high-level discussion with representatives of G20 member governments, international organizations, research institutions and social organizations to explore new opportunities brought by carbon neutrality.

Attended Annual Meeting on Sustainable Development of New Fortune Listed Companies, sharing the experience of technology enabled low carbon development

On September 24, 2021, we are invited to attend the "2021 annual meeting on sustainable development of new fortune listed companies" held in Guangzhou, and discussed cutting-edge topics in pharmaceutical biology, green finance, innovation, and the investment opportunities under the green transformation with guests.

The 5th China Digital Banking Forum, Share the practical experience of green finance

On November 25, 2021, Zhu Yuqiang, President of Green Finance Department, Ping An Bank, was invited to participate in the 5th China Digital Banking Forum, which focuses on the digital transformation of banks. As the most influential event in the industry, the forum has been held successfully for five consecutive years. At the forum, Mr. Zhu expounded on the new opportunities for green finance development, and conducted in-depth exchanges with the participants on how to leverage financial technology to support green, low-carbon and high-quality economic development.



Outlook

Looking to the future, we will continue to build on advantages in comprehensive finance and technological empowerment, further promote and lead green financial services, and innovate green financial products, provide better supports to real economy, especially supports for green, circular and low-carbon economy. We will fulfill our commitments to green development by leveraging our financial resources, and contribute to national goals of “carbon peak and neutrality”.

About this report

Reporting period: starting from January 1, 2021 to December 31, 2021, unless otherwise specified.

Scope:

This report covers Ping An Bank and all its branches, including Ping An Wealth Management Co., Ltd., unless otherwise specified.

Drafting methodology:

This report is prepared in accordance with the requirements of the *Guidelines for Financial Institutions Environmental Information Disclosure (JR / T 0227-2021)* issued by the People's Bank of China and the *Green Finance Regulations of Shenzhen Special Economic Zone*. Meanwhile, reference is also made to recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Data collection:

the financial data in the report are mainly from the audited *annual report of Ping An Bank Co., Ltd. in 2021*; other non-financial data are from internal documents and relevant statistics of Ping An Bank. Time frame of this report has been extended in order to enhance the comparability of some contents.

Data in this report originally comes from the internal system and relevant public disclosed documents, and has been processed to fit report use. Unless otherwise specified, the currency types and amounts involved in the report shall be measured in RMB. Reference note: for the convenience of expression, in the report, "Ping An Bank Co., Ltd." is represented by "Ping An Bank" or "the bank"; Ping An insurance (Group) Co., Ltd. of China is represented by "Ping An Group" or "China Ping An" or "Ping An", and the wholly-owned subsidiary of Ping An Bank Co., Ltd. "Ping An Wealth Management Co., Ltd." is represented by "Ping An wealth management".

Released:

This report is issued in the form of electronic version, which can be accessed through Ping An Bank's Official website or Wechat public account "平安票号".

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