

**2022**

# **Special Report on Green Finance (TCFD)**

Industrial and Commercial Bank of China Limited



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# Forward

Green development is a development that conforms to the nature and promotes the harmonious coexistence between people and nature, a development that achieves the maximum economic and social benefits with the minimum cost of resources and environment, and a high-quality and sustainable development, which has become the consensus of all countries. China has set “harmonious coexistence between people and nature” as an important feature and essential requirement of Chinese path to modernization. Green has become the distinctive feature of China in the new era. The philosophy that “lucid waters and lush mountains are invaluable assets” has been practically implemented, with the steady promotion of carbon peak and carbon neutrality. China is undergoing a comprehensive green transformation in terms of economic and social development. Great strides have been made in building a beautiful China.

Green finance plays a key role in serving green transformation and helping to achieve carbon peak and carbon neutrality. At present, China’s green finance has been accelerated in an all-round way, the development foundation has been constantly consolidated, policies and rules have been gradually improved, and the development of standards and systems has been continuously promoted. The green financial market continues to expand, the green financial products and services have been creatively developed, and the scale of green credit and green bonds has ranked among the top in the world. The prevention and control of climate and environmental risks has continued to deepen, and relevant research such as stress testing has been carried out in an orderly manner; international exchanges and cooperation in green finance have been deepened, and China has deeply participated in the formulation of international standards, and made a contribution to climate governance with Chinese approach.

As an active advocate and practitioner of green finance standards and responsible investment principles, Industrial and Commercial Bank of China (hereinafter referred to as “the Bank”) has always been guided by Xi Jinping’s thought on ecological civilization. The Bank insists on the systematic concept through the whole work process of “carbon peak and carbon neutrality”, fully, accurately and comprehensively implements the new development philosophy, actively serves and integrates into the new development paradigm, and promotes the development of green finance as an important part of adhering to the financial development path with Chinese characteristics, serving Chinese path to modernization and achieving high-quality development. In 2022, around the development of green finance, the Bank further strengthened strategic guidance, improved corporate governance, and increased financial support. It improved product & service system, promoted the management of investment and financing environment and social risks, and actively participated in global financial governance, continuously achieving remarkable results.

## **The Bank strengthened the top-level design and strategic promotion of green finance.**

The Bank’s green finance governance structure has been gradually improved, and the Board of Directors, the Board of Supervisors and the Senior Management have taken green finance as an important part of their duty performance, promoting the formation of a green finance promotion system throughout the Bank. The Bank formulated and issued the Development Strategic Plan for the “14th Five-Year Plan” Period, clearly proposed to serve as a leading bank in China to practice green development, and prudently promoted the work on carbon peak and carbon neutrality. It officially released the green financial brand “ICBC Green Bank +”, demonstrating the role of ICBC as a big bank.

**The Bank increased support for green investment and financing.** It continued to improve its green investment and financing policies, effectively implemented the green classification management policies for investment and financing, and improved the basic management

policies for green finance. It also promoted the green transformation of investment and financing structure, holistically serving carbon reduction, pollution reduction, green expansion and economic growth. Green loans, green bonds and other green investment and financing have maintained a leading position in the market. As at the end of December 2022, the Bank recorded RMB3,978,458 million in the balance of green loans for green industries such as energy conservation and environmental protection, clean production, clean energy, ecological conservation, green infrastructure upgrading and green services in accordance with CBIRC standard. Both scale and increment remained the first in the industry.

**The Bank promoted product and management innovation as a whole.** The Bank actively and steadily carried out innovation in carbon finance, digital supply chain and other investment and financing products, comprehensively strengthened environmental (climate) and social risk management, and scientifically carried out environmental risk stress testing. In 2022, all indicators of environmental benefits of investment and financing improved significantly. Besides, the Bank put the management data statistics system of carbon footprints into operation, continued to strengthen the innovation of online products, channels and scenarios, and actively promoted the building of low-carbon outlets, constantly improving the Bank's low-carbon operation.

**The Bank deepened forward-looking research and international exchanges and cooperation.** The Bank attached great importance to and actively promoted green finance research, focused on the role of research in supporting decision-making and serving business development, and provided intellectual support for green transformation and development through forward-looking research and international exchanges. In-depth research was carried out on key fields such as transitional finance, information disclosure, climate risk, biodiversity, new energy, and carbon market tools. With an open mind in exchange and mutual learning, the Bank shared ICBC's experience and contribute ICBC's wisdom through international platforms such as BRBR (Belt and Road Inter-bank Regular Cooperation Mechanism), GIP (Green Investment Principles of Belt and Road), and PRB (Principles for Responsible Banking of the United Nations).

Looking ahead, the Bank will further play the important role of green finance in promoting green development and helping to achieve the goals of "carbon peak and carbon neutrality". It will strive to boost ecological protection using financial resources, accurately promote the green economy, and comprehensively advance low-carbon life, so as to make new and greater contributions to promoting Chinese path to modernization characterized by harmonious coexistence between people and nature, and building a clean and beautiful world.





# Part I

## Governance



**The Bank has continuously improved its green finance governance framework, optimized the role of the Green Finance (ESG and Sustainable Finance) Committee in coordination and organization, and strengthened the top-level design and strategic transmission. As a result, the work promotion and operational mechanisms have got increasingly developed, and the quality and efficiency of the development of green finance have continuously and steadily improved.**

## Board of Directors

The Board of Directors of the Bank attaches great importance to the work on green finance. It is responsible for considering the Bank's policy objectives for fulfilling social responsibilities in respect of ESG and related matters, regularly reviewing proposals on corporate social responsibility (ESG) report, green finance implementation report and risk management report and strengthening the supervision and management of green finance and ESG matters.

### Strategy Committee

It is mainly responsible for reviewing the strategic development plan, major overall strategic risks matters (such as ESG risk and climate risk) and annual corporate social responsibility (ESG) report and putting forward suggestions to the Board of Directors.

### Corporate Social Responsibility and Consumer Protection Committee

It is responsible for studying and considering the Bank's fulfillment of social responsibilities for environment, society, governance and corporate culture, consumer protection strategies, policies and objectives, green finance strategies, the development plan, basic rules, annual plan and evaluation measures of inclusive finance business and other matters, and putting forward suggestions to the Board of Directors.

### Risk Management Committee

It is mainly responsible for reviewing and revising the Bank's risk strategy, risk management policy, risk appetite, the enterprise-wide risk management framework and internal control process, supervising and evaluating their implementation and results and making suggestions to the Board of Directors, including related matters such as climate risk.

### ○ Review of the Board of Directors and Special Committees on green finance and environment-related issues during the reporting period

Date	Agenda items
March 29 - 30	The Audit Committee of the Board of Directors and the Board of Directors of the Bank reviewed and approved the <i>Proposal on the 2021 Annual Report and Its Abstract</i> with a unanimous vote.
March 29 - 30	The Risk Management Committee of the Board of Directors and the meeting of the Board of Directors of the Bank reviewed and approved the <i>Proposal on the 2021 Risk Report and Risk Appetite Assessment</i> with a unanimous vote.
March 30	The Strategy Committee of the Board of Directors and the meeting of the Board of Directors of the Bank reviewed and approved the <i>Proposal on the 2021 Social Responsibility Report (ESG Report) of Industrial and Commercial Bank of China Limited</i> with a unanimous vote. The Board of Directors and Special Committees learned about the Bank's green financial system and mechanism building, green credit, green investment, green bonds and other related contents.
May 20	The Strategy Committee of the Board of Directors and the meeting of the Board of Directors of the Bank reviewed and approved the <i>Proposal on ICBC's Development and Strategic Plan during the 14th Five-Year Plan</i> with a unanimous vote. The Board of Directors and Special Committees learned about the Bank's green finance development plan, innovative green financial products, and the promotion of green finance and ESG system building.
May 20	The Risk Management Committee of the Board of Directors and the meeting of the Board of Directors of the Bank reviewed and approved the <i>Regulation on Enterprise-wide Risk Management (Version 2022)</i> with a unanimous vote. The Board of Directors and Special Committees learned about the Bank's improvement of green financial business management and the building of climate risk system.
August 29 - 30	The Risk Management Committee of the Board of Directors and the meeting of the Board of Directors of the Bank reviewed and approved the <i>Proposal on the 2021 Interim Risk Management Report</i> with a unanimous vote. The Board of Directors and Special Committees learned about the Bank's green loans and green bonds.
August 29 - 30	The Audit Committee of the Board of Directors of the Bank and the meeting of the Board of Directors of the Bank reviewed and approved the <i>Proposal on the 2022 Semi-annual Report and Its Abstract</i> with a unanimous vote. The Board of Directors and Special Committees learned about the Bank's deployment related to addressing climate change, the implementation of green finance, and suggestions for promoting the development of green finance. At the same time, the directors proposed to pay attention to China's future policies for green finance, which will bring challenges as well as opportunities to business. The Bank should seize these opportunities in the future.
April 28 August 29 October 27	The Audit Committee of the Board of Directors of the Bank heard the <i>Report on the Results of Agreed-upon Procedures for the First Quarter of 2022</i> , the <i>Report on the 2022 Interim Review Results</i> and the <i>Report on the Results of Agreed-upon Procedures for the Third Quarter of 2022</i> , respectively. The Special Committees learned about green credit management, the focus of green financial business development and other relevant contents.

Note: This table was formulated according to the proposal themes.

## Column: Voices from Senior Management

### Chen Siqing: Promote the harmonious coexistence between people and nature with financial power



On December 23, 2022, Chen Siqing, Chairman of the Bank, attended the “2022 Green Finance International Summit · Dianchi Forum” via video conferencing and delivered a keynote speech on the development of green finance. He expressed that financial institutions should deeply study and implement Xi Jinping’s thought on ecological civilization, firmly establish and practice the philosophy that “lucid waters and lush mountains are invaluable assets”, and promote the high-quality development of green finance, so as to provide more powerful financial assistance for building a beautiful China.

Chen Siqing emphasized that the Bank should strengthen its role, firmly adhere to the financial purpose of serving the real economy, and increase financial support with a focus on the national requirement for green and low-carbon socioeconomic development. Additionally, the Bank should strengthen innovation-driven development, meet national requirements through every possible financial means, focus on the low-carbon transformation and promote the innovation of financial products and services, and develop more comprehensive service plans for green finance. Moreover, the Bank should be constantly mindful of worst-case scenarios, coordinate the development and carbon emission reduction, holistic and regional development, and short-term and medium- to long-term development, ensure the safety of food, energy resources, and important industrial chains and supply chains while promoting the low-carbon transformation of investment and financing, and take a path to safe and low-carbon development, thereby contributing to the steady promotion of the carbon peak and carbon neutrality cause. The Bank should also strengthen open cooperation, promote global services while focusing on domestic development, deepen international exchanges and cooperation in sustainable financial concepts, green financial standards and other aspects, and advance mutual alignment and recognition of rules and standards, thereby gathering strength for the development of green finance.

Chen Siqing said that ICBC regards the promotion of the high-quality development of green finance as an integral part of adhering to the financial development path with Chinese characteristics and serving China’s modernization. Additionally, ICBC has been an active advocate and practitioner of green credit standards and responsible investment principles. Looking ahead, ICBC will continue to strengthen the cooperation with all parties to further play the important role of green finance in promoting green development and helping to achieve the goals of “carbon peak and carbon neutrality”, and make new and greater contributions to promoting the Chinese path to modernization characterized by harmonious coexistence between people and nature and building a clean and beautiful world!

## Liao Lin: Develop green finance to improve the quality and efficiency of serving “carbon peak and carbon neutrality”



In February 2022, Liao Lin, Vice Chairman and President of the Bank, published a signed article in *China Finance*.

The article described a new economic landscape brought by carbon peak and carbon neutrality. From the perspective of supply end, the green transformation of the industrial structure has accelerated; from the perspective of demand end, green consumption has become a new social trend; from the perspective of finance, green standards have been integrated into the whole process of management.

The article pointed out that finance is an important force to achieve the goals of “carbon peak and carbon neutrality”, and green finance is an important part of the modern financial system, which plays a key role in serving the green transformation and helping to achieve carbon peak and carbon neutrality. At present, China’s green finance has developed rapidly. The green financial service system has been initially established, the scale of green credit and green bonds has ranked among the top in the world, and a number of important achievements have been made in policy standards, financial instruments and international cooperation. The Bank has played an important role in pollution and carbon reduction.

The article put forward opinions and suggestions on improving the quality and efficiency of serving the goals of “carbon peak and carbon neutrality” with financial services from the aspects of improving the strategic positioning of green finance, clarifying the path of green finance transformation, enriching the supply of green finance, preventing the risks of green finance transformation, improving the infrastructure of green finance, and promoting the global cooperation of green finance.

The article put it that ICBC would cooperate with global financial peers to continuously contribute financial wisdom and strength to promoting carbon peak and carbon neutrality.



## Column: Directors' deep participation in green finance

### ESG-related training

During the reporting period, directors of the Bank continuously improved their duty performance capabilities and joined in the special training programs such as green finance and ESG organized by the regulatory authorities and the Bank, participated in the ESG special training programs organized by the Listed Companies Association of Beijing and profoundly studied issues related to ESG governance by listed companies.

### Survey

Directors of the Bank actively conducted survey concerning green finance on departments of the Bank, branches, and affiliated institutions to gain a deep understanding of the Bank's green finance development and put forward constructive opinions and suggestions on the high-quality development of green finance.

### Research

During the reporting period, directors of the Bank conducted special research themed on the green finance of large commercial banks. In the research, directors of the Bank systematically sorted out the practices and explorations made by large commercial banks in building policy systems for green finance, enriching green finance product systems, conducting forward-looking research on green finance, participating in international cooperation on green finance, exploring the Bank's own green and low-carbon transformation, and disclosing information on green finance. By drawing on excellent practices concerning green finance, they provided references from such perspectives as industries, policies, and practices for large commercial banks to achieve sound development of green finance.



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## Board of Supervisors

During the reporting period, the Board of Supervisors effectively performed its supervisory duties, and actively played its supervisory role in corporate governance supervision, providing support and guarantee for the Bank's compliant operation and prudent development.

The Board of Supervisors paid much attention to the implementation of the national economic and financial policies and regulatory requirements by the Board of Directors and Senior Management, and focused on the important tasks of "stability on six key fronts", "security in six key areas", common prosperity, rural revitalization and technological innovation. Moreover, it urged the Bank to increase the fund support in key areas with a focus on serving major national strategies, supporting and serving the real economy, preventing and mitigating financial risks, and advancing inclusive finance and green finance for the achievement of goals of carbon peak and carbon neutrality. Additionally, the Board of Supervisors made simultaneous arrangements to support the Bank in serving major national development strategies and transforming business development, so as to improve the quality and efficiency of the development of modern financial services with Chinese characteristics.

### Hold meetings of the Board of Supervisors in a standardized and efficient manner

During the reporting period, the Board of Supervisors held six meetings, at which 19 proposals such as the annual report of the Bank and its abstract and social responsibility (ESG) report were deliberated, 19 work reports such as the business conditions of the Bank, the external audit reports and the implementation of the Bank's strategic plans in 2021 were heard, and 35 special reports such as the annual risk management report were reviewed. Besides, it put forward suggestions around the implementation of the green finance strategy, supervised and promoted the healthy and orderly development of the Group's green finance.

### Strengthen routine supervision over performance of duties

Through attending relevant meetings of the Board of Directors and Senior Management as non-voting attendees, reading documents, accessing data, hearing review reports, and conducting special research and routine supervision over the performance of duties, the Board of Supervisors continuously supervised the Board of Directors, relevant special committees, and Senior Management, as well as their members, over their duty performance in promoting green finance, helping achieve the goals of "carbon peak and carbon neutrality", improving ESG management, and strengthening climate risk management.

### Assess the execution of strategic plans and information disclosure policies

In the process of supervision, the Board of Supervisors continuously paid attention to the planning, formulation, and execution of the Bank's development strategies for the "14th Five-Year Plan" period, the meetings of the Green Finance (ESG and Sustainable Finance) Committee, the annual report of the Bank, the social responsibility (ESG) report, the ESG semi-annual special report, the green finance special report (TCFD) report and the information disclosure. Meanwhile, it assessed the scientificity, rationality and effectiveness of the development strategy, supervised the authenticity, accuracy and completeness of relevant information disclosure, as well as the implementation of information disclosure policies, and then formulated relevant assessment opinions.

### Conduct a special analysis of the supervision over carbon neutrality work

The Board of Supervisors paid attention to the Bank's implementation of the Party's and the country's decision and arrangement in "carbon peak and carbon neutrality", systematically streamlined the Bank's work achievements in strengthening the "carbon peak and carbon neutrality" work arrangement in terms of governance structure, clarifying the Bank's key tasks in "carbon peak and carbon neutrality", and taking measures for major tasks. Benchmarking itself against the practice of domestic and foreign peers and from the perspective of corporate governance supervision, the Board of Supervisors put forward four supervision suggestions, including strengthening the top-level design at the strategic level and accelerating the progress of its own carbon neutrality work, which were approved by the Senior Management and adopted in the carbon neutrality operation and management, thus promoting the Bank to accelerate the pace of carbon neutrality.

## Senior Management

It is responsible for implementing the resolutions made by the Board of Directors and its special committees on social responsibilities (ESG) and leading and coordinating the work related to social responsibilities (ESG) within the framework of objectives. Through the Green Finance (ESG and Sustainable Finance) Committee, the Senior Management promoted the implementation of the goals of carbon peak and carbon neutrality, coordinated and promoted the development of green finance business of all business lines and institutions of the Group, promoted green and low-carbon transformation, and continuously improved the Group's climate risk management level.

### Green Finance (ESG and Sustainable Finance) Committee

The Bank established the Green Finance Committee at the Management of the Head Office in 2020. In 2022, the Head Office set up the Green Finance (ESG and Sustainable Finance) Committee, issued the *Working Regulations for the Green Finance (ESG and Sustainable Finance) Committee (Version 2022)*, added the functions of ESG and sustainable finance to the original Green Finance Committee, divided the relevant committee departments and set up two secretariats according to the functions of green finance, ESG and sustainable finance, and clarified the organization of the committee, job responsibilities and rules. The secretariat related to green finance functions is set up in the Credit and Investment Management Department, and the secretariat related to ESG and sustainable finance functions is set up in the Corporate Strategy and Investor Relations Department. The two secretariats are respectively responsible for the routine organization and coordination of the relevant functions of the Committee.

#### Its specific responsibilities

Implementing the Group's strategy and goals of green finance (ESG and sustainable finance), coordinating the work of all institutions and all lines in the field of green finance (ESG and sustainable finance), and guiding the whole Bank's green finance (ESG and sustainable finance) development and business management as an auxiliary decision-making institution that leads and coordinates green finance and ESG-related work for the Senior Management. All tier-one (directly managed) branches have established the Green Finance (ESG and Sustainable Finance) Committee by referring to that of the Head Office to promote green finance within their jurisdiction in a comprehensive and coordinated manner.

### Column: The Green Finance (ESG and Sustainable Finance) Committee held four special meetings during the reporting period

**The first meeting:** On June 17, 2022, the Committee reviewed the *Green Guidelines for Investment and Financing of ICBC (Trial)*, summarized the recent progress of the Bank's asset end and its own work on "carbon peak and carbon neutrality", analyzed the situation and problems faced by the development of "carbon peak and carbon neutrality" of the Bank, and arranged next key tasks.

**The second meeting:** On August 24, 2022, the Committee reviewed *2022 Interim Special Report on Corporate Social Responsibility (ESG and Sustainable Finance) of Industrial and Commercial Bank of China Limited*, and arranged the key work on ESG and sustainable finance in the H2 of 2022.

**The third meeting:** On October 27, 2022, the Committee reviewed the *Report on Implementation of the Relevant Requirements of the Guidelines for Green Finance of the Banking and Insurance Industries Issued by China Banking and Insurance Regulatory Commission*, heard the reports on the promotion of green finance of the Bank's two subsidiaries, ICBC Investment and ICBC-AXA, and arranged the key work to promote the high-quality development of green finance in the next step.

**The fourth meeting:** On December 15, 2022, the Committee reviewed the *Basic Provisions for Corporate Social Responsibility (ESG and Sustainable Finance)* and the *Management Measures for Information Disclosure of Social Responsibility (ESG and Sustainable Finance)*, and heard the report on the upgrading of the Bank's MSCI ESG rating.

## Work promotion mechanism

The Bank has established a green finance work promotion mechanism under the overall leadership of the Board of Directors and Senior Management, led by the Credit and Investment Management Department, coordinated by other relevant departments, and implemented by domestic and overseas branches.

### Steering Group for Carbon Peak and Carbon Neutrality

Main responsibilities: Comprehensively leading the Bank's work on carbon peak and carbon neutrality and organizing the formulation and study of the Bank's development plans and major issues on carbon peak and carbon neutrality.

### Executive Committee of the Senior Management

It mainly heard the reports on the progress of green finance, including the results of green finance in relevant business lines, the situation and problems faced by green finance, and the next work plan.

### Normalized communication mechanism with investors

During the reporting period, the Management of the Bank led a team to hold over **30** special meetings on green finance and ESG with domestic and foreign institutional investors around the world, providing global investors with a full picture of the Bank's practices and achievements in green finance, ESG and climate change response, and responding honestly and professionally to concerns of various stakeholders. Investors fully recognized the Bank's efforts and achievements in implementing the green and low-carbon philosophy.

During the reporting period, among the questions raised by investors through results briefings, investor meetings and online channels, the questions regarding carbon neutrality, green finance, ESG strategy, climate risk management and ESG information disclosure accounted for about **22**%.

### Green finance research and coordination mechanism

The Bank attached great importance to and actively promoted green finance research, and focused on the role of research in supporting decision-making and serving business development. A research system has been established, with the Modern Finance Research Institute (Office for Deepening Reform) as the research leader and the resource integration department of the think tank, to scientifically coordinate the research resources of the Bank, and to coordinate and share the research forces of the Bank. It focuses on the national goals of "carbon peak and carbon neutrality" and the key hot issues of green finance to carry out normalized research, thereby supporting and serving the development of the Bank's green finance business.





## Green financial business training mechanism

### During the reporting period

the Bank carried out **173** sessions of green finance business training for the Bank in various ways, including face-to-face training, online training, video training, morning training, pre-shift and post-shift training, with approximately **49,000** participants, achieving good training results.

### Launching theme courses and transmitting the green development philosophy

In the 31 sessions of the Bank's special training course on the spirit of the 20th CPC National Congress, excellent teachers were invited to teach the theme course of "advancing green development to promote the harmonious coexistence between people and nature", further promoting the transmission and implementation of green development and harmonious coexistence throughout the Bank.

### Focusing on low-carbon transformation and paying attention to the interpretation of relevant strategies

With online and offline methods, the 252 sessions of training courses for various business lines were added with "carbon peak and carbon neutrality to speed up low-carbon transformation", "green office and low-carbon travel", "carbon peak and carbon neutrality & green finance" and other relevant courses, to unify the perception of the Bank and continue to convey the development philosophy of low-carbon transformation and green finance under the new situation.

### Creating high-quality courses and strengthening the development of training resources

With respect to green finance, the Bank developed 12 sets of teaching materials, including the *Work Manual for Green Finance* and the *Work Manual for Bank Support for High-quality Development of the Manufacturing Industry*, as well as 27 pieces of course materials such as the *Role of Green Finance in Promoting Carbon Peak and Carbon Neutrality* and the *Introduction to Green and Low-carbon Development*.

## Promote the building of green financial franchise system

The Bank actively promoted the building of green financial franchise system, encouraged all domestic branches to innovate and establish green financial franchise institutions according to their own characteristics, optimized exclusive services for green finance, equipped green financial professionals, and improved the special assessment mechanism of green finance. Domestic institutions at all levels implemented the green finance, ESG and sustainable development philosophy in accordance with the spirit of the CPC Central Committee, laws, regulations, and regulatory requirements. Overseas institutions implemented it in accordance with local standards and regulatory requirements.

## Column: The Bank got the highest MSCI rating in China

The Senior Management of the Bank attached great importance to and guided the ESG work, and the relevant departments and institutions of the Head Office made every effort in the field of ESG-related communication and disclosure, and made joint efforts of the Group to successfully enhance the ESG rating of MSCI for consecutive years. In November 2022, MSCI upgraded the Bank's annual ESG rating to A, the highest rating of domestic commercial banks. Specifically, the impact of financing on the environment and other issues had been significantly improved. The Bank was also the only bank that has achieved rating improvement for two consecutive years.

# Part II

## Strategy

In the process of business development, the Bank has always adhered to integrating economic responsibility with social responsibility, attached greater importance to the development of green finance and support for ecological civilization in the Group's development plan, made clear that "the Bank will lead the way in practicing green development" in China. Additionally, the Bank has promoted the "building of green finance and ESG system" as a specific measure in order to continuously accelerate the innovative development of green finance and constantly improve the Bank's services for the development of ecological civilization.

Becoming a green bank with good international reputation.

**Strategic goal**

**Business philosophy**

Serving the real economy with green finance.

## Planning

During the reporting period, the Bank issued its strategic development plan for the 14th Five-Year Plan period. According to the development plan, by closely centering on the national arrangement for the 14th Five-Year Plan and the long-range objectives of 2035, the Bank based itself on the new development stage, implemented the new development philosophy, and served new development paradigm, carried out the strategic pattern of “leveraging our strengths, tackling areas of weaknesses and solidifying the foundation”, so as to consider the overall development and security of the Bank, and pro-actively serve major national development strategies. Thus, the Bank has enhanced the adaptation, competitiveness, and inclusiveness of a modern financial system, built a world-class modern financial enterprise with Chinese characteristics in an all-round way, and striven to open up a new prospect of a stronger, superior, and larger ICBC with high-quality development.

The Bank kept developing action measures in the fields of green finance, inclusive finance (rural revitalization and people’s livelihood security), and financial technological empowerment in accordance with the sustainable development goals and requirements set out in the *2030 Agenda for Sustainable Development* and the *Principles for Responsible Banking* of the United Nations, and practiced the sustainable development philosophy.



<b>Mission</b>	The Bank puts forward the mission of “adapting to the times, staying ahead of competitors and benefiting the public”, emphasizes the need to comply with the new trend of energy revolution, clean production and circular economy, accelerate the innovative development of green finance, and improve the services for ecological civilization.
<b>Strategic framework</b>	Focus on the objectives, path and tools of the green finance system development, refine the green and low-carbon financial service system for regions, products, customers and industries to make centralized arrangements, and make clear that “the Bank will lead the way in practicing green development” in China.
<b>Strategic focus</b>	Create a low-carbon, green sustainable financial service system by means of Fintech and management of financial elements; build a big data platform for environmental risk information and continuously improve ESG risk management.
<b>Strategic actions</b>	<p>Align with the UN sustainable development goals, innovate ESG green rating and index research, explore quantitative evaluation methods and tools of green development of enterprises and establish a cutting-edge system of green finance research.</p> <p>Under the framework of <i>Paris Agreement</i>, build a big data platform for environmental risk information, improve and align the statistical classification standards of green investment and financing, establish a scientific, comprehensive and systematic evaluation mechanism for green financial development, and take the initiative in strengthening ESG information disclosure and climate-related investment and financing information disclosure.</p> <p>Support green life, cleaner production and ecological restoration, increase ecological and environment management in the Yangtze River and Yellow River basins, optimize the core structure of green credit for regions, products, customers and industries, significantly increase the proportion of green loans and cement the leading position in green finance, to continuously improve the environmental quality and improve the quality and stability of the ecosystem.</p> <p>Strengthen marine ecological protection and develop marine economy, and support the building of a marine power.</p> <p>Vigorously develop financial instruments such as green bonds, green stock index, green development fund, green wealth management, green insurance and carbon finance to realize economic transition and upgrading and sustainable development of financial services.</p>

## Specific objectives

To implement the Group’s “14th Five-Year Plan” development strategy, implement the *Opinions on Further Strengthening Green Finance Development*, and strive to create new advantages of green finance. To achieve a leading size and good quality of green loans, and seek to lead peers in total green investment and financing; set qualitative objectives and requirements on the organizational structure for green finance, policies and procedures, ability to prevent and control environment and climate-related risks in investment and financing and participation in the formulation of green financial standards.



## Column: Continuously promote carbon peak and carbon neutrality

During the reporting period, under the overall arrangement and promotion of the Steering Group for Carbon Peak and Carbon Neutrality with Chairman Chen Siqing as the group leader, President Liao Lin as the deputy group leader, and each Senior Executive Vice President as the group member, the Bank implemented the work plan for “carbon peak and carbon neutrality” and the medium and long-term optimization strategy of investment and financing structure, continuously promoting the work on “carbon peak and carbon neutrality” to go further.

### Supporting the establishment of national carbon market

- In accordance with the *Opinions on Improving the Business Layout of Financial Services in the Carbon Market*, the Bank focused on the supporting role of green finance in serving the establishment of the carbon market, provided financial services in the national carbon market, and comprehensively connected with the development of the national carbon market registration and settlement system. The Head Office and branches jointly developed a comprehensive financial service plan for the main body of the national carbon market operation, the China Registration and Settlement System of Carbon Emission Right, and completed the connection and joint testing with the System; strengthened the financial services for carbon asset companies, and actively marketed the newly established carbon asset management companies of key power groups, based on which, the Bank also explored the comprehensive financial services in the carbon asset field of the whole group.

### Carrying out carbon financial product innovation

- During the reporting period, the Bank successfully issued the first carbon neutrality green financial bond of the domestic commercial bank that totaled RMB10 billion, which was the first green bond in China to quote the new version of the EU-China *Common Ground Taxonomy*, which conformed to the global mainstream green bond standards. It was a benchmark product in the domestic green bond market.

In the past two years, two issues of global multi-currency overseas green bonds themed “carbon neutrality” were issued, setting the largest scale of green bond issuance by Chinese issuers. The Bank was among the first on the market to carry out underwriting and investment of carbon neutrality bonds.

The Bank severed as the lead underwriter of the first green car loan asset-backed securities in China.

ICBC Wealth Management created and released the CSI ICBC Wealth Management “carbon neutrality” asset allocation index. Tianjin Branch, Zhejiang Branch and other branches processed the pledged loans of carbon emission rights centered around the carbon market pilot. Zhejiang Huzhou Branch accelerated the building of a green financial service system with “carbon emission reduction” as the core.

## Actively advancing the implementation of carbon emission reduction support tools

On the basis of the *Notice on the Work Related to Proper Use of Carbon Emission Reduction Support Tools* previously issued, the *Notice on Further Improving the Declaration of Carbon Reduction Supporting Tools* was issued in 2022, further clarifying the relevant requirements for the declaration of carbon emission reduction support tools.

Since the launch of carbon emission reduction support tools, the Bank has granted RMB **104,512 million** of carbon emission reduction loans to a total of **846** projects

With a weighted average interest rate of **3.49%** Reducing the annual emission of **24,622,600** tons of carbon dioxide equivalent

## Strengthening the research on the realization path of carbon peak and carbon neutrality, and raising suggestions on relevant investment and financing strategies of the Bank

The Bank completed and issued the *Report on the Long and Medium-term Strategy for Improvement of Investment and Financing Structure under the Goals of “Carbon Peak and Carbon Neutrality”*. The report takes the carbon peak and carbon neutrality into consideration in the research of industry investment and financing policies and customer selection, and implements the “basket by basket” strategy for investment and financing to continuously promote the green and low-carbon transformation of investment and financing structure, and strengthen the innovation of green financial products and services. The report guides the Bank to increase the financing for green and low-carbon industries, reasonably control funding in high-carbon industries, and prudently prevent structural financing risks.



## Column: Green Bank brand building

In November 2022, the Bank formally released its green finance brand - “**ICBC Green Bank+**” at the fifth China International Import Expo. It indicates that the Bank will strive to play the role of green finance vanguard and financial strength to better protect lucid waters and lush mountains by providing more assistance and cooperation.



### One is asset-related green finance.

The Bank will comprehensively promote green and low-carbon transformation, product innovation and risk management, serve the goals of “carbon peak and carbon neutrality”, and effectively play the role of pioneer and leader in green finance.

### Specifically, “Green Bank” mainly consists of two parts



The other is green operation of the Bank. The Bank will steadily advance the green and low-carbon transformation of its own operations, improve its environmental performance, study and formulate its goals of “carbon peak and carbon neutrality” and implementation roadmap, and guide the Bank’s energy conservation, efficiency improvement and green operations.

### “+” has four meanings

#### “Home”

It means green finance experts, elites and masters, who will make the earth more beautiful.

#### “Plus”

It means refueling.

#### “Integration”

It means harmony, sharing and integration.

#### “More”

It means looking farther and doing more for better.

Based on the Bank’s leading advantages in green financial credit scale, product type, governance system, data management, risk control, its own work on carbon peak and carbon neutrality, international cooperation and innovation achievements, the Brand actively advocated the philosophy of “harmony, mutual integration and friendship”, gave full play to the role of a green finance vanguard in providing professional, comprehensive and forward-looking financial support for green development, so as to achieve the goal of “More Green Contributions for More Beautiful Home”.

# Part III

## Policies and Procedures

Focusing on the national double-carbon goals, the Bank assisted in implementing China's development strategy of ecological civilization, furthered the establishment of green financial system and mechanism, and introduced various green financial policies and procedures. It improved the green classification management of investment and financing of domestic and foreign institutions, and deepened the management of green credit throughout the process. The Bank optimized the green finance assessment mechanism, strengthened the statistical management of green finance, and constantly fortified the foundation for green finance development.



## Domestic industrial investment and financing policies and special policies

Annual industrial investment and financing policies and relevant special policies were introduced to implement green classification management, support the development of green industries and the green transformation of traditional industries, actively promote the green adjustment of investment and financing structure and effectively control ESG risks of investment and financing.



### Implementing the *Guidelines for Green Finance of the Banking and Insurance Industries*

In alignment with the *Guidelines for Green Finance of the Banking and Insurance Industries* issued by the CBIRC, the Bank formulated measures to promote its green finance work, and made overall arrangements for deploying the tasks of all departments and branches. The *Notice on Relevant Issues of Implementation of the Guidelines for Green Finance of the Banking and Insurance Industries* put forward seven key tasks of improving green finance in the next step.

#### Seven key tasks

- Strengthening the capacity building of environmental, social and governance (ESG) risk management, building ESG requirements into the enterprise risk management system, and carrying out full-process risk management
- Furthering the green and low-carbon adjustment of the investment and financing structure, orderly reducing the carbon footprint of its own operation, and steadily advancing carbon peak and carbon neutrality
- Actively exploring and optimizing the Bank's green financial system and mechanism according to policy requirements
- Actively leveraging scientific and technological means to improve green financial services
- Reinforcing green financial building of overseas investment and financing
- Fortifying the responsibilities of entities at all levels to ensure that the Bank's green finance building meets regulatory requirements
- Keeping close communication with the government and regulatory authorities



### Implementing the *Administrative Measures for Lawfully Disclosure of Corporate Environmental Information* issued by the Ministry of Ecology and Environment

In alignment with the *Administrative Measures for Lawfully Disclosure of Corporate Environmental Information* issued by the Ministry of Ecology and Environment, the Bank regulated the disclosure of corporate environmental information according to law, and disclosed the basic corporate information, corporate environmental management information and carbon emission information of the Bank in accordance with law. As to its operations, the Bank built and put into operation a statistics system of carbon footprint management data to collect and disclose its own carbon emissions data in the past three years.

### Issuing the 2022 Industry Investment and Financing Policy

It is an investment and financing policy covering nearly 50 industries of 16 segments, which comprehensively highlights the “green” orientation and continuously strengthening the differentiated policy support and control. It adopts differentiated management measures such as economic capital occupation, authorization, pricing and scale. The indicators, including enterprise technology, environmental protection and energy consumption, are embedded in the selection of customers and projects in key industries. The Bank made great efforts to support the development of green, low-carbon and circular economy, and positioned key areas such as clean energy, green transportation, energy conservation and environmental protection as industries of aggressive entry or moderate entry.

### Issuing the Green Guide to Investment and Financing of Industrial and Commercial Bank of China (Trial)

Focusing on green development, the Guide takes ESG risk prevention and control as the basic starting point, and provides rich operation guidance for preventing and controlling ESG risk of investment and financing. The Bank strengthened effective and targeted ESG risk prevention and control through key points of ESG risk identification, minimum access standards, excellent standards, and green investment areas. The ESG risk that the Guide focuses on includes, but is not limited to, environmental pollution prevention, energy conservation, response to climate change and carbon emission control, water resource conservation and flood prevention and control, biodiversity and ecological protection, safe production and occupational health, cultural relics protection, corporate governance and business owner behavior.

In addition to general requirements, the Bank should also strengthen the differentiated management of environmental, social and governance risks for 10 specific industries, i.e., thermal power, coal, steel, nonferrous metal, chemicals, building materials, papermaking, agriculture (including forestry), shipping and port, with reference to the green guide to investment and financing of the industry.

### Strengthening credit approval support for green finance

The *Opinions on Improving the Quality and Efficiency of Credit Approval to Support Steady Credit Growth* was issued to establish green approval channels for major and emergency investment and financing in green finance and other fields, and give priority to acceptance and review of such business. The Bank supported the transformation and upgrading of traditional manufacturing towards high-end, intelligent and green manufacturing, and helped leading enterprises grow bigger and stronger.

### Green classification management of investment and financing of domestic and overseas institutions

The *Measures for Green Classified Management of Investment and Financing of Domestic Corporate Customers (Version 2021)* was implemented. It extended green classification management to all investment and financing business, further improved the green classification standards and supporting policies for green classification management, and reinforced the process and management mechanism of green credit classification. As at the end of the reporting period, the balance of environment-friendly loans and environment-qualified loans of domestic branches accounted for 99.3% of total, achieving the goal of no less than 95% set by the Board of Directors for many years.

The Bank implemented the *Notice on the Trial Implementation of Green Classified Management of Investment and Financing of Overseas Institutions*, requesting all overseas institutions to carry out the green classification management on all investment and financing business within the scope permitted by the laws, regulations and regulatory provisions in the local countries (regions).

## Improving basic management policies on green finance

### Refining the assessment mechanism and strengthening the assessment of green finance

The Bank included green finance in the branch performance assessment index system, focusing on assessment of the proportion of green loan balance, increase of green loans, green financial products and service innovation of each institution. ESG and sustainable finance were included into assessment indicators of integrated subsidiaries of the Group.

### Strengthening differentiated credit policies and economic capital regulation

The Bank defined the leading green industries, including railway, urban rail transit and hydropower, as the industries of aggressive entry, and adopted differentiated credit policies, including reduction of economic capital occupation coefficient and matched authorization.

### Formulating annual green loan plan and providing FTP preferences

The Bank increased credit support for green development, and arranged a specific amount of green loans to ensure green industry financing. Internal fund transfer pricing (“FTP”) incentive measures were implemented for green loans.

### Enhancing the statistical management of green financing

In accordance with the *Notice on Strengthening the Management of Statistical Identification of Green Finance*, the Bank further strengthened the management of statistical identification of green investment and financing, and effectively improved the accuracy, timeliness and automation of statistics of green investment and financing. The Bank issued the *Notice on the Self-inspection of Statistical Data Management of Green Financing of the Bank* and carried out the self-inspection of statistical data management of green finance.

### Improving supplier management policies

The *Measures for Supplier Management* was adjusted according to the national and industrial regulatory requirements, adding the new national and industrial standards, energy saving and environmental protection product list and other qualification requirements in the form of appendices to provide guidance for the project regulators to prepare centralized procurement requirements and recommend centralized procurement suppliers.

### Actively practicing green procurement

In the public engagement of centralized procurement suppliers by the Head Office and the setting of qualifications for recommending centralized procurement suppliers, the Bank reviewed the measures taken by engaged and recommended suppliers to perform social responsibilities for environmental protection, energy saving, occupational health and safety, etc. and the effect in accordance with national regulatory requirements and the business needs of the Bank’s own green transformation. It also required suppliers to provide environmental management system certification, occupational health certification, product environmental sign certification, energy saving certification, social responsibility standard certification and other qualification certificates. To facilitate the Bank’s green transformation, the Head Office implemented a number of green procurement projects such as bank-wide copy paper procurement and procurement of carbon footprint inventory consulting services in 2022, and put forward requirements for the Bank’s green office supplies procurement and its own carbon footprint management optimization.

# Part IV

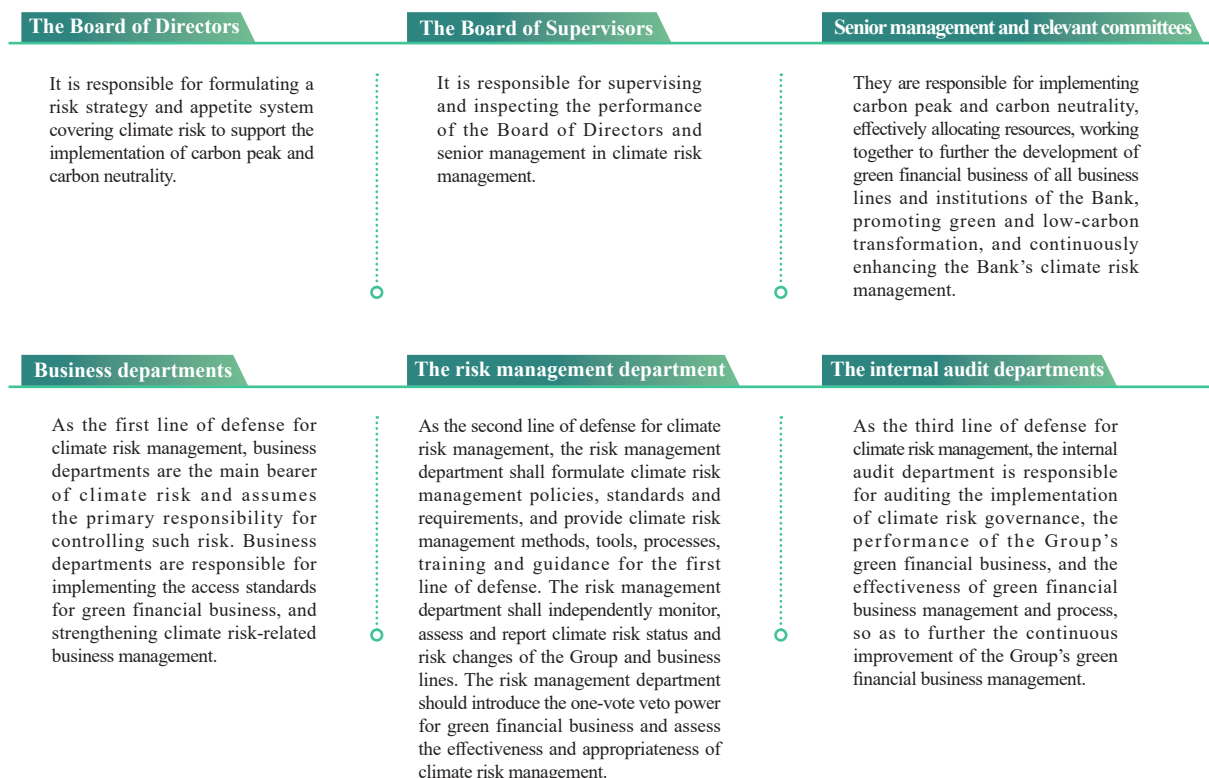
## Risk Management

The Bank incorporated climate risk into the enterprise-wide risk management framework, clarified the domestic governance structure and responsibilities of climate risk management, and formulated environmental (climate) and social risk management and control measures. It actively effectively carried out climate risk stress testing, and continuously improved the full-process management mechanism for climate risk identification, measurement, monitoring, control or mitigation, and reporting, advanced the building of climate risk database, and enhanced climate risk management capability.



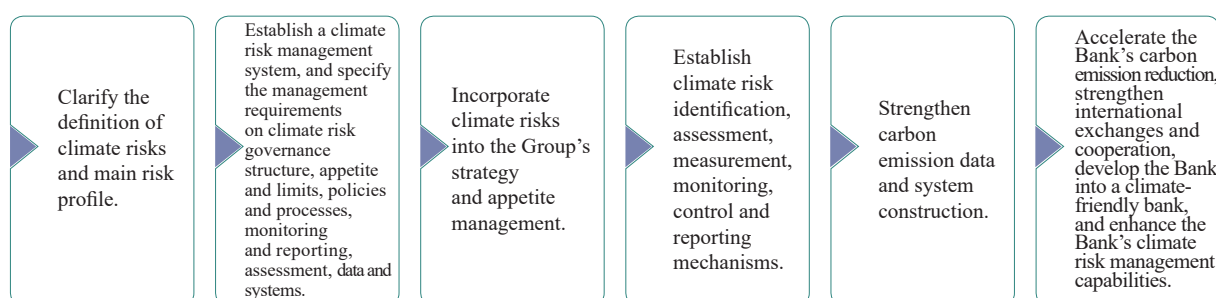
## Including climate risk in the enterprise-wide risk management

The Bank has incorporated climate risk management into the all types of risk management system. The Regulation on All Types of Risk Management (Version 2022) contains a chapter of “climate risk management”, which defines the governance framework design of domestic climate risk management and the responsibilities of the Board of Directors, the Board of Supervisors, senior management, business departments, the risk management department and the internal audit department for climate risk management.



## Comprehensively strengthening the management of domestic environmental (climate) and social risks

The relevant requirements of the climate risk management system are specified in the *Regulation on Enterprise-wide Risk Management (Version 2022)*.



## Identification and assessment of climate risks

The Bank identifies and assesses climate risks by studying and analyzing the climate factors that affect traditional risks.

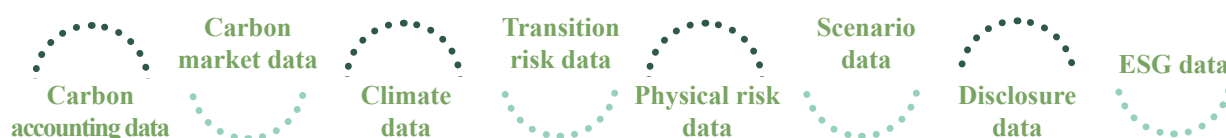


Risk type	Impact	Climate risk factors	Impact duration
Credit risk	The risk that loss is caused to banking business when the borrower or counterparty fails to meet its contractual obligations.	<ul style="list-style-type: none"> <li>Climate change results in weaker profitability or asset depreciation of the debtor</li> <li>Failure to adapt to the changes in policies, regulations and technologies has a negative impact on the obligor</li> </ul>	Medium and long terms
Market risk	The risk of loss to the Bank's on- and off-balance sheet activities caused by adverse movements in market rates (including interest rates, exchange rates, and stock prices and commodity prices).	<ul style="list-style-type: none"> <li>Asset depreciation due to climate change</li> </ul>	Medium and long terms
Liquidity risk	The risk that the Bank is unable to raise funds on a timely basis or at a reasonable cost to settle liabilities as they fall due, perform other payment obligations and satisfy other funding demands of normal business development.	<ul style="list-style-type: none"> <li>Extreme weather events lead to customers' credit overdraft or less-than-expected funds available to the Bank</li> </ul>	Medium and long terms
Operational risk	The risk of loss resulting from insufficient or problematic internal processes, employees and IT systems or from external events, including legal risk, but excluding strategic and reputational risk.	<ul style="list-style-type: none"> <li>Disruption of business activity and supply chain caused by extreme weather events and damaged facilities</li> <li>Carbon emission reduction measures add to operating costs and capital expenditures</li> <li>Failure to adapt to the changes in policies, regulations and technologies</li> </ul>	Medium term
Reputational risk	The Bank's behavior, its employees' behavior or external events lead to negative opinions on the Bank of stakeholders, the public and the media, thus damaging the brand value, adversely affecting the normal operation and even affecting market and social stability.	<ul style="list-style-type: none"> <li>Negative impact caused by insufficient support for customers hit by extreme weather</li> <li>Reputational damage due to exposure to carbon-intensive industries</li> </ul>	Short, medium and long terms

## Establishment of climate risk database

The Bank completed the establishment of a climate risk database, integrating eight types of climate risk data. The Bank regularly updated and maintained the database to support climate risk management and analysis.

### Eight types of climate risk data



## Improving the systematic control of domestic environmental, social and governance risks

The *Notice on Strengthening the Management of Customer Environmental Risk System* was issued. Through cooperation with third-party environmental data providers, the Bank took full advantage of multi-dimensional big data information of corporate environmental risk, added ESG information query and control linkage elements in the GCMS system, and supported real-time acquisition of corporate climate information in the process and automatic system risk prompt.

## Actively conducting special audit on green finance

From August to September, 2022, the Internal Audit Bureau conducted the annual special audit on green finance over four tier-one branches in Anhui, Tianjin, Jiangxi and Henan. The audit focused on the implementation effect of the Bank's green finance strategy, the effectiveness of green credit system construction and the compliance of process management. By combining off-site risk analysis with remote audit, the Bank selected 80 customers with RMB11,627 million of green credit as audit samples, and carefully audited the implementation of green finance policy, green credit business management and major risks of relevant branches. This year's green finance audit achieved good results, which played a positive role in promoting the Bank's green finance management.

## Conducting climate risk stress testing

During the reporting period, the *Report on Climate Risk Stress Testing* was completed. With reference to the technical framework of the United Nations Environment Programme (UNEP) and the Central Banks and Supervisors' Network for Greening the Financial System (NGFS), the stress tests were adjusted by taking consideration of domestic and localized factors, established the transmission models of transformation risk and physical risk. The Bank became the first bank in China to complete the climate risk stress test using international advanced technology.

The technical framework of climate risk stress test is mainly based on the stress test scenarios provided by the NGFS comprehensive assessment model, including three categories of scenarios, i.e., **orderly transition, disorderly transition and greenhouse world**. The Bank designed special stress test methods for key industries such as thermal power, steel, transportation, coal, oil and gas, described the development laws of these industries, established the transmission path between the climate risk scenario and customer operating factors, and then predicted customers' financial statements and analyze the changes in their ratings. Based on the global warming scenario, the Bank selected the forecast data of authoritative institutions, and analyzed the losses caused by physical risks according to the Bank's asset and collateral distribution in various regions.

According to the technical framework of climate risk stress testing, the Bank built and developed a **climate risk stress test system**, which supports the collection and expansion of stress test scenarios, realizes the systematic and process-based management of climate risk pressure transmission, and lays the foundation for comprehensively improving the climate risk management capability and helping attain the goals of "carbon peak and carbon neutrality".

# Part V

## Green Investment and Financing



Closely focusing on the green development strategy and needs, and fully leveraging the Group's diversified operation advantages, the Bank rendered integrated services for carbon emission reduction, pollution reduction, green expansion and growth through loans, bonds, funds, wealth management, leasing, insurance asset management and other financial products. It actively innovated green investment and financing products and services, boosted the green transformation of development modes with financial services, supported the prevention and control of environmental pollution, improved the diversity, stability and sustainability of ecosystems, and help promote carbon peak and carbon neutrality actively and steadily.



## Green Credit

### As at the end of the reporting period

The Bank recorded RMB **3,978,458**

**million** in green loans issued to energy saving and environmental protection, cleaner production, clean energy, ecological environment, green upgrading of infrastructure, green services and other green industries under the CBIRC criteria

Both ranking **first in the industry** in terms of balance and growth

The top three industries in terms of balance were **green upgrading of infrastructure, clean energy and energy saving and environmental protection**

The Bank actively supported the national strategy of energy supply security and low-carbon transformation, and made every effort to meet the reasonable financing needs of energy supply enterprises.

The Bank's balance of clean energy loans for wind power and photovoltaic power generation accounted for **37.8%** of the total loans to the power industry

In the evaluation of green banks by the China Banking Insurance Regulatory Commission and the Banking Association, the company **ranked first**

Was awarded **“Advanced Unit in the Evaluation of Green Banks”**

**“Outstanding Contribution Unit by the Professional Committee for Green Credit”**

Higher than the proportion of wind power and photovoltaic power generation in China's power structure in the same period

### ○ Emission reduction of green credit projects

Item	Unit	2020	2021	2022
Emission reduction of standard coal equivalent	10,000t	4924.74	4738.13	7048.31
Emission reduction of carbon dioxide equivalent	10,000t	8524.63	9884.69	13726.53
COD emission reduction	10,000t	281.71	28.38	35.09
Ammonia nitrogen reduction	10,000t	31.1	7.26	9.29
Emission reduction of sulfur dioxide	10,000t	2189.30	1817.13	2925.84
Emission reduction of nitrogen oxides	10,000t	1424.62	1539.46	2071.03
Water saved	10,000t	8931.02	7521.52	10842.27

## Green bond

### Issuance of green bonds

#### Overseas

So far, the Bank has issued

**8** overseas green bonds

With a total amount of

USD **17.9** billion

Won **13** international awards

in total from *The Asset*, *The Banker*, *International Financing Review*, *Environmental Finance*, Hong Kong Quality Assurance Agency (“HKQAA”), etc.

#### Within the green bond framework of the Group

On May 24, 2022, the Bank issued **global multi-currency overseas green bonds with the theme of “carbon neutrality”** via four overseas branches in Hong Kong, Singapore, London and Dubai, with a total amount of USD **2.68** billion

The bonds consist of five bonds denominated in USD, EUR, HKD and RMB

On January 11, 2023, the Bank issued **global multi-currency overseas green bonds with the theme of “carbon neutrality”** via four overseas branches in Hong Kong, Singapore, Dubai and Sydney, with a total amount of

USD **2.21** billion

The bonds consist of four green bonds denominated in USD, offshore RMB and AUD.

These bonds have obtained the “carbon neutrality” green finance bond certificate issued by Beijing Zhongcai Green Financing Consultant Ltd. and the “carbon neutrality” green and sustainable financial planning certificate issued by HKQAA. The raised funds will focus on the low-carbon field and be specially used for green projects in fields with significant carbon emission reduction effects, such as clean transportation and renewable energy.

So far, the Bank has been awarded

- ◇ The “Best Green Bond – Carbon Neutrality in 2022” by *The Asset*
- ◇ The “Outstanding Award for Green and Sustainable Bond Issuer (Global Commercial Banking Industry) – Largest Amount of Carbon Neutrality Themed Green Bonds” by HKQAA

Specifically, the USD bonds of Hong Kong Branch also won the “Outstanding Green and Sustainable Bond Issuer (Global Commercial Banking Industry) – largest Single Carbon Neutrality Themed Green Bond”

## Domestic

On June 8, 2022, the Bank successfully issued RMB10 billion of green finance bond with the theme of “carbon neutrality” in the National Interbank Bond Market. It was the first green finance bond themed as “carbon neutrality” of a domestic commercial bank recognized by the regulator. The proceeds from the issuance were effectively used and all invested in green industrial projects with significant carbon emission reductions. The carbon emission reduction of the bond was “measurable and verifiable”. The funded project is expected to reduce a large number of emissions of carbon dioxide, sulfur dioxide, nitrogen oxide and smoke and dust annually. The bond is highly consistent with international standards. It was the first green bond in China quoting the new version of the EU-China *Common Ground Taxonomy*, which conformed to the global mainstream green bond standards. It was a benchmark product in the domestic green bond market.

## Green bond investment



**The Bank actively engaged in RMB-denominated green bond investment to provide green financial support for key areas of ecological civilization.** Investment in RMB green bonds increased by **RMB 126.3 billion** during the reporting period. As at the end of the reporting period, the balance of green bonds exceeded **RMB 200 billion**, representing a year-on-year increase of over **60%**. Newly increased green bonds mainly include corporate bonds issued by a central nuclear power enterprise and a central petrochemical enterprise, as well as local government bonds issued by Shandong, Guangdong, etc., energetically driving the high-quality development of Chinese economy.



**The Bank prudently made investment in foreign currency green bonds, and steadily improved its market influence.** During the reporting period, investment in foreign currency green bonds rose by **USD416 million**, with a year-end balance of **USD932 million**, up **44%** year on year. Specifically, investment in green finance bonds issued by Chinese-funded issuers amounted to **USD183 million**, with a year-end balance of **USD472 million**, which were mainly the bonds issued by Chinese-funded financial institutions such as Bank of China and China Construction Bank, and the bonds of some central and Chinese-invested power enterprises.



## Green bond trading



**The Bank deeply participated in green bond market making trading, and steadily expanded the scale of green bond trading.** During the reporting period, the Head Office's trading book completed green bond investment trading of **RMB17,509 million** in the primary and secondary markets, representing an increase of **46%** year on year. The Bank actively performed its duty of market makers to steadily strengthen the capacity and quality of market making and quotation for green bonds, leading the market by number of quoted bonds and quotation spread.

**The Bank continuously enhanced the capability of over-the-counter sales of green bonds, and effectively fostered the public awareness of responsible investment.** The Bank actively assisted issuers in distributing green bonds through over-the-counter channels, and successfully distributed **RMB150 million** of green finance bonds of the Agricultural Development Bank of China during the reporting period. Through extensive publicity to customers during the distribution period, the Bank helped expand the social effect of green finance.



**Leveraging on its overseas network and cross-border collaboration, the Bank effectively served green bond investment trading of overseas institutional investors.** The Bank actively promoted and guided foreign investors to invest in domestic green bonds through the CIBM Direct and Bond Connect channels, making positive contributions to high-level opening-up of the green bond market.

### Case

#### **The Bank successfully launched third-party foreign currency repo transactions with green bonds as collateral**

Through China Foreign Exchange Trade System, the Bank successfully entered into USD10 million of three-party foreign currency repo transactions collateralized by green bonds, making it one of the financial institutions which first completed such transactions on the first day the service was launched. It further enriched the Bank's foreign currency liquidity management means, and consolidated its leading position in domestic foreign exchange money market.



## Green bond underwriting

### During the reporting period

As a lead underwriter, the Bank underwrote

**108** ESG bonds

Covering green bonds, sustainable development linked bonds and social responsibility bonds.

Among the total proceeds of

RMB **578,170 million**.

RMB **145,713 million**

was underwritten by the Bank.

Specifically, the Bank, as a lead underwriter, underwrote

**67** green bonds accumulatively,

with total proceeds of RMB **224,840 million**.

of which RMB **56,338 million** was underwritten

by the Bank as a lead underwriter.

All the proceeds were invested in the fields such as **clean energy and green development**, effectively supporting green economic development.



**The Bank successfully underwrote the largest amount of green bonds of the manufacturing industry in 2022, fueling the innovative development of new energy private enterprises.** The Bank successfully issued RMB5 billion of green medium-term notes on behalf of a new energy enterprise, the highest among all green bonds of private enterprises in 2022 and the highest among all green medium-term notes issued by manufacturing enterprises in the same year. The Bank effectively provided green financial services for advanced manufacturing enterprises and spared no effort to boost the high-quality development of manufacturing industry.



**The Bank successfully underwrote China's first carbon emission right green asset-backed bond in an effort to actively assist in clean and efficient utilization of coal.** The Bank, as a lead underwriter, underwrote the country's first carbon emission right green asset-backed bond. The bond is a new financing instrument based on the value of carbon assets and guaranteed by carbon emission rights, with an issuance amount of RMB130 million. The funds raised from the bond will be used for the steam turbine unit retrofitting project of a thermal power group. After the project is completed and put into operation, it is estimated that 80 thousand tons of standard coal will be saved and 210 thousand tons of carbon dioxide emissions will be reduced throughout the year, thus abating the impact on the atmospheric environment quality in the locality of the project and surrounding areas. It will bring good environmental and social benefits.



**The Bank successfully underwrote China's first green automobile loan asset-backed securities in free trade zone.** The Bank successfully issued China's first green personal automobile mortgage asset-backed securities in free trade zone, with an amount of RMB1 billion. The raised funds were all used as personal mortgage loans for new energy automobile, so as to help the organic integration of manufacturing finance and green finance. It plays an exemplary role in the whole society.

## Column: Cases of investment banking business

### The Bank actively cooperated with the National Green Development Fund



#### Participating in the preparation of the National Green Development Fund

The Bank actively participated in the preparation of National Green Development Fund Co., Ltd. (the “Fund Company”). The Fund Company has a total scale of RMB88.5 billion, of which the Bank plans to subscribe RMB8 billion. The Bank holds 9.04% of shares in the Fund Company. The Bank paid RMB 800 million and RMB 1 billion share capital in 2021 and 2022 respectively.



#### Actively developing business coordination and cooperation relationships

The Bank held some ten project promotion meetings with the Fund Company and provided a total of **more than 60** project investment clues to the Fund Company. As at the end of the reporting period, some of those projects had been launched. The cooperation effectively helped the Bank and the Fund Company complement each other’s advantages and strengthened the Bank’s support to green and low-carbon industries.

### Beijing Branch takes the lead in providing a M&A loan syndicate in the water treatment industry

In the first quarter of 2022, Beijing Branch handled M&A syndicate business for a central state-owned enterprise in the construction industry to acquire a listed environmental protection company. The total scale of the syndicate is **RMB3.866 billion**, of which the Bank provided **RMB1.866 billion** loans. The target company is a leading water treatment company in China and has great technological strength. It can complement the buyer in resource and technology, creating relatively strong synergistic effect. Supporting the M&A transaction in the water treatment industry in the form of a M&A loan is in line with the Bank’s policy orientation of supporting green finance and the environmental protection industry. It has typical and exemplary significance.



## Green investment and financing practice of integrated subsidiaries

### Green fund: ICBC Credit Suisse Asset Management

**Farsighted push for green development funds.** ICBC Credit Suisse Asset Management issued 14 funds focusing on ecological environment, new energy, ESG and carbon neutrality, covering actively managed products and passively managed products in terms of investment methods. These funds mainly include new energy vehicle hybrid fund, ecological environment industry equity fund, new material and new energy industry equity fund, beautiful town-themed equity fund and CSI 180 ESG ETF. It is a fund company that took the lead in the industry to engage in products in the field of sustainable development.

#### Case

#### Successfully issued a carbon neutrality-themed ETF product

On July 13, 2022, ICBC Credit Suisse Asset Management successfully issued a carbon neutrality-themed ETF product. It is one of the eight products first approved and issued by the industry to track the SSEE Carbon Neutrality Index. The product has a good investment capacity in terms of market value and a wide range of industry coverage, objectively reflecting the overall performance of enterprises that make a great contribution to carbon neutrality in Shanghai and Shenzhen stock markets. Carbon neutrality ETF will become an important tool to drive sustainable investment practices and help achieve the strategic goal of carbon neutrality.

#### The size of green fund products continued to expand.

##### Active equity fund

As at the end of the reporting period, the size of ICBCCS New Materials and New Energy Fund, ICBCCS Ecological and Environmental Industry Fund and ICBCCS New Energy Vehicle Fund kept expanding, increasing to RMB1,646 million, RMB3,401 million and RMB5,704 million respectively over the end of the previous year. The three funds have performed well, with an annualized return of 4.57%, 10.09% and 31.12% respectively since their inception. Their excess return compared to CSI 300 Index was 7.46%, 13.69% and 26.56% respectively, creating long-term stable returns for investors.



##### Passive quantitative fund

As an ESG-themed fund, ICBC Credit Suisse CSI 180 ESG ETF was the first ETF fund with the investment theme of ESG in the industry, which was issued in 2021. The target index it tracks - CSI 180 ESG Index, is an ESG stock index developed by the Modern Finance Research Institute (Office for Deepening Reform) in cooperation with China Securities Index Co., Ltd. The fund outperformed the benchmark in 2022.

## Green leasing: ICBC Leasing

ICBC Financial Leasing Co., Ltd., a wholly-owned subsidiary of the Bank, kept improving its investment and financing structure, and specially strengthened service support for clean energy, green shipping, energy conservation and environmental protection and other green industries. It optimized business structure, and comprehensively utilized the “leasing + loan” model to satisfy the diversified financing needs of enterprises and improve its own green financial services.

### As at the end of the reporting period

The balance of the company’s green leasing business (under the CBIRC’s criteria) was about

RMB **43,603 million**

An increase of RMB **1,758 million** compared with the end of the previous year

Green leasing accounted for about **40%** of the company’s total domestic financial leasing balance

According to the types of green industries, of the balance of green lease,

**green transportation accounted for 66.94%**

**Construction and operation of clean energy facilities accounted for 28.39%**

**Pollution control and manufacturing of green transportation equipment, facilities and products accounted for 4.67%**

### Case

#### Supporting a French shipping company’s dual-fuel container ship project

In 2020, ICBC Leasing granted a USD630 million financing lease for a French shipping company’s five new container ships, two of which were oil and natural gas dual-fuel powered ships. This ship type can reduce 25% of carbon dioxide emissions, 99% of sulfur dioxide emissions, 99% of particulate matter emissions and 85% of nitrogen oxide emissions compared with the same type of heavy oil-fueled ships in the market. The ships increased its Energy Efficiency Design Index (“EEDI”) by 20%, taking into account environmental protection and economic effectiveness.

The first dual-fuel ship of the project was delivered at Shanghai Jiangnan Changxing Shipyard in the first half of 2022. It is the first time LNG fuel propulsion mode has been applied to such container ships, which is of pioneering significance and a financial means to enhance the manufacturing capacity of Chinese shipyards.

### Case

#### Continuing to promote the development of wind power industry

During the reporting period, ICBC Leasing completed the leaseback of no more than RMB500 million of a company’s wind power assets, and had granted loans of RMB285 million for the project accumulatively. The leased property of the project is the wind power generating units and tower tubes, which are the core assets of production and operation. The 200MW wind power project which is affiliated to the assets is one of the wind power projects of a 10-million-kilowatt wind power base in Hami. The project uses the UHV DC transmission line for “wind, light and fire bundling” long-distance power transmission. It is a part of the national demonstration project. This project is the first large-scale new energy project independently developed by the company, and also the largest single wind power project that has been connected to the grid.



## Green insurance asset management: ICBC-AXA

As the main manager of the assets of ICBC-AXA Assurance Co., Ltd., ICBC-AXA Asset Management implemented the carbon peak and carbon neutrality strategy and served the green transformation of the real economy, focusing on the application of insurance funds.

### In the field of green bonds

ICBC-AXA Asset Management supported the development of local green and low-carbon industries by investing in green bonds. As at the end of the reporting period, the balance of the company's green bond investment using ICBC-AXA Assurance's insurance funds reached RMB250 million, and the balance of green bond investment using portfolio insurance asset management products stood at RMB100 million. The proceeds from the green bonds invested by the company were used in local metro construction, helping Wuhan, Chongqing and other regions to reduce carbon dioxide emissions by more than 100 tons. Take Chongqing and Guangzhou as an example, the bonds held by the company's portfolio products could save 360 tons and 18.35 tons of standard coal annually, and reduce 760 tons and 38.39 tons of carbon dioxide emissions. Meanwhile, the company supported the construction of rural revitalization, ecological protection, green and low-carbon projects in various regions by investing in local government special bonds. As at the end of the reporting period, the balance of relevant bonds exceeded RMB30 billion, helping to promote the sustainable development of local economy.

### In other green investment fields

ICBC-AXA Asset Management has invested in the clean energy projects of State Power Investment Corporation Limited ("SPIC") and China Huadian Corporation, and the green and low-carbon energy projects such as China Minmetals Corporation's lithium battery base project. Specifically, the proceeds from the China Life Insurance – SPIC clean energy equity investment program for which the company has subscribed were used to invest in the LP shares of the SPIC carbon neutrality fund. The fund has passed the highest level (G-1) standard certification of CCXGF, making it the first green certified low-carbon industry investment fund in China. As at the end of the reporting period, the balance of the company's green investment in clean energy using ICBC-AXA Assurance's insurance fund was about RMB2.35 billion.

### Case

#### ICBC-AXA - Hainan Holdings debt investment program for hydro junction green infrastructure

On August 3, 2022, the "ICBC-AXA - Hainan Holdings debt investment program for hydro junction green infrastructure" initiated by ICBC-AXA Asset Management Co., Ltd. and under the custody of the Bank's Hainan Branch was successfully registered with the Insurance Asset Management Association of China. The issue size was RMB1.2 billion and the term was five years. By the end of the reporting period, the program had raised RMB600 million. The invested projects were the Nandu River Maiwan Water Control Project and the Beimen River Tianjiaotan Water Control Project in Hainan Province, both of which were among the 172 major water conservancy projects of the State Council, and the key projects of Hainan Province to optimize the allocation of water resources, build the flood control system, improve the ecological environment and support the development of industry and agriculture.

As the first green insurance debt investment program of ICBC-AXA Asset Management, the program complies with the *Green Bond Endorsed Projects Catalog (Version 2021)*, the *Green Industry Guidance Catalog (Version 2019)* and the *Green Bond Principles (Version 2021)*, and meets the requirements of the highest green certification standard (G-1), according to the assessment of Lianhe Equatorial Environmental Assessment Co., Ltd. In the "2022 China Insurance Ark Award Selection" sponsored by the *Securities Times*, the program won the "2022 Innovative Insurance Asset Management Product Ark Award".

## Green equity investment: ICBC Investment

ICBC Investment has given full play to its role as a major player in market-based debt-to-equity swap and focused on the national policy of deepening the supply-side structural reform and the strategy of carbon peak and carbon neutrality. It has increased support for green and low-carbon development and optimize the investment layout of green assets through market-based debt-for-equity equity investment. While serving enterprises' leverage reduction or stabilization, mixed-ownership reform and investment attraction, reorganization and integration and poverty alleviation through reform, ICBC Investment deepened coordinated supply of equity with credit loans and bonds, promoting high-quality development of the real economy.

### As at the end of the reporting period

The balance of the green finance investment stood at

RMB **46.6 billion**

Accounting for **21%**



Green finance accounted for more than **25%** of the newly increased investment in the year.

More than **83%** of the investment was made in five key regions, i.e., Beijing-Tianjin-Hebei, the Yangtze River Delta, Guangdong-Hong Kong-Macao, Chengdu-Chongqing, and central China

#### Case

#### The debt-for-equity swap project of a wind power company

A group is the largest nuclear power enterprise and the second largest clean energy enterprise in China, and its wholly-owned subsidiary, a wind power company, has sufficient reserves of wind power and photovoltaic resources. As at the end of 2020, the Group introduced strategic investors for the purpose of capital increase of the wind power company. It successfully introduced strategic investors at the end of November 2021, attracting total strategic investment of RMB30.53 billion.

ICBC Investment and relevant partners set up the largest investment consortium in the same industry as an important move to respond to the national “carbon peak and carbon neutrality” goals, boost the development of China’s energy industry, actively participate in the three-year action plan for state-owned enterprise reform, and provide support for the sustainable and high-quality development of the group’s new energy business.

#### Case

#### The debt-for-equity swap project of an automobile company

An automobile group is one of the top 10 high-quality enterprises in China’s automobile industry in terms of comprehensive strength. In 2022, the Group introduced strategic investors for investment in one of its core subsidiaries, and formally completed the introduction of strategic investors in October 2022, attracting a total investment of RMB18.3 billion.

ICBC Investment joined hands with 52 industrial investors, leading investment institutions and national and local investment institutions. The project was the largest single private equity financing in the domestic new energy vehicle industry in recent years, providing an “investment sample” for broadening the development path of new energy vehicles in China, facilitating the upgrading and development of the automobile industry, and promoting green transformation.

## Green wealth management: ICBC Wealth Management

### During the reporting period

ICBC Wealth Management comprehensively utilized various tools to satisfy diversified financing needs of enterprises and support the development of key fields of green industry. The proportion of green finance investment further increased. The Bank actively issued green finance and ESG-themed financial products to enhance its green financial service capacity. In the selection of 2022 China awards sponsored by *The Asian Banker*, CSI-ICBC Wealth Management Carbon Neutrality and Asset Allocation Index and green finance-themed wealth management products were awarded the “**Best Asset Management Product in Green and Sustainable Finance**”.

### In the field of green bond investment

ICBC Wealth Management actively invested in green corporate bonds, green financial bonds, green asset-backed securities and other green bonds. During the reporting period, it invested in green bonds of enterprises such as Three Gorges New Energy, GD Power, China Huaneng, Datang New Energy, CGN Wind Power, Sichuan Energy Industry Investment, China Energy Conservation and Environmental Protection Group, Everbright Environmental Protection, Guizhou Water Investment Group, Suzhou Natural Gas, Sany Heavy Industry and Geely Holding Group.

### In other green investment fields

During the reporting period, ICBC Wealth Management launched typical agency debt investment business related to green finance, including the construction of service infrastructure such as Hubei Communications Investment, improvement of energy efficiency of Xinjiang New Energy, and shutdown of backward production capacity of Shandong Iron and Steel. Meanwhile, it also invested in Penghua Shenzhen Energy REITs, the first clean energy infrastructure REITs in the market.

### Case

#### ICBC Wealth Management actively issued green finance and ESG wealth management products

In October, November and December 2022, three ESG-themed optimal wealth management products were successfully issued, with a total scale of RMB310 million, filling the gap of related products of ICBC Wealth Management.

**In terms of investment**, the Bank fully practiced ESG investment philosophy, actively invested in credit assets and bonds that meet ESG standards, and focused on investment opportunities of green bonds and carbon neutrality bonds. It has selected mutual funds, ETFs, preference shares and other qualified products.

**In terms of products**, all the products were fixed income products, which adopt a closed operation mode of no more than two years to provide customers with a more prudent holding experience. The three products have maintained stable operation since their establishment. The successful issuance and operation of ESG-themed optimal wealth management products has laid a solid foundation for the subsequent expansion of ICBC Wealth Management’s ESG products and better services for green finance.

## Column: Innovation practice in pilot zones for green finance reform and innovation

The pilot zones for green finance reform and innovation serve as the pioneer in green finance reform and innovation. The Bank thoroughly implemented the national strategic plan, providing persistent and strong financial support for promoting the ecological conservation and building the bridgehead of green finance in the pilot zones. The Bank issued the *Guidelines for Promoting Financial Services in the Pilot Zones for Green Finance Reform and Innovation* in 2020. The documents set forth five major tasks (namely, improving the green finance organization framework, continuously increasing investment and financing support for green industries, focusing on strengthening supporting measures, strengthening environmental and social risk management and improving the day-to-day work mechanism) and 16 specific actions, so that all institutions are able to play a better leading role in the local green finance reform and innovation.

### Zhejiang Huzhou Branch accelerated the construction of a green financial service system focusing on “carbon emission reduction”

Zhejiang Huzhou Branch, as one of the pilot institutions of green finance at the Head Office level, actively promoted the innovation of green financial products, services, business patterns and management focusing on “one thread, five mechanisms and N products”.

**One thread** – Taking the construction of “carbon neutrality” banks as the thread, refining work measures, formulating action plans, and preparing a three-year plan for the development of green finance.

**Five mechanisms** – Thoroughly implementing the “five mechanisms”.

- ◇ Improving the green financial organization mechanism. Huzhou Branch has successively set up a green financial service center and a green financial task force under the charge of the head of institution, and set up a green financial service team.
- ◇ Improving full-process green credit management mechanism. Huzhou Branch included carbon factors in the whole process of credit management, established a green credit operation system of “risk identification – classification – assessment – control – monitoring”, and took the carbon performance of investment and financing customers as an important basis for overall assessment and credit decision.
- ◇ Establishing the mechanism to forestall and defuse green financial risks. Huzhou Branch strictly implemented the one-vote veto system for environmental protection, continuously carried out environmental information disclosure, and conducted climate risk stress tests.
- ◇ Establishing a green finance results-oriented assessment mechanism. Green finance was linked for a long time with the performance of relevant departments and persons in charge.
- ◇ Establishing a green finance talent cultivation mechanism. Huzhou Branch strengthened the in-house training and promoted the green development philosophy throughout its jurisdiction.

**N products** – Expanding and enriching the green financial service system.

- ◇ Forming a “green park service program” integrating “green organic renewal loan”, “green purchase and construction loan” and “green leasing loan”.
- ◇ Developing a “green ecological rural service program” integrating “green renovation loan”, “green scenic spot loan” and “green homestay loan”.
- ◇ Launching an innovative “green common prosperity service program” including “green breeding loan”, “green seedling loan” and “green rural development loan”.
- ◇ Increasing financial support for green and environmental protection fields such as clean energy and ecological restoration.
- ◇ Launching “zero carbon loan” and carbon quota pledge financing, expanding the application of “industrial carbon efficiency code” in the financial field, developing “Carbon Benefit e Loan”, an online product, and effectively implementing “carbon footprint management”.

Besides, Zhejiang Huzhou Branch actively explored the fields such as pilot carbon accounts of key customers, the application of ESG assessment system, and the relationship between carbon sinks in bamboo forests and biodiversity conservation.



### **Jiangxi Branch actively advanced green finance development in key regions**

Jiangxi Branch issued the *Implementation Opinions of Jiangxi Branch on Supporting Green Finance Development of Ganjiang New Area Branch*, to further the comprehensive economic and social development and green and low-carbon transformation of the pilot zone, and provide replicable experience for the building of green finance in the Bank.

As at the end of the reporting period, the balance of green loans to institutions in Ganjiang New Area reached RMB3,923 million, an increase of RMB1,258 million or 47.21% over the beginning of the year. In June 2022, Ganjiang New Area Branch signed a cooperation agreement with Jiangxi Public Resources Exchange Group Co., Ltd. to achieve Ganjiang New Area Branch's carbon neutrality in May 2022 and carbon neutrality in advance from June 2022 to May 2023 by purchase of forestry carbon sink, which has been assessed and certified by Jiangxi Carbon Emissions Trading Center. Ganjiang New Area Branch has become the first branch of the Bank to achieve carbon neutrality in Jiangxi Province.

### **Xinjiang Branch played an exemplary role in pilot zones**

The balance of green loans of tier-two branches in Hami, Changji and Karamay, three pilot zones, reached RMB17,746 million at the end of the reporting period, an increase of RMB1.52 billion or 9.37% over the beginning of the year. Hami Branch focused on supporting the construction of new comprehensive energy base and the clean and efficient development and utilization of coal resources. As at the end of the reporting period, the balance of green loans was RMB10,611 million, accounting for 60% of total loans, ranking first in the industry. Changji Branch supported the key green project of Zhundong Energy Base, developed new markets such as advanced manufacturing industry, strategic emerging industries, cultural tourism industry, and funded green projects such as smart grid, clean energy, tourism, and resource recycling. As at the end of the reporting period, the balance of green loans reached RMB6,299 million, ranking first in the industry. Karamay Branch actively conducted environmental information disclosure, and released environmental information disclosure reports for 2021, the first quarter of 2022 and the first half of 2022 through the political and financial platform. The branch focused on supporting projects such as oilfield natural gas recycling, water saving facilities, and landscaping. As at the end of the reporting period, the balance of green loans reached RMB836 million.

### **Gansu Branch deepened the reform and innovation of green finance**

Gansu Branch actively participated in the brand building of the pilot zone for green finance reform and innovation in Lanzhou New Area, and participated in the formulation of green finance management documents such as the *Implementation Plan*, the *Five-year Development Plan of Green Finance*, the *Implementation Rules* and the *Green Finance Standards* of the pilot zone for green finance reform and innovation in Lanzhou New Area. The branch supported the building and launch of the "Green Finance Connect" platform, a comprehensive green financial service in Lanzhou New Area. Since the platform was launched, the branch has provided enterprises with RMB 2 billion of financing support by releasing various credit products. The branch established a regular communication mechanism with relevant government departments in Lanzhou New Area, conducted regular and irregular business connection, and provided comprehensive green financial products and services for enterprises within its jurisdiction. The branch held the "Gansu·Qilian Mountains Forum" for five consecutive times, and adhered to practice the philosophy of green development.

### Guizhou Branch actively carried out various pilot projects of green finance and innovation in Gui'an New Area

Guizhou Branch actively carried out various pilot projects of green finance reform and innovation in Gui'an New Area, focusing on green manufacturing, green transportation, big data, ecotourism and other fields in Gui'an New Area, and determined the development goal of "Two Growth, Two Higher, and Two Innovation" for green finance in Gui'an New Area.

In recent years, Guizhou Branch continued to increase the differentiated resource support for green finance in Gui'an New Area, and supported the construction of outstanding green projects in Gui'an New Area. It granted RMB4.5 billion of loans for the construction of Gui'an Road, Baima Road, Guihong Road, Qingyang Road and other sponge city roads in Gui'an New Area, and RMB900 million of project loans for the Phase II project of the standard workshop in Gui'an New Area Electronic Information Industrial Park. In the meantime, through the syndicated approach, the Bank granted loans of RMB300 million and RMB183 million for Guizhou Gui'an Hospital (Phase I) project and a company's cloud data center project in Gui'an New Area, in an effort to fully serve the "carbon peak and carbon neutrality" goals, and continuously increase support for green development.

Guizhou Branch actively pushed forward green bills re-discounting, and realized the re-discounting of green bills of RMB100 million. While providing low-cost financing for green enterprises and deepening bank-enterprise cooperation, the branch has opened up the re-discounting channel for green bills, and assisted in the targeted implementation of innovative monetary policy tools in the green field.

### Guangzhou Branch went all out to support the building of pilot zones for green finance reform

Guangzhou Branch made every effort to help Huadu Branch in Guangzhou Green Finance Reform and Innovation Pilot Zone to improve the quality and efficiency of services for green economy. During the reporting period, Guangzhou Huadu Branch recorded the balance of green loans of RMB7,094 million, an increase of RMB2,534 million or 55.6% over the beginning of the year.

Guangzhou Huadu Branch has established a leading group for green finance business development and a green finance business department, formulated green credit assessment methods, and adhered to the principles of "preferential interest rates, scale guarantee, efficient services, and complete risk control" in helping promote the development of the green credit industry in the region.

The branch actively utilized the industry-finance alignment platform to actively align all green enterprises and projects in Huadu region. For enterprises that met green standards, the branch provided preferential interest rates and green approval channels to accelerate the launch. During the reporting period, the Bank expanded the size of green credit from Guangzhou projects to national projects, focusing on the construction of the national green smart cold chain logistics demonstration base project of a cold chain company, and a new energy project.



## Practical Cases of Green Investment and Financing Innovation

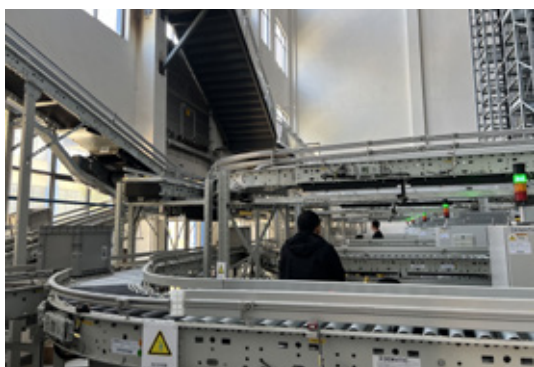
### »» Green transformation of service development mode

**Shanghai Branch promoted the construction and operation of passenger and freight railways and the energy saving and environmental protection upgrading of railways in the Yangtze River Delta region using the “headquarters-to-headquarters” mode**

Leveraging its leading role in the Yangtze River Delta and aligned with various business of Shanghai Railway Administration in the Yangtze River Delta region, Shanghai Branch actively supported “Shanghai-Suzhou-Huzhou High-speed Railway”, “Shanghai-Nantong Railway Phase I” and other newly built railway projects as well as green transformation projects such as the “Qingfu Railway Electrification Transformation”. In 2022, Shanghai Branch took the lead in completing the overall inquiry of 12 loans, winning bids of RMB8.41 billion, ranking first in the industry. In the year, railway loans increased by RMB2.45 billion, and the proportion of green loans rose to 96.69%.



**Zhejiang Jinhua Branch actively promoted carbon account finance business**



Zhejiang Jinhua Branch granted a carbon account finance project loan to a company

Jinhua city is one of the five pilot cities for carbon account finance determined by Zhejiang Provincial Government. In accordance with the *Operation Guidelines for Carbon Account Credit Business in Jinhua City* issued by the local office of the People's Bank of China, Zhejiang Jinhua Branch strengthened carbon account finance cooperation with enterprises above designated size, included carbon account finance in the whitelist of key structural indicators, and actively promoted carbon account finance business by means such as ensuring credit resources, implementing preferential interest rates and establishing green channels for green and low-carbon enterprises with reference to carbon credit reports and carbon efficiency ratings. As at the end of the reporting period, a total of RMB 281 million of carbon account finance loans had been granted.

**Qinghai Branch supported key counties to receive assistance in pursuing rural revitalization with green credits**

Qinghai Branch actively implemented the guideline for financial support for rural economic development, and granted a RMB1.5 billion green project loan for the “Huaneng Photovoltaic 500,000-kW Construction Project of Hainan 3 million-kW Base” of a company in Hainan Prefecture in line with the requirements for green finance development. The project is located in Gonghe County (a key county of China to receive assistance) at the northeast edge of the Qinghai-Tibet Plateau (its east gateway) and to the south of Qinghai Lake. The terrain is mainly comprised of plateau mountains, with an average altitude of 2,460 meters, and there is plenty of sunlight throughout the territory.

The project loan greatly helped Qinghai give full play to its comparative advantages of local resources, and effectively promoted the spatial gathering of social resources through infrastructure construction of clean energy, resource recycling, natural ecological protection and other fields in the counties of the state to receive assistance. The project played a positive role in absorbing the labor force of the counties to receive assistance, and improving local employment and industrial structure. It deepened the national rural revitalization strategy and local green sustainable development, and achieved significant environmental, economic, and social benefits.



Qinghai Branch supported key counties to receive assistance in pursuing rural revitalization with green credits

### Tianjin Branch supported the construction of “salt-solar complementary” power generation project

Through innovative service models, Tianjin Branch took the lead in providing RMB2.5 billion of financing support for a group’s 1,000MW “salt-solar complementary” centralized photovoltaic power generation project in Tianjin Binhai New Area. So far, a total of RMB843 million of upfront loans have been granted for the project.

The project adopted the “salt-solar complementary” mode. While not affecting the normal production of Changlu Haijing Salt Field, the project fully utilized the water surface of about 24 thousand mu salt field to build photovoltaic arrays, with an installed capacity of 1GW and a design life of 25 years. The project is expected to save about 540 thousand tons of standard coal for power generation, and reduce the emissions of about 1.36 million tons of greenhouse gas and nearly 700 tons of atmospheric pollution gas annually. The project is of great significance to the building of a local clean and low-carbon energy system and alleviation of structural contradictions between energy supply and demand.



Newly built 1,000MW “salt-solar complementary” centralized photovoltaic power generation project in Binhai New Area, Tianjin

### Hunan Yueyang Branch supported fishery-photovoltaic complementary power generation project

Hunan Yueyang Branch increased support for green and environmental protection projects and actively participated in the syndicated project for the “Tuoxihu Phase I 100 MW fishery-photovoltaic complementary power generation in Huarong County of Yueyang” of a company. By the end of the reporting period, Yueyang Branch had granted a total loan of RMB158 million for the project. The project is a photovoltaic power plant adopting the “photovoltaic + fishery” development model and combining aquaculture and photovoltaic power generation. It installs photovoltaic modules on fishponds, and conducts aquaculture in the waters below the modules, forming a new power generation model of “generating electricity while raising fish”. The project was the first 220KV outgoing photovoltaic power plant in Hunan Province, with an average annual power generation of about 120 million kWh. The project can save about 52 thousand tons of standard coal and reduce emissions of about 101,200 tons of greenhouse gases annually. The project can alleviate the power supply contradiction of the local power grid, increase the proportion of renewable energy in the energy structure, and is of great significance to improving the local energy system and boosting local economic development.



Tuoxihu Phase I 100 MW fishery-photovoltaic complementary power generation project in Huarong County, Yueyang

### Chongqing Branch supported intelligent manufacturing projects of manufacturers of major lightweight automobile parts

Lightweighting of automobile can effectively reduce vehicle oil consumption, and “replacing steel with plastics” is an effective way to achieve the lightweight automobile development. The application of plastic parts in automobile will become increasingly widespread. A company in Chongqing focused on providing downstream automotive assemblies comprising over 2,000 specifications, which are mainly made of polymer materials such as nylon. The project has strong technical strength and good development prospects.

In order to meet the company’s fund demand for the construction of intelligent manufacturing projects, Chongqing Branch optimized the review and approval process, and innovated mortgage guarantee methods. The branch successively granted a project credit of RMB50 million and an unsecured credit of RMB70 million for the company, strongly supporting the development of green manufacturing.





## Supporting environmental pollution prevention and control

### Xinjiang Branch provided financial support for Dujuan River regulation PPP project for the sake of urban environmental improvement

Dujuan River regulation PPP project, located in Dujuan River (Phase IV) of Korla, is mainly intended to improve the Dujuan River course and its surrounding ecological environment, and implement greening, lighting, fitness and wetland park programs. As a key livelihood project in Korla City, the project is of great significance for improving the service functions of infrastructure in Korla.

Xinjiang Branch granted a loan of RMB300 million for the project, with a balance of RMB245 million as at the end of the reporting period. The loan was used to help Korla City innovate the water resource utilization mode, and regulate the river course in line with the domestic wastewater treatment and recycling project. The city will build urban wetlands along the Dujuan River, form a new green ecological development corridor, and comprehensively improve the ecological environment of 11.9 kilometers of the Dujuan River and 3,600 mu of surrounding land. It is an ideal place of leisure and entertainment for citizens, with significant environmental and social benefits.



Dujuan River after regulation

### Specific asset-backed financing project of Suzhou Branch for sewage treatment

A sewage treatment company in Suzhou is mainly responsible for the collection and treatment of sewage from all water jet looms in Taoyuan Town. The treated reclaimed water is fully recycled to achieve zero sewage discharge. Pledged by the right to charge sewage treatment fee on the “49-thousand-ton wastewater recycling” project that has been completed and put into operation by the enterprise, Suzhou Branch designed a specific asset-backed financing project loan with



Specific asset-backed financing project for sewage treatment of a company in the Yangtze River Delta demonstration area in Suzhou

a term of 25 years for the company. The innovative model granted RMB450 million of specific asset-backed financing project loan accumulatively for the company, which was used to replace all its outstanding working capital loans. After its implementation, the project will play a good role in improving the water quality and protecting the environment of the water system in Taoyuan Town, with significant environmental, social and potential economic benefits. The branch has declared green financial innovation product of financial institutions in Suzhou for the project as a key featured project of ICBC.

### Henan Xinyang Branch supported the Huaihe River diversion and water supply & irrigation project in the old revolutionary areas in Dabie Mountains

Henan Xinyang Branch actively implemented the rural revitalization strategy and green development strategy of the central government, and approved a loan of RMB1.6 billion for a company’s “PPP project of Huaihe River diversion and water supply & irrigation project in the Dabie Mountains old revolutionary areas of Henan Province”. Of the loan, RMB140 million has been granted.

This project, as a “Xixian Hub”, is a large backbone water source project on the Xinyang section of the Huaihe River, with a storage capacity of 120 million cubic meters. It can provide 62 million cubic meters of water for farmland irrigation annually, thus significantly improving the regional drought resistance and disaster reduction capacity. It can also increase irrigation area by 357 thousand mu and annual grain output by 93.5 million kilograms. With an annual irrigation benefit of RMB107 million, the project will benefit 227,500 people and increase annual income per capita by RMB471 in irrigation areas. The project not only can achieve high grain output and increase farmers’ income in irrigation areas, but also will provide important support for the successful fulfillment of grain output tasks in Xixian County and Huaibin County. It is of great significance for ensuring national food security.

Apart from irrigation, the project will also provide stable and reliable surface water sources for the use of urban domestic water in Xixian County and Huangchuan County, with an average annual water supply of 103 million cubic meters and a probability of water supply of 95%. It can ensure the safety of urban water use, and benefit 1.03 million people. Using Huaihe River water to replace groundwater as urban domestic water in the two counties can not only ensure the safety of water use for residents, but also recharge groundwater along the Huaihe River and in the urban areas of Xixian County. It will significantly improve the regional water ecological environment.



Huaihe River diversion and water supply & irrigation project in the old revolutionary areas in Dabie Mountains



### Shenzhen Branch successfully launched the first digital supply chain financing in the environmental protection industry

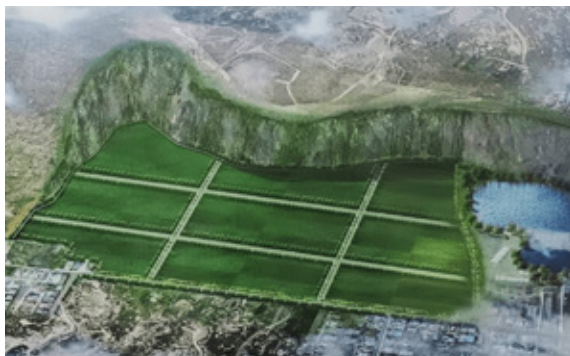
Shenzhen Branch successfully launched the first digital supply chain financing for a group company. The company is a leading enterprise in comprehensive waste and leachate treatment in China and a major domestic manufacturer of waste treatment equipment. Relying on cutting-edge technologies such as blockchain and ICBC e Credit digital supply chain products, Shenzhen Branch worked with multiple entities such as core enterprises and chain enterprises in the green industry chain to rapidly transmit high-quality credit of core enterprises to the “nerve endings” of multi-level upstream suppliers, provided convenient and efficient financing services for small and medium-sized suppliers at all ends of the chain, improved the financing efficiency of small and medium-sized enterprises, reduced financing costs, realized the integration of industry and finance, and assisted in the operation and development of environmental protection industry.



Shenzhen Branch successfully launched the first digital supply chain financing in the environmental protection industry

### Anhui Branch supported barren mountain control project

Anhui Branch actively explored and supported a barren mountain control and construction project to increase the effective amount of cultivated land, and became a pioneer and leader of green finance in the field. The branch designed a customized financing plan for the “Chengjiangshan comprehensive land consolidation project in Duji District” of a construction and investment company in Anhui, and has granted a total loan of RMB193 million for the project.



Chengjiangshan comprehensive land consolidation project in Duji District

After completion of the project, 290 thousand square meters of land was consolidated and leveled, 435 mu of agricultural land was consolidated, and 25.4 thousand square meters of roads were built. Furthermore, farmland water conservancy projects and farmland protection and ecological environment protection projects were constructed. The project can effectively improve the ecological environment, promote the saving and rational and efficient use of land resources, and enhance the comprehensive carrying capacity of land resources.

### Xiamen Branch supported the waste incineration power plant project

The Phase II project of the Eastern Waste Incineration Power Plant carried out by a company in Xiamen City started operation in October 2020. Currently, the project disposed of an average of 45.5 thousand tons of garbage and generated on-grid electricity of 18.65 million kWh monthly. The project will effectively alleviate the pressure of living garbage disposal brought about by the population growth in Xiamen City. Xiamen Branch granted a project loan of RMB200 million with a term of no more than 15 years. The loan can be unsecured, and upon completion of the project, the proceeds from the project will be used as pledge for the project loan.

After the project is completed and put into operation, it can incinerate 547.5 thousand tons of domestic waste, generate about 250 million kWh of electricity, save about 100 thousand tons of standard coal, and reduce about 180 thousand tons of carbon dioxide emissions annually.



The plant of Phase II project of the Eastern Waste Incineration Power Plant in Xiamen

## » Helping to improve the diversity, stability and sustainability of ecosystem

### Guangdong Branch granted the first loan pledged with expected right to earnings on marine carbon sink

Nan'ao County, Shantou, Guangdong Province, has rich marine resources and a good foundation for the marine aquaculture industry. Nan'ao oysters are one of the main specialties of Nan'ao County. During the growth of oysters, they can immobilize and synthesize carbon dioxide in water bodies into oyster shells and soft tissues, thereby reducing greenhouse gas concentrations.

Guangdong Branch assessed the carbon sink that can be generated by the oysters raised by a marine farmer in Nan'ao County, used the expected realizable right to earnings on carbon sink as pledge with reference to market prices, and registered and announced the pledge through the unified movable property financing registration and announcement system of the Credit Reference Center of the People's Bank of China. In September 2022, it took the lead among all financial institutions in the province to successfully grant a loan pledged with the expected to earnings on marine carbon sink, amounting to RMB500 thousand. It was also the first loan pledged with the expected right to earnings on marine carbon sink in the Bank, revitalized the carbon sink ecological products in the ocean, and blazed a new path for the realization of the value of marine carbon sink products in the province through financial support.



Guangdong Branch granted the first loan pledged with expected right to earnings on marine carbon sink

### Jiangsu Branch supported modern marine ranch project

A company's modern marine ranch project (Phase I) is located in Binhai County, Yancheng City, Jiangsu Province, with a total investment of RMB408.9 million. The project will build a multi-functional comprehensive platform for marine ranching, artificial fish reefs, and other ancillary facilities, and purchase supporting vessels and aircraft. The project has been included in the list of major agricultural and rural projects in Jiangsu Province, aiming to establish the "first national marine ranch demonstration area" in Yancheng and the "first land-sea integrated marine ranch demonstration area" in Jiangsu Province.

Jiangsu Branch actively contacted the project implementation entity, developed a customized financing plan for customers, efficiently approved a loan of RMB280 million for the project and initially granted RMB150 million. The successful implementation of the project indicates that Jiangsu Branch has achieved new progress in providing financial support for high-quality development of the coastal economy of the province.



A marine ranch project in Binhai County, Yancheng City

### Sichuan Branch supported biodiversity conservation in Wawu Mountain

The Wawu Mountain comprehensive tourist project is located in Wawu Mountain National Park, and Sichuan Branch approved a loan of RMB1 billion for the project. In credit investment, the branch not only paid attention to the key points of project financing, but also closely followed the impact of the project on the surrounding ecological environment and biodiversity in consideration of the particularity of the project. Currently, the Wawu Mountain comprehensive tourist project has been basically completed and been home to a variety of rare animals and plants, perfectly combining tourist development and biodiversity conservation and harmonizing human with nature.



Wawu Mountain National Park in Sichuan

### Fujian Sanming Branch supported the construction of carbon sink forest

A forestry company in Fujian, as a leading forestry enterprise in China, has largest certified stock of timber forests in the collective forest regions of southern China. The construction site of the company's carbon sink forest project is rich in forest resources, with over 1,000 species of plants in the county where the company is located, and 539 species of wild plants belonging to 127 families have been identified.

Fujian Sanming Branch, relying on the rich local forest resources and the government's supporting policies and measures for forest reform, launched a carbon sink forest reserve loan secured by the ownership and use rights of trees and the predictable receivables from carbon sink after completion of the project, and granted a cumulative project loan of RMB100 million to the company's "150 thousand mu carbon sink forest construction project". It is expected that the completion of the project will gradually increase the forestry carbon sink volume, enhance the forestry carbon sink capacity and ecological service functions, and further protect the plant diversity of the region.



Fujian Branch supported a forestry enterprise's 150 thousand mu carbon sink forest construction project

### Guangxi Branch supported the construction of a national wetland park project



Beihai National Coastal Wetland Park

Beihai National Coastal Wetland Park is the only national wetland park in Guangxi. The wetland treatment project of the park includes eight major projects, including source control and pollution interception, endogenous pollution treatment, the Daguansha reclaimed water plant and water refill pipes, water conservancy and river channel, ecological restoration, sponge city, landscape project and smart water system. As the project leader, Guangxi Branch granted a total of RMB903 million loans for the project during the reporting period. Currently, the project has been basically completed and selected as a typical case of ecological restoration with Chinese characteristics. The complex wetland ecosystem composed of multiple wetland types breeds a rich and diverse variety of wetland organisms, and has become an urban park with clusters of egrets and blooming flowers, forming a new pattern of harmony between human and nature.

### Dalian Branch supported medical aid, protection research, and popular science education related to marine animals

A local company in Dalian is engaged in marine animal rescue, breeding research, and science popularization. Its marine park is a featured park that integrates marine animal protection, marine life exhibition, and marine popular science education. With a variety of rare animals, the company once assisted in rescuing harbor seals as a major member of a wild animal rescue organization.

Relying on the Bank's various technical channels and platforms such as acquiring system and electronic banking, Dalian Branch provided diversified financial services, especially the specific asset charging rights-backed loans, to meet the daily operations, capital and other needs of the enterprise, support the development of its marine park, assist the enterprise in carrying out marine life protection, and accelerate the development of regional environmental protection and green finance.



Dalian Branch supported medical aid, protection research, and popular science education related to marine animals



## » Supporting energy system construction under the goals of carbon peak and carbon neutrality

### ICBC successfully launched first project loan for carbon capture, utilization and storage (“CCUS”)

In October 2022, the Bank’s first CCUS project loan, which is also the first refinancing in the field of carbon emission reduction technology declared by the Bank to the People’s Bank of China, debuted successfully in Shandong. RMB190 million will be granted in the early stage for the construction of a petrochemical company’s “1-million ton-per year carbon dioxide recycling project”.



A petrochemical company’s 1-million ton-per year carbon dioxide recycling project

The project is the first million ton-level CCUS project in China and it is also the largest CCUS entire industry chain demonstration base and model project in China. The project used cryogenic and compression technology to capture and purify the carbon dioxide generated in the production process. Through green and low-carbon transportation methods, the carbon dioxide was transported to the oilfield and then injected into the oil well so as to increase the mobility of the in-place oil, improve the oil recovery ratio and extend the life of the oil well. Meanwhile, carbon dioxide can be stored underground by replacing oil and gas, dissolving and mineralizing. When completed, the project is expected to store 1 million tons of carbon dioxide annually, and increase the output of 2,965,000 tons of crude oil in the next 15 years.

### Beijing Branch assisted a wind power project in successfully issuing the largest blue bond in the market

The blue bond is an innovative debt financing tool and one of the subcategories of green bonds. All the funds raised from the bond will be invested in the sustainable marine economy, and play an important role in promoting marine protection and sustainable utilization of marine resources. As the lead underwriter and book runner, the Bank successfully underwrote RMB2 billion of blue bond for a company.



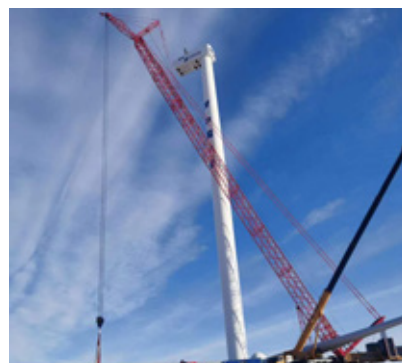
Beijing Branch assisted a wind power company in successfully issuing the largest blue bond in the market

The bond has been the largest single issue of blue bonds in the market since the launch of such bonds in 2020. The funds raised from the blue bond will be used to support an offshore wind power project. According to evaluation and calculation, compared with coal-fired power plants of the same thermal power generation capacity, the offshore wind power project can reduce carbon dioxide by 777,700 tons per year in terms of environmental benefits. The funds raised from the green medium-term note are expected to reduce 274,500 tons of carbon dioxide emissions annually. Meanwhile, it is expected to save 126 thousand tons of standard coal and reduce 42.24 tons of sulfur dioxide emissions annually, achieving significant environmental benefits.

### Inner Mongolia Branch supported a million-kilowatt wind power base project

A million-kilowatt wind power base project is located in Xilingol League in the central Inner Mongolia Autonomous Region. Inner Mongolia Branch has completed the approval of a total loan of RMB 4.5 billion to the project’s capital needs throughout the whole project cycle.

The project has a total installed capacity of 1,100MW, pioneering in the use of existing thermal power transmission channels to regulate the peak load of wind power, so as to meet the demand for clean energy in the Beijing-Tianjin-Hebei region. It plays an exemplary role.



Inner Mongolia Branch supported a million-kilowatt wind power base project

### Shanxi Branch supported an affordable on-grid photovoltaic power generation project

During the reporting period, Shanxi Datong Branch successfully granted a loan of RMB667 million for a photovoltaic power generation project in Hunyuan County. The loan was unsecured. After completion of the project, the loan will be secured by the charging right of the project. The loan has a term of 15 years. It was the largest single project loan granted to the new energy industry in the province in recent years.



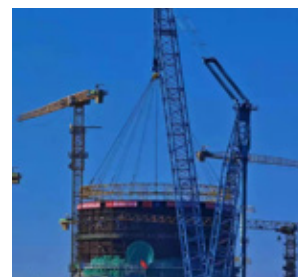
An affordable on-grid photovoltaic power generation project in Hunyuan, Shanxi

As a key project for energy saving and emission reduction and green development in Datong City, the project will help Datong accelerate the transformation from a traditional coal power and energy base to new types of green energy sources such as solar energy. The project has an annual power generation capacity of 192,164 thousand kWh. It can save 58,600 tons of standard coal, reduce emissions of 159,900 tons of carbon dioxide, 30.75 tons of sulfur dioxide and 34.4 tons of nitrogen oxide. The project helps integrate resources to achieve intensive development, reduce peak load of electricity, save and optimize investment in distribution networks, and guide residents to pursue green energy consumption.

### Liaoning Branch supported the construction of a nuclear power project

Currently, the initial project loan of RMB5 billion for the first phase of a nuclear power project has been approved by Liaoning Branch, laying a solid foundation for distributing the loan for Phase I nuclear power project.

The planned capacity of the nuclear power project is six million-kilowatt pressurized water reactor nuclear power units, which will be constructed in three phases. The three phases of the project are expected to save about 180 million tons of standard coal and reduce carbon dioxide emissions by about 69 million tons annually.



Liaoning Branch supported the construction of a nuclear power project

### Hebei Branch organized the first syndicated loan for the pumped storage power plant project of a private enterprise



A Hebei-based private enterprise's pumped storage power generation station project

As of March 2023, Hebei Branch has granted RMB1.45 billion of the external syndicated loan for a private enterprise of pumped storage power generation it approved earlier. The total loan amount for the project does not exceed RMB7.6 billion, and the Bank, as the lead arranger and the correspondent bank, undertook to grant 45% of the syndicated loan for the construction of a pumped storage power plant project. It was the first time that a financial institution in Hebei Province granted a syndicated loan for a pumped storage power plant project of a private enterprise, and plays an exemplary role.

### Ningbo Branch supported a distributed photovoltaic power generation project

A technology company, as the first listed company mainly engaged in string inverter manufacturing in the world, has developed into one of the new energy equipment research, development and production enterprises with certain technical influence which stay ahead of global peers. In recent years, the company made efforts to expand and build household distributed photovoltaic power plants in Shandong, Henan, Hebei, and other places in light of national policies.

Ningbo Branch developed a customized financing plan, and completed 48 project financing transactions for the enterprise during the reporting period, with an approved amount of RMB773 million. At the same time, the branch used big data technology to customize the income sweeping path. It developed a post-review evaluation model for household power plant projects, achieved real-time collection, cleansing and matching analysis of batch data, and solved post-lending management challenges.



A distributed photovoltaic power generation project built by a company in Ningbo



## ➤➤➤ Actively supporting global green and sustainable development

### ▶ The Macao-based institutions innovated in green financing service solutions

The Macao-based institutions continued to follow up on major projects implemented by Macao SAR Government to promote green and low carbon transition such as replacement with environmentally-friendly buses. In February 2022, the Macao-based institutions signed an agreement on strategic cooperation in green finance and financing for the new energy bus project of Sociedade de Transportes Colectivos de Macau, S.A. (TCM) with a central state-owned group in Macao, under which the institutions supported the group's bus company putting into service nearly 400 new energy buses. It is of great and profound significance to promoting the building of Macao into a low carbon, smart city and creating a better life for its citizens.



TCM New Energy Bus Project in Macao

### ▶ ICBC (New Zealand) supported green upgrading of local infrastructure

During the reporting period, ICBC (New Zealand), as the only Chinese-funded bank, successfully participated in and prepared a local syndicated loan totaling NZD450 million, which provided funds for the construction of the inland port project invested by the large Maori tribe in North Island, New Zealand. As a major municipal project of Waikato, New Zealand, the project will have profound influence on the regional development after it is completed. By upgrading infrastructure, it can improve the efficiency of local logistics. In design, the project has followed the green, sustainable development philosophy. After it is completed, it is expected to help reduce long-distance transportation by 65,000 trips every year, cut carbon dioxide emissions by 600 tons, and create 12,000 local jobs, demonstrating remarkable social benefits. So far, the project has been going smoothly and its sequential key nodes have been achieved on schedule. The project is highly praised by the New Zealand government and the Maori tribe.



### ▶ Karachi Branch provided financial service solutions for a corridor clean energy project

On December 31, 2021, Karachi Branch participated in a syndicated loan for a hydropower plant project in Azad Pattan, with a total financing amount of USD1,155 million. The branch continued to jointly promote the project financing with the syndicate, providing the Pattan project with comprehensive financial services such as letter of guarantee, foreign exchange collection and payment, and payroll payment agency services.

After it is completed, this project is expected to drive the development of local transportation, building materials, and hydropower related industries, increase employment opportunities and local fiscal revenue, improve the living standards of local people, and drive local economic and social development. When completed and put into operation, the project will supply power to Pakistan's power grids, thus alleviating the power shortage in Pakistan. Compared with the gas-fired thermal power alternative, Pattan hydropower plant can save 860 million cubic meters of gas worth about USD2.6 billion a year.



Rendering of the Azad Pattan hydropower station project in Pakistan

### Yangon Branch supported a gas power plant project in Kyauk Phyu, Myanmar

The gas power plant project is located in Kyauk Phyu Town, Rakhine, west Myanmar. It is a key project initiated by the Ministry of Electricity and Energy (“MOEE”) of Myanmar, aiming at alleviating power shortage in Kyauk Phyu region. During the reporting period, Yangon Branch provided USD10.81 million in foreign exchange settlement for the construction and operation enterprise of the project, with a settlement amount of USD28.45 million in the same year. Meanwhile, it cooperated with a local bank in Myanmar to issue loans totaling USD9 million for the enterprise.

The gas-steam combined cycle power generation technology used in this project is a clean power generation method, with extremely low content of smoke and dust, sulfur dioxide and nitrogen oxides in the exhaust gas. The gas and steam combined cycle power generation sets used in the project has an efficiency of about 19 percentage points higher than that of a single cycle gas turbine unit and about 12 percentage points higher than that of an internal combustion engine unit, saving a large amount of natural gas fuel.



A gas power plant project in Kyauk Phyu, Myanmar

### Frankfurt Branch supported the electric transition and development of the German auto industry

To realize the goals of carbon peak and carbon neutrality faster, the global auto industry has sped up electric transition and upgrading. The three major auto groups in Germany are planning to introduce the goal of “carbon neutrality” into their standby syndicates and strive to realize carbon neutrality through the entire value chain in 5~10 years. In August 2022, the branch received a modification application from an auto group for including EUR11 billion standby syndicated loan in ESG indicator terms. The group will include two indicators, namely, exhaust emissions of its stock passenger cars in EU countries and percentage of global sales of new electric cars of its brands, into the standby syndicate contract as ESG goals. After the modification contract is signed, the branch’s total participation of EUR328 million in the syndicated loan will be converted into an ESG linked standby syndicated loan. In November 2022, the branch received a letter of intent from another group to update its standby syndicate and introduce ESG indicators in 2023. The branch plans to support the group’s efforts to organize an ESG linked standby syndicated loan.

### ICBC (Brasil) and Panama Branch jointly supported through cross-border coordination the construction of a wind power project of a group’s subsidiary in Brazil



A wind power project in Brazil

During the reporting period, ICBC (Brasil) and Panama Branch, through cross-border coordination, successfully provided equipment procurement financing, totaling USD42 million, to a group’s subsidiary in Brazil for its in-process greenfield wind power project, and realized the first drawdown. Located in Bahia State, Brazil, the project is the third wind farm of the subsidiary in the state. After it is completed, it is expected to generate 800 million kWh annually and provide green energy to 320,000 households in the surroundings.

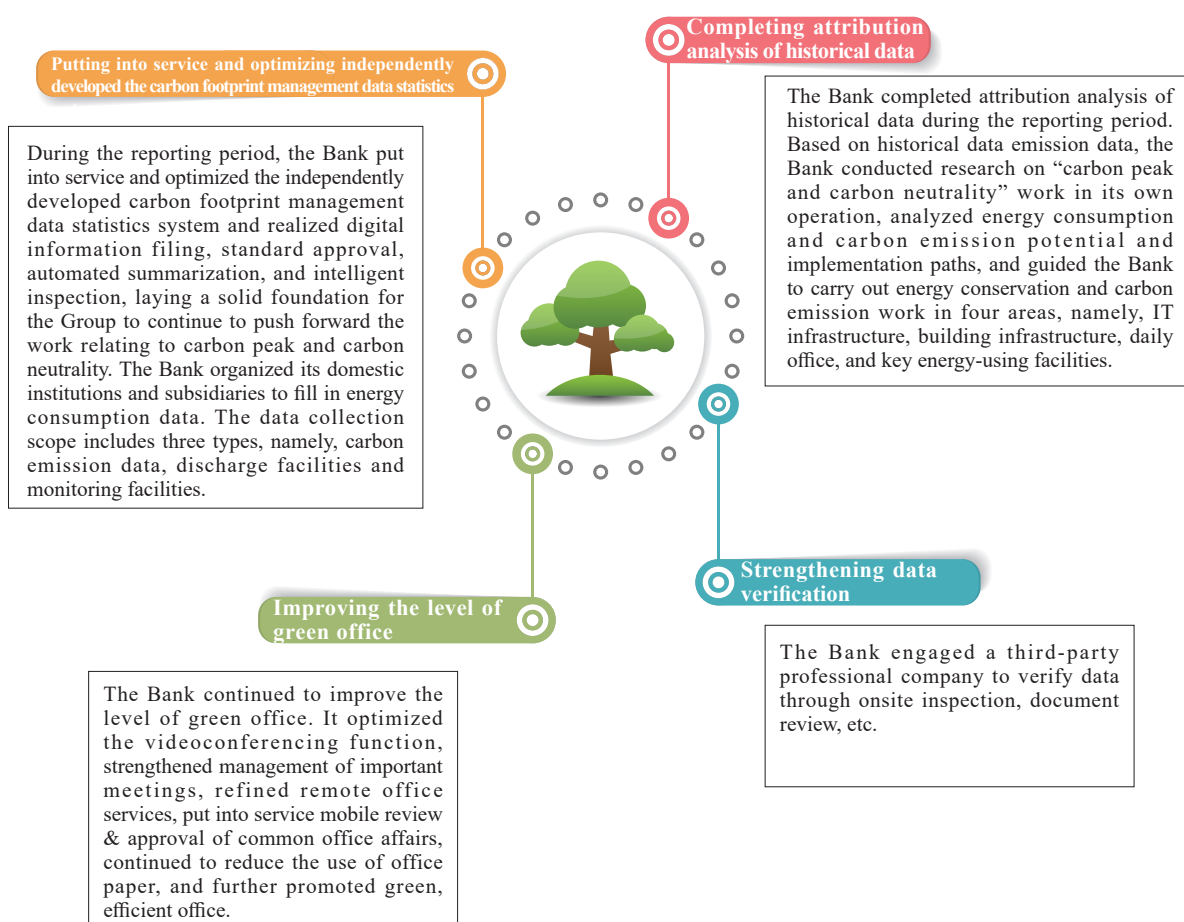
# Part VI

## Low-carbon Operation at ICBC

The Bank has actively responded to the goals of carbon peak and carbon neutrality. While promoting energy conservation, emission reduction and green operation with advanced technology, the Bank has kept exploring innovative green service models, actively pushed for construction of low-carbon outlets, and promoted the building of a “Green Bank”.

## Energy conservation and emission reduction

### Major progress of carbon peak and carbon neutrality work in the Bank's own operation



### “Online” “paperless” office

Aspired to promote green development, advocate green and low-carbon practices and build a green bank, the Bank advocated “paperless” office across ICBC, encouraged all institutions of ICBC to actively promote green office, promoted paperless office, and enriched the content of office informatization.

By holding paperless meetings online, the Bank saved about

**19 million sheets**

or about **98 tons** of paper

The office platform and the mobile office platform handled a total of

**5.2 billion** paperless business transactions,

which saved about **27,000 tons** of paper



## Column: Building green data centers to support the realization of the carbon peak and carbon neutrality goals

The data centers of the Bank actively responded to the national goals of carbon peak and carbon neutrality and devoted itself to establishing the building and operating standards system of green data centers. It actively made planning for data centers and pushed for the building of green data centers, and promoted the deployment and implementation of new technologies for green and low carbon development, to support the realization of the national goals of carbon peak and carbon neutrality.

### Saving energy and increasing efficiency of equipment

The machine room in the Waigaoqiao industrial park successfully completed the technological upgrading projects of replacing high-frequency UPS and fluorine-pump air conditioners with energy-saving ones and replacing wet membrane humidification with electrode humidification, and the optimization and integration of fragment resources mined deep from the machine room. The machine room in the Jiading industrial park completed a number of technological upgrading projects including the upgrading of the end cap type online rubber ball cleaning device of the water chilling unit, the intelligent dynamic adjustment of cooling water and the adjustment and optimization of the dual cold source load ratio, and optimized the energy-saving operation of infrastructure. The data centers actively promoted deployment and installation of liquid cold plate servers in the production machine room in Jiading, laying a R&D foundation for subsequent promotion and application of liquid cooling technology in high-performance equipment of the Bank such as AI servers. According to the calculation, all the PUE values in the three industrial parks declined in 2022. The PUE value of the data center in the Waigaoqiao (A2) industrial park was 1.525, that in the Jiading (Phase I) industrial park was 1.561, and that in the Xisanqi industrial park was 1.599, down 4.93%, 3.15% and 0.19% from the corresponding period of 2021 respectively. Throughout the year, the Bank saved about 6.99 million KWH of electricity.

### Planning layout reasonably

According to the requirements of national macro policies such as “carbon peak and carbon neutrality” “integrated synergistic computing power hubs of big data centers” “financial security bottom line” and “developing digital economy”, to meet the key information system infrastructure needs for the building of D-ICBC, the Bank, centering on the overall objectives of “reasonable planning and layout, safety, stability, reliability, efficiency, flexible expansion, green, low carbon, energy conservation, advanced technological innovation, and intelligent and integrated operation”, studied and proposed the *Data Center Building Plan and the Implementation Plan for the Site Selection of New Park Area*, laying a solid foundation for the long-term business development of the Group.



### Building green industrial parks

The data centers actively implemented the national strategy on carbon peak and carbon neutrality and put into place the requirements of the *Work Plan of Industrial and Commercial Bank of China Limited for Carbon Peak and Carbon Neutrality*. With green data centers at the core, based on the current situations of the power, water supply, lighting and HVAC systems of the industrial parks and the latest technologies and best practices of green industrial parks and intelligent operation in the industry, the Bank put forward the specific plan of building green data center parks, which extends the green and low carbon concept from the data center level to the whole industrial park level and aims to build demonstration green industrial parks of data centers of ICBC and showcase the green and low carbon building results and industry-leading advantages of the data centers of the Bank.

### Awards

- ◇ The “**Research and Practice of New Types of Green and Low-carbon Machine Room Infrastructure in the Financial Industry**” won “**Excellent Case at the 2022 (2nd) Jin Xin Tong Innovative Application of FinTech**” organized by the China Academy of Information and Communications Technology and the parties of the FinTech industry ecosystem at the 5th China FinTech Industry Summit in 2022.
- ◇ The “**Green Data Center Building and Operation Project**” won **Second Prize of the FinTech Development Award 2021 of the People’s Bank of China**.
- ◇ The “**Green Data Center Building and Operation Project**” won “**Outstanding Contribution Award to the Digital Transformation of the Chinese Financial Industry 2022**” at the 13th FinTech Application Innovation in 2022 organized by *Financial Computerizing* of the People’s Bank of China.





## Exploring to develop green and low-carbon outlets

During the reporting period, the Bank incorporated advanced environmental protection technology and green development philosophy into the source of outlet building and explored building of green, low-carbon outlets. Using outlet decoration and upgrading as an opportunity, the Bank encouraged use of green building, energy-saving and low-carbon technologies. It considered the green development and emission reduction of outlets through their full lifecycles as a whole. By cooperating with carbon emission rights exchanges, it verified carbon emissions and wrote off carbon emission reduction of building materials and office supplies during the decoration and operation of outlets, helping promote green, low-carbon transformation and development of financial outlets.



### Case

#### The first certified “green outlet” in China at Beijing sub-center was opened

Tongzhou Bei guan Sub-branch of the Bank in Beijing passed the review of the Beijing National Financial Technology Certification Center, becoming the first financial institution in the country to pass the “green outlet” service certification. It helped the sub-center of Beijing explore and lead the new paradigm of green development.



#### ◇ In terms of serving environment

The outlet integrated energy-saving and emission-reducing basic service facilities including fresh air system, LED displays, lamps and greenery walls.

#### ◇ In terms of service mode

The outlet has vigorously promoted mobile internet financial services and the intelligent transition of the outlet, optimized business procedures, and pushed for the paperless service reform at the counter. It has also set a fast channel that gives priority to green financial business and meets customers' financial service needs.

#### ◇ In terms of publicity of green finance

The outlet has set up a low carbon and environmental protection publicity and education zone and placed low carbon and environmental protection e-posters, actively spreading green and low carbon concepts such as environmental protection, ecological benefits, energy conservation and emission reduction among customers.

#### ◇ In terms of institutional management

The outlet has formulated the *Evaluation Plan of Green Outlet Services* and green office management regulations, promoted “green office and low-carbon lifestyle”, and practiced paperless service and office, garbage sorting and processing, green transportation, etc.

### Case

#### Bigui Sub-branch in Yangjiang, Guangdong becomes the first carbon neutral financial institution in the province that uses GEC to realize green electricity consumption

Bigui Sub-branch in Yangjiang, Guangdong purchased 65 green electricity certificates (GEC) of Guangdong from the China Green Electricity Certificate Subscription Platform, which are equivalent to using 65,000kWh green electricity and reducing carbon dioxide emissions by 42,672.5kg, sulfur dioxide emissions by 30.55kg and nitric oxides emissions by 27.95kg. Reducing carbon emissions from the source and realizing green electricity consumption, the sub-branch was granted the *Green Electricity Certificate* by the National Renewable Energy Information Management Center and became the first financial institution in Guangdong Province to obtain the certificate. The sub-branch was also the first carbon neutral financial institution in the province to use Chinese GECs to realize green electricity consumption.

Meanwhile, Bigui Sub-branch has incorporated environmental protection technology and the green development philosophy into its outlet building and realized the goals of carbon neutral outlet decoration and advance carbon neutral outlet operation, for which it awarded the *Carbon Neutrality Certificate* and the *Carbon Emission Reduction Cancellation Certificate* by the Guangzhou Emissions Exchange and became the first “green sub-branch” with such certificates in Yangjiang.

## Green operation

During the reporting period, the Bank accelerated the building of an ecological bank and promoted business development and innovation in green finance in a coordinated manner, which produced good results. As at the end of the reporting period, the proportion of digital business of the Bank maintained **above 98%**, equivalent to substituting

the business volume of **110,000 outlets** and **1.1 million tellers**. It supported the Bank's implementation of carbon peak and carbon neutrality goals.

### Launching innovative green finance functions in personal mobile banking 8.0 version

The Bank rolled out new functions such as global green pass and carbon ledger, the first of their kinds, identified users' green behaviors in financial scenarios, introduced professional carbon emission measurement rules to measure carbon emission reduction, and recorded users' low carbon footprints. It was the first to complete the transformation of making internet services elderly-friendly and accessible and was among the first to obtain the "information accessibility" label from the Ministry of Industry and Information Technology. As at the end of the reporting period, the Bank had **516 million personal mobile banking customers** and the mobile end had **174 million MAUs**.

### Establishing a convenient, efficient internet finance platforms for corporate customers

The Bank strengthened support to inclusive finance. It realized online deployment of all the three major types of products for inclusive scenarios (credit, mortgage and chain) on corporate internet banking and mobile banking, and continued to upgrade the inclusive edition of corporate mobile banking. Both the proportion of balance of loans to online inclusive corporate customers and that of corresponding customers exceeded 70%, and the proportion of increment in loans to online inclusive corporate customers surpassed 80%. The Bank refined basic services such as account management, transfer, remittance, payroll service, U-shield management, etc., which saved operating costs such as clearing and settlement costs for enterprises and provided a minimalist online comprehensive service platform for corporate customers. As at the end of the reporting period, the Bank had 13.56 million corporate internet banking customers. Corporate internet banking had 5.14 million MAUs and corporate mobile banking had 2.13 million MAUs.

With a focus on specialized and sophisticated enterprises that produce new and unique products, the Bank provided well-matched, differentiated online financing services. One of every two specialized and sophisticated enterprises that produce new and unique products in China uses ICBC's corporate internet banking and mobile banking services. The Bank's corporate internet financial services covered 55% of the specialized and sophisticated enterprises that produce new and unique products certified by the Ministry of Industry and Information Technology.

### Accelerating layout of financial service channels in counties and villages

The Bank launched the app "ICBC Xingnongtong" to enrich product capabilities and ecosystem scenarios. Specifically, it launched 12 types of basic financial services including card opening, loan and fee payment, deployed the exclusive channel of ICBC of the Credit Express of the Ministry of Agriculture and Rural Affairs, integrated the Bank's rural government service platform "Digital Villages" and agricultural sales platform "Agricultural Matchmaking", and introduced agriculture-related production and living scenarios such as "Farmers' Classroom". As at the end of the reporting period, ICBC Xingnongtong services were made available in more than **1,800 counties**.

### Empowering the expansion of the "GBC+" customer ecosystem

The Bank served the digital transition of governments and industries and accelerated the expansion of "Ju Fu Tong" in financial markets. During the reporting period, the Bank served nearly **200** customers on the G end, and active customers on the B and C ends reached **90,000** and **17.02** million respectively. The Bank rolled out the comprehensive service solution "Education Cloud" to accelerate its expansion in the basic education market. The Bank served, through "Industry Integration Cloud", traditional enterprises' digital transition of production, supply and marketing. It built the agricultural and sideline products selling platform "Agricultural Prosperity 832" with China Co-Op Group.

### Building diversified, open service channels

The Bank promoted the “Cloud ICBC” non-contact service brand, upgraded cloud outlets 2.0, and promoted “Customer Manager’s Cloud Studio”. By leveraging the role of remote banking in connecting online and offline services, the Bank continued to enrich “screen-to-screen” non-contact services via channels like remote banking, mobile banking and intelligent devices.

The Bank creatively launched the enterprise WeChat platform of the Head Office, rolled out “QR Code Win”, a partnership-based marketing model for everyone, and pushed for the building of online scenarios of e-CNY.

As at the end of the reporting period, more than **15,000 cloud outlets** and **28,000 wealth managers** of the Bank could provide services online. Cloud outlets had more than **800 million** visits in the year, and **5.12 million** transactions of “screen-to-screen” non-contact services were completed.

### Improving the layout of overseas online services and strengthening coordination between domestic and overseas institutions

The Bank launched overseas mobile banking 7.0 and a minimalist version. It established salary remittance and study-abroad fee payment scenarios, made cross-border RMB payroll service via corporate internet banking available in Dubai, Singapore, Manila, etc., and piloted salary repatriation service via overseas personal mobile banking in Thailand. As at the end of the reporting period, the Bank promoted internet financial services in 46 overseas institutions.

### Fostering new drivers of green finance services

Accelerating upgrading of remote banking services. The Bank ensured stable and efficient operation of online platforms through various forms including “resident customer service + home-based customer service” “intelligent + self-service + manual” “voice + text + video/audio”, etc. The Bank also extensively applied new technologies such as multi-round dialog and knowledge graph to innovate in services. Intelligent outbound call scenarios covered 14 business lines and 36 branches, business volume of intelligent services reached 680 million transactions. The Bank led the industry in terms of intelligent service distribution ratio and sped up transition and upgrading to remote intelligent services.

The Bank built the intensive, refined online customer operation mode with customers at its center. Centering on customer companionship through the full journey, the Bank established mobile banking operation units and journey service points and realized intelligent, online customer reach and promotion of financial products. The Bank created activity brands like “Xianghui Thursday” and “Huiju Weekend” and established the “Zhike” enterprise-level digital customer operation platform. Meanwhile, the Bank promoted in depth the establishment of the synergistic online customer operation mechanism and pushed for online reach to customer of all types. The Bank reached 270 million individual customers online throughout the year.

### Continuing to innovate in products to support digitalization of business procedures

**Launching OFD cloud receipt and cloud account reconciliation services to assist enterprises in low-carbon operation.** The Bank was the first in the industry to launch OFD cloud receipts and cloud account reconciliation service models, realizing precision matching and full-chain digital processing and filing of electronic receipts and bank statements between the corporate financial system and the banking business system. That effectively solved the “last mile” problems of paper certificates that are difficult to receive, enter into the account book and file and helped improve the quality of accounting information and promote the “carbon peak and carbon neutrality” building of enterprises and public institutions. The Bank participated in the pilot project of electronic certificates on the issuer’s side and the receiver’s side launched by the Ministry of Finance. It was the first bank in the industry to make electronic receipt service available via all channels, it issued the first electronic statement of account that meets accounting data standards, it was the first bank in the industry to realize auto dual circulation of electronic receipts and statements between the issuer’s side and the receiver’s side, and it was the first bank in the industry to realize interactive processing and automated matching of electronic receipts between the correspondent bank and the financial budget system. The Bank led the industry in terms of business volume and quantity. It provided services to 101 receivers on the list of institutions participating in the pilot project, connected to the electronic receipt and statement systems of 86 central state-owned enterprises and universities affiliated to ministries. Customer coverage was 85%. In addition, the Bank jointly built the bank-government ecosystem with Zhejiang Province’s government affairs platform. The Bank issued a total of more than 25 million electronic certificates that meet the requirements of the Ministry of Finance, and its customer size and business data were ahead of peers.

**Building the “ICBC e Confirmation Service” brand and supporting the pilot project of digital audit.** The Bank realized automated processing and digital reply of confirmation service through the whole process. The processing time was reduced from 10 working days to 48 hours. Currently, the Bank has signed a cooperation agreement with more than 1,200 accounting firms. The Bank participated in the pilot project of bank confirmation business for listed companies organized by five ministries including the Ministry of Finance and CBIRC. ICBC’s services were provided to 86% of the accounting firms in the pilot project and the proportion of customers confirmed by the Bank was 91%. The Bank satisfactorily completed the tasks of the pilot project and helped push for the pilot implementation of digital audit, for which it was spoken highly by regulators.

## Public welfare programs for green and environmental protection

### Continuing to intensify publicity of carbon peak and carbon neutrality to establish the green and low carbon concept among all employees

The Bank continued to intensify publicity of carbon peak and carbon neutrality. First, it disclosed the Bank's progress in carbon peak and carbon neutrality work to show its positive image as a green and low-carbon bank. Second, it created a green office and low-carbon operation atmosphere by displaying promotional contents of green office on electronic displays, computer screens, etc. in institutions. Third, it pushed for internalization of the green and low carbon concept into a basic concept and conscious action of all employees by holding the "Green Office, Low-carbon Travel, and Environmentally-friendly Lifestyle" knowledge contest and spreading energy conservation and emission reduction knowledge.

### "ICBC in Action for Beautiful China" Season V

The ICBC Young Volunteers Association held the "ICBC in Action for Beautiful China" Season V plogging activity themed by "ICBC in Action for More Green in Sanjiang" in the forms of plogging, public welfare publicity, environmentally-friendly cycling, environmental protection painting, garbage classification, cash donation for environmental protection, etc. The program won Silver at the 6th China Young Volunteer Service Programs Competition.

More than **9,400** young  
volunteers across the Bank participated  
in the activity, **575** sessions  
were organized, and more than  
RMB **340,000**  
donations were raised.



### Holding "2022 Green Finance Charity Forum"

In April 2022, the Private Banking Department of the Bank, in cooperation with other departments of the Bank and partner institutions outside the Bank, launched the "Entrepreneur Service Improvement Project", and on April 22 World Earth Day, they successfully held "2022 Green Finance Charity Forum" themed by "Reduce Emissions and Build a Green Home with ICBC" online, working with entrepreneurs to better fulfill social responsibilities, create social value and promote in depth the development of green finance. In December 2022, the Private Banking Department launched the "Partner Charitable Trust" Sanjiangyuan Ecological Protection Project to build a wildlife rescue station in the Make River protection zone of the Sanjiangyuan National Park, creatively combining charity trust with green public welfare.





## ICBC (Asia): supporting the “Plantation Enrichment Programme”

ICBC (Asia) jointly implemented the “Plantation Enrichment Programme” with the Agriculture, Fisheries and Conservation Department of Hong Kong and the Hong Kong environmental protection group The Green Earth, aiming to improve the ecological value and biodiversity of local plantation and promote sustainable development of green ecology and life in Hong Kong. Currently, the Programme has planted more than 1,200 trees of over 17 species in the plantation, and all of the trees are in good condition. It has made important contributions to protecting the environment and promoting the sustainable development of the Hong Kong society.



## ICBC International held a beach cleaning activity

ICBC International organized a beach cleaning activity. The activity removed discarded plastics, metals and other garbage at Sok Kwu Wan Beach on Lamma Island. It was one of the Bank's moves to implement the environmental protection philosophy.



## Impacts of operating activities on the environment

○ Carbon emissions from the Bank's operation over the past three years (Domestic)

Carbon emissions	Unit of measurement	2020	2021	2022
Total carbon emissions	10,000t CO <sub>2</sub>	206.36	216.26	202.13
Building emission intensity	kgCO <sub>2</sub> /m <sup>2</sup>	88.69	91.91	85.08
Per capita emission intensity	t CO <sub>2</sub> /person	4.66	4.88	4.47
Direct emissions (Scope 1)	10,000t CO <sub>2</sub>	12.42	12.96	9.74
Indirect emissions (Scope 2)	10,000t CO <sub>2</sub>	193.94	203.30	192.39

Notes: 1. The Bank engaged an external professional institution to examine resource consumption and calculate total carbon emissions of domestic institutions of ICBC over the past three years. Those domestic institutions include the Head Office, tier-one branches, tier-two branches, sub-branches, outlets, directly managed institutions, domestic integrated subsidiaries, etc.

2. The carbon emissions of the Bank mainly came from use of energy and escape of greenhouse gases, including Scope 1 and Scope 2 emissions as defined in ISO14064. Scope 1 emissions included direct emissions from combustion of fossil fuel such as bunker coal, natural gas, liquefied petroleum gas and naphtha and diesel oil; Scope 2 emissions were indirect emissions caused by electricity, purchase heat and cooling capacity.

3. The building emission intensity was calculated using the floor area of the Bank. The per capita emission intensity was calculated using the number of energy users of the Bank including the employees of the Bank and staff of third-party partners who worked in the Bank.

4. The total carbon emissions were measured using the *Guide for Measurement Methods and Reporting of Greenhouse Gas Emissions of Public Building Operators (Trial)* issued by the National Development and Reform Commission and the emission factors of energy specified in the *Average Carbon Dioxide Emission Factors of Regional Power Grids of China* based on the measurement scope proposed in *ISO14064-1: 2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*.

5. During the reporting period, due to factors such as the adjustment to the office mode, the total direct emissions of carbon dioxide dropped largely.



○ Energy consumption of ICBC over the past three years (Domestic)

Energy consumption	Unit of measurement	2020	2021	2022
Water	10,000t	3186.44	3156.56	2553.82
Electricity	MWh	2345793.94	2490745.64	2394577.27
Anthracite	t	1367.50	1178.00	154.54
Natural gas	10,000Nm <sup>3</sup>	3206.05	3457.72	2840.83
Gasoline	t	14062.03	15169.83	10050.70
Diesel	t	540.17	459.56	326.65
Office paper	t	12281.57	12845.49	7426.70

Notes: 1. The main source of energy consumption of the Bank was outsourced electricity, natural gas, gasoline and diesel. Institution includes domestic institutions, including the Head Office, tier-one branches, tier-two branches, sub-branches, outlets, directly managed institutions, and domestic subsidiaries.

2. The statistical scope of gasoline consumption was gasoline consumption by motor vehicles, and the statistical scope of diesel consumption included diesel consumption by motor vehicles and diesel consumption by fixed sources.

3. Water consumption was calculated based on municipal water supply.

○ Statistics of wastes of ICBC over the past three years (electronic information products)

Item type	Unit of measurement	2020	2021	2022
Microcomputers (hosts)	Unit	519	838	480
Displays	Unit	280	544	373
Laptops	Unit	494	212	342
Printers	Unit	132	297	66
Servers	Unit	7	12	0
Other	Unit	292	674	82
Toner	kg	332.85	328.05	319.95
Toner cartridges	kg	1141.2	1124.4	895.2
Ribbons	kg	4.5	3	2.1

Note: During the reporting period, the Bank standardized the scrap procedures of electronic products to ensure innocent treatment of electronic wastes and minimize their impacts on the environment.

# Part VII

## Prospective Study

In 2022, with a focus on the new requirement and new idea of green development, the Bank tracked international and domestic policies on economic transformation and green finance and important international meetings such as the COP27 (the 27th session of the Conference of the Parties of the *United Nations Framework Convention on Climate Change* (UNFCCC)) and the COP15 (the 15th session of the Conference of the UNFCCC). It continued to conduct research on key areas such as transition finance, information disclosure, climate risk, biodiversity, new energy and carbon market instruments and offered advice and suggestions on global financial governance, green development of the banking industry and ICBC's green transition, giving full play to the role of research in serving decision-making and creating value.

## Getting rich research results in green finance, efficiently serving decision-making and transition & development

Since the goals of carbon peak and carbon neutrality were put forward, the Bank has promoted in depth research on green finance and has made remarkable achievements in policy tracking, business support, standards formulation and brand publicity.

The Modern Finance Research Institute (Office for Deepening Reform) of ICBC planned the research resources of the Bank as a whole, intensified research on green finance, and created a good atmosphere in which green research supports decision-making and serves development. The research provided effective intelligent support to the development and innovation of green finance businesses such as green credit, green bonds, green funds, green wealth management and carbon trading.



### The Modern Finance Research Institute (Office for Deepening Reform) formulated the *Research on Green and Low-carbon Transition of ICBC Against the Backdrop of Carbon Neutrality*

The report systematically summed up and analyzed the global carbon neutrality pattern, the latest progress in regulatory policies, green preference of the financial market and comparable transition experiences of peers and put forward approaches and suggestions on how to accelerate the low-carbon transition and development of ICBC from five dimensions, namely, detailing objectives, optimizing layout, refining system, reducing emissions from operations and building consensus based on ICBC's goals of "becoming a green bank with good international reputation". The report won Special Award of Key Subjects on Reform and Development of ICBC 2022.



### The Modern Finance Research Institute (Office for Deepening Reform) took the lead in the preparation of the *Suggestions on How to Refine the Business Layout of Financial Services for the Carbon Market*

The report, with a focus on serving the building of the carbon market and strengthening the role in supporting green finance, further defined the development objectives, work mechanism and specific tasks of improving the financial services for the carbon market. The report provided guidance and support to the Head Office and branches to jointly study and formulate comprehensive financial service solutions to the national carbon market operator China Carbon Emissions Registration and Clearing Co., Ltd.



### The Credit Management Department formulated the *Report on Medium- and Long-term Optimization Strategies of Investment and Financing Structures in the Pursuit of the Goals of Carbon Peak and Carbon Neutrality*

The report took carbon peak and carbon neutrality as a factor that must be considered in the research of industry investment and financing policies and customer selection. It explored paths and strategies to continue to promote the green and low-carbon transition of investment and financing structures and intensify innovation in green financial products and services and guided the Bank to increase business layout in green and low-carbon industries, reasonably control fund investments in high-carbon industries, and steadily prevent structural financial risks.



### The Asset Custody Department completed the *Application Research of Custody Business of ESG Rating System From the Asset Management Ecosystem's Perspective*

Against the backdrop that clients and investment managers value ESG value investment and derivative services more under the goals of carbon peak and carbon neutrality, the report built an ESG assessment model that is in line with the characteristics of the Chinese capital market and studied the application of the ESG assessment system in custody. The report can help consolidate the Bank's leading position in the custody industry and build the green bank brand.



### ICBC Wealth Management conducted research on special subjects such as “green asset management”

The subsidiary formulated in-depth reports such as the *Research on Developing Green Asset Management to Support the Carbon Neutrality Strategy* and the *Carbon Peak and Carbon Neutrality Development and New Economic Cycle*, released the *Handbook of Research of Green Bonds*, the *Application of ESG in Fixed-income Investment Research Fields*, the *Comments on the Release of China Green Bond Principles* and other reports, and completed a number of research reports on the new energy industrial chain, providing strong support to investment in new energy fields.



### The Modern Finance Research Institute (Office for Deepening Reform) supported Zhejiang Huzhou Branch innovating in green finance

The Modern Finance Research Institute (Office for Deepening Reform) and Huzhou Branch held periodical communication meetings centering on important topics of green finance, and actively empowered banks participating in Head Office-level reforms and experiments of green finance to give play to their innovation advantage. In 2022, the Modern Finance Research Institute (Office for Deepening Reform) directed the completion of the *Survey Report of the Carbon Sink of the Bamboo Forest in Anji* by Huzhou Branch and promoted the establishment of the collection, storage and trading mechanism of carbon sink of the bamboo forest in Anji, injecting financing resources into the development of the bamboo forest carbon sink industry of Anji.

## Obtaining positive results in cooperation research, assisting in global finance governance

### Leading and advancing the work of GIP Working Group-I

The Bank serves as co-chair of the Working Group I (Environmental and Climate Risk Assessment) of Green Investment Principles for the Belt and Road (GIP). During the reporting period, Working Group-I drafted and released the *Report on Belt and Road Transformation Risks and Opportunities*, conducted research on biodiversity risk of the Belt and Road, which provided research support and case reference to financial institutions in the countries and regions along the Belt and Road to identify and manage environmental and climate risks. To commend the outstanding achievements made by the Bank in green transformation, the GIP Secretariat granted “Best Capability Building” and “Best Green Finance Practice” to the Bank in 2021 and 2022 respectively.

### Leading the preparation of standards

On the basis of leading the preparation of the *Environmental Information Disclosure Guide for Financial Institutions*, the Bank, during the reporting period, led the preparation of two standards, the *Environmental Risk Stress Testing Guide for Commercial Banks* and the *Environmental Information Disclosure Guide for Commercial Banks*.

### Actively participating in TCFD global financial governance

The Bank was the first financial institution in China to sign and uphold the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations. As an expert member of the TCFD, the Bank attended two TCFD plenary meetings during the reporting period and supported and promoted TCFD related work based on China’s financial practices during the reporting period. The Bank translated the 2022 Status Report and other documents, and published on TCFD website. These documents provided reference for Chinese institutions to strengthen climate risk management and make relevant information disclosure by referring to the TCFD framework.

## Leading the implementation of the work of China-UK Financial Institution Sustainability Information Disclosure Task Force

Under the joint guidance of the Green Finance Committee of the China Society for Finance and Banking and the City of London, the pilot project of China-UK financial institution environmental information disclosures whose implementation was led by the Bank and the Principles for Responsible Investment (PRI) produced positive results. During the reporting period, the task force for the pilot project released the *2020-2021 Progress Report* to the public. The task force has established three discussion mechanisms on banking, asset management and insurance respectively, and three subject research teams on stress testing, brown assets and carbon neutrality respectively. Relevant research results have provided an important foundation for the People's Bank of China to organize and conduct climate related risk sensitivity tests and stress tests. At the end of 2022, the China-UK Financial Institution Environmental Information Disclosure Task Force was renamed UK-China Financial Institution Sustainability Information Disclosure Task Force, and the Bank remained the Chinese leader institution.

## Leading and advancing the work of the Environmental Information Disclosure Task Force of the GFC

As the leader institution of the task force, the Bank took the lead in the setting of the priorities and tasks of the task force in 2022, and organized and held eight annual subject research projects with dozens of institutions. The task force studied in depth the latest trends in the regulation, standards, practices and approaches of financial institution environmental information disclosure, gave major support to the research of relevant policies and standards of regulators, and promoted research and practical results of environmental and climate information disclosures, which helped Chinese financial institutions build environmental information disclosure capability and improve environmental information disclosure level. The *Research on Transition Finance Information Disclosure by Financial Institutions* that was completed with the Modern Finance Research Institute (Office for Deepening Reform) of ICBC, was released at the Hongqiao International Economic Forum of the 2022 China International Import Expo. The research report laid down the core contents and key indicator system of transition finance information disclosure, which can help promote the low-carbon transition of the Chinese financial industry.

## Working with others on research to protect biodiversity through finance

The Modern Finance Research Institute (Office for Deepening Reform) and Huzhou Branch joined the “research group on financial support for biodiversity” of the Green Finance Committee of the China Society for Finance and Banking and jointly developed and released the report titled *Research on Key Problems about Financial Institutions' Support to Biodiversity* with the Institute of Finance and Sustainability (IFS). On the basis of learning from relevant frontier research and practices at home and abroad, the Bank put forward paths and measures on how to support biodiversity through finance. In addition, based on the business practices of Huzhou Branch, the Bank established biodiversity risk and impact assessment methods of loan projects and the indicator system, providing a technological path and practical example for financial institutions to identify biodiversity risk.

## Working with others to sum up practices and cases of green finance

The Bank, together with Renmin University of China, led the preparation of the *China Green Finance Development Research Report* for the seventh year straight. The report tracked the development and changes in green finance policies and practices in China, enterprise-widely presented the overall situation and research results of green finance in China, and laid down the next development direction and suggestions. The Bank participated in the subject research titled *Zero-carbon Transition and Development of Green Finance of the Banking Industry in the Pursuit of the Goals of Carbon Peak and Carbon Neutrality*, which summed up the green development experiences in the banking industry. The Bank participated in the preparation of the annual *China Green Finance Development Report* of the People's Bank of China, in which the Bank gave advice on how to achieve high-quality, sustainable development of China's green finance. As the only financial institution participating in the research group Research and Demonstration of Building Carbon Emission Accounting and Assessment Methods of the Ministry of Housing and Urban-Rural Development, the Bank put forward suggestions on building carbon emission accounting and evaluation criteria of low-carbon buildings. The Bank participated in the formulation of the *PRB Case Collection of Chinese Financial Institutions*. The Bank participated in the *Research Subject on Green Finance Development of Large State-owned Banks* of the Institute of Finance and Sustainability, in which, the Bank summed up its innovation case of green finance reform and experiment zone.



## Actively conducting research on climate risk management and refining the enterprise-wide risk management system

### Refining the climate risk management system

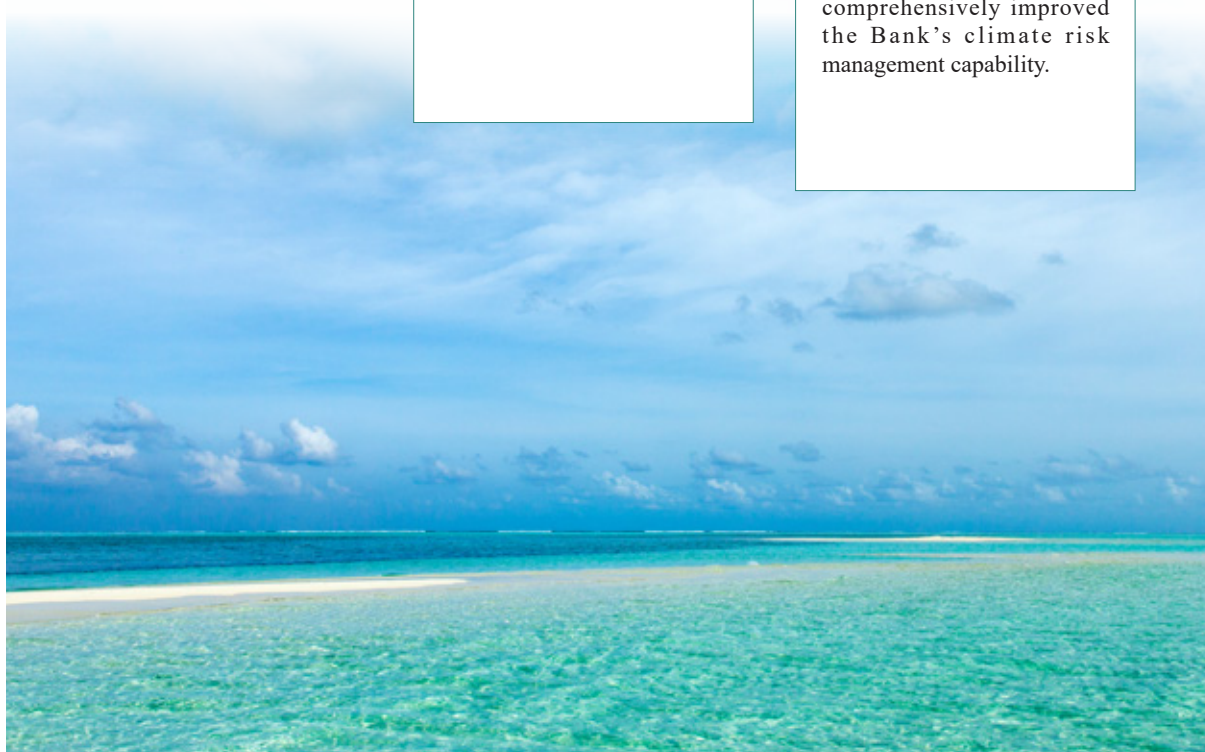
The Bank studied and analyzed the climate factors that are affected by traditional risks, and identified and assessed climate risk. The Bank completed the establishment of the climate risk database and integrated eight types of climate risk data including carbon emissions, stress scenarios, information disclosure and ESG ratings into the database.

### Assisting the banking industry jointly promote climate risk management

During the reporting period, the Bank continued to fulfill its responsibilities as the leader of the expert working group of the Chinese banking industry supporting the realization of the goals of carbon peak and carbon neutrality, studying and translating international climate risk policy documents such as Basel. Meanwhile, working with others, the Bank continued to push for research of key subjects including climate risk stress testing, climate risk governance and carbon accounting data standards.

### Advancing research of climate risk stress testing

Based on the technical framework of the United Nations Environment Programme (UNEP) and the stress scenarios of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), the Bank determined local stress scenarios and built the transition risk and physical risk transmission model. The Bank was the first bank in China to employ international advanced technology to complete climate risk stress testing. It realized systematic, process management of climate risk stress transmission, which comprehensively improved the Bank's climate risk management capability.



# Part VIII

## Cooperation and Communication

In 2022, the Bank conducted extensive communication and cooperation in green finance with global financial institutions through international platforms including Belt and Road Bankers Roundtable (BRBR), Green Investment Principles (GIP), Principles for Responsible Banking (PRB), China-Europe Business Council (CEBC), BRICS Business Council (BBC), United Nations Environment Programme Finance Initiative (UNEP FI) and Task Force on Climate-Related Financial Disclosures (TCFD). Meanwhile, as deputy director of the Green Finance Committee of the China Society for Finance and Banking, the Bank actively participated in exchanges on green finance among domestic financial institutions, universities, research institutes, etc. and shared its research results and practical experiences.

## Attending the BRICS Business Forum

On June 22, 2022, Chen Siqing, Chairman of BRICS Business Council Chinese Chapter and Chairman of ICBC, attended the Opening Ceremony of the BRICS Business Forum and participated in the “Uphold the Concept of Openness and Promote World Economic Recovery” discussion at the Forum as a guest speaker. Chen Siqing pointed out that the industrial and commercial circles, as the main forces and fresh forces of BRICS economic cooperation, should actively implement the Global Development Initiative, promote deep integration of technological innovation and green development, and support green and low-carbon economic transition of countries. In terms of green development, ICBC, as the chair unit of the BRICS Business Council Chinese Chapter, innovated in ESG green ratings and indexes and established the green finance research system, which helped realize higher-quality, more resilient and more sustainable economic growth.



On June 22, 2022, Chairman Chen Siqing attended the Opening Ceremony of the BRICS Business Forum and gave a speech

## Attending the First BRICS Energy Cooperation Forum

On June 21, 2022, Chen Siqing, Chairman of BRICS Business Council Chinese Chapter and Chairman of ICBC, attended the First BRICS Energy Cooperation Forum and delivered a speech. Chen Siqing said that since its establishment, the BRICS Business Council has attached great importance to energy cooperation for green development. ICBC, as the chair unit of the BRICS Business Council, will actively respond to the joint initiative, continue to provide high-quality financial services for energy industries, and together with the industrial and commercial circles of BRICS, ICBC will strengthen synergy, innovation, risk awareness, openness and inclusion, and further deepen BRICS energy cooperation. ICBC will enhance drivers of green transition, ensure no systemic risks concerning safe development arise, and continue to contribute wisdom and resources to realizing greener, safer and more sustainable global development and building a community with a shared future for mankind.



On June 21, 2022, Chairman Chen Siqing attended the First BRICS Energy Cooperation Forum



## Attending the Research Forum on Green Finance of the People's Bank of China

On August 22, 2022, the Bank's Vice Chairman and President Liao Lin and Executive Director and Senior Executive Vice President Wang Jingwu attended the Research Forum on Green Finance of the People's Bank of China. Liao Lin said that ICBC pursued development and safety in a coordinated manner, steadily promoted green and low-carbon transition on the asset side and the operation side, took solid steps to advance relevant work about carbon peak and carbon neutrality, kept improving the adaptability, competitiveness and inclusion of financial services, firmly followed the financial development path with Chinese characteristics, and made more contributions to promoting high-quality social and economic development. Wang Jingwu gave a keynote speech, in which he analyzed the problems and challenges faced by China in the development of green finance in areas such as industrial base, industrial transition, carbon accounting and standards preparation, and put forward recommendations for improvement.



On August 22, 2022, the Bank's Vice Chairman and President Liao Lin and Executive Director and Senior Executive Vice President Wang Jingwu attended the Research Forum on Green Finance of the People's Bank of China

## Co-hosting the 5th Qilian Mountain Forum

On June 28, 2022, the Bank's Executive Director and Senior Executive Vice President Zheng Guoyu attended and addressed the Opening Ceremony of the 5th Gansu Qilian Mountain Forum via video link. The forum, with the theme of "Do What Gansu Can Do to Meet National Demand" and the aim of "Practice the Green Development Philosophy and Promote High-quality Economic Development of Gansu", discussed problems in the development of economy, society, ecology, etc. of Gansu. Zheng Guoyu said that ICBC provided substantial support to the economic and social development of Gansu and did a lot of work in serving key strategic projects, helping realize common prosperity, supporting ecological conservation, etc., and in future ICBC will keep optimizing financial product supply to support high-quality economic and social development of Gansu. The Qilian Mountain Forum was jointly hosted by China Economic Information Service of Xinhua News and ICBC Gansu Branch.



On June 28, 2022, the Bank's Executive Director and Senior Executive Vice President Zheng Guoyu attended the Opening Ceremony of the 5th Gansu Qilian Mountain Forum via video link

## Attending COP15

On December 14, 2022, the Bank's Executive Director and Senior Executive Vice President Wang Jingwu attended and addressed the side event themed by "nature and climate actions of the banking industry" in the second phase of COP15 (the 15th session of the Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC)) via video link. Wang Jingwu pointed out that ICBC has incorporated green finance into its development strategic, strongly supported biodiversity protection, and contributed its bit to the building of a beautiful world in which all things are in perfect harmony. First, ICBC has strengthened top-level design by including biodiversity protection into the Group's strategy. Second, ICBC has strengthened layout optimization and increased investment and financing support. Third, ICBC has strengthened innovation as the drive and actively built the biodiversity financing product system. Fourth, ICBC has strengthened the bottom-line thinking and kept enhancing environmental risk management. Fifth, ICBC has strengthened cooperation and mutual benefits by actively promoting international cooperation in green finance. At the side event, the Bank participated in the release of the *Joint Action Plan of Banking Institutions to Support Biodiversity Protection*.



On December 14, 2022, the Bank's Executive Director and Senior Executive Vice President Wang Jingwu attended the side event themed by "nature and climate actions of the banking industry" in the second phase of COP15

## Attending the 17th 21st Century Annual Finance Summit of Asia

On December 20, 2022, the Bank's Executive Director and Senior Executive Vice President Wang Jingwu attended the 17th 21st Century Annual Finance Summit of Asia via video link and gave a keynote speech titled "Fulfill the Responsibilities as a Large Bank to Support the Real Economy" at the main forum themed by "The methodology of seeking progress while maintaining stability: responsible finance leads to final success". Wang Jingwu pointed out that in supporting green development with green finance, ICBC increased supply of green financing, accelerated innovation in green finance, improved ESG risk control, actively participated in preparation of international standards, and served the green transition of the real economy, actively contributing to sustainable development of the economy and society. Next, ICBC will continue to apply the new development philosophy in full, in the right way, and in all fields of endeavor, earnestly fulfill the responsibilities as a large state-owned bank, and continue to inject ICBC drive into high-quality economic and social development.



On December 20, 2022, the Bank's Executive Director and Senior Executive Vice President Wang Jingwu attended the 17th 21st Century Annual Finance Summit of Asia via video link



## Hosting the BRICS Business Council - New Development Bank Dialogue

On June 15, 2022, the Bank's Senior Executive Vice President Zhang Weiwu gave a welcome address at the BRICS Business Council – New Development Bank Dialogue. Zhang Weiwu called on the parties to act in synergy and provide financial support to pragmatically promote robust, green, healthy, high-quality development of BRICS countries. The theme of the dialogue is “Jointly Build a Future of High-quality Development” and had two themed roundtable discussions, “Sustainable Development” and “Strengthen Development Resilience”. The dialogue deepened the consensus of the parties, provided new thoughts on future operation, and was helpful for BRICS to implement the United Nations *2030 Agenda for Sustainable Development*. ICBC, as chair unit of BRICS Business Council Chinese Chapter and leader unit of the financial service working group Chinese Chapter, hosted the dialogue.



On June 15, 2022, the Bank's Senior Executive Vice President Zhang Weiwu attended the BRICS Business Council – New Development Bank Dialogue by video link themed by “Jointly Build a Future of High-quality Development”

## Attending the “China International Finance Annual Forum 2022” of CFTIS

On September 2, 2022, Zhou Yueqiu, then Chief Economist of the Bank, gave a keynote speech at the “China International Finance Annual Forum 2022”, a special event of the China International Fair for Trade in Services (CFTIS). Centering on the topic of climate investment and financing, Zhou Yueqiu, starting with the three major functions of “resource allocation” “risk control” and “price discovery”, analyzed in depth the important role and responsibility of green finance in responding to climate challenges, and put forward a new outlook for high-quality development of green finance.



On September 2, 2022, Zhou Yueqiu, then Chief Economist of the Bank, attended the “China International Finance Annual Forum 2022” of CFTIS

## Actively promoting BRICS cooperation and contributing green resources to the industrial and commercial circles

In February 2022, ICBC served as chair unit of BRICS Business Council Chinese Chapter and continued to work as leader unit of the financial service working group Chinese Chapter. Under the guidance of the Ministry of Foreign Affairs, the Bank actively promoted cooperation in ESG and green finance under the BRICS cooperation framework.

**On the council level**, during the reporting period, the Bank released the *BBC Joint Statement on Jointly Building Sustainable Partnership*, calling on the industrial and business circles of BRICS countries to support the low-carbon, circular economic system and help promote green transition and development. The Bank held the “BRICS Solutions for Sustainable Development Goals Awards 2022” to explore best practices and optimal solutions and promote cooperation and communication among BRICS.

**On the financial service working group level**, the Bank made deepening cooperation in ESG and green finance a job priority of the year. It organized and held the BRICS Business Council - New Development Bank Dialogue and set two themed roundtable discussions, “Sustainable Development” and “Strengthen Development Resilience” for the dialogue. It completed the *BRICS Green Finance Cooperation Report* in cooperation with others, providing workable, replicable job recommendations on green finance to BRICS. In addition, the Bank launched three sessions of “BRICS Green Finance Series Workshops” centering on the topics of “green bonds” “green credit” and “carbon market and carbon finance”.

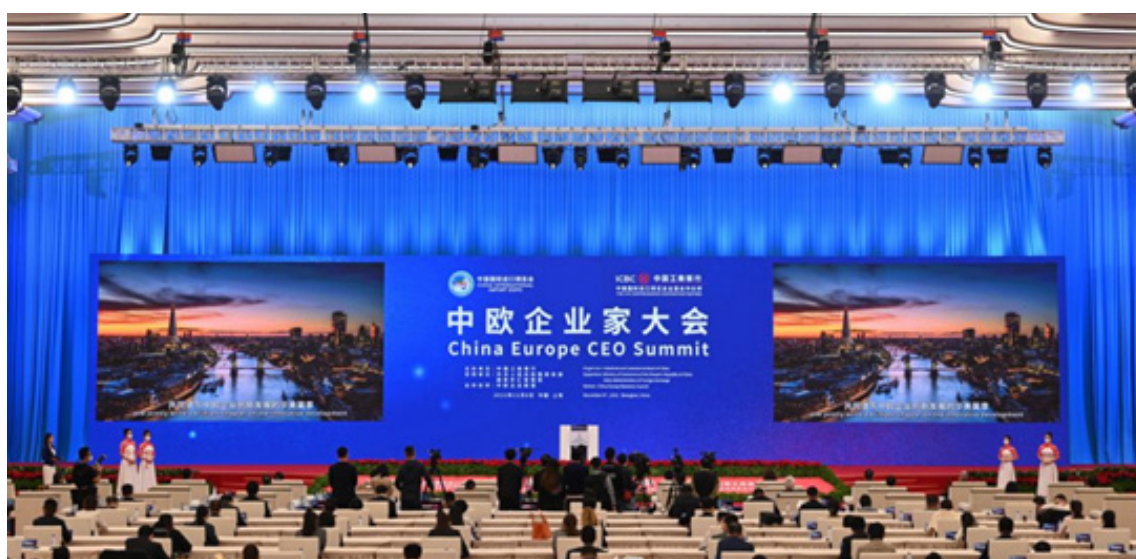
## Making full use of BRBR to build a green consensus

On July 14, 2022, BRBR and GIP, with the support of Crédit Agricole Corporate and Investment Bank and Industrial Bank, jointly held the *Common Ground Taxonomy: Sustainable Finance* workshop. Nearly 200 representatives including BRBR members and observers attended the workshop. On November 5, 2022, the Parallel Session “promoting transitional finance for green and low-carbon development” of the Hongqiao International Economic Forum was held during the 5th China International Import Expo (CIIE). Representatives of government organs, financial institutions, enterprises, academic research institutions and international multilateral organizations from more than 20 countries and regions attended the forum. At the forum, a number of results including the Bank’s research report on transition finance information disclosure, “carbon neutrality” themed BRBR green bonds and the “ICBC Green Bank +” brand were released.



## Serving China-Europe economic and trade relations and facilitating China-Europe cooperation in carbon peak and carbon neutrality

During the reporting period, the Bank, in cooperation with the China-Europe Business Council (CEBC) jointly initiated and established by excellent enterprises from various areas in China and Europe, held series green finance related events. The Bank held two sessions of the “Best Carbon Peak and Carbon Neutrality Practices” themed capability building forum. The Bank held the China-Europe *Common Ground Taxonomy: Sustainable Finance* themed capability building forum, at which it put forward the action plan of jointly building a “green bridge” and provided practical path suggestions to promote China-Europe cooperation in carbon peak and carbon neutrality and realize sustainable development. The Bank also held the Carbon Border Adjustment Mechanism (CBAM) seminar. During the 5th China International Import Expo, the Bank organized the China Europe CEO Summit themed by “Green Innovation for a Shared Future” and released the *Build the China-Europe Economic and Trade Cooperation Bridge - Research Report on Economic and Trade Cooperation between Chinese and European Enterprises*.



## Overseas institutions held various green finance themed events

During the reporting period, the overseas institutions of the Bank held or participated in dozens of green finance related events and supported China’s communication and cooperation with their host countries in green finance. For example, in March 2022, ICBC (Europe) Amsterdam Branch held “China-The Netherlands Cooperation Forum on Protected Agriculture and Gardening”. In November 2022, Zurich Branch successively held China-Switzerland Sustainable Finance and Investment Forum, and ICBC (Europe) Madrid Branch successfully held the forum “Investment Opportunities in China and Spain Against the Backdrop of Carbon Neutrality”. In December 2022, ICBC (Europe) Paris Branch and Natixis developed cooperation in green and sustainable finance.

## Holding domestic and international communication meetings on climate risk management

On December 14, 2022, the side event themed by “China corner”——“nature and climate actions of the banking industry” in the second phase of COP15 (the 15th session of the Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC)) was held in Montreal, Canada. The chief expert of the climate risk working group of the Bank gave a keynote report titled *Climate Risk Management and Biodiversity Protection*. During the reporting period, the Bank led or participated in peers’ communication meetings of the domestic banking industry multiple times and shared its climate risk management practices.



# Part IX

## Awards and Honors





◆ **China Banking and Insurance Regulatory Commission, China Banking Association**

Excellent Green Banking Institution  
Institution with Outstanding Contribution for the Professional Committee of Green Credit

◆ **Ernst & Young Hua Ming LLP**

Excellent Case of EY Sustainability Excellence Awards 2022

◆ **Sina Finance**

China ESG Golden Awards 2022 - Annual Sustainability Award

China ESG Golden Awards 2022 - Best Responsible Investment Bank Award

China ESG Golden Awards 2022 - Best Environmental Responsibility Award (E)

◆ **The Asset**

Best Bank For Sustainable Finance, Domestic  
Best Green Bond Award - ICBC USD3.2 Billion Global Multi-currency “Carbon Neutrality” Theme Overseas Green Bonds

◆ **International Finance Forum**

Global Green Finance Award 2022 - Innovation Award

◆ **The Economic Observer**

Trustworthy Green Financial Institution

◆ **Green Finance Forum of 60**

GF60 Green Finance Awards - Best Financial Institution

◆ **BRICS Business Council Chinese Chapter**

2022 BRICS Solutions for Sustainable Development Goals Competition: Masterpiece Award under the category of livelihood improvement, Excellence Award and Masterpiece Award under the category of international cooperation, and Innovation & Improvement Award

◆ **Southern Weekly**

Low-carbon Pioneer 2022

◆ **China.com.cn**

Excellent Case of Green Finance of the Year 2022

◆ **Belt and Road Green Investment Principles**  
Best Green Finance Practice Award

◆ **Hong Kong Quality Assurance Agency**

Outstanding Award for Green and Sustainable Bond Issuer (banking industry) - Largest Amount of Carbon Neutrality Green Bonds

Outstanding Award for Green and Sustainable Bond Issuer (banking industry) - Largest Single Carbon Neutrality Green Bond

◆ **The Chinese Banker**

2022 China's Financial Service Innovation Awards - Top 10 Innovations in Green Finance

◆ **Global Finance**

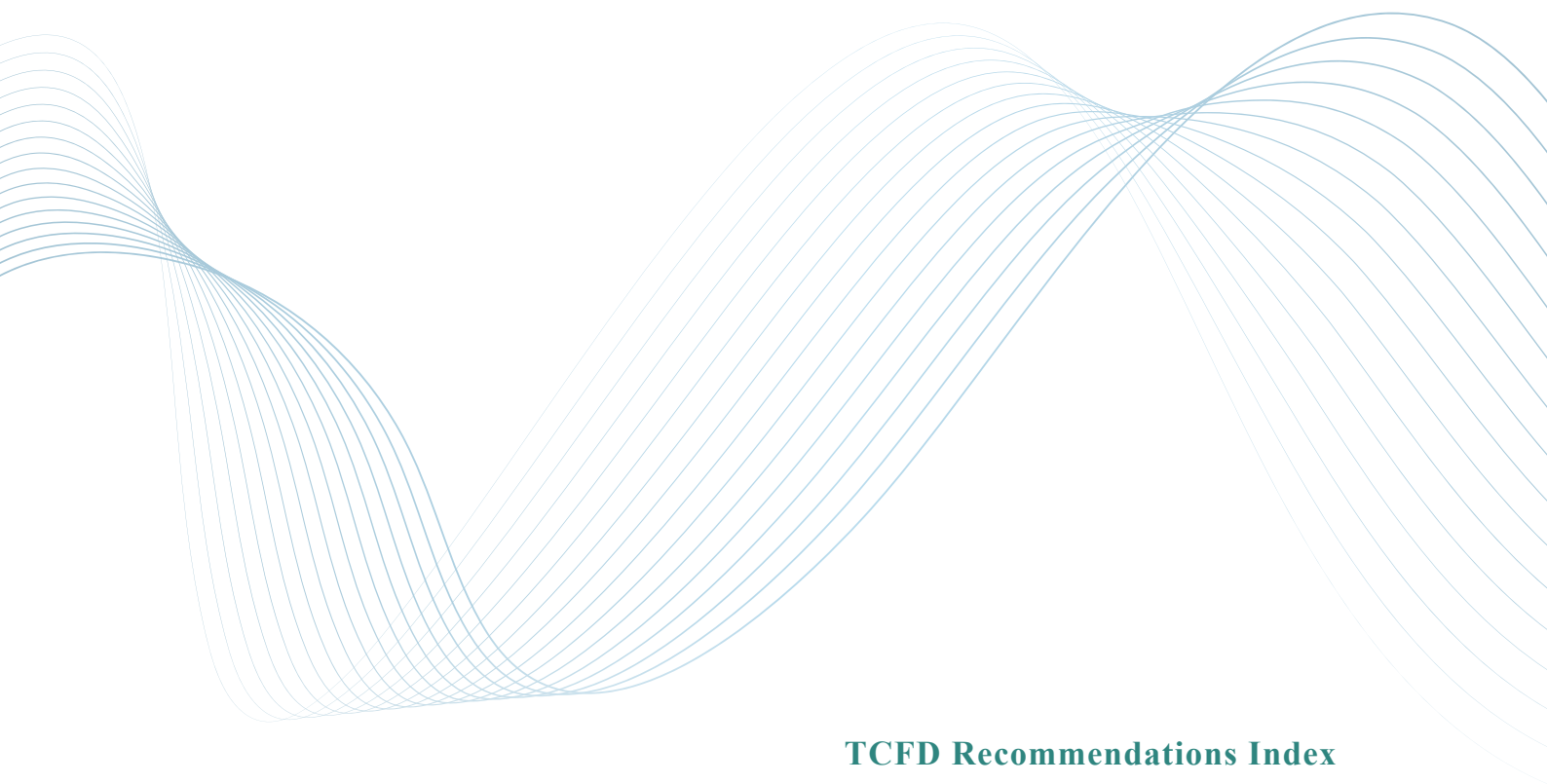
Outstanding Innovations in ESG - Carbon Neutral Asset Allocation Index

◆ **The Asian Banker**

Achievement in Climate Risk Management  
Best Asset Management Product in Green and Sustainable Finance

# Part X

## Appendices



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**Principles for Responsible Banking (PRB) Index**  
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# TCFD Recommendations Index

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b) Direct (Scope 1) and indirect (Scope 2) GHG emissions. Where necessary, describe other indirect GHG emissions (Scope 3) (if applicable) and related risks	28, 59-60
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# Principles for Responsible Banking (PRB) Index

## Principle 1

### Consistency

We will ensure that our business strategy is consistent with and contributes to the Sustainable Development Goals (SDGs) of the United Nations, the *Paris Climate Agreement* and individual needs and social goals set out in relevant national and regional frameworks.

Contents	Page
1.1 (Outline) Describe your business model, including the main customer groups you serve, the types of main products and services you provide, the main industries/technologies/activities to which you provide financing, and the geographical areas you mainly operate or provide financing.	28-51
1.2 Describe how your current strategy /plan adjustment strategy is consistent with and contributes to the Sustainable Development Goals (SDGs) of the United Nations, the <i>Paris Climate Agreement</i> and social goals set out in relevant national and regional frameworks.	14-15

## Principle 2

### Influence and objective setting

We will continue to enhance the positive influence, while reducing the negative influence of our business activities, products and services on human and environment and managing the related risks. To this end, we will set and make public goals for the fields that have the biggest influence on us.

Contents	Page
2.1 Influence analysis	24-26
2.2 Objective setting	15, 24-26
2.3 Objective implementation and monitoring plan	24-26
2.4 Objective implementation progress	24-26

## Principle 3

### Customers

Based on the principle of responsibility, we cooperate with customers, encourage their sustainable practice, promote the development of economic activities, and create common prosperity for current and future generations.

Contents	Page
3.1 Outline the policies and practices that your bank has implemented and/or planned to implement in order to promote the responsible relationship with customers. Outline the plans and measures that have been implemented (and/or to be implemented), the scale and the results (in any possible circumstance).	59-60



3.2 Describe how your bank cooperates or plans to cooperate with customers, so as to encourage their sustainable practices and promote sustainable development of economic activities. The information disclosed shall include the action plan that has been implemented or to be implemented, the products and services developed, and the effect (in possible circumstances).

59-60

## Principle 4

### Stakeholders

We will actively and responsibly consult, interact and cooperate with stakeholders to achieve social goals.

#### Contents

#### Page

4.1 Describe which stakeholders (or the group/type of stakeholders) your bank has consulted, communicated or cooperated with in order to improve your influence. Outline how your bank identifies stakeholders, and the issues that your bank has solved and the achievements your bank has made.

66-72

## Principle 5

### Corporate governance and banking culture

We will fulfill our commitment to these principles through effective corporate governance and a responsible banking culture.

#### Contents

#### Page

5.1 Describe relevant governance structure, policies and processes that your bank has implemented or planned to implement in order to manage the substantial (potential) positive and negative influence and effectively fulfill the Principles.

5-12, 20-22

5.2 Describe the initiatives and measures that your bank has implemented or planned to implement in order to cultivate a responsible banking culture among employees. Outline the inclusion of relevant factors in the related capacity building, remuneration structure and performance management, as well as leader communication.

7-10<sup>1</sup>

5.3 Governance structure for implementation of the *Principles for Responsible Banking*

2-7<sup>1</sup>

## Principle 6

### Transparency and responsibility

We will regularly evaluate the implementation of these principles by each of our institutions and all signing banks, publicly disclose our positive and negative influence and our contribution to social goals, and be responsible for the relevant influence.

#### Contents

#### Page

6.1 Implementation progress of the *Principles for Responsible Banking*

3, 64, 66<sup>1</sup>

Note: 1. Please refer to the Bank's 2022 Semi-annual Report on Corporate Social Responsibility (ESG) and Sustainable Development for more details.: <http://www.icbc-ltd.com/page/743763499058024448.html>

# Notes to the Report

## Scope

Organization scope: This report covers the whole Group, focusing on the Industrial and Commercial Bank of China Limited.

Time frame: January 1 to December 31, 2022, and some contents are beyond this time frame.

## Principles for report preparation

This report refers to the *Recommendations of the Task Force on Climate-related Financial Disclosure* issued by the TCFD of the Financial Stability Board, the environment-related principles of the UN Global Compact, and the SDGs of the UN, and meets the *Green Credit Statistics System* and the *Green Credit Guidelines* issued by the CBIRC, the *Guidelines for Environmental Information Disclosure by Financial Institutions* issued by PBC, the *Guidelines for Environmental Information Disclosure of Listed Companies* issued by Shanghai Stock Exchange, the *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Limited and other relevant opinions and guidelines.

## Data

Data used in this report is mainly from 2022, most of which is excerpted from the statistical data of the Bank's internal systems and branches. Unless otherwise provided, figures involved in this report shall be in RMB.

## Format

This report is released in soft copy, which is available on the website of the Bank ([www.icbc-ltd.com](http://www.icbc-ltd.com)). This report is published in Chinese and English. In the case of discrepancy between the two versions, the Chinese version shall prevail.

## Feedback Form

Thank you for reading the *Special Report on Green Finance (TCFD)*. In order to better meet your reading needs, provide you and all stakeholders with more valuable information, effectively implement the Bank's philosophy of green operation, and fulfill our responsibility and mission of promoting green transformation of the real economy with green finance, we earnestly hope that you can make valuable comments on the report and provide it to us by:

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Xicheng District, Beijing  
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### 1. Your overall comment on this report

Very good ☐ Good ☐ Average ☐ Poor ☐

### 2. Which of the following stakeholders you belong to?

Government ☐ Regulator ☐ Shareholder or investor ☐ Customer ☐ Partner ☐ Staff ☐ Others ☐

### 3. To what extent do you think this report can meet your reading needs?

Very good ☐ Good ☐ Average ☐ Poor ☐

### 4. How clear, accurate and complete do you think the information, data and metrics disclosed in this report are?

High ☐ Relatively high ☐ Average ☐ Low ☐

### 5. To what extent do you think this report can effectively demonstrate the environmental and social influence and contributions of ICBC's green finance work?

Very good ☐ Good ☐ Average ☐ Poor ☐

### 6. To what extent do you think the layout and design of this report are suitable for reading?

Very good ☐ Good ☐ Average ☐ Poor ☐

### 7. Your suggestions on the Bank's green finance work and this report

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