



2022 INTERIM SPECIAL REPORT ON
CORPORATE SOCIAL RESPONSIBILITY
ESG AND SUSTAINABLE FINANCE
Industrial and Commercial Bank of China Limited



CONTENT

| | | |
|----|---|----|
| 01 | Governance and Sustainable Risk Management | 02 |
| 02 | Sustainable Finance of Domestic Institutions | 09 |
| 03 | Green Finance | 16 |
| 04 | Domestic Inclusive Finance | 22 |
| 05 | Privacy and Data Security of Domestic Institutions | 26 |
| 06 | Protection of Lawful Rights and Interests of Domestic Financial Consumers | 30 |
| 07 | Human Resources Development | 36 |
| 08 | ESG Performance | 44 |
| | Instructions | 52 |
| | Independent Assurance Report | 53 |

01 Governance and Sustainable Risk Management



Corporate Governance

► Features and strengths of corporate governance

In line with the regulatory requirements and best practices in the financial industry, the Bank has always regarded the refinement of corporate governance as a fundamental work for strengthening its core competitiveness, worked unremittingly to build the modern corporate governance structure, mechanism and culture as well as its enterprise risk management, and boosted its modern governance system and capacity by further improving the Group's governance system with clearly-defined responsibilities and accountability, coordination and effective control.

Promoting the integration of Party leadership and corporate governance

By strengthening the cooperation between the rules of procedures of the Party Committee and the decision-making mechanism of corporate governance, the Bank stepped up its efforts in enhancing the corporate governance mechanism with statutory powers and responsibilities, transparent responsibilities and accountability, coordinated operation, and effective checks and balances, so as to continuously improve the governance efficiency and high-quality development capacity.

Giving full play to the key role of the Board of Directors in corporate governance and strategic decision-making

The Board of Directors kept consolidating the foundation of the corporate governance system, improving its operational mechanism, and focusing on fostering corporate governance culture. Through vigorous improvements in the Group's governance and control and coordination mechanisms, the compliance, robustness and effectiveness of corporate governance were constantly enhanced.

Actively bringing into play the supervisory role of the Board of Supervisors

Oriented to the Bank's development strategy and reform and innovation goals, the Board of Supervisors enhanced its supervision on the performance of the Board of Directors and the Senior Management and continued to fulfill its supervisory duties in the process of the formulation and implementation of the Bank's development strategy as well as financial activities, risk management, and internal control.

Continuously enhancing the enterprise risk management system

Highlighting the importance of proactive prevention and mitigation of financial risks, the Bank has realized integrated control of domestic and overseas entities, on- and off-balance-sheet businesses, commercial banking & investment banking and other business varieties, online and offline businesses, the Head Office and subordinate institutions, intensified joint efforts in market risk prevention and control of currency, bond, foreign exchange, commodity and stock, and made Group-wide uniform product list, authorization list and limits list, with enhanced across-the-board planning within the Group.

Pursuing greater transparency within the Group

The Bank encouraged voluntary high-quality information disclosure and intensified its communication with investors, the public and other stakeholders via multiple channels, to guarantee in practice the right to information.



► Revising the Articles of Association and refining top design of corporate governance

During the reporting period, the *Proposal on Reviewing the Articles of Association of Industrial and Commercial Bank of China (Version 2022)* was approved at the Annual General Meeting and widely acclaimed by domestic and overseas investors and the capital market. The revised version will take effect upon ratification by China Banking and Insurance Regulatory Commission (CBIRC).

The revision aimed to align the *Articles of Association* with global best practices of corporate governance through further refining those ESG-related articles.

The statement that "The Bank shall thoroughly practice the development concepts featuring innovation, coordination, green development, opening-up and sharing, pay attention to environmental protection, proactively fulfill social responsibilities, maintain a sound social reputation, and create harmonious social relations," has been included into "the purpose of the Bank" to further highlight the Bank's new development philosophy.

Revising the article stating "the purpose of the Bank"

Revising articles about the responsibilities of the Board of Directors and special committees under the Board of Directors

The revision highlighted the Board of Directors' and its special committees' function and power with respect to social responsibility, ESG, climate risk management, green finance, consumer protection and inclusive finance, which is fully reflective of the Bank's attaching great importance to issues such as low-carbon finance and green development and also an effective response to concerns of global ESG investors and stakeholders.

► Diversified composition of the Board of Directors

With great importance attached to the refinement of the Board of Directors, the Bank continued to improve its independence, professionalism and diversity of the Board of Directors. The Board members were from Chinese mainland, Hong Kong SAR and other regions, equipped with professional experience in various fields including economics, finance, banking, regulation, audit and capital market, and complementary in terms of region, gender, knowledge structure, professional quality and experience, thus effectively guaranteeing science-based decision making of the Board of Directors.

As at the end of the reporting period
the Board of Directors had **13** members

Including **4** executive directors and **4** independent non-executive directors
5 non-executive directors

By gender
there were **11** male directors and **2** female ones

10 were from the Chinese mainland and **3** are from Hong Kong SAR

EGS Governance

► The Board of Directors and its special committees listened to ESG reports and conducted ESG surveys

With great importance attached to EGS-related work, the Board of Directors actively performed its functions of strategic decision making and supervision, and continued to refine the EGS governance structure. During the reporting period, the Board of Directors reviewed and approved the *Proposal on the Corporate Social Responsibility (ESG) Report 2021 of ICBC*, the *Proposal on 2021 Consumer Protection Work and Work Plan for 2022*, the *Proposal on the 2022 Inclusive Finance Business Operation Plan*, etc., listened to the Report on the Developments of ICBC's Financial Services for Rural Revitalization, and caused the Bank to integrate social responsibility fulfillment into all links of development strategy and operational management and to actively fulfill its social responsibility in the capacity of a large bank through developing green finance and inclusive finance, cementing achievements made in poverty alleviation and helping with rural vitalization.

The Strategy Committee under the Board of Directors is responsible for reviewing the annual social responsibility report and offering suggestions to the Board of Directors. During the reporting period, the Strategy Committee studied and reviewed the *Proposal on the Corporate Social Responsibility (ESG) Report 2021 of ICBC*, and put forward suggestions to the Board of Directors.

The Corporate Social Responsibility and Consumer Protection Committee under the Board of Directors is accountable for reviewing the Bank's fulfillment of social responsibility and issues related to sustainable development including green finance strategy, and offering suggestions to the Board of Directors. During the reporting period, the Committee studied and reviewed the Proposal on the *2022 Inclusive Finance Business Operation Plan and Proposal on 2021 Consumer Protection Work and Work Plan for 2022*, listened to the Report on the Developments of ICBC's Financial Services for Rural Revitalization and offered suggestions to the Board of Directors.

► The Management newly established the Green Finance (ESG and Sustainable Finance) Committee.

The Management newly established the Green Finance (ESG and Sustainable Finance) Committee and handed out the *Working Rules of the Green Finance (ESG and Sustainable Finance) Committee* during the reporting period.

The main responsibilities of the Committee include

Implementing the Group's strategy and goals of green finance (ESG and sustainable finance)

Coordinating work of all entities and all lines in the field of green finance (ESG and sustainable finance strategies)

And guiding the whole Bank's green finance (ESG and sustainable finance) development and operational management

► The Management optimized the functions and responsibilities of the Consumer Protection Committee

During the reporting period, the Management refined the functions and responsibilities of the Consumer Protection Committee, released the *Working Rules of Consumer Protection Committee (Version 2022)*, coordinated, planned and organized work related to consumer protection and complaints handling, and continued to optimize the Bank-wide system and mechanism of consumer protection and complaint handling.

Climate Risk Management

► Including climate risk management into the Rules on Enterprise Risk Management

The Bank included climate risk into the *Rules for Enterprise Risk Management* to intensify identification and management of climate risk, and set out division of responsibilities for climate risk management among the Board of Directors, the Board of Supervisors, the Senior Management, risk management functions, business functions and internal audit function.

► Conducting stress tests on climate risk

During the reporting period, the Bank carried out in-depth research on stress testing methods for climate risk, drew on the global stress scenarios offered by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), created transmission paths for transition risks and physical risks and analyzed the overall impacts of climate risk on the asset portfolio and differences in the impacts on priority industries and priority regions.

The climate risk stress tests dealt with three scenarios: orderly scenario, disorderly scenario and hot house world scenario. The Bank also conducted in-depth analysis of transition features of the sectors, designed special stress testing methods for key sectors and depicted development laws of the industries. A climate risk database covering eight categories of climate risk data was created to provide support for stress tests.

With attention paid to ESG governance topics, the directors conducted surveys on topics such as green finance, how to support the development of specialized and sophisticated enterprises, how to facilitate rural vitalization and how to enhance the banking outlets' financial service capability with a view to pushing the Bank to enhance the capabilities and level of boosting green development, supporting the real economy and improving people's well-being.

► Basic tactics for future climate risk management



Studying how to include climate factors into internal rating

The Bank studied how to incorporate climate factors into its credit risk rating framework and refine the credit risk rating system so as to assess enterprises' risks in the process of low-carbon transition and early prepare the internal rating models for climate risk.

Further improving the climate risk database

The Bank consolidated the data system foundation and established data standards and system structure for climate risk management through referencing internal and external data and surveying data needs. A climate risk database was created that can support the collection, import and integration of climate risk data in eight categories including carbon emission, ESG and stress scenarios.



Enhancing cooperation and communication in the field of climate risk

During the reporting period, the Bank and China Banking Association (CBA) jointly initiated the "Panel for Supporting the Achievement of Carbon Peaking and Carbon Neutrality Goals by the Chinese Banking Sector". As the leader of the panel, the Bank organized training programs on climate risk and actively participated in online and onsite conferences with regulators and peers, where it shared its experience in climate risk management.

ESG Risk Management

► Including due diligence on ESG risk into the Group's management of credit risk

During the reporting period

The Bank distributed the *Measures for the Management of Due Diligence on General Legal Person Customers for Credit Business (Version 2022)*

Which explicitly provides that "CDD (customer due diligence) personnel shall summarize, analyze and evaluate a customer's basic information, production and operation, financial and non-financial conditions, credit standing, services applied for, guarantee, use of financing, repayment source (mainly the primary source of repayment), green credit, etc., make predictive judgment of risks, offer risk control suggestions and compile a CDD report with definitive conclusions". Besides, "environmental and social risks" has been included into the "risk prediction" section of the CDD report template for general legal person customers.

Moreover, the Bank released the *Green Credit Development Strategy of Industrial and Commercial Bank of China*

Which sets forth the principles that should be observed in CDD such as requirements for “promoting ecological protection”, “properly handling safety, health and other social issues” and so on.

The *Opinions on Further Enhancing the Development of Green Finance* that was issued

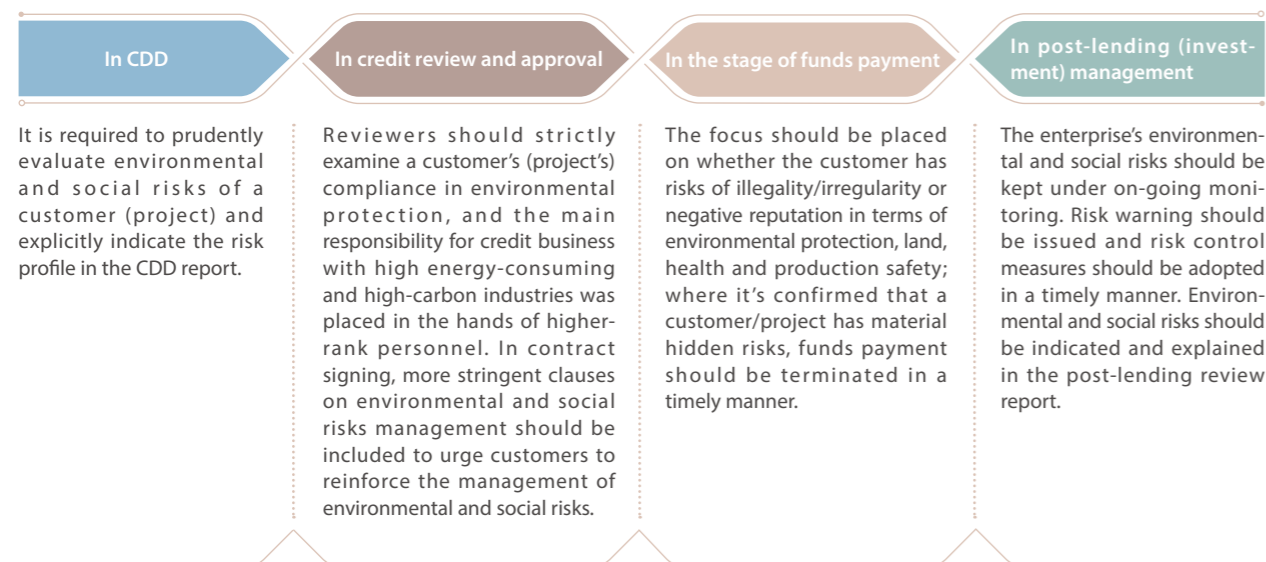
During the reporting period laid down key points of due diligence on environmental and social risks and required for “incorporating green finance requirements into the whole process from CDD, project assessment, credit rating, credit review and approval to contract signing, funds payment and post-lending (investment) management, forestalling risks and enhancing the capability of controlling environmental and social risks”. At the same time, it was stressed that environmental and social risks should be included as an important part of CDD. “In CDD, it is required to prudently evaluate environmental and social risks of a customer (project) and explicitly indicate the result in the CDD report.”

In addition, the Bank issued the *Investment and Financing Policy for Industries in 2022*

Which specified the access criteria (both qualitative and quantitative indicators) for customers (projects) in each industry, including key indicators about craftsmanship, energy consumption, technology and environmental protection that can reflect core competitiveness and risk profile of enterprises in an industry.

► Embedding ESG risk into the domestic credit approval procedure and decision-making procedure

The Bank released the *Opinions on Further Enhancing the Development of Green Finance*, which explicitly required for strengthening whole-process management of green finance and including compliance requirements for environmental and social risks into the whole process of investment and financing management.



► Early warning, identification and reporting mechanisms for ESG risk of customers

The Bank has put in place early warning, identification and reporting mechanisms for customers’ ESG risk. For years, the Bank has adopted the mechanism of corporate risk information collection and risk control that featured division of responsibilities between the Head Office and branches. During the reporting period, the Bank released the *Notice on Strengthening the System Management of Customers’ Environmental and Social Risks*, made full use of multi-dimension big data on enterprises’ environmental risk through cooperation with third-party environmental data providers, and added the factors of environmental information inquiry and environmental risk control to the credit system that allowed real-time access to an enterprise’s environmental information and automatic issuance of risk alerts in the process.

■ Training on ESG Risk

With a focus on new development concepts, the Bank fully stepped up ESG training through tapping into its advantageous training system, and continued to improve the regular ESG training mechanism in an effort to enhance, in all aspects, the understanding of all position holders from all institutions across the Group and facilitate the transmission and implementation of ESG ideas.

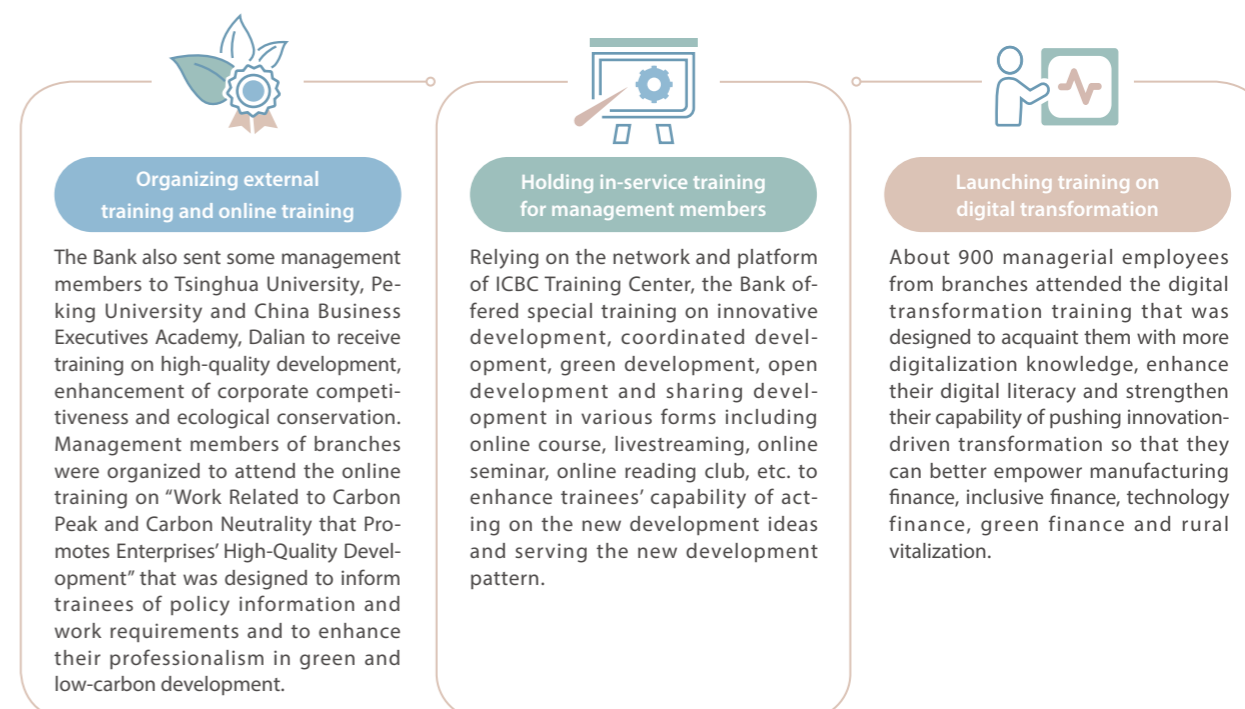
► ESG training

During the reporting period, the Bank actively organized special training programs and training courses on ESG while incorporating ESG knowledge into the training of management personnel, business backbones and grassroots employees.

● EGS special training programs

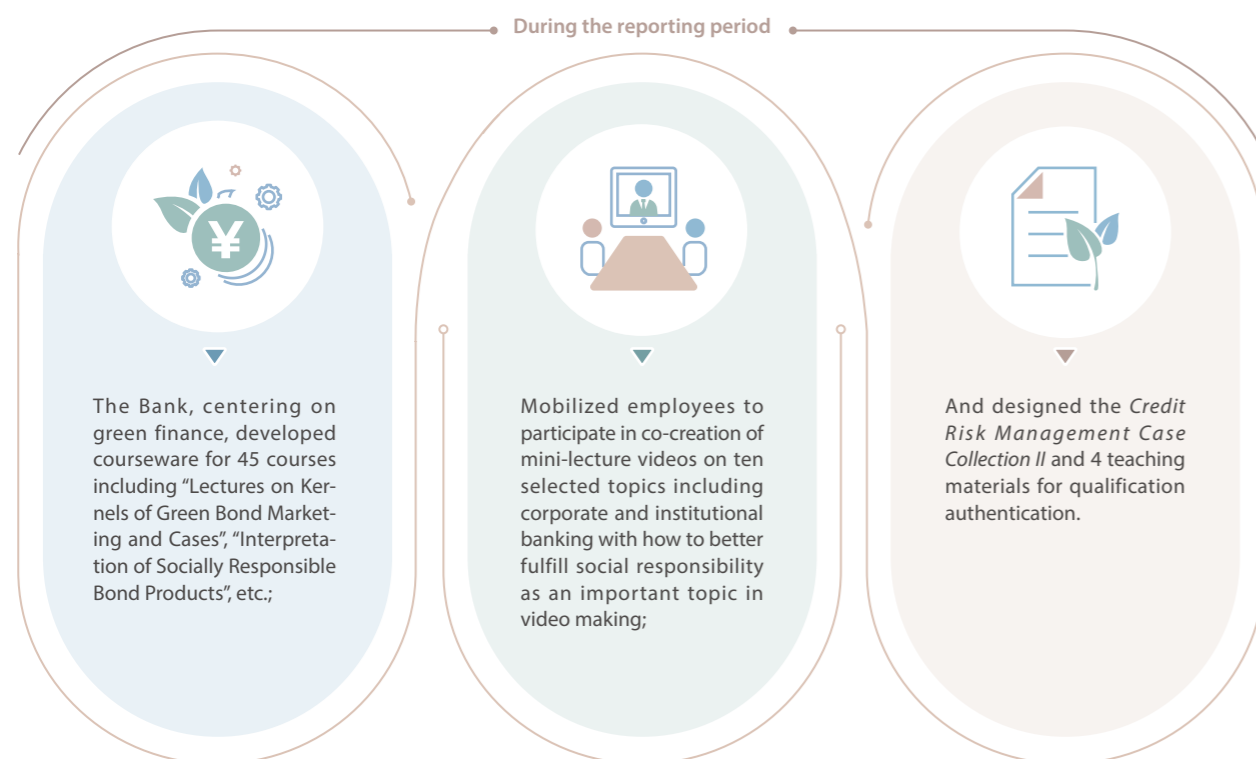
The Bank hosted four ESG online training cohorts on green finance, inclusive finance, consumer protection and Fintech covering around 4,000 employees working in the lines of credit business, inclusive finance, consumer protection and so on.

● ESG-related training





► Development of ESG training materials



02 Sustainable Finance of Domestic Institutions

Financial Services for Poverty Alleviation



► Stepping up credit supports

When allocating financial resources, the Bank gave priority to the counties to receive assistance in pursuing rural revitalization in terms of fund pricing, preferential rates and resources guarantees. With a focus on the key fields of areas that have been lifted out of poverty, it made active efforts to satisfy financial needs of featured industries for development, migrant workers returning to their native place to start up their own business, infrastructure construction in rural areas, etc. The balance of loans to the aforesaid counties reached RMB119,334 million.

The balance of loans to the aforesaid counties reached
RMB 119,334 million

► Increasing supports for talents

This year, the Bank continued the "ICBC Stars • Supporting Rural Residents and Enabling Dreams" campaign, a recruitment project dedicated to rural revitalization that targeted at groups such as university graduates from families that had been lifted out of poverty and agricultural groups.

As at the end of the reporting period, a total of
500 people
were cumulatively hired under the project

► Profoundly implementing the new joint assistance models of "finance + real economy" and "banking + non-banking"

Pushing for optimization and upgrade of the "banking + insurance + futures" model. By means of data connection with insurance companies, the Bank built stratified customer portraits that were based on basic information, production capability data, historical compensation data, etc. of farmers, which supported decision-making concerning financing customer access, determination of the loan-to-value ratio, risk-based pricing and so on. A pilot program on credit enhancement of price insurance policy financing was successfully carried out. During the reporting period, the Bank issued RMB9.18 million of unsecured financing facilities to farmers who had taken out the price insurance, effectively enhancing convenience and availability of financing.



Helping build an industrial chain of modern agriculture. In cooperation with other financial institutions, the Bank offered consultation services on applying for "Standard Delivery Warehouse for Live Pigs" to a regionally well-known enterprise. The establishment of the warehouse will vigorously enhance large-scale, standardized operation of the local hog industry.



Financial Services for Medical Health and Pandemic Control



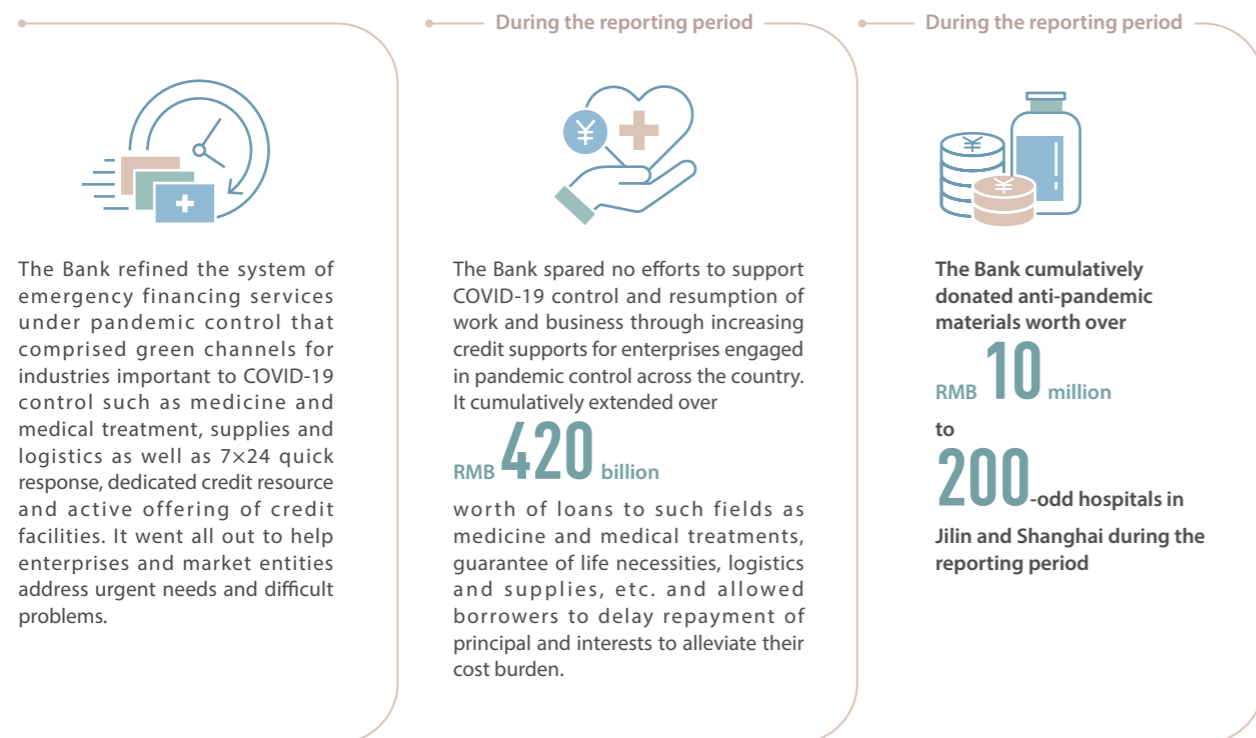
Providing financial services for medical health that help build a healthy China

The Bank offered convenient and efficient clearing service for mobile payment for medical services through all-round cooperation in electronic medical insurance certificate and clearing of mobile payment. Moreover, it set up the “Smart Medical Service” platform where it offered comprehensive financial service solutions to different needs from medical health administrators, hospitals and grassroots medical institutions. The platform greatly boosted the development of the medical health field.

As at the end of the reporting period,
over **10 million**
persons/times received ICBC’s financial
services for medical health



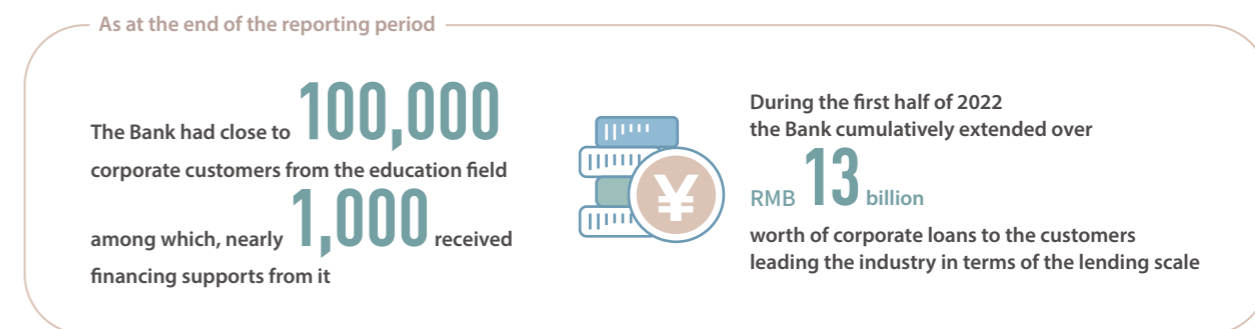
Financial services for COVID-19 control





Financial Services for Education

In line with the country’s strategy of building up national strength with education development, the Bank accelerated the formation of a credit business layout in favor of implementing new development ideas, building a new development pattern and promoting high-quality development based on the new development stage. Education, as a “new service” sector, received prioritized financial supports. By tapping into its advantages in customer, product and service resources, the Bank focused on rendering financial supports for IT application to education, the initiatives of building world-class universities and disciplines, transformation and development of school-founded businesses, cultivation of quality talents and innovative digital currency business under the campus scenarios. The comprehensive financial services for education were constantly improved.



The Bank developed a series of education-related brands and set up some innovative platforms such as “Smart Campus”, “Smart Vocational Education”, “Training Cloud”, “Bank-School Connect”, “After-School Learning”, “Funds Supervision Platform for Private Schools” that were tailored according to the characteristics of higher education, vocational education, secondary school, elementary school and kindergarten, off-campus tutoring, etc. These products effectively facilitated the implementation of such education policies as IT application on campus, industry-education integration and “double reductions” (easing the burden of excessive homework and off-campus tutoring for students undergoing compulsory education). As at the end of the reporting period, “Smart Campus” and “Smart Vocational Education” helped 400 colleges and universities and vocational colleges realize efficient IT-based campus management. Services delivered through the platforms were conducive to boosting commercialization of research and education outcomes and innovative integration of industry and education.



Financial Services for Employment Promotion



Implementing enterprise- and employment-supportive policies

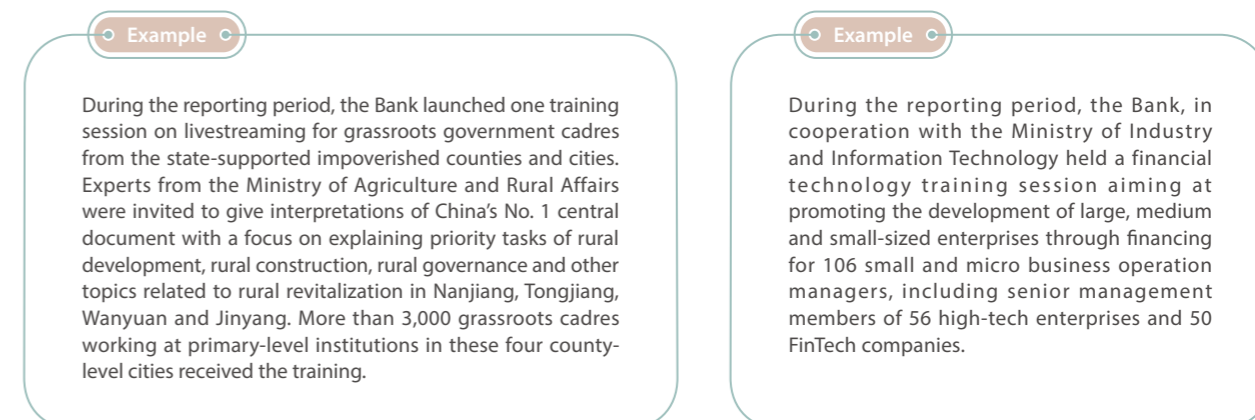
The Bank introduced 19 measures for enhancing financial supports and reliefs for small and micro enterprises and launched a campaign designed to “assist thousands of enterprises from dozens of industries”. Moreover, financial guarantees were increased for prioritized regions and industries. The digital inclusive service mode characterized by online non-contact services was adopted in provinces and municipalities hard stricken by the pandemic including Shanghai, Jilin, Shenzhen and Hebei. Active actions were taken to satisfy financing needs of small and micro enterprises from industries vulnerable to the pandemic such as wholesale and retail, accommodation, catering and foreign trade.

The Bank introduced **19** measures for enhancing financial supports and reliefs for small and micro enterprises

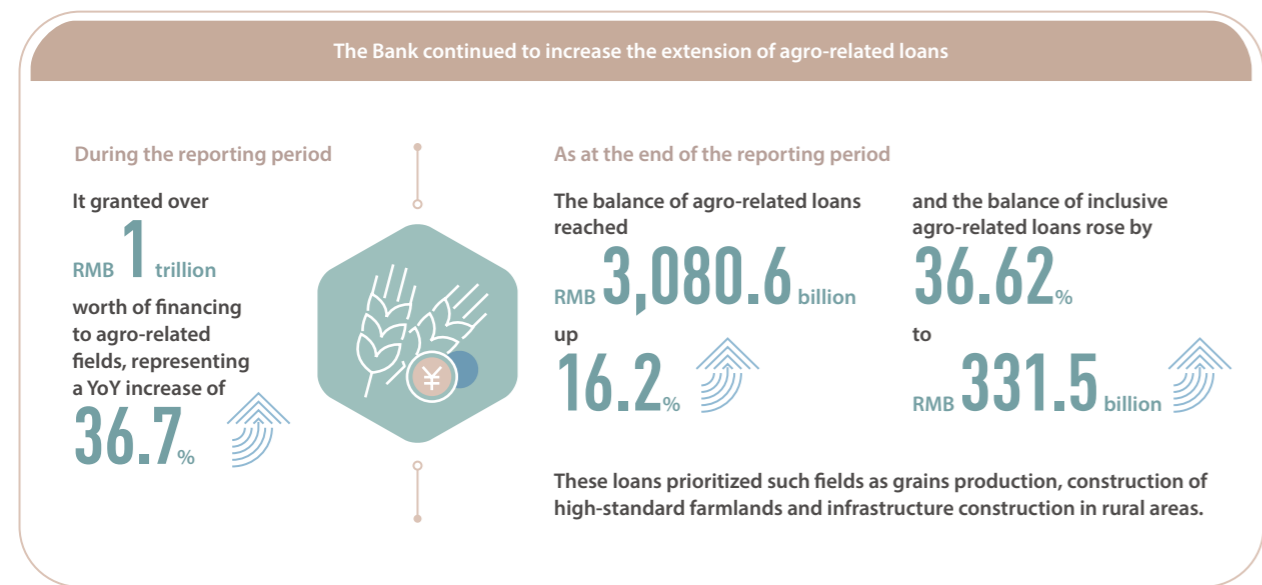


Offering employment training

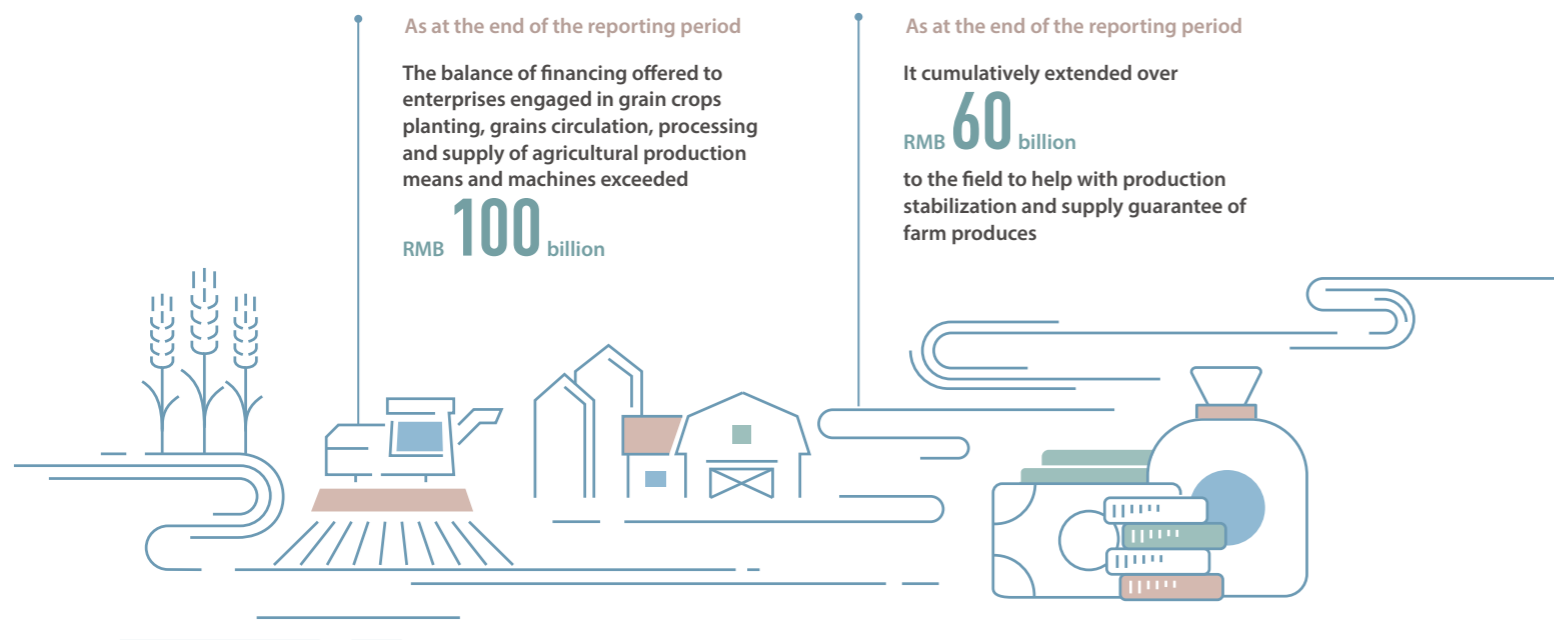
In recent years, the Bank served the country’s major strategies and the development of key businesses with financial services related to education and training in alignment with state policy and people’s livelihood requirements.



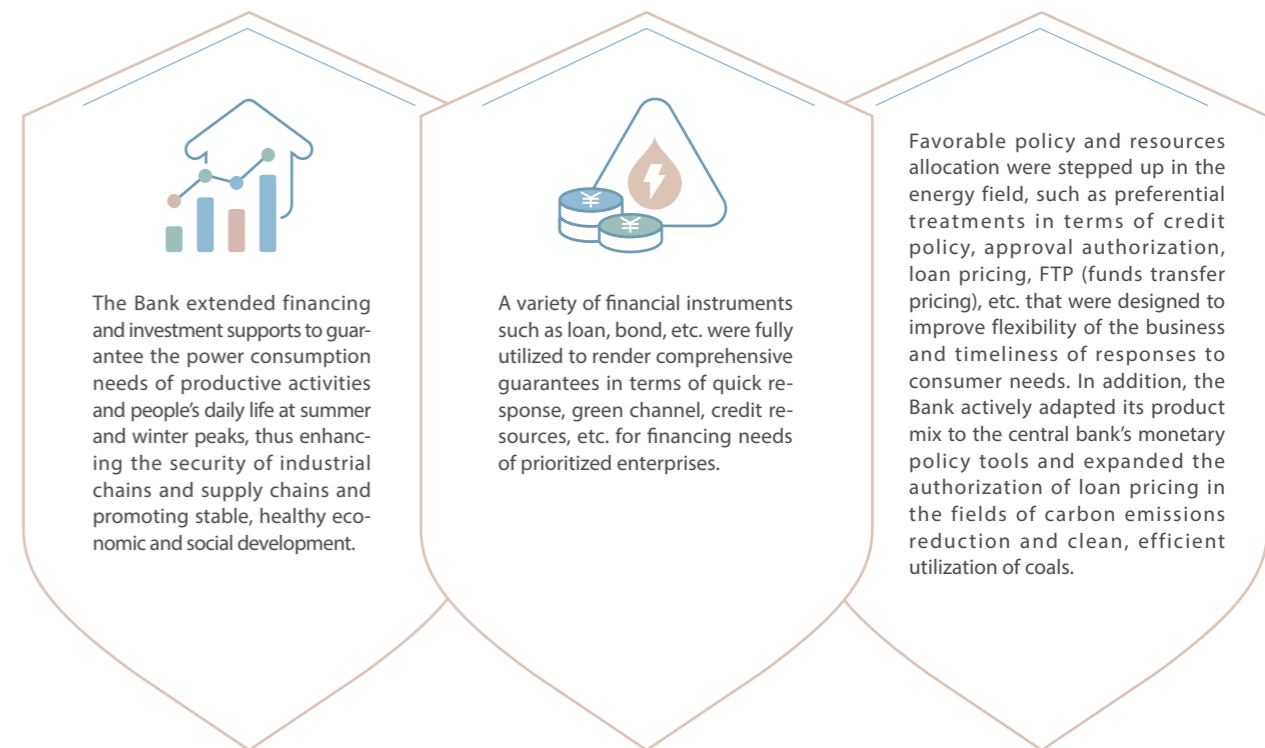
Financial Services for Staple Food Supply, Agriculture, Farmers and Rural Areas



The Head Office released guiding opinions on supporting revitalization of the agricultural industry, which emphasized on grains production and supply of important farm produces through providing active supports for grains production with an aim to stabilize crops-growing areas, guarantee outputs and enhance productivity, actively supporting projects of high-standard farmland construction and oil plants (including soybean) production capacity improvement and ensuring supplies of the “Vegetable Basket” with a view to helping with hunger alleviation and food supply guarantees.



Financial Services for Energy



Financial Services for the Judicial Organ

To serve China’s judicial reform, the Bank was the first in the industry that developed a comprehensive service platform “Smart Politics & Law”, where it used financial services, functions and products to enhance efficiency of judicial affairs.

Financial Services for Biodiversity

The Bank has included the promotion of domestic biodiversity into the Group’s green credit development strategy. During the reporting period, it incorporated biodiversity and ecological protection into the *Guideline for Greening Investment and Financing of Industrial and Commercial Bank of China (Trial)* with specified management requirements for financing and investment business in the field. The Bank actively took measures to protect biodiversity, strictly observed the ecological protection redline, prevented damages to important habitats, statutory protection zones and ecosystems in ecologically fragile areas, and vigorously supported customers and projects advocating nature protection and ecological restoration. For industries with high biodiversity risks, the Bank placed an emphasis on biodiversity risk management, provided intensive supports for customers characterized by environmental friendliness, and stringently limited financial supports for customers with higher ESG risks.



Financial Services for Ocean Protection

The Bank offered loans and other financing facilities to marine ecosystem protection projects and stressed the importance of protecting marine biodiversity and coastal lines in project development. A wide selection of marine financial services and products were launched for large marine enterprises and large marine projects.



Financial Services for Public Charity

The Bank opened up green service channels in natural disaster assistances and rescues to facilitate Red Cross Society of China to collect donations. After the outbreak of the COVID-19 pandemic, it fully tapped into its advantage in technological innovation to launch an innovative service module named "ICBC e Government Service-Online Donation", which effectively satisfied the public needs for making donations online and obtaining donation certificates immediately.

Example

Carrying forward the concept of developing science and technology for good purposes, the Bank developed and launched a cloud-based public welfare platform for Red Cross Society of China, Dongying Branch and Dongying Charity Federation. The platform was designed to address difficulties facing local charitable institutions in account management, funds collection, information disclosure, retrospective query, evaluation and supervision, certificate issuance in public welfare projects, thus enhancing transparency of the charitable sector.



Participation in Influential Sustainability-Linked and ESG Investments

► Equity investment projects



As at the end of the reporting period, ICBC Investment, a wholly-owned subsidiary of ICBC, recorded a balance of green finance investments in outstanding projects of

RMB **40,453** million

During the reporting period, it prioritized supports for a batch of national key new energy projects, and worked with the government of a city to establish a new energy equity investment fund scaling

RMB **10** billion

► Leasing projects

The wholly-owned subsidiary ICBC Leasing fully tapped into its advantages in attributes of leasing products and stepped up supports for such green industries as clean energy, green public transport, green shipping, energy conservation and environmental protection.



As at the end of the reporting period, green leasing business totaled

RMB **44,587** million

Example

ICBC Participates in the Leaseback of Financing Lease of Power Battery Production Equipment

In the project, the lessee was a domestic manufacturer of anode materials used to make lithium iron phosphate batteries, which fell into a segment of the new energy vehicle key parts industry. The project adopted the leaseback mode, with lithium iron phosphate production equipment as the leased property. The financing helped the green environment-friendly manufacturing customer put idle assets to better use and supported the production of key parts of new energy vehicles at upstream of the industrial chain. In addition, funds were distributed by means of bankers' notes, which effectively reduced financing costs for customers. The project truly benefited the enterprise and real economy and supported the green industry.

ICBC Leasing Participates in a State-owned Enterprise's Photovoltaic Power Generation Station Project

The lessee was an operator of a new energy power station, which fell into the solar energy utilization facility construction and operation segment under the clean energy industry. In the leaseback mode, the project took photovoltaic modules and DC-AV inverters as the leased properties, which were energy-saving and environment-friendly equipment. The project helped the clean energy developer and operator effectively put idle assets to better use, supported cost-effectiveness enhancement and formation of a reasonable layout of the clean energy industry, and accelerated upgrades to low-carbon and less-emission energy.

► Mutual fund projects

ICBC Credit Suisse Asset Management, a holding subsidiary of ICBC, increased resources input into investment research, and set up a new energy research team dedicated to systematically studying and digging up opportunities in green industries from the perspective of industrial chain. Meanwhile, the subsidiary integrated social responsibility into innovation in business and product, issued a number of funds with an investment orientation to ecological environment, new energy, ESG or carbon neutrality. The investments covered both actively managed products and passively managed products. ICBC Credit Suisse Asset Management was one of the earliest in the asset management industry that had a portfolio covering the sustainable development field.

Example

| As at the end of the reporting period | The annualized RORs | Exceeding CSI 300 by |
|---------------------------------------|---------------------|----------------------|
| ICBC new materials & new energy fund | 7.55% | 8.89% |
| ICBC eco-environment fund | 14.47% | 14.36% |
| ICBC new energy vehicles fund | 47.07% | 47.34% |

Source: Galaxy Securities.

03 Green Finance



Transition Towards a Greener and Low-Carbon Domestic Investment and Financing



The Bank's strategic goal of green finance

Is to become an internationally leading green bank with sound international reputation.

► Bank-wide environmental risk management of investment and financing

Based on the annual investment and financing policy for industries and special-purpose policies, the Bank implemented green credit risk classification, supported the development of green industries, capped financing to high-carbon industries, and actively spurred structural adjustment of investment and financing to a greener way, thus effectively stemming ESG risk of investment and financing.

Formulating and issuing the *Investment and Financing Policy for Industries in 2022*



The Policy covers close to 50 industries in 16 categories, highlighting the “greener” orientation and setting forth further differential policy support and control intensity. Policies that are differentiated in terms of occupation, authorization, pricing and scale of economic capital were adopted. Indicators about an enterprise's technology, environmental friendliness, energy consumption, etc. were embedded into the process of selecting customers and projects in priority industries. Besides, the Bank vigorously supported the development of green, low-carbon, recycling economy through designating clean energy, green transportation, energy saving, environmental protection, etc. as highly or moderately prioritized access industries.

Formulating and issuing the *Notice on Strengthening Investment and Financing Management in Industries with Heavy Pollution and High Energy Consumption*



The Bank strictly capped financing to new projects in industries with heavy pollution and high energy consumption, and adopted higher energy and environmental standards to preventively control risks related to investment and financing made to the aforesaid industries. Enterprises from such high energy-consuming industries as iron & steel, coal, etc. were subjected to classified account-by-account management to reasonably and effectively control financing amount to such industries.

Formulating and issuing the *Guidelines for Environmental and Social Risks Assessment in Project Loan Assessment*



Environmental, social and governance factors were included into the project loan decision-making process to assess enterprises and projects in a science-based manner. The Bank developed a set of environmental and social risks evaluation criterion, evaluated environmental and social risks related to energy consumption, pollution, land, health, safety, etc. of customers and their related parties in construction, production and operation, further optimized identification and measurement of the risk and capped it in project loans.

Deepening the execution of the *Measures for Green Credit Risk Classification Management for Domestic Legal Person Customers (2021 Version)*



Based on the standard that the investment and financing were classified into twelve categories at four levels, the Bank increased the weight of climate risk factors in green credit risk classification, lowered the green risk ratings of some high-carbon industries and enterprises, and actively exerted green credit risk classification of bonds, leasing and non-standard wealth management business based on the completion of green classification of outstanding loans.

Formulating and issuing the *Notice on Strengthening the System Management of Customers' Environmental and Social Risks*



During the reporting period, the Bank strengthened systematic management and control of environmental and social risks, made full use of multi-dimension big data on enterprises' environmental risk through cooperation with third-party environmental data providers, and added the factors of environmental information inquiry and environmental risk control to the credit system that allowed real-time access to an enterprise's environmental information and automatic issuance of risk alerts in the process.

► Achievements in supporting the development of low-carbon industries and cutting down on exposures to high-carbon industries

As at the end of the reporting period, the Bank recorded a balance of RMB3,499.9 billion of green loans extended to green industries including energy-saving & environmental industries, clean production, clean energy, ecological environment, infrastructure greening and green services, representing the largest balance among peers and an industry-leading increment. The top three industries with biggest amounts of outstanding green loans were infrastructure greening, clean energy and energy-saving & environmental industries.

RMB
3,499.9 billion
of green loans



During the reporting period, the Bank actively supported the country's energy supply safety and low-carbon transformation strategy. The balance of loans to wind power and photovoltaic power industries among the clean energy loans accounted for 36.5% of total loans to the power industry, higher than the proportion of wind power and photovoltaic power to the country's power generation structure during the same period. Total loans to industries with heavy pollution and high energy consumption were declining.

The balance of loans to wind power and photovoltaic power industries among the clean energy loans accounted for
36.5%
of total loans to the power industry

Environmental Credit Policy

The Bank formulated and released the *Guideline for Greening Investment and Financing of Industrial and Commercial Bank of China (Trial)* during the reporting period. With an orientation to green development, the Guideline starts from ESG risk control and offers a wide array of instructions on how to prevent and control ESG risks in the investment and financing business. The clarification of key points for ESG risks identification, minimum access criteria, excellence criteria and target green fields has rendered ESG risks control more effective and better-targeted and thus reinforced the Bank's ESG risks control.

The Guideline sets out the guiding philosophy, basic principles, management requirements and implementation requirements, including general requirements for ESG risk identification and control applicable to all industries as well as basic knowledge, investment and financing tactics and basic customer criteria in eight aspects, namely, prevention of environmental pollution, reduction in energy consumption, handling of climate change & control of carbon emissions, conservation of water resources & flood control, biodiversity and ecological protection, work safety & occupational health, preservation of cultural relics, corporate governance and owner behavior. In addition to the general requirements universally applicable to all industries, the Bank also worked out green guidelines for 10 domestic industries, namely, thermal power, coal, iron & steel, non-ferrous smelting, chemical industry, building materials, paper making, shipping, port and agriculture. The guideline for each industry setting out risk identification, basic customer criteria, excellence criteria, ESG risks management, etc. for the industry.

Green Bond

Underwriting of green bonds

During the reporting period, the Bank

As the lead underwriter, has underwrote a total of

32 green bonds

raising RMB 89,689 million for 25 issuers

The underwriting scale reached RMB 26,730 million representing a YoY increase of 23%

Specifically, there were 6 carbon neutrality bonds with an underwriting scale of RMB 5,876 million

Issuance of green bonds

During the reporting period, the Bank successfully issued RMB10 billion worth of carbon neutrality green finance bond on the national interbank market. This is the first of its kind issued by a Chinese commercial bank in the domestic market. The bond was also the first one in the domestic bond market that drew on the *Common Ground Taxonomy: Climate Change Mitigation* jointly published by China and EU, manifesting the credibility of the bond in the international green bond market. Institutional investors of all kinds actively subscribed for the bond, registering an over-subscription rate close to 300%.

Money raised through the 3-year bond was mainly invested in green industrial projects with significant effects of carbon emission reduction. Projects in reserve included clean energy projects such as wind power generation projects with carbon emission reduction effects that are measurable, verifiable and testable. As estimated by some green assessment and certification agencies, the projects invested with funds raised through the bond were expected to reduce carbon dioxide emissions by about 3.5 million tons per year, and significantly bring down emissions of sulfur dioxide, nitrogen oxides and other harmful gases and soot. The projects will deliver significant environmental benefits.

Participation in Global Financial Governance

Work related to IFRS Disclosure of Sustainability-related Financial Information

On March 31, 2022, the International Sustainability Standards Board (ISSB) released the Exposure Draft Proposed IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and Exposure Draft Proposed IFRS S2 Climate-related Disclosures. During the reporting period, the Bank actively participated in handling IFRS feedbacks, joined in the surveys organized by the Chinese Ministry of Finance and HKEX, and offered opinions and suggestions based on in-depth research and in the light of actual conditions of the domestic financial sector.

Work related to the Task Force on Climate-Related Financial Disclosures (TCFD)

The Bank profoundly participated in international cooperation and exchanges, actively pushed forward the practice of TCFD in Chinese financial institutions and took the lead to advance pilot programs on environmental disclosures among Chinese and British financial institutions. Based on actual environmental disclosures by Chinese financial institutions and referencing to the international disclosure standards, the Bank led the formulation of the *Pilot Program on Environmental Information Disclosure by Chinese Financial Institutions*, and developed the *Framework of Environmental Information Disclosure Goals for Chinese Financial Institutions*. Both the Chinese and the British side jointly advanced the annual pilot program, formed the mechanism of seminars on banking, insurance and asset management, and set up research teams that actively conducted researches on carbon neutrality paths, stress test and information disclosure of brown assets.

The Bank has formulated independent reports—*Special Report on Green Finance (TCFD)* for four consecutive years to present its achievements and features of green finance practices in line with international standards made by TCFD, PRB, etc.



Given the achievements made by the Bank in green finance research and practice, the People's Bank of China (PBOC) designated the Bank to lead the formulation of two green finance standards—*Operational Guide for Environmental Information Disclosure of Commercial Banks* and *Guide for Environmental Risk Stress Test of Commercial Banks*. The Bank steadily advanced the preparation of the standards through fully drawing on the *Guide for Environmental Information Disclosure of Financial Institutions* promulgated by PBOC and relevant domestic and foreign (such as TCFD) guiding documents related to environmental disclosure, based on its own practice and experience in commercial banking as well as internal and external opinions widely solicited and taken into consideration.

Work related to UN Principles for Responsible Banking (PRB)

The Bank actively participated in work of the PBR revision team and PRB China team and tried to promote the PRB framework and revisions to the self-disclosure templates to be in better alignment with China's carbon peaking and carbon neutrality policy and actual conditions of Chinese financial institutions. As one of the leading banks in the PRB China team, the Bank compiled the *Internal Work Guide under PRB* and the *Chinese Case Collection under PRB*.

Work related to the Belt and Road Inter-bank Regular Cooperation (BRBR) mechanism

The Bank set up a green finance work force relying on the BRBR mechanism. As at the end of the reporting period, it issued three green bonds under the BRBR mechanism, released six initiatives and three research reports, and hosted 10-odd activities related to BRBR. During the reporting period, the Bank worked with the Green Investment Principles (GIP) to jointly host a seminar on the *Common Ground Taxonomy-Climate Change Mitigation*.

Green and Low-Carbon Operation

Statistics of carbon emissions from own operation

The Bank built and put into service a self-developed statistical system of carbon footprint management data during the reporting period, which allows information reporting in digital forms, standardized approval and automatic pooling, thereby laying down a solid foundation for the Group's carbon peaking and carbon neutrality work.

The Bank completed the collection of historical data during the reporting period.

Domestic institutions of all levels and subsidiaries of the Group were organized to furnish historical data of energy consumption in recent years into the carbon footprint statistics system.

With more than

2.6 million

entries cumulatively imported covering

58 sub-categories in

3 categories

of carbon emission, emission facility and monitoring tools

The Bank is now conducting attribution analysis of the historical data to provide technical support for low-carbon operation management in the future.

Moreover, third-party professional agencies were engaged to verify the data through onsite inspection, document review, etc.

Example

Energy saving and emission reduction of the green Data Center

During the reporting period, the Data Center further brought down Power Usage Effectiveness (PUE) of the computer rooms in Zone III as compared with that of the same period of last year and reduced energy consumption of the computer rooms by close to 5 million KWHs through a series of technological optimization and refined management measures, including expanding the areas using natural cooling, replacing infrastructure in the computer rooms, improving air distribution in the computer rooms and reasonably designing the layout of IT equipment. The branch computer room optimization and transition project has been fully completed after five years. The project delivered large effects in energy conservation and carbon emission reduction through centralizing the computer rooms of some tier-2 branches and making modular renovation. Energy consumption of branches' computer rooms can decrease by over 11 million KWHs each year as compared to that of 2017 before the launch of the project.

Low-carbon overhaul of banking outlets

The Bank actively advanced the low-carbon rebuilding of banking outlets, integrated the concept of green development into the building and operation of the outlets and tried to develop new outlet space that is green, low-carbon, safe, efficient, comfortable and convenient. It continuously updated the outlet refurbishment standards through incorporating green, environment-friendly, low-carbon and energy-saving ideas, improved natural lighting and ventilation of the outlets, tried using electronic signs and modular furniture and facilities, and increased the use of environment-friendly, low-carbon materials that are less energy-consuming, less polluting and recyclable in outlet rebuilding.

Example

Availing the opportunity of refurbishment, Qingninglu Sub-branch in Yulin, Guangxi, in cooperation with China Emissions Exchange, offset the greenhouse gas emissions generated by transportation of building materials, hidden emissions of building materials, hidden emissions of office supplies, air-conditioning refrigerants, employee commuting and net electricity purchase amount during the renovation. In the end, it canceled 51 tons of Chinese Certified Emission Reduction (CCER) (generated by Shangchuandao Wind Power Plant Phase I in Taishan, Guangdong Province). Therefore, it was awarded the Carbon Neutrality Certificate and the CCER Cancellation Certificate, becoming the first financial institution in Guangxi to realize carbon neutrality.

Measures for promoting frugality

Energy-saving renovation

The Bank regularly evaluated the running conditions of all energy-consuming systems, intensified supervision and measurement of their energy consumption and minimized energy used for running the systems without compromising the satisfaction of basic office needs. Moreover, it reinforced the management and maintenance of central air-conditioning systems, dynamically adjusted the working status and efficiency of the air conditioning units, controlled the air-conditioning temperature in office and turned it off in unoccupied areas, thereby effectively reducing power consumption of air conditioning.

Technical improvement for energy conservation was made. In 2021, the Bank completed the replacement with LED lamps in some areas of the underground space of Block A in the Head Office Park.

During the reporting period

The replacement of some lamps in the office building with LED lamps was expected to reduce electricity use by about

50%

Steam condensate from the boiler in the office building was recycled and reused.

Food saving

The Bank advocated an anti-food waste dining culture. While strengthening the management of the canteen and food safety, it stepped up promotion of the "Clean Plate" campaign through putting up posters inside the staff canteen to remind employees of cleaning up plates in the hope that practicing frugality would become a habit someday.

Green procurements

Supplier access

The Bank included three classes of qualifications into the supplier access standards, namely, management system qualifications (environmental management system certification, occupational health and safety management system certification, etc.), social responsibility qualifications (environmental labeling certification, energy saving certification, social responsibility standard certification, pollutant discharge permit, etc.) and equipment qualifications (product quality certification and environment-friendly product certification (CQC), etc.). Supplier access was strictly controlled in terms of green procurement to fulfill social responsibility and practice green management.

Management of official vehicles

Vehicles in use that failed to meet the carbon emission standards were sealed up or discarded; priority was given to new energy vehicles in purchase of new official vehicles; vehicle information including fuel consumption, maintenance, parking, etc. was recorded in detail one by one.

Procurement of office supplies

The distribution of office supplies was subject to strict management, and materials were procured on demand to reduce consumption.

04 Domestic Inclusive Finance



Financial Services for Small and Micro Enterprises

As at the end of the reporting period

The Bank registered a balance
of RMB

1,400.1 billion

of inclusive finance loans that
met the CBIRC criteria
with a growth rate of

27.4%

The number of small
and micro enterprises
with outstanding
inclusive finance loans
reached

918,000

with an increase of
15.6%

The increment in
first-time borrowers
set a historic high;
the proportions
of unsecured
loans and loan
renewals continued
to expand year
on year, better
meeting needs of
the real economy

Since CBIRC started
the regulatory assess-
ment on commer-
cial banks' offering
financial services
for small and micro
enterprises two years
ago, the Bank has
been consecutively
awarded the "first
class" (highest
grade) twice

During the reporting period

The average interest rate of small and micro enterprise
loans further went down

20 BPs YoY



Comprehensive financing

costs fell by **61** BPs



Lowering the
lending rates
in the favor of
customers



Products and services supporting community and social fairness as
well as mass entrepreneurship and innovation were launched

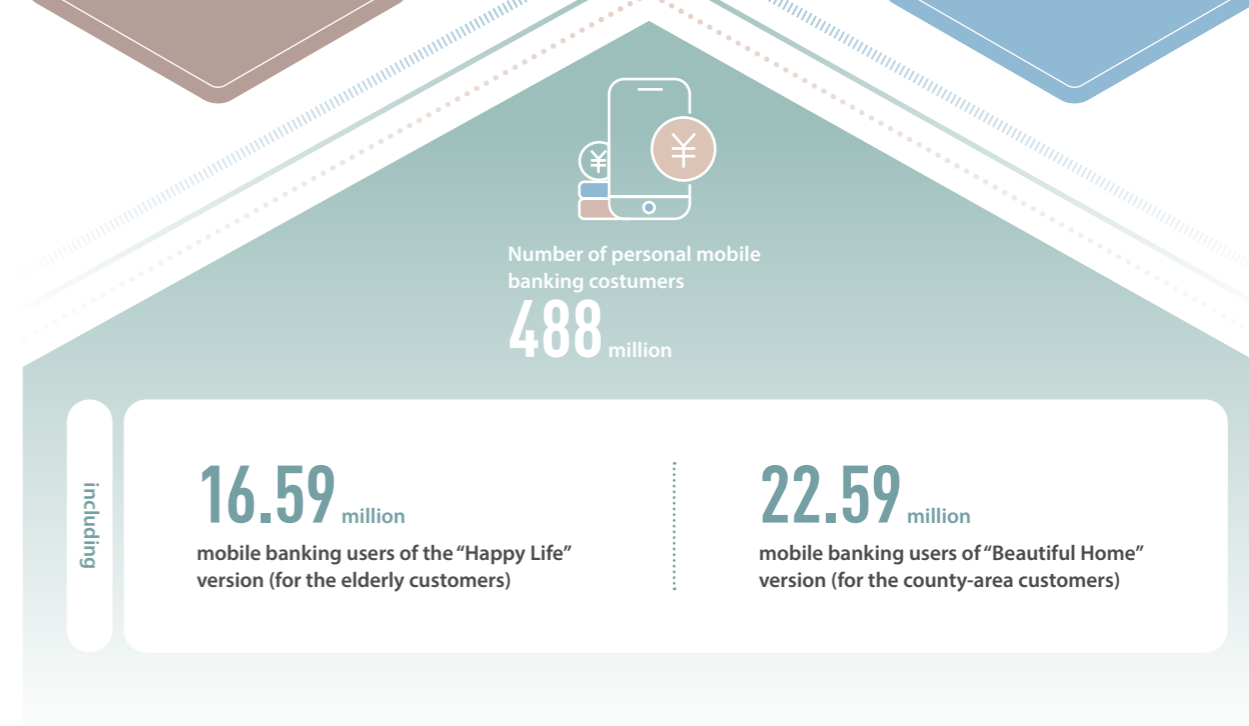
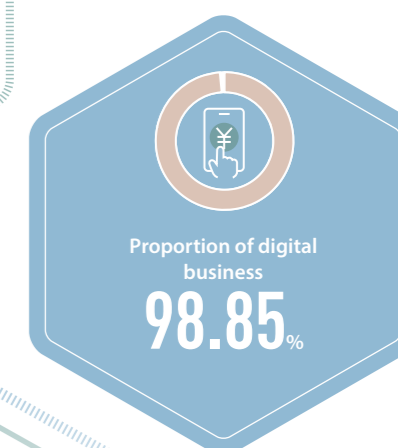
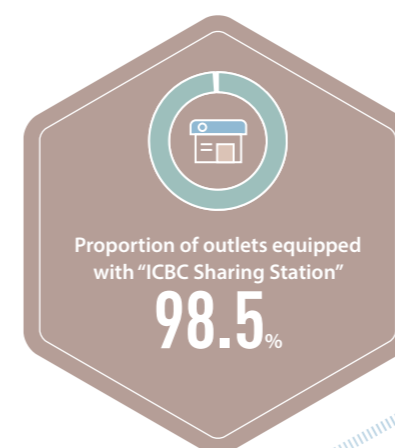
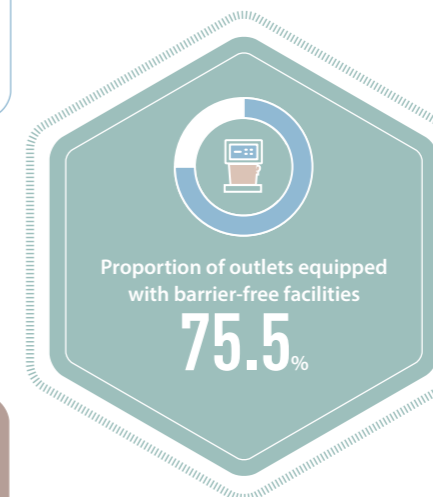
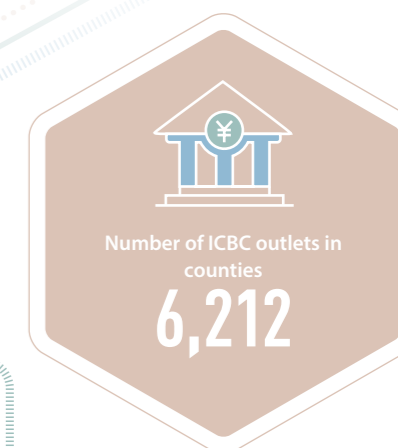
Tapping into the supportive policy for technological
innovation refinancing, the Bank expanded authorization
and adopted preferential treatments in terms of FTP (funds
transfer pricing) and economic capital for loans to SRDI
(Specialized, Refinement, Differential and Innovation) small
and medium-sized enterprises, "little giant" enterprises,
manufacturing "champions" and other technologically
advanced enterprises to satisfy their needs.

As at the end of the reporting period

Corporate loans to SRDI enterprises grew
by over

70%

Innovation in Mobile/Online Distribution Channels



► County-level financial services and financial services for rural revitalization

In the line with the country’s major decisions concerning rural revitalization, the Bank tapped into its advantages in online channels and platforms to make financial services more accessible to customers in counties and rural areas.

Deepening the promotion of ICBC Xingnongtong App

ICBC Xingnongtong is positioned as the main online channel for handling agro-related inclusive finance loans, the main online platform offering services to rural customers and the main battlefield for county-level outlets’ business expansion and service points’ marketing. The App has been popularized across the country since this year. To address brisk demands in counties and rural areas, the Bank creatively launched a user system first of its kind that allows “multiple user identities on one app”, introduced featured services such as “Prosperous Agriculture Loan”, “Prosperous Agriculture e-Wallet”, “Prosperous Agriculture Lecture Hall”, a dedicated column for farmers and convenient account opening services for corporate customers, and offered one-stop “Finance +” comprehensive services. Moreover, the Bank offered a dedicated online channel for applying for “Credit Through Train” project of the Ministry of Agriculture and Rural Affairs, an exclusive access to the credit facility that provided well-targeted inclusive financing support. Besides, the Bank developed financial service scenarios related to agricultural production and life such as “Digital Villages”, “Agricultural Matchmaking”, which constituted an ecosystem of comprehensive financial services that facilitated mutual promotion of industry and agriculture and interconnectivity of urban and rural areas.

As at the end of the reporting period

ICBC Xingnongtong services covered over **1,700** counties throughout China

Example

“Agricultural Matchmaking” Selected as One of the Eight Innovative Modes of Financial Services Supporting Agriculture by the Ministry of Agriculture and Rural Affairs

The “Agricultural Matchmaking” platform designed and developed by the Bank allowed the creation of featured website or App homepages dedicated to entities of agriculture-industry integration projects. The entities were guided to publish products, demands and investment information, and seek partners on the platform. The platform enabled online matchmaking of demands and supplies, screened and established libraries of selected buyers and suppliers, and offered more efficient, better-targeted services of buyer-seller match. In addition, the Bank hosted over 80 business promotion fairs, buyer-seller matchmaking fairs and other activities centering on the selling of farm produces, construction of industrial chain of cultural tourism and “BRICS +” cross-border economic and trade cooperation in farm produces. As for agricultural business entities using the “Agricultural Matchmaking” platform, the Bank made active use of structured data on government subsidies and bounties, agricultural subsidy, insurance, guarantee, order, etc. of projects, and innovated in credit products through which financing supports were extended in considering of the type of the agricultural operators in question and the development stage of the industry.

The “Agricultural Matchmaking” campaign was rolled out in over **30** provinces throughout China

covering **117** national modern agricultural industrial parks

74 featured industrial clusters

455 towns with a competitive agricultural industry

serving more than **52,000** agricultural operators

In cooperation with government bodies of agriculture and rural affairs at all levels, the Bank hosted over **80** agriculture-dedicated matchmaking activities

where more than **3,300** intents of cooperation were entered into

resulting in the extension of financing of over **RMB 14 billion**

200-odd comprehensive financial service solutions were customized



API banking boosts the formation of a new ecosystem of agro-related services

Relying on the API banking brand “ICBC Jufutong”, the Bank embedded more than 40 of its products and services into various platform-based financial scenarios through customization, flexible combination and integrated inputs. Oriented to the state strategies of mutual prosperity and rural revitalization, the Bank stepped up cooperation with agro-related platforms, relied on the supply and marketing system as an important partner and provided comprehensive financial services including inclusive finance, e-wallet and aggregate payments through “Jufutong” for enterprises on the cooperative agro platforms. As at the end of the reporting period, ICBC “Jufutong” served over 30 agro-related platforms including China Agricultural Products Processing Industry Investment and Trade Fair, Hunan Province Supply and Marketing Cooperatives and CNHNB.COM.

As at the end of the reporting period

“Jufutong” was offered by **68%** of outlets

in the **566** counties that had been lifted out of poverty

57% of outlets in the key counties to receive assistance in pursuing rural revitalization

► Financial services for the elderly

In line with the state strategy of “proactively responding to population aging”, the Bank stepped up improvements in internet banking for the elderly to make financial services safer and easier to use to old people.

ICBC personal mobile banking App was one of the first mobile financial applications receiving the “information accessibility” label from the Ministry of Industry and Information Technology. ICBC services for the elderly were widely reported by such mainstream media as CCTV (in the program “Topics in Focus”) and *People’s Daily* and widely acclaimed by customers.

The Bank specially developed the elderly version of mobile banking—the “Happy Life” version designed to address the elderly group’s difficulty and lack of confidence in using mobile banking app

The “Happy Life” version is friendlier to the senses of the old people

Supports two-way human-machine verbal communication in frequently used features so that old people can handle business just by speaking to the cell-phone.



The services were made friendlier to the elderly

ICBC was the first in the industry to launch the “press the button to seek help” feature; remote customer service agents provided “guidance on the same screen”; elderly-dedicated hotlines were available to offer real-time assistance in handling business. All these features minimized the barriers to the old people’s access to ICBC services.

Financial services for the elderly were also made safer

The Bank put in place security guarantees of various dimensions for elderly customers, and guided them to use the “quintuple security lock” that can safeguard the security of their accounts and funds, prevent external risk events including telecoms fraud, intercept risky transactions and protect customers’ money.



05 Privacy and Data Security of Domestic Institutions



Major Awards and Achievements

ICBC was **the first** in the Chinese financial industry that has been awarded the highest grade (Grade V) in the data management capability maturity assessment. In the field of data security management (one of the eight capabilities in the Data Management Capability Maturity Model, DCMM), the Bank obtained a score that lived up to the assessment standards and requirements of Level V (optimized level).

The Bank **ranked first among the peers** in the annual comprehensive assessment on technology supervision of the banking sector conducted by the CBIRC.

The open ecological development project of smart banking – ECOS (Enterprise-level, Customer-centred, Open, and Smart) received **the highest prize** of the FinTech Development Award from the PBOC.

As at the end of the reporting period, the Bank **topped** in the domestic banking sector in terms of the increment and the cumulative total number of authorized patents.



ICBC was **the first** in the industry to set up a dedicated institute of FinTech.

Establishment of a Sophisticated Customer Information Protection Management System and a Guarantee Mechanism

The Bank has always attached great importance to customer information protection and data security in the process of operation and development.

It has put in place a **data security governance system** featuring a complete structure and clearly defined boundaries of responsibilities as well as an organizational structure with four-in-one integration of decision making, management, execution and supervision. Institutions at all levels coordinated and cooperated with one another in implementing the data security management requirements.

The Bank set up a relatively complete **system of data security rules and standards**, and released data security management rules and standards with respect to network and information security, data security classification, data sharing within the Group, cooperation with outsiders, office terminals, production and operation, external consultation project, etc. that set out job requirements and management tactics.

Based on the four-in-one organizational structure, the Bank clarified **responsibilities of the data security position**, and stepped up ability building of employees working on relevant positions to ensure effective delivery of relevant requirements.

Advancing the development of technology-based control capability



The Bank continued to refine its intelligent safe operation system, strengthened security control in all aspects throughout the whole process of R&D, test run, production, etc. and continuously enhanced the Group's safety protection capability.

A data security technology platform has been established that served as a versatile hub enabling intelligent identification of sensitive data, dynamic access control, unified data desensitization engine, data watermark traceability, data security monitoring and audit. The platform offered functions and services in differential scenarios.

Frontier research on new technology was advanced vigorously. New technology that enabled data serviceability but disallowed sharing was introduced. Automatic technologies such as natural language processing were applied to improve security data classification as well as automatic and accurate identification of sensitive information. Besides, the Bank actively followed up and promoted R&D and upgrades of new technologies with a view to cementing security protection in the process of data use.

Strengthening security management of customer data on clients and customer information offered to outsiders

The Bank realized real-name filing and third-party certification on the mobile banking client App, refined the compliance requirements for personal information protection on the mobile banking App, formulated technical guidance on compliance, and reinforced control of the R&D process through specifying personal information protection requirements throughout all the stages of software R&D and testing.



Moreover, the Bank reinforced the management of customer information safety in the process of cooperating with outsiders. Provision of customer information to cooperators should go through rigorous approval procedures with authorization by customers, and only the minimum amount of information needed for handling the business will be provided. A customer information register system was established to strengthen system-based control over data sharing.

Building a comprehensive defense system to address practical requirements

The Bank has set up an integrated defense technology system that is comprehensive, proactive and intelligent.

Protection of Customers' Personal Information

Management rules

In terms of personal customer information protection, the Bank formulated and released the *Measures for the Management of Personal Customer Information Security*, set up a Bank-wide uniform mechanism of personal customer information protection, intensified whole-process management of personal customer information and standardized basic principles and management criteria for personal customer information security management for the whole Bank. In the meantime, relevant internal departments involved in the management of personal customer information Apps and systems worked out respective rules on personal information protection in the light of the characteristics of personal customer information protection management in the department, the business line or the system. Such rules constituted the system of personal customer information security management rules.

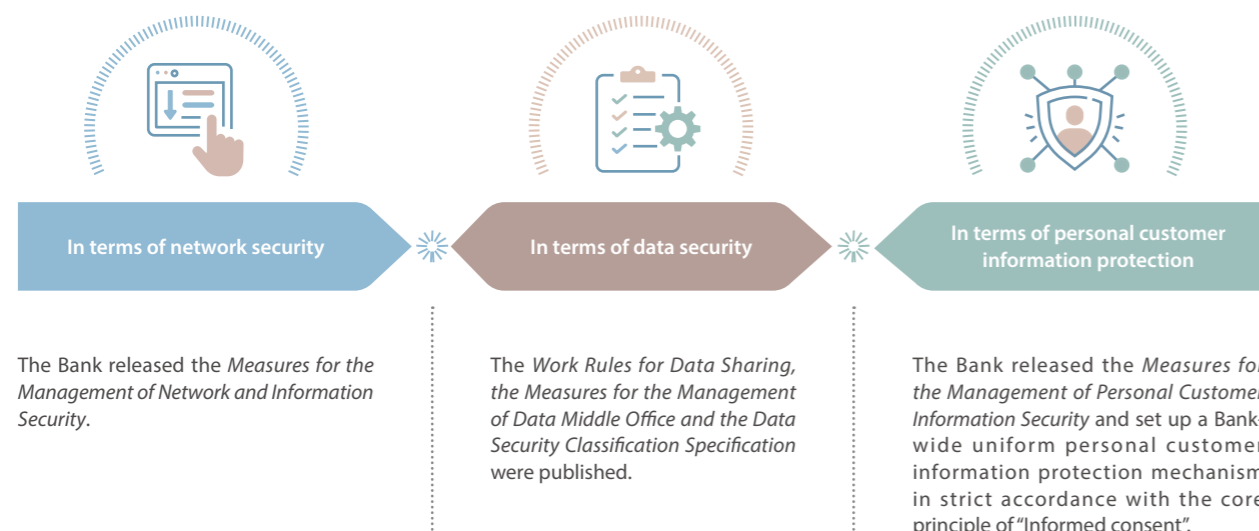
Data security was subject to classified management. The standards for classification were implemented through using automatic tools, applying machine learning algorithms and establishing an identification rule base.

► Measures for protecting privacy of personal customers



■ Network Security Policy and System Audit

► Network security policy



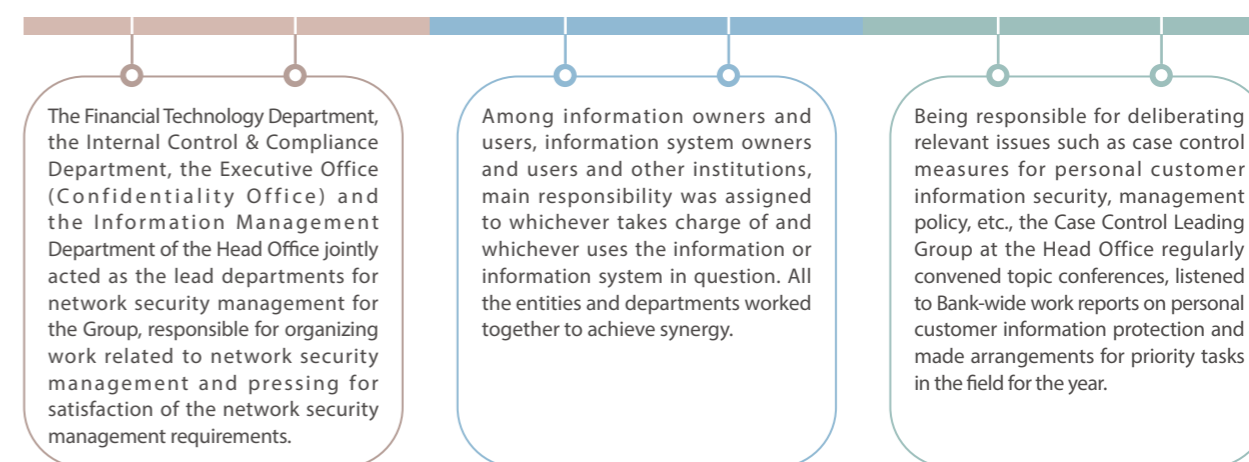
► System audit

The Bank attached great importance to data security and customer privacy protection in the Group. During the reporting period, it organized audits on digital banking and data governance, IT outsourcing risk management, IT risk management of branches, etc., to ascertain how well data security and customer privacy were protected.

■ The Management Responsible for Privacy and Data Security

The Bank set up the Financial Technology and Digital Development Committee at the executive level.

During the reporting period, the Bank established the Data Governance Committee responsible for reviewing Bank-wide implementation plans and tactics on data security under the Financial Technology and Digital Development Committee, and released the *Working Rules of Data Governance Committee (Version 2022)*.



■ Data Security/Privacy-Related Risk Training Offered to Employees and Suppliers

The *Measures for the Management of Personal Customer Information Security* explicitly provides that internal departments involved in the use of personal customer information and system management shall offer regular training on personal customer information protection to employees working in the line from entities of all levels. At the same time, the Head Office offered training courses on customer information security management in the training column of "ESG Cloud Classroom" of ICBC Training Center and updated the courses from time to time. Through the training courses, relevant laws, regulations, internal provisions and requirements, external and internal cases were disseminated to employees at all levels.

During the reporting period, the Bank also organized lectures to popularize laws including the *Data Security Law* and the *Personal Information Protection Law*.

The Bank also stepped up training for suppliers to enhance their sense of security, signed confidentiality agreements with them and offered security training to their service personnel.



06 Protection of Lawful Rights and Interests of Domestic Financial Consumers



Consumer Protection Training for Employees

► Policies, rules and programs



Making “stepping up dissemination of consumer protection ideas and training of consumer protection skills” an important part of the consumer protection work in 2022, the Bank required all the branches to enhance the intensity of training for the specialty lines including personal banking, credit card, internet finance, operational management, etc. as well as primary-line positions such as outlet heads, customer service managers and account managers so as to enhance the understanding of consumer protection of employees working at the primary level and their capability of handling customer complaints.



The Bank formulated and released the *Consumer Protection Training Program 2022*, requiring to intensify training across the Bank in this regard for operational managers, backbone employees and primary-level employees of specialty departments related to consumer protection. The Work Plan specified and refined key contents of training for employees on different posts, gave prominence to the integration of business training and consumer protection training, highlighted practice-based, scenario-based, straight-through training, and pressed institutions at all levels to improve consumer protection training in terms of both quality and efficiency.

► Special-purpose training for specialty lines

The Bank organized video conferencing training on consumer protection review for close to 1,000 employees from the lines of consumer protection, personal banking, bankcard, internet banking and operational management. With an accurate understanding of laws, regulations, regulatory provisions and the Head Office's requirements with respect to consumer protection, the lines and institutions further improved their prior risk control level, and made efforts to protect legal rights and interests of all sorts of financial consumers at source, thus helping enhance the Bank's operational compliance level and customer service experience.

During the reporting period

168

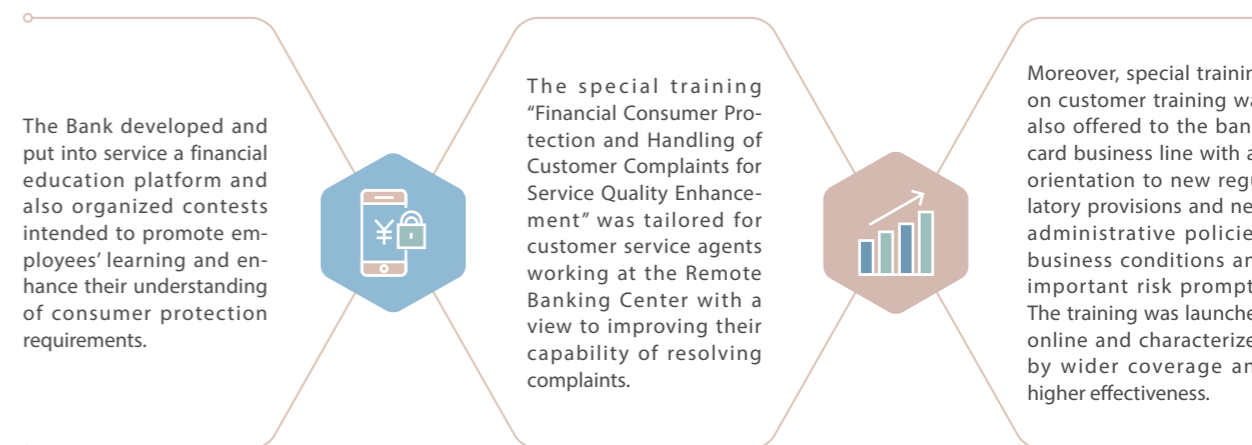
training
sessions on consumer
protection

that covered
persons/times were held

28,539

► Inclusion of consumer protection contents into business training

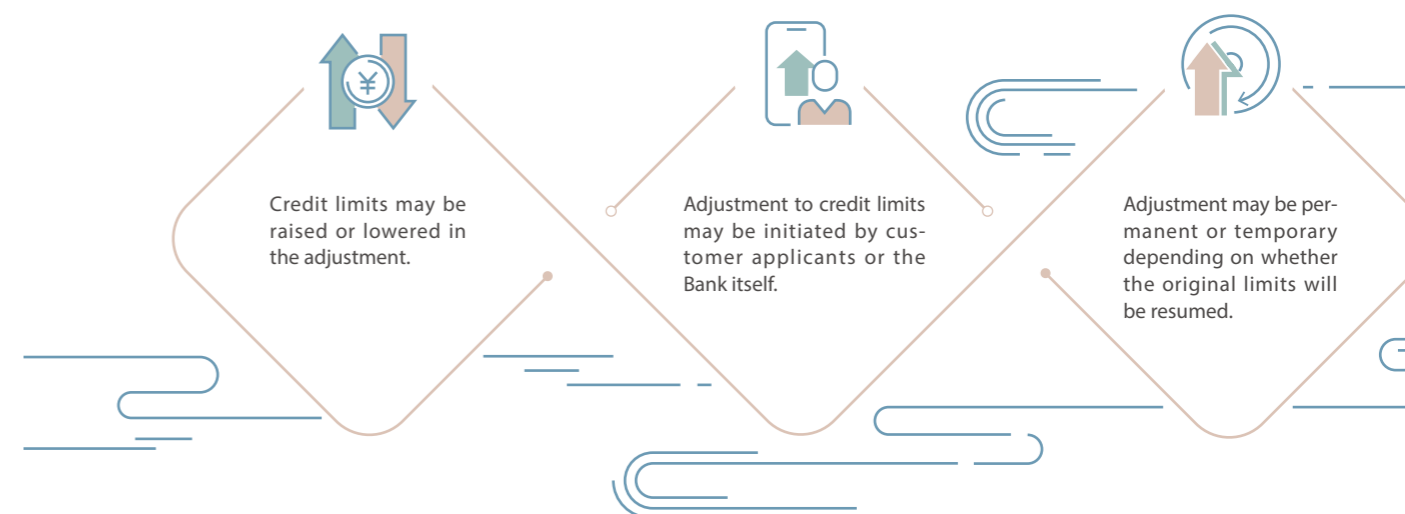
Consumer protection contents were integrated into business training in a way that realized mutual promotion and synergy of consumer protection and business operation.



Relevant Policies

► Credit limit adjustment policy for credit card business and personal loan

The Bank exerted dynamic management of customers' credit limits according to the *Administrative Measures for Personal Credit Extension under Credit Card Business*, which meant that customers' real credit limits were subject to dynamic adjustments based on their available limits approval information, creditworthiness, spending needs, risk appetite, etc. as well as calculation results using the measurement models or credit extension rules.



► Fee charging, reduction and exemption policy

The Bank took initiatives in exempting and lowering market-adjusted service prices, including annual service fee of some products, bankcard/bankbook making fee, service fees of deposit, withdrawal, transfer and remittance of credit card, balance changes SMS alert fee.



The *Initiative on Lowering Payment Handling Fees for Small, Micro and Self-Employed Businesses* was strictly implemented by the Bank.



Furthermore, it took out some items from the Service Price List and reduced the charging standards of some in accordance with the *Guiding Opinions of the China Banking and Insurance Regulatory Commission on Regulating the Management of Market-Adjusted Prices for Banking Services*.



► Debt collection policy

The Bank stipulated and released the *Administrative Measures for Cooperating with Professional Service Agencies in Debt Collection under Bankcard Business (Version 2022)* and the *Tips for Key Points of Personal Loan Collection*, launched training on the Administrative Measures with a focus on the management of loan collection behaviors of cooperative agencies and employees engaged in the work so as to ensure that debt collection behaviors lived up to the requirements with respect to consumer protection and customer information security protection.

► Pandemic-related policy

The Bank guaranteed services for those customers who failed to repay on time as they were affected by the pandemic. It released the *Tips on Services for Personal Loan Customers during the COVID-19 Pandemic* and the *Notice on Further Improving Services for Personal Loan Customers during the COVID-19 Pandemic*, which were intended to relieve personal loan customers of repayment pressure under the shadow of the pandemic by allowing them to delay repayment.

In addition, it administered complaints governance in synergy with pandemic control through timely issuing a series of preferential policies including delayed repayment of personal loans and credit card overdrafts, fees reduction and protection of credit reference, launching more convenient services such as emergency adjustment to limits on transfer and remittance through electronic banking, offering online AI answers to questions of customer concerns and providing 7×24 around-the-clock services. These measures addressed customers' real problems and thus effectively reduced customer complaints.

Product and Business Review

The *Management Measures for New Product (Business) Risk* developed and issued has incorporated risk identification and assessment, risk control and mitigation, and monitoring and reporting throughout the entire life cycle of new products (business) into the scope of management. These risk control actions were threaded into the access stage and duration management period of new product (business), covering the full cycle of dynamic management of new idea generation, product design, project establishment and development, risk assessment, approval and release, duration management, post-assessment, change/exit and other processes.

Besides, the *Measures for Research and Development Management* was revised to intensify risk management of new product R&D and standardize risk identification, assessment and control activities for new product R&D.

During the reporting period

The Bank conducted risk assessment and risk review on over **720** projects

All in all, risks related to new product R&D remained controllable in general

Cumulatively developed risk control measures for **1,000**-odd key links and checked to confirm the implementation of the risk control measures one by one prior to project launch

Governance of Customer Complaints

► Customers complaints handling procedures

Complaints accepting

The Bank accepted customer complaints in a timely manner and supported the creation of work orders in the system, and assigned work orders in a way that was most conducive to the proper handling of complaints.

Complaints handling

Units responsible for complaints handling promptly contacted customers and informed them of whether their complaint was accepted. The complaints shall be handled within time limits, the length of which depended on the specific case.

Complaints closure

Upon completion of the complaint handling process, the result would be made known to the customer, as well as the verification of what's complained about, the basis and reasons for the decision, and the remedies that were available to customers, including application for decision review, mediation, arbitration and litigation.



At the same time, the Bank publicized the ways of lodging complaints and the complaint handling process on its [official website](#) for the information of customers, as required by regulators.

► Effectiveness of customer complaints governance

During the reporting period, the Bank established the "Consumer Protection Committee" under the Management, profoundly practiced the people-oriented development concept, earnestly implemented the requirements of financial regulators and included consumer complaints governance into the overall planning for the whole Bank's high-quality development. It vigorously carried out the "Year of Personal Customer Complaints Governance" campaign intended to address the complaints at source and enhance the capability of complaints governance. The efforts delivered sound effects.

During the reporting period

The number of personal customer complaints of domestic institutions recorded in the "Customer Service and Complaints Management System" fell by

37%

as compared with that of the second half of 2021



In the first half of 2022, the number of complaints on debit card charges, savings deposits, credit card records, interest and fee disputes and other key complaints of the Bank accepted by regulatory authorities declined quarter by quarter.



During the reporting period

The Bank ranked **No.15** in terms of “the number of complaints received for every 100 outlets” and “the number of complaints received for every RMB100 billion worth of assets” among the 18 nationwide commercial banks that could be directly complained about to the PBOC

Maintaining at a lower level

Whistleblower Protection System

The Bank released the *Measures for the Handling of Irregularities Reports*.

Domestic Loan Change Programs

► Advance repayment of personal loan

The Bank continuously improved the advance repayment service of personal loans through increasing the service efficiency and standardizing the handling procedures. Special cases can be handled in a special way and urgent cases in a quick manner to satisfy customer needs. In addition, it launched the online reservation service for advance repayment, optimized the online repayment function and offered multiple choices including lowering monthly repayment and shortening terms, designating the repayment account, etc. and made available convenient online-offline integrated repayment services.

► LPR dynamic adjustment

In accordance with the requirements of the PBOC set forth in the regulator’s relevant announcements, the Bank made the transition to LPR for existing personal housing loans to facilitate the interest rate liberalization process. As of the end of the reporting period, the transition to LPR and subsequent handling of dissents were successfully completed, realizing the transition to LPR of housing loan business to the largest extent.

To implement the regulator’s requirement for dynamic LPR adjustment, the Bank guided its domestic branches to determine their respective interest rate applicable to their housing loans, ensuring effective implementation of region-specific credit policy for housing loans.



Financial Education Initiatives and Stakeholder Participation

- The Board of Directors and the Corporate Social Responsibility and Consumer Protection Committee under the Board deliberated the highlights and program of consumer education and publicity for the year.
- The Consumer Protection Committee was newly established under the Management to make overall planning for consumer education and publicity work.
- The Bank issued the *Financial Consumer Education and Publicity Program for 2022*, which provided for an in-depth integration of consumer education and publicity activities with such topics as helping the country cope with an aging population, preventing and mitigating financial risks, aiding rural revitalization and assisting the country's actions to fight gang crimes in the financial field. The document also required effective synergy of such activities with other activities such as the “month of intensive promotion of combats against telecom and internet frauds” and the “month of prevention of illegal fundraising”.

During the reporting period



More than **85,300** education and publicity activities were carried out

► All-round enhancement in quality and efficiency of services targeted at new citizen groups

With a focus on individualized needs of the new citizen groups, the Bank, relying on the service advantages of the ICBC Group, launched an exclusive financial service system dedicated to the new citizen groups characterized by “1+3+X”. Tailored to the groups’ distinctive characteristics such as high cross-region mobility, diversified comprehensive needs and prominent specific needs, the system comprises quality financial services for new citizens under three core scenarios of housing, entrepreneurship and medical health and an array of extended scenarios such as retirement life, employment, education and financial literacy (represented by the “X”). Financial services for new citizens were becoming more and more available and convenient.

Exclusive financial service system dedicated to the new citizen groups characterized by “1+3+X”

1
the system
comprises
quality

+

3
three core scenar-
ios of housing,
entrepreneurship
and medical
health

+

X
an array of
extended sce-
narios such as
retirement life,
employment,
education (repre-
sented by the “X”)

Complaint Supervision Mechanism

During the reporting period, the Corporate Social Responsibility and Consumer Protection Committee under the Board of Directors considered and approved the *Proposal on 2021 Consumer Protection Work and Work Plan for 2022*, which included an analytic report on customer complaints in 2021. Understanding the general picture of customer complaints, effectiveness of complaint governance, problems frequently complained about and reasons could help translate consumers’ opinions and suggestions to where to improve in customer services and business development. The directors perused the internal audit report on consumer protection in 2021, paid much attention to the issue and took actions to press for consumer protection efforts.

07 Human Resources Development



On-the-job Learning and Acquisition of Certificates

► Policy on external qualification certificates

Since 2008, the Bank has carried out 13 international qualification certification training programs including Certified Financial Analyst (CFA), Financial Risk Manager (FRM), and Chartered Certified Accountant (ACCA) in an organized way. The training programs covered a wide range of key business lines and specialty fields such as investment analysis, corporate banking, personal wealth management, treasury management, financial leasing, risk management, financial accounting, information technology (IT), and internal control & audit. At the same time, the Bank released the *Measures for the Reimbursement of International Qualification Examination Fees* in 2012, with a view to financing staff members who obtained international qualification certificates. As at the end of the reporting period, the employees obtained 20 types of international qualification certificates.

During the reporting period, the Bank revised the *Measures for the Reimbursement of International Qualification Examination Fees* (G.Y.B.F. [2012] No.1119) into the *Measures for the Reimbursement of External Qualification Examination Fees (Version 2022)*. The revision increased the number of international qualification certificates covered to 38 external qualifications and refined the exam fee reimbursement policy to fully satisfy the staff's diversified, differential, individualized learning requirements and encourage them to obtain more qualification certificates.

► Internal policies related to professional qualification certification

The Bank officially started to accredit the professional qualification exams in 2010. Relying on the HR positions ranking system, the professional qualification exam system comprises 60 modules in 20 series in five classes at three levels - senior, intermediate and junior. The professional exam accreditation system has become a basis for appointment, promotion and business authorization in some key business lines and branches.

During the reporting period

The Bank bettered the professional exam accreditation system and integrated the junior and senior series of professional qualification exams for sub-branch employees.

The **18** categories in question have been integrated into **3** generic categories

Generic
personal
banking

Generic
corporate
banking

Generic
comprehensive
services

Cooperation with Educational Institutes in Developing and Offering Joint Training Programs

The Bank made innovation to its joint training mechanism, deepened bank-university cooperation jointly with Tsinghua University, Renmin University of China, Beijing University of Posts and Telecommunications and Beihang University, created cooperative mechanisms of education, internship and innovative projects for excellent university students, and promoted university-enterprise talent sharing and in-depth industry-education-research integration.

◉ Example ◉

The Bank entered into memorandum of cooperation with School of Economics and Management, Tsinghua University, and offered well-designed practice-oriented courses on frontier topics in the financial field, operation mode, intelligent credit business and inclusive finance, under the "Tsinghua SEM—ICBC Stars" project for undergraduate students. The cooperative project is intended as a model of bank-university cooperation.



The Bank standardized and strengthened cooperation with external training

resources. It gathered quality intelligent resources from **25** renowned Chinese universities including Tsinghua University and Peking University created a list of training cooperators covering

Over 100 institutes, and further expanded the supply of training resources.

Complaint Lodging Procedures for Domestic Employees and Democratic Governance

► Complaint lodging procedures

The Bank has finished the establishment of irregularity accountability committees in institutions at all levels, which are responsible for collective deliberation on review (checking) results of complaints filed by employees about administrative penalties received.

The *Provisions on Handling Staff Irregularities* has been distributed, explicitly setting out the specific procedures of employees' lodging complaints concerning accountability for internal irregularities.

► The management of labor disputes

The Bank has formulated the *Measures for the Management of Labor Contract*, which requires managing labor disputes in a rule-governed and standardized way. The normative document stipulates that tier-one branches (branches directly managed by the Head Office) and tier-two branches shall establish their respective labor dispute mediation committee in accordance with the law. These committees shall be affiliated to the labor union committees at the same level, responsible for mediating labor disputes in jurisdiction. A labor dispute mediation committee is composed of employee representatives and employer representatives. Specifically, employee representatives are labor union members or elected by all employees. The labor dispute mediation committee is chaired by a member of the labor union or someone mutually recommended by both sides. In the event of labor disputes, employees may settle them by negotiating with their institution. Where negotiation fails or settlement agreements cannot be fulfilled, employees concerned may apply to the labor dispute mediation committee of their institution for mediation. If mediation fails or mediation agreements cannot be enforced, employees concerned may apply to their local labor dispute arbitration committees for arbitration. Those who are dissatisfied with the arbitration award may file a lawsuit with the local people's court.

► Democratic governance of employees

• Convening the employee (representative) assembly to protect staff's democratic rights

During the reporting period, tier-one branches, branches and institutions directly under the Head Office and subsidiaries convened 22 sessions of employee (representative) assemblies, where issues related to operational management, financial work, remuneration and benefits, collective contract for the protection of female employees' rights and interests, etc. were discussed, thereby truly protecting employees' democratic rights in participating in operational management and major decision making as well as in discussing important issues related to their interests.

Example

The *Proposal on Setting Day of Cares for Customer Service Managers*, which was put forward by the Bank's employee representatives at the first session of the Second Employee (Representative) Assembly and as the only participating proposal from the financial system, was ratified by the Office of National Coordination Group for Open Access to Enterprise Affairs as 2021 national excellent proposal on "Concerted Efforts to Boost Development" from employee representatives.

• Performing democratic procedures for policies and rules related to employees' interests

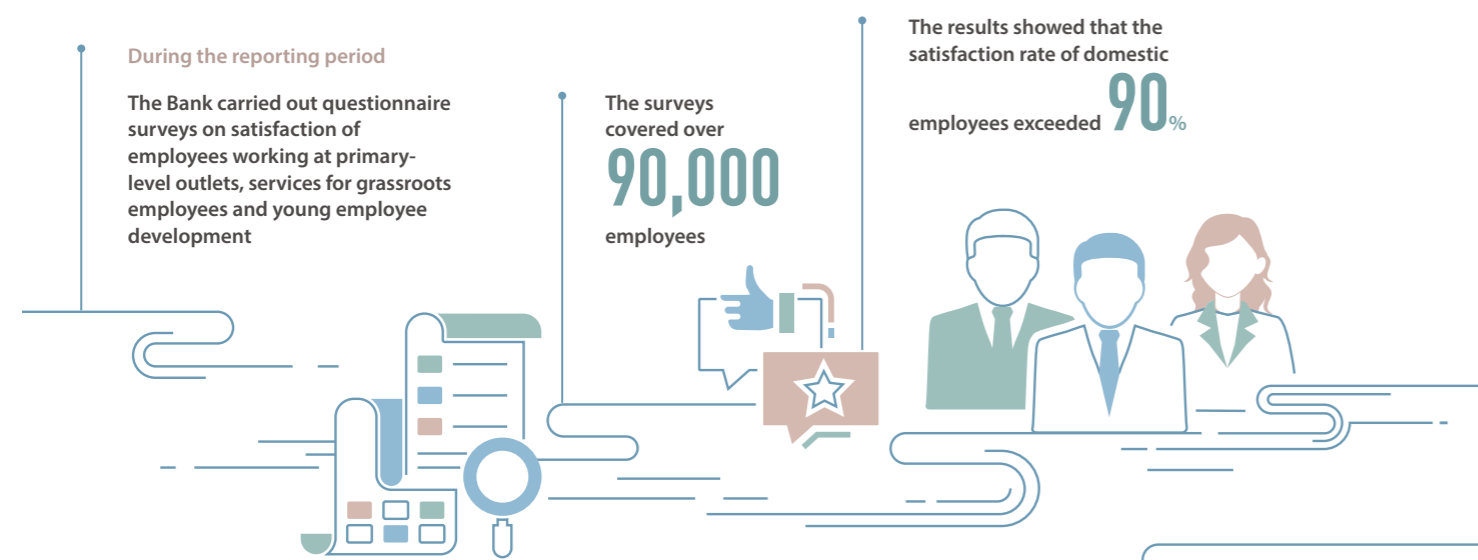
During the reporting period, the Bank solicited opinions and suggestions from employee representatives of the Bank's Second Employee (Representative) Assembly and of all institutions about three policies and rules including application for special working hours and the *Provisions on Handling Staff Irregularities (Version 2022)*.

As at the end of the reporting period

A total of **61** pieces of opinions and suggestions were contributed
by employee representatives from **29** institutions

■ Domestic Employee Satisfaction

ICBC attaches high importance to employee satisfaction, and has established a regular closed-loop employee satisfaction survey and improvement mechanism that covers multiple levels and dimensions. During the reporting period, the Bank delivered real benefits to employees through addressing their urgent needs and difficult problems, and respected their needs, self-esteem, personality and characters with a view to fully arousing their solidarity and creativity so that employees can feel at ease, make ICBC their home and work wholeheartedly for ICBC to realize mutual development with the Bank.



■ Employee Stock Ownership Plan

During the reporting period, the Shareholders' General Meeting deliberated and passed the *Proposal on Reviewing the Articles of Association of Industrial and Commercial Bank of China (Version 2022)* at the Annual General Meeting. Article 69 of the new version provides that the Shareholders' General Meeting shall deliberate stock incentive plans and employee stock ownership plans, and Article 139 stipulates that the Board of Directors shall draw up stock incentive plans and employee stock ownership plans. The new version of *Articles of Association* will take force upon ratification by the CBIRC.

■ Non-Salary Benefits and Work-Life Balance

► Supplementary pension insurance plan for domestic employees

With great importance attached to bettering the employee pension guarantee system, the Bank has introduced a supplementary pension insurance plan (enterprise annuity), after getting all employees covered by the basic pension insurance. More and more employees have got covered by the supplementary pension insurance plan. Guarantees for employee's life in retirement have been constantly enhanced.

► Supplementary medical insurance plan for domestic employees

The Bank also attaches great importance to employee health management through increasing medical guarantees for its employees. In addition to the basic medical insurance, the Bank has also put in place a supplementary medical insurance plan that can reduce employees' medical bills incurred by outpatient service, emergency treatment, and hospitalization and provide additional medical support for employees suffering from serious diseases.

The supplementary medical insurance plan had a coverage rate of **100%**

► Assistance scheme for domestic employees

The Bank continued to refine the employee assistance system with particular attention paid to guaranteeing benefits of primary-level employees. Care and assistance were delivered to employees working at the primary level to create a harmonious and warm working atmosphere. The Bank was open to employees' opinions sent via various channels to get informed of their thoughts with particular attention paid to their psychological health and relief of mental stress. Greetings were sent to all employees on festivals and holidays, and best wishes were expressed to those getting into retirement, getting married, having a newborn, celebrating a birthday and getting hospitalized. The labor unions adhered to the principle of "favoring employees working in remote and less developed areas and at the primary level" and organized warmth-sending activities for them on New Year's Day and the Spring Festival.



►

Medical check and health consultation service for domestic employees

The Bank organizes health checks for all every year. More relevant items were added to the medical checks to further protect employees' health in consideration of their health check needs under regular COVID-19 control and latest upgrades of medical checks.

In the meantime, the Bank has always attached great importance to employees' mental health as well. It employed a variety of reasonable means and measures to help employees alleviate stress and create a sound environment in favor of "happy work and healthy life". A health care system covering domestic and overseas entities at all levels has been put in place. Entities actively carried out staff caring activities based on respective real conditions.

Example

► The Head Office engaged a professional institution to provide employees (as well as their spouse and children) with around-the-clock gratuitous health consultation services through various channels, and to hold regular health lectures and interesting health-related activities.

► The Remote Banking Center launched a health care program named "Scindapsus Aureus Plan" designed to help employees release stress through hiring health consultants to give courses in rotation.

The Bank expressed cares and concerns to its employees in a variety of innovative ways, such as using the human resource management system, office mailbox system and office software to send heartfelt blessing messages to employees on important festivals, holidays, and anniversaries including birthdays, on-boarding anniversaries, anniversaries of employees dispatched to work abroad, Spring Festival, and Dragon Boat Festival.

►

Working environment and dining guarantees for domestic employees

The Bank highly values employees' life security, physical and mental health and is committed to promoting their health. It carried out the "Month of Hygiene & Patriotism" campaign with a view to creating a clean, orderly working environment and advocating green, health work and life styles. A variety of measures focusing on food security were employed to ensure the employees' "safety of every bite of food".

►

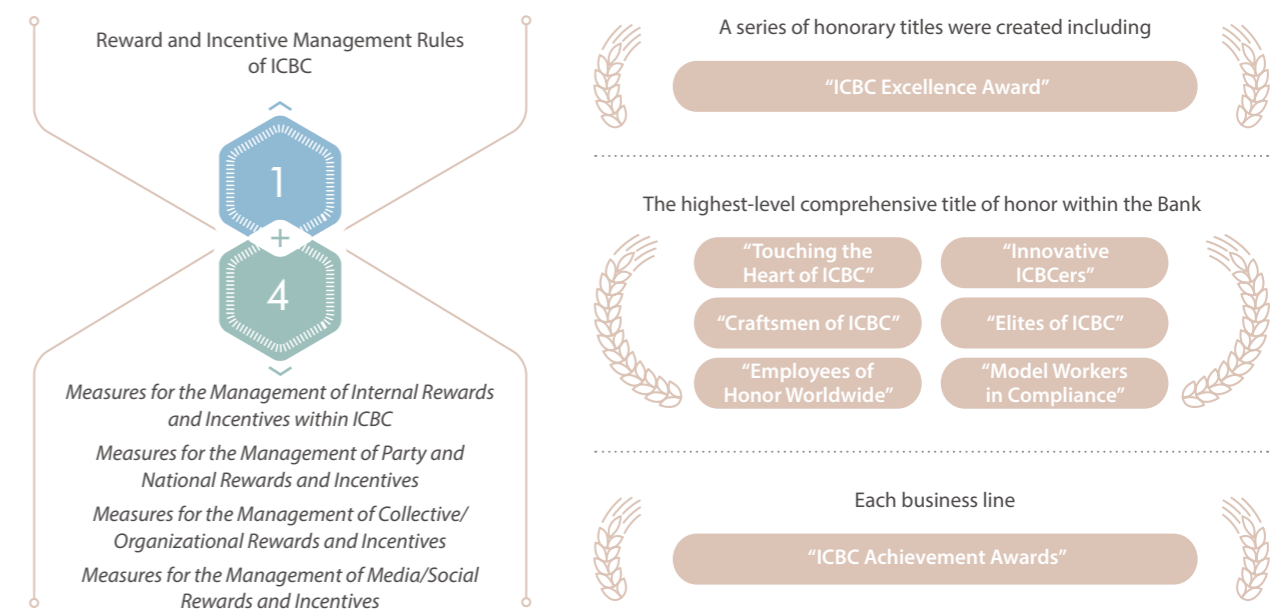
Paid leaves for domestic employees

ICBC fully protects the staff's rights to rightful leaves. Employees are entitled to paid annual leave in accordance with the applicable national regulations. Annual leave can be taken at one time or discretely throughout a year. If an employee needs to reserve his/her annual leave for the next year due to work needs, arrangements can be made on a case-by-case basis flexibly.

►

Rewards and incentives for employees

ICBC has established a reward and incentive system with its own characteristics and stimulating effects, which can be summarized as "1+4" as follows:



►

A mechanism that protects the legitimate rights and interests of domestic female employees

During the reporting period, the building of "Loving Mothers' Cabin" and "Room of Cares for Female Employees" was stepped up. Moreover, a variety of cultural and spiritual enrichment activities for women employees were carried out, such as reading report contest, health lecture, brisk walking and art piece appreciation.

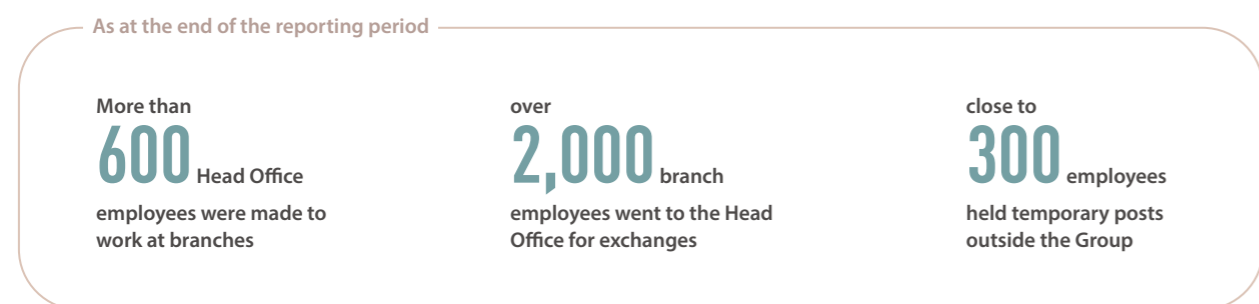
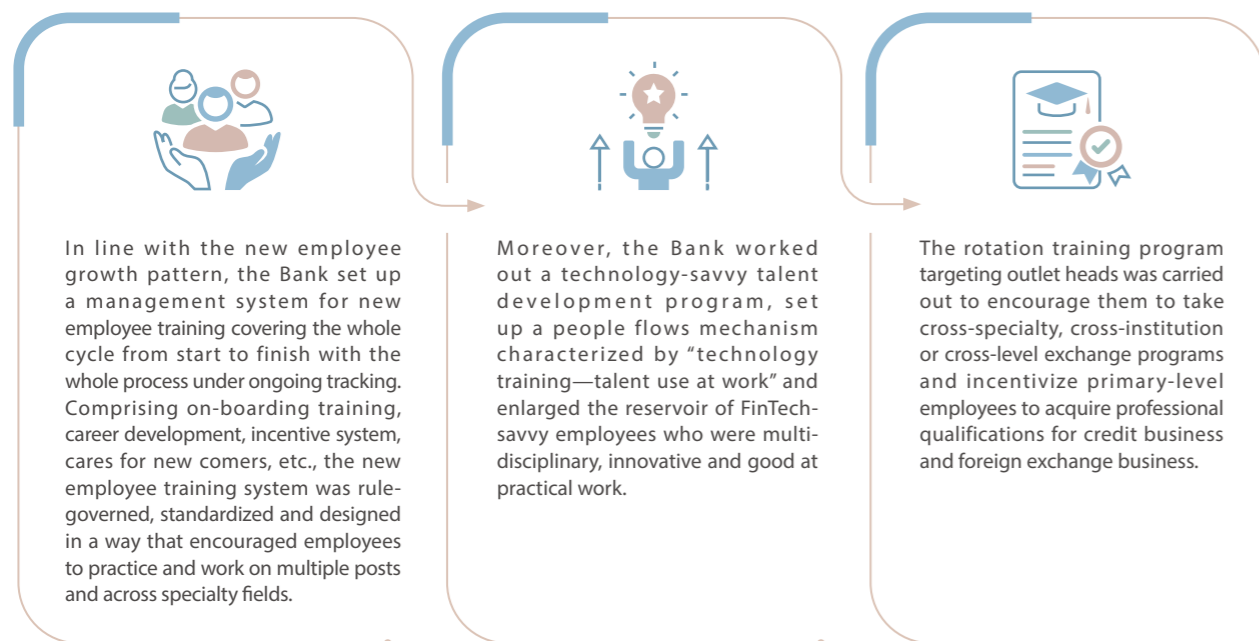
Regular Performance Appraisal and Feedback Process

The Bank strives to create a fair, transparent, science-based, and rule-governed appraisal and remuneration mechanism and a performance management process through a host of measures such as reasonable system design, extensive policy dissemination, science-based performance appraisal, adequate communication, and strict supervision & control. It introduced the mode of differentiated performance management tailored to post duties, role positioning and job nature, designed appraisal methods and indicators in a classified manner, and continuously optimized the performance appraisal mechanism combining quantitative measurement and qualitative evaluation to make performance appraisal more relevant and effective.

The Bank kept improving the employee performance-oriented communication and feedback process, strengthened the organization and management of performance appraisal, deepened the use of appraisal results and gave full play to performance appraisal as "guiding baton" and "signpost".

Career Development Training Plan for Employees

The Bank has worked out a talent development program, established a personnel training and development regime covering employees at all levels across the board, and set up a reasonably structured hierarchy of human resources. Through optimizing the staff composition structure and improving their work efficiency, the Bank strove to tap deep into the talents of every person so as to create a sustainable talent pipeline.



Management Skills/Leadership Training

The Bank continued to improve the leadership enhancement system, where training and practice opportunities were classified for management personnel according the age bracket and degree of sophistication and offered to enhance their professional competence.



| Type of employee | Training coverage ratio | Average training duration (days) |
|------------------|-------------------------|----------------------------------|
| Management | 95.9% | 7.4 |
| Professional | 81.2% | 4.8 |
| Sales | 84.9% | 4.8 |
| Customer service | 80.6% | 9.8 |
| Operation | 65.4% | 2.5 |

| Level of the institution with which an employee is affiliated | Training coverage ratio | Average training days per person |
|---|-------------------------|----------------------------------|
| Head Office | 60.2% | 1.9 |
| Tier-one branches | 83.8% | 4.4 |
| Tier-two branches | 82.2% | 4.3 |
| Tier-one sub-branches | 83.2% | 4.3 |
| Outlets | 85.3% | 8.7 |

08 ESG Performance



Environment

► Information of carbon emissions from own operation (domestic)

| Carbon emissions | Unit | 2019 | 2020 | 2021 |
|---------------------------------|-----------------------------------|--------|--------|--------|
| Total carbon emissions | 10,000 tons of CO ₂ | 210.41 | 206.36 | 216.26 |
| Emission intensity of buildings | kgCO ₂ /m ² | 91.41 | 88.69 | 91.91 |
| Per capital emission intensity | Tons of CO ₂ /person | 4.75 | 4.66 | 4.88 |
| Direct emissions (Scope 1) | 10,000 tons of CO ₂ | 13.63 | 12.42 | 12.96 |
| Indirect emissions (Scope 2) | 10,000 tons of CO ₂ | 196.78 | 193.94 | 203.30 |

Notes: 1. The Bank hired an external specialized agency to take inventory of resources consumptions and calculated the total amount of carbon emissions during 2019 and 2021. The calculation covered domestic institutions including the Head Office, tier-one branches, tier-two branches, sub-branches, outlets, directly managed institutions and domestic integrated subsidiaries.

2. Carbon emissions were mainly generated by the use of energy and escaped greenhouse gas, including Scope 1 and Scope 2 defined in ISO14064. Specifically, Scope 1 covers direct emissions from the combustion of fossil fuels such as coal, natural gas, liquefied petroleum gas, gasoline and diesel; Scope 2 includes indirect emissions from power and purchased heat and cooling capacity.

3. Emission intensity of buildings was calculated based on the floor areas of the Bank; per capital emission intensity was calculated based on the number of people consuming energy on the Bank's premises including its own employees and employees of third-party cooperators working at the Bank.

4. The calculation of total carbon emissions was made according to the coverage scope defined in the ISO14064-1 (2018): *Greenhouse Gases--Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals*, and the emission factors of energy specified in the *Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions of Public Building Operators (Trial)* and the *Average Carbon Dioxide Emission Factor of China's Regional Power Grids* released by the National Development and Reform Commission.

| Energy consumption (domestic) | Unit | 2019 | 2020 | 2021 |
|-------------------------------|------------------------|--------------|--------------|--------------|
| Water | 10,000 tons | 3,378.66 | 3,186.44 | 3,156.56 |
| Electricity | MWh | 2,400,995.60 | 2,345,793.94 | 2,490,745.64 |
| Anthracite | Tons | 548.03 | 1367.50 | 1178.00 |
| Natural gas | 10,000 Nm ³ | 3,307.80 | 3,206.05 | 3,457.72 |
| Gasoline | Tons | 17,051.23 | 14,062.03 | 15,169.83 |
| Diesel | Tons | 513.95 | 540.17 | 459.56 |
| Paper | Tons | 12,096.81 | 12,281.57 | 12,845.49 |

Notes: 1. Energies the Bank consumed most were purchased electricity, natural gas, gasoline and diesel.

2. The gasoline consumption statistics covered gasoline consumption of motor vehicles, while the diesel consumption statistics included diesel consumption of motor vehicles and fixed-source diesel consumption.

3. The water consumption statistics covered use of municipal water.

► Reduction of greenhouse gas (GHG) emissions under green credit

Equivalent to reduction in
standard coals

53,101.10

thousand tons

Equivalent to reduction in
sulfur dioxide emissions

21,727.10

thousand tons

Equivalent to reduction in carbon
dioxide equivalent emissions

109,938.90

thousand tons

Equivalent to reduction in
nitrogen oxide emissions

15,952.00

thousand tons

Equivalent to reduction in
water use

81,822.80

thousand tons



► Main indicators of green finance

Green credit

As at the end of the reporting period,
the Bank recorded a balance of

RMB **3,499.9** billion

of green credit facilities that met the green
credit criteria of the CBIRC

The increment was
at a leading position
among peers



Green bond

During the reporting period,
the Bank cumulatively
underwrote, as lead manager,

32 green bonds,

through which

RMB **89,689** million

was raised for 25 issuers

The underwriting amount
reached

RMB **26,730** million

representing a YoY increase of

over **23%**



Specifically, there were **6**

carbon neutrality bonds
with an underwriting
amount of

RMB **5,876** million

Total amount of green investment and financing

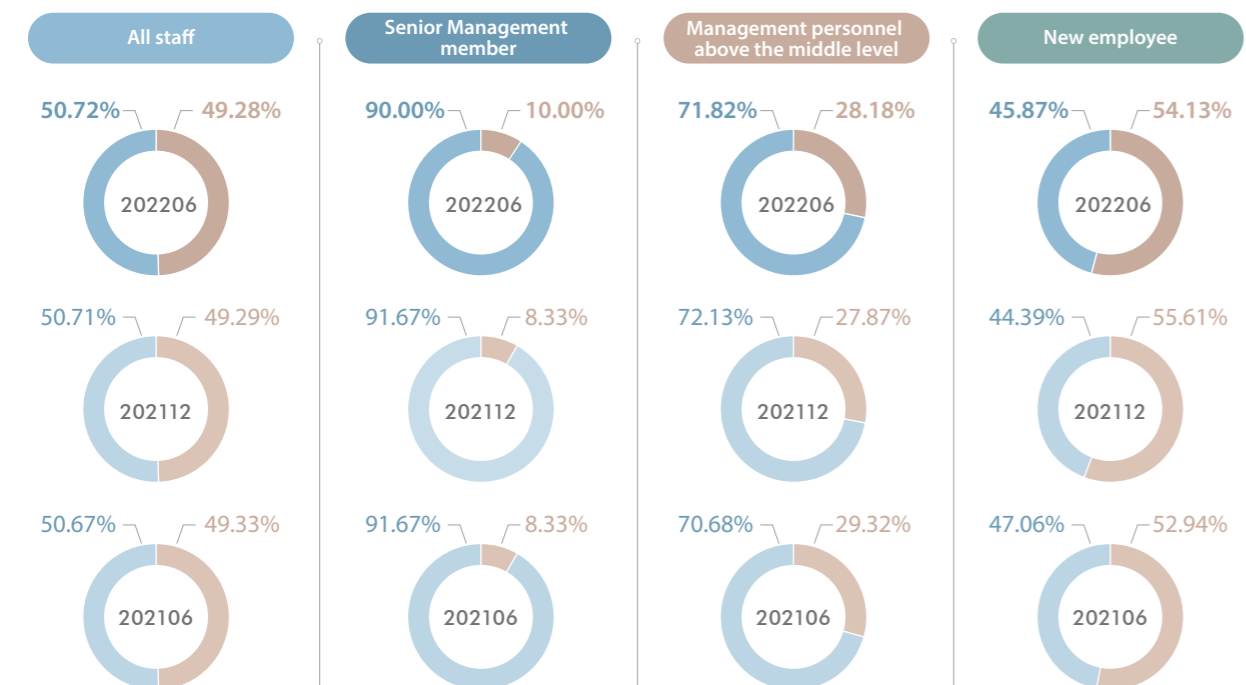
As at the end of the reporting period,
the total amount of green investment and financing meeting the CBIRC
criteria (including loans, green bond investments in non-financial
enterprises, green bank acceptance bill and green letter of credit) reached

RMB **3,596.8** billion

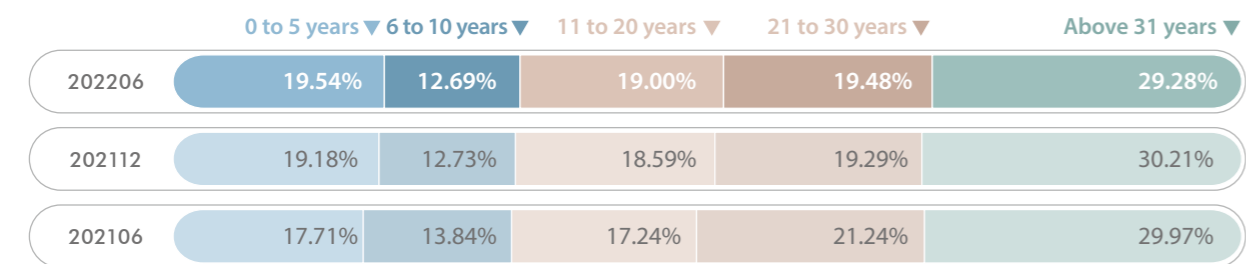
Social

Staff

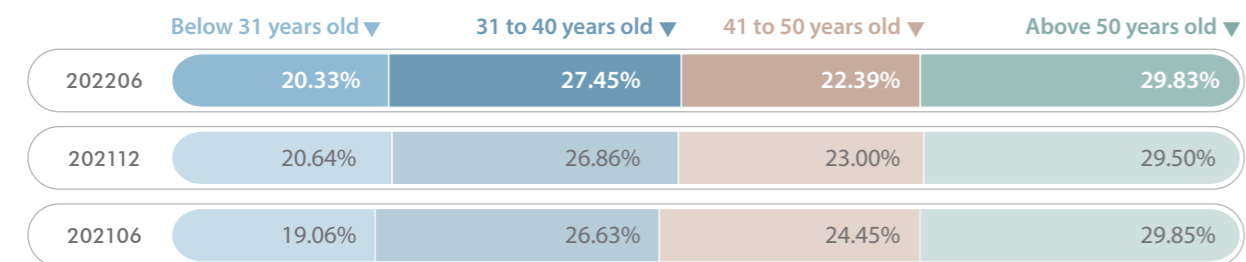
Proportions of employees by gender
Male Female



Employee structure by working year



Employee structure by age group



| | New employee | Voluntary employee turnover rate | Total employees |
|--------|--------------|----------------------------------|-----------------|
| 202206 | 4,683 | 1.06% | 424,962 |
| 202112 | 22,048 | 1.64% | 434,089 |
| 202106 | 4,237 | 1.08% | 430,335 |

Reasons for the reduction in total headcount

During the reporting period, domestic branches experienced a retirement wave; the majority of university graduates hired through campus recruitment did not start to work; the resignation rate was at par with that of the previous years. Therefore, the total headcount as at the end of the reporting period went down in some small measure. The Bank kept a generally stable team, and devoted rigorous efforts to staff recruitment and training that further improved the structure of the team.

Training for employees

During the reporting period

The Bank hosted over
15,000 online
and offline training
sessions that covered
2,734,000
persons/times



8,000 online ones
for **2,478,000** persons/times



7,000 offline ones
for **256,000** persons/times



The training coverage
ratio reached
83.80%

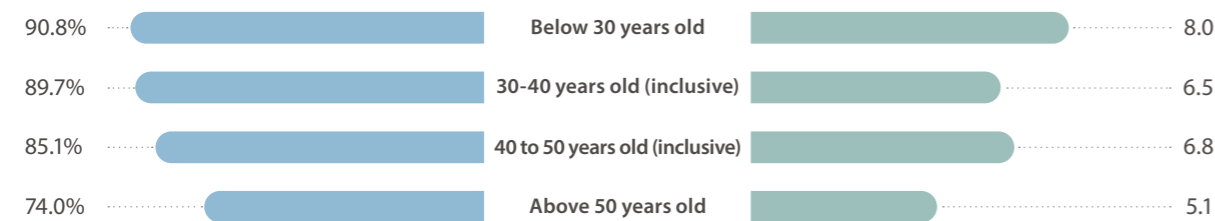


Training duration per
capita was **6.4** days
on average

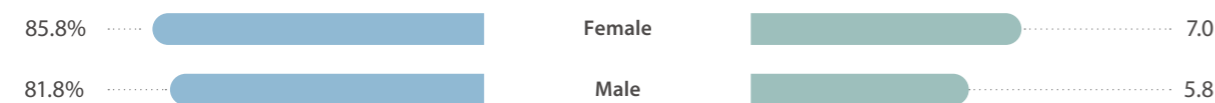


The employees' overall
satisfaction rate was
98.23%

Training coverage ratio Training participants by age group Training duration per capita (days)



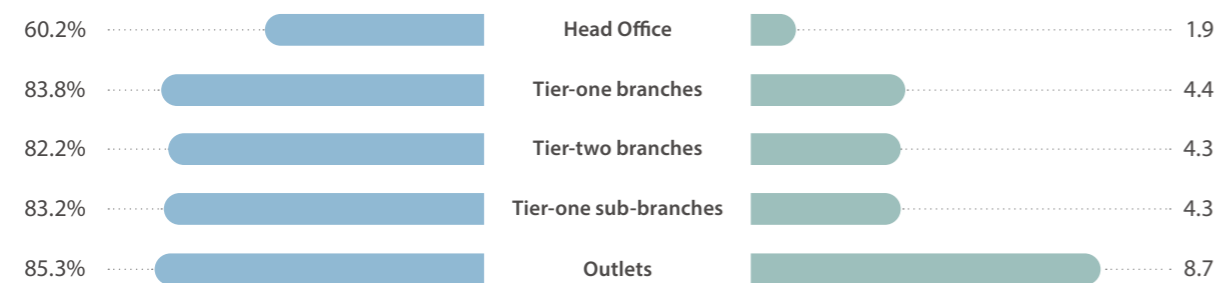
Training coverage ratio Training participants by gender Average training duration(days)



Training coverage ratio Training participants by role Average training duration(days)



Training coverage ratio Training participants by institution level Average training duration (days) per person



► Customer complaints

During the reporting period



The number of personal customer complaints of domestic institutions recorded in the Customer Service and Complaints Management System

was **151,900**
falling by **37%**

as compared with that of the second half of 2021



The number of personal customer complaints per 100 outlets fell by

36.89%

HoH to

965



The number of personal customer complaints per RMB100 billion worth of assets went down

42.86%

HoH to

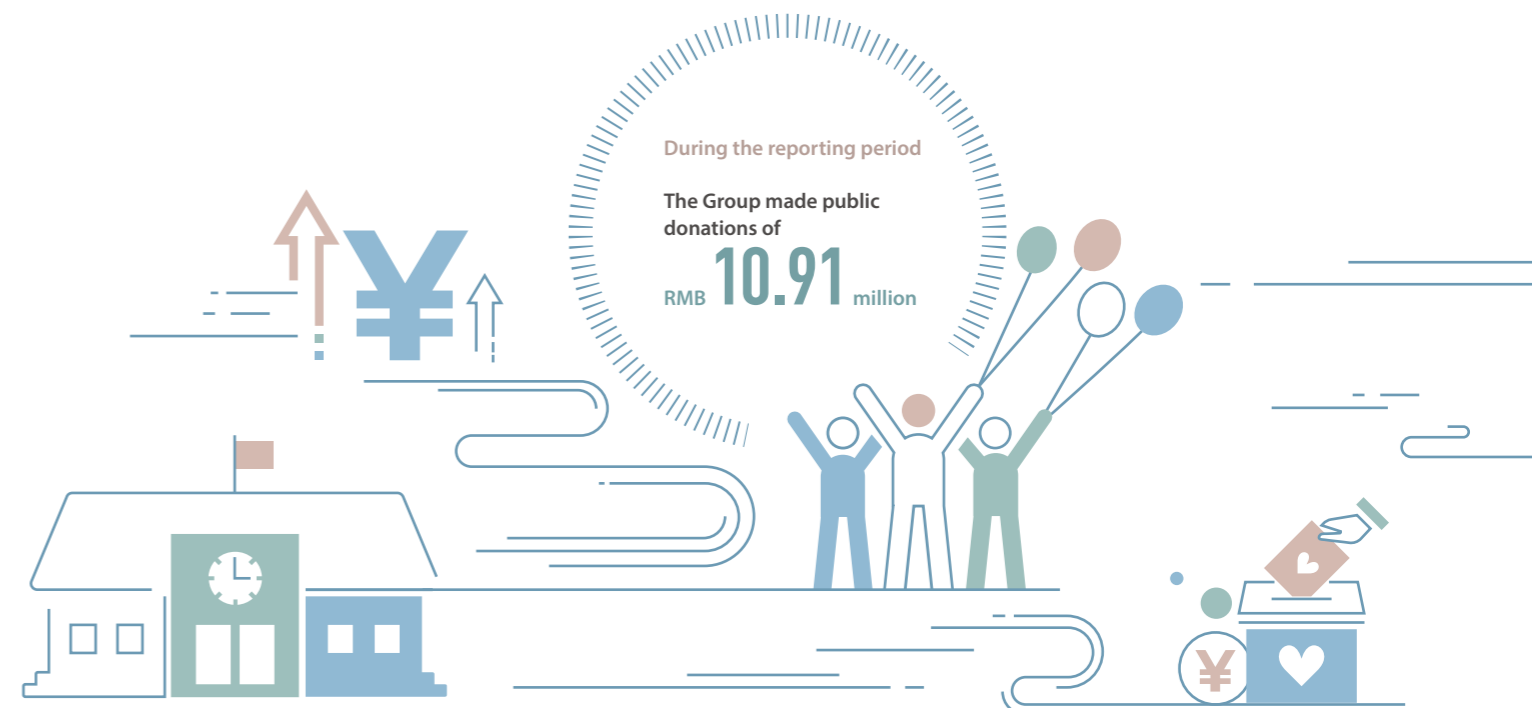
392

► Public donations

During the reporting period

The Group made public donations of

RMB **10.91** million



► Young voluntary activities of domestic institutions

During the reporting period, the Bank continued to carry forward some public welfare projects and voluntary activities with an orientation to environmental protection, cares for youngsters and rural revitalization, and gave full play to the Young Volunteers Association of ICBC so as to help address the country's and people's needs and desires.

Giving full play to "ICBC Spark Research & Training Center" in spreading financial knowledge

Tapping into its functional advantage, the ICBC Spark Research & Training Center offered "Financial Quotient Education Class for Teenagers" through cooperative elementary schools to meet students' needs for extended after-class hobbies after the implementation of the "double reductions" policy (easing the burden of excessive homework and off-campus tutoring for students undergoing compulsory education). Moreover, the Youth League Committees of the institutions, in collaboration with local governments and schools, launched FQ education and anti-fraud promotion activities.

As at the end of the reporting period

The ICBC Spark Research & Training Center carried out

531 activities

which involved over

4,000 volunteers

spread financial knowledge

to **27,000** middle school students

Continuing the "envelope" program to accompany children "left behind" via letter

Branches were mobilized to take stock of achievements made in the "blue envelope" program in the past one and a half year since its execution and to summarize experiences from the program. Recruitment of volunteers for the second phase of the program as well as relevant promotional activities kicked off.

Carrying out the "science box" project for rural revitalization

To improve the science education level of the rural areas, the Bank, in cooperation with China Youth Development Foundation,

donated **4,000** sets of "science boxes" to

the **4** county-level cities that received assistance from ICBC in the targeted poverty alleviation program

Instituting the fourth season of "ICBC in Action for Beautiful China campaign" with a commitment to environmental protection

The Bank called on young ICBCers to practice environmental protection ideas and help with ecological protection under a campaign named "I Add a Share of Greenness to the sources of the Yangtze, Yellow, and Lancang rivers, Youthful ICBC in Action" so as to leave a beautiful homeland for generations to come.

As at the end of the reporting period

It carried out

575 activities

more than

9,400 young volunteers

gave lectures on environmental protection knowledge along the way of plogging and called on people to make charitable donations which raised over

RMB **40,000**

Launching the eighth season of "Eye Care Initiative" intended to protect children's eyesight

The Bank made real actions to protect children's visual health including giving free ophthalmic consultation, offering eye-protection lectures and inviting children to act as ophthalmologists. These actions raised the masses' concerns for children's visual health and promoted protection of children's eyesight.

As at the end of the reporting period

The Bank held

78 free ophthalmic consultation activities and lectures

which involved

700 young volunteers

and benefited over

3,000 children

Instructions

Scope of the Report

Organizational scope of the Report

The Report is primarily about the domestic institutions of Industrial and Commercial Bank of China Limited, unless otherwise specified.

Reporting period

1 January 2022 - 30 June 2022. Some content exceeded this scope.

Preparation Principle of the Report

The Report is prepared with reference to the *Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)* of the Financial Stability Board, the United Nations Sustainable Development Goals (SDGs) and The Ten United Nations Global Compact (UNGC) Principles, among others. It also complies with requirements of relevant opinions and guidelines including the *Guidelines for Self-Regulation of Listed Companies* promulgated by the Shanghai Stock Exchange and the *Environmental, Social and Governance Reporting Guide* released by The Stock Exchange of Hong Kong Limited. The report is reviewed by the Bank’s Green Finance (ESG and Sustainable Finance) Committee. Deloitte Touche Tohmatsu Certified Public Accountants LLP has carried out the third-party assurance of this report.

Explanation for Report Data

Data in the Report are the statistics in the first half of 2022 from the Bank’s internal system. The units in this report, unless otherwise specified, are denominated in RMB.

Release and Interpretation of the Report

The Report is released online and available at the Bank’s website (www.icbc-ltd.com).

Independent Assurance Report

To the Management of Industrial and Commercial Bank of China Limited (the "Management"):

We have been engaged by the Management of Industrial and Commercial Bank of China Limited ("ICBC") to perform a limited assurance engagement on *the Industrial and Commercial Bank of China Limited 2022 interim on Corporate Social Responsibility (ESG and Sustainable Finance) Special Report ("Special Report ")* for the period from 1 January 2022 to 30 June 2022.

Responsibilities of the Management

The Management is responsible for selecting appropriate principles and applying them in the preparation of key data for the *Special Report*. The responsibilities include establishing implementing and maintaining internal control which is related to key data of the *Special Report*. This is to ensure no material data misstatement that is caused by frauds or mistakes.

Our Responsibilities

In accordance with the agreed terms with ICBC, we are responsible for performing a limited level of assurance engagement in selected data and performance claims (“Key ESG Performance”) of the *Special Report*. Besides this responsivity, we have no more others. We do not assume responsibility or accept liability to any other person or third party for our work or the contents of this report.

The Key ESG Performance include:

- Balance of loan to the counties received assistance in pursuing rural revitalization
- Balance of unsecured financing loans granted to farmers who had taken out the price insurance
- Balance of agro-related loans
- Balance growth rate of agro-related loans
- Balance of inclusive agro-related loans
- Balance growth rate of inclusive agro-related loans
- Balance of green finance investments in outstanding projects from ICBC Investment
- Total amount of green leasing business
- Balance of green loans
- The lead underwriting number of green bonds
- The lead underwriting amount of green bonds
- Amount of expected electricity use reduction
- Growth rate of corporate loans to SRDI enterprises
- Proportion of digital business

- Total number of times for training sessions on data security/privacy-related risks
- Person-times of participating employees for training sessions on data security/privacy-related risks
- Decrease in the number of personal customer complaints of domestic institutions recorded in the “Customer Service and Complaints Management System”
- Reduction of greenhouse gas (GHG) emissions under green credit: Standard coal equivalence of saving
- Reduction of greenhouse gas (GHG) emissions under green credit: CO2 Equivalence of Reductions
- Reduction of greenhouse gas (GHG) emissions under green credit: SO2 Equivalence of Reductions
- Reduction of greenhouse gas (GHG) emissions under green credit: Nitrogen Oxides Emission reduction
- Reduction of greenhouse gas (GHG) emissions under green credit: Water Saved
- Total amount of green investment and financing meeting the CBIRC criteria (including loans, green bond investments in non-financial enterprises, green bank acceptance bill and green letter of credit)
- Proportions of employees by gender
- Employee structure by working year
- Employee structure by age group
- Number of new employees
- Voluntary employee turnover rate
- Total headcount
- Total number of times for online and offline training sessions
- Total training person-times of participating employees for online and offline training sessions
- Total number of times for online training sessions
- Person-times of participating employees for online training sessions
- Total number of times for offline training sessions
- Person-times of participating employees for offline training sessions
- The training coverage of employee trainings
- The training days
- The rate of overall average satisfaction of employee participations in various trainings
- The training coverage of employee trainings by age group
- The training days by age group
- The training coverage of employee trainings by gender
- The training days by gender
- The training coverage of employee trainings by role
- The training days by role
- The training coverage of employee trainings by institution level
- The training days by institution level
- Total public donations

Our Independence and Quality Control

We conducted our engagement in accordance with the independence and other ethical requirements in the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants. We maintain a comprehensive system of quality control applying "International Standard on Quality Control 1".

Basis of Our Assurance Work

We conducted our work in accordance with "International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Federation of Accountants. We planned and performed our engagement to obtain all the information and evidences which we considered necessary to form conclusions.

Procedures, Scopes and Limitations of Our Work

Our independent limited assurance engagements in the *Special Report* include interviewing personnel responsible for the *Special Report*, analyzing information, and proceeding other steps to collect evidences. Specifically, our procedures include:

- Interviewing the bank management and staff responsible for information collection, consolidation and disclosure to understand the process of determining the key stakeholders and their major concerns, and relevant controls of the *Special Report* preparation.
- According to interviews and review of related supporting documents, we learnt the inter-communication mechanism between ICBC and its key stakeholders, the expectations and requirements of key stakeholders, and ICBC's responses to these expectations and requirements.
- Establishing Key ESG Performance and relevant evaluation criteria of *2022 interim on Corporate Social Responsibility (ESG and Sustainable Finance) Special Report* together with ICBC, which were included by the independent and limited assurance engagement.
- Sampling testing the consistency between ICBC's Key ESG Performance in interim 2022 and our work results, and assessing relevant control of the *Special Report* preparation procedures.

Limitations of Assurance

The Limited assurance work aimed to ensure information reliability. The procedure scope was less than that of a reasonable assurance engagement. Our work performed and independent limited assurance report did not provide opinions on the effectiveness of ICBC's systems and procedures.

We performed our limited assurance engagement in ICBC's headquarter, ICBC Investment and ICBC Leasing. For this engagement, we did not carry out such engagement at any other branches and subsidiaries of ICBC, nor interview external stakeholders. Historical comparison data were exclusive by this engagement.

Meanwhile the scope of the said limited assurance engagement excluded other information beyond Key ESG Performance disclosed in the *2022 interim on Corporate Social Responsibility (ESG and Sustainable Finance) Special Report* of ICBC.

Conclusions

- Based on the above work performed, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the Key ESG Performance in ICBC's *Special Report* prepared in accordance with reference to the standards.

Use of Independent Limited Assurance Report

This independent limited assurance report is only for the purpose of preparing the *2022 interim on Corporate Social Responsibility (ESG and Sustainable Finance) Special Report* of ICBC, and is not suitable and cannot be used for other purposes.

Deloitte Touche Tohmatsu Certified Public Accountants LLP
September 2, 2022