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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 unwaveringly 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 committees 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 2021) 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.

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, 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 5 non-executive directors

and 4 independent 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 and Sustainable Finance) Report 2021 of ICBC, the Proposal on the 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 Corporate Social Responsibility and Consumer Protection Committee under the Board of Directors is accountable for reviewing the Bank’s fulfilment 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 2022 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 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 on 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.

ESG Risk Management

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

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, guarantees, 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.

Further improving the climate risk database

During the reporting period, 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

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.
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

The Bank also sent some management members of branches attended the digital transformation training that was designed to acquaint them with more digitalization knowledge, enhance their digital literacy and strengthen their capability of putting innovation-driven transformation so that they can better empower manufacturing finance, inclusive finance, technology finance, green finance and rural vitalization.
The Bank held 146 training sessions on green finance/environmental governance with 5,669 persons/times.

The Bank held 699 training sessions on inclusive finance with 93,098 persons/times.

The Bank held 222 training sessions on rural revitalization/county governance (including rural credit system building) with 35,919 persons/times.

The Bank held 485 training sessions on human resources with 38,137 persons/times.

The Bank held 97 training sessions on education with 4,787 persons/times.

### Development of ESG training materials

- The Bank, centering on green finance, developed courses for 45 courses including "Lectures on Key Issues in Green Bond Market Building and Cases", "Interpretation of Socially Responsible Bond Products", etc.
- Mobilized employees to participate in co-creation of mini-lecture videos on ten selected topics including corporate and institutional banking with how to better fulfill social responsibility as an important topic in video making.
- And designed the Credit Risk Management Case Collection II and 4 teaching materials for qualification authentication.

### 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.

#### 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 diversified 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.
During the reporting period

During the reporting period

During the reporting period

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.

Financial services for COVID-19 control

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

The Bank refined the system of emergency financing services under pandemic control that comprised green channels for industries important to COVID-19 control such as medicine and medical treatment, supplies and logistics as well as 7×24 quick response, dedicated credit resource and active offering of credit facilities. It went all out to help enterprises and market entities address urgent needs and difficult problems.

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 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 development based on the new development stage.

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As at the end of the reporting period, the balance of agro-related loans reached RMB 3,080.6 billion and the balance of inclusive agro-related loans rose by 16.2% to RMB 331.5 billion. These loans prioritized such fields as grains production, construction of high-standard farmlands and infrastructure construction in 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.

The Bank continued to increase the extension of agro-related loans. It granted over RMB 1 trillion worth of financing to agro-related fields, representing a YoY increase of 36.7%.

As at the end of the reporting period, the balance of financing offered to enterprises engaged in grain crops planting, grains circulation, processing and supply of agricultural production means and machines exceeded RMB 100 billion. The Bank extended financing and investment supports to guarantee the power consumption needs of productive activities and people’s daily life at summer and winter peaks, thus enhancing the security of industrial chains and supply chains and promoting stable, healthy economic and social development.

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.

Favorable policy and resources allocation were stepped up in the energy field, such as preferential treatments in terms of credit policy, approval authorization, loan pricing, FTP (funds transfer pricing), etc. that were designed to improve flexibility of the business and timeliness of responses to consumer needs. In addition, the Bank actively adapted its product mix to the central bank’s monetary policy tools and expanded the authorization of loan pricing in the fields of carbon emissions reduction and clean, efficient utilization of coals.

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.

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.

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.

<table>
<thead>
<tr>
<th>Example</th>
<th>As at the end of the reporting period</th>
<th>The annualized RORs</th>
<th>Exceeding CSI 300 by</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICBC new materials &amp; new energy fund</td>
<td>7.55%</td>
<td>8.89%</td>
<td></td>
</tr>
<tr>
<td>ICBC eco-environment fund</td>
<td>14.47%</td>
<td>14.36%</td>
<td></td>
</tr>
<tr>
<td>ICBC new energy vehicles fund</td>
<td>47.07%</td>
<td>47.34%</td>
<td></td>
</tr>
</tbody>
</table>

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.

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.

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.

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 industries 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.
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 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 acted as the lead underwriter, representing a YoY increase of 23%, and issued RMB89,689 million for 25 issuers, issuing a total of 32 green bonds with an underwriting scale of RMB26,730 million, and specified six carbon neutrality bonds with an underwriting scale of RMB5,876 million.

Issuance of green bonds

During the reporting period, the Bank successfully issued RMB10 billion worth of green bonds in 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 dust. 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.

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 G20 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.

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.

Energy consumption of branches’ computer rooms can decrease by over 11 million KWHs each year as compared to 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 increased the use of environment-friendly, low-carbon materials that are less energy-consuming, less polluting and recyclable in outlet rebuilding.

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.

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

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 (CCER), etc.). Supplier access was strictly controlled in terms of green procurement to fulfill social responsibility and practice green management.

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.

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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.

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.

The Bank actively advocated the concept of green procurement to fulfill social responsibility and practice green management. 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 (CCER), etc.). Supplier access was strictly controlled in terms of green procurement to fulfill social responsibility and practice green management.

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

Vehicles in use that failed to meet the carbon emission standards were scaled 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.

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

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.

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.

Energy-saving renovation

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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.

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.

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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.

- **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.
  - 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%.

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- **As at the end of the reporting period**
  - Corporate loans to SRDI enterprises grew by over 70%.
County-level financial services and financial services for rural revitalization

In 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, “Prosperous Agriculture Loan” covered over 1,700 counties throughout China.

“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 platforms to make financial services more accessible to customers in counties and rural areas.

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 for old people.

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’s Supply and Marketing Cooperatives and CNHNB.COM.

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.
05 Privacy and Data Security of Domestic Institutions

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.

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 at the FinTech Development Award from the PBOC.

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

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 of Level V (optimized level).

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

Major Awards and Achievements

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

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.
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).

The Financial Technology Department, the Internal Control & Compliance Department, the Executive Office (Confidentiality Office) and the Information Management Department of the Head Office jointly acted as the lead departments for network security management for the Group, responsible for organizing work related to network security management and pressing for satisfaction of the network security management requirements.

Among information owners and users, information system owners and users and other institutions, main responsibility was assigned to whichever takes charge of and whichever uses the information or information system in question. All the entities and departments worked together to achieve synergy.

Being responsible for deliberating relevant issues such as case control measures for personal customer information security, management policy, etc., the Case Control Leading Group at the Head Office regularly convened topic conferences, listened to Bank-wide work reports on personal customer information protection and made arrangements for priority tasks in the field for the year.

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

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

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 field 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 KBC 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.

The Bank held a total of 266 training sessions on data security/privacy-related risks with 19,377 person/times.
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 28,539 persons/times were held

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.

The special training “Financial Consumer Protection and Handling of Customer Complaints for Service Quality Enhancement” was tailored for customer service agents working at the Remote Banking Center with a view to improving their capability of resolving complaints.

Moreover, special training on customer training was also offered to the bankcard business line with an orientation to new regulatory provisions and new administrative policies, business conditions and important risk prompts. The training was launched online and characterized by wider coverage and higher effectiveness.

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.

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 7x24 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 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.
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 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

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 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.

Whistleblower Protection System

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.

Domestic Loan Change Programs

While the number of complaints received for every RMB100 billion worth of assets remained at a lower level, financial services for new citizens and prominent specific needs, the system comprises quality financial services for new citizens through 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.

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 expenditure 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 combat against telecom and internet frauds” and the “month of prevention of illegal fundraising”.

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, 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.

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 pursued the internal audit report on consumer protection in 2021, paid much attention to the issue and took actions to press for consumer protection efforts.
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.1199) 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 2018. 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.
Democratic governance of employees

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. where 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.

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).

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.

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.

During the reporting period
The Bank carried out questionnaire surveys on satisfaction of employees working at primary-level outlets, services for grassroots employees and young employee development
The surveys covered over 90,000 employees

The results showed that the satisfaction rate of domestic employees exceeded 90%.

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 employees 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 CBRC.

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.

Assistant 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 employees 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.

- 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”.

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.

**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 flexibility.

**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:

1. Reward and Incentive Management Rules of ICBC
2. Measures for the Management of Internal Rewards and Incentives within ICBC
3. Measures for the Management of Party and National Rewards and Incentives
4. Measures for the Management of Collective/ Organizational Rewards and Incentives
5. Measures for the Management of Media/Social Rewards and Incentives

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**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 deeply into the talents of every person so as to create a sustainable talent pipeline.

The Bank has put in place a three-dimensional personnel exchange mechanism covering every dimension of the Group.

In terms of vertical exchanges
It regularly dispatched Head Office employees to work at the grassroots-level branches/institutions, and selected grassroots-level employees to work at the Head Office.

With respect to horizontal exchanges
Employees were organized for exchanges, training sessions, and practices at different institutions or departments every year.

As to external exchanges
Selected employees were arranged to study and work at overseas institutions or to hold some temporary posts in government agencies, with a view to broadening their vision and enhancing their capabilities.

As at the end of the reporting period
More than 600 Head Office employees were made to work at branches.
Over 2,000 branch employees went to the Head Office for exchanges.
Close to 300 employees held temporary posts outside the Group.

Moreover, the Bank worked out a technology-savvy talent development program, set up a people flows mechanism characterized by “technology training—talent use at work” and enlarged the reservoir of FinTech-savvy employees who were multidisciplinary, innovative and good at practical work.

The rotation training program targeting outlet heads was carried out to encourage them to take cross-specialty, cross-institution or cross-level exchange programs and incentivize primary-level employees to acquire professional qualifications for credit business and foreign exchange business.

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.

In line with the new employee growth pattern, the Bank set up a management system for new employee training covering the whole cycle from start to finish with the whole process under ongoing tracking. Comprising on-boarding training, career development, incentive system, cares for new comers, etc., the new employee training system was rule-governed, standardized and designed in a way that encouraged employees to practice and work on multiple posts and across specialty fields.

The rotation training program targeting outlet heads was carried out to encourage them to take cross-specialty, cross-institution or cross-level exchange programs and incentivize primary-level employees to acquire professional qualifications for credit business and foreign exchange business.

Training offered to middle-level managers
Focused on building up their execution force, market operation skills, and risk prevention & control capabilities. Each year such training was provided for tier-two branch heads and Head Office department-level managers.

Training for senior management members
Aimed at sharpening their global strategic insights, science-based way of thinking, strong sense of innovation, good leadership and ability to attract and retain competent employees. Each year such training was offered to tier-one branch heads. Moreover, English proficiency enhancement courses were provided for management members of domestic institutions at all levels and senior management members to be sent to work temporarily overseas, aiming at building a competitive internationalized team and developing talents with high proficiency in English and minority languages.

Training of primary-level managers
Prioritized the enhancement of comprehensive competence in strategy implementation, market expansion, risk prevention & control and self-discipline. A demonstrative cohort for tier-one branch heads was scheduled every year.

Table of training participants by role

<table>
<thead>
<tr>
<th>Type of employee</th>
<th>Training coverage ratio</th>
<th>Average training duration (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>95.9%</td>
<td>7.4</td>
</tr>
<tr>
<td>Professional</td>
<td>81.2%</td>
<td>4.8</td>
</tr>
<tr>
<td>Sales</td>
<td>84.9%</td>
<td>4.8</td>
</tr>
<tr>
<td>Customer service</td>
<td>80.6%</td>
<td>9.8</td>
</tr>
<tr>
<td>Operation</td>
<td>65.4%</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Table of training participants by institution level

<table>
<thead>
<tr>
<th>Level of the institution with which an employee is affiliated</th>
<th>Training coverage ratio</th>
<th>Average training days per person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Office</td>
<td>60.2%</td>
<td>1.9</td>
</tr>
<tr>
<td>Tier-one branches</td>
<td>83.8%</td>
<td>4.4</td>
</tr>
<tr>
<td>Tier-two branches</td>
<td>82.2%</td>
<td>4.3</td>
</tr>
<tr>
<td>Tier-one sub-branches</td>
<td>83.2%</td>
<td>4.3</td>
</tr>
<tr>
<td>Outlets</td>
<td>85.3%</td>
<td>8.7</td>
</tr>
</tbody>
</table>
**Environment**

### Information of carbon emissions from own operation (domestic)

<table>
<thead>
<tr>
<th>Carbon emissions</th>
<th>Unit</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total carbon emissions (direct)</td>
<td>10,000 tons</td>
<td>210.41</td>
<td>206.36</td>
<td>216.26</td>
</tr>
<tr>
<td>Direct emissions (Scope 1)</td>
<td>10,000 tons</td>
<td>13.63</td>
<td>12.42</td>
<td>12.96</td>
</tr>
<tr>
<td>Emission intensity of buildings</td>
<td>Tons/Co2/m²</td>
<td>91.41</td>
<td>88.69</td>
<td>91.91</td>
</tr>
<tr>
<td>Per capital emission intensity</td>
<td>Tons/Co2/person</td>
<td>4.75</td>
<td>4.66</td>
<td>4.68</td>
</tr>
<tr>
<td>Direct emissions (Scope 2)</td>
<td>10,000 tons</td>
<td>196.78</td>
<td>193.94</td>
<td>203.30</td>
</tr>
<tr>
<td>Emission intensity of buildings</td>
<td>Tons/Co2/m²</td>
<td>91.41</td>
<td>88.69</td>
<td>91.91</td>
</tr>
</tbody>
</table>

Notes:
1. The Bank hired an external specialized agency to take inventory of resource consumptions and calculated the total amount of carbon emissions during 2019 and 2021. The calculation covered domestic institutions including the Head Office, two一级 branches, two二级 branches, sub-branches, outlets, directly managed institutes 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, the carbon footprint of fossil fuel consumption, and the emission factors of energy specified in the Guidance for Calculation Methods and Reporting of Greenhouse Gas Emissions of Public Building Operations (Draft) and the Average Carbon Dioxide Emission Factor of China Regional Power Grid released by the National Development and Reform Commission.

### Main indicators of green finance

- **Green credit**
  - **Reduction of greenhouse gas (GHG) emissions under green credit**
    - Equivalent to reduction in standard coals: 53,101.10 thousand tons
    - Equivalent to reduction in carbon dioxide equivalent emissions: 109,938.90 thousand tons
    - Equivalent to reduction in sulfur dioxide emissions: 21,727.10 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

- **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 23% among peers
  - 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
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.

Reasos for the reduction in total headcount

The Bank hosted over 15,000 online and offline training sessions that covered 2,734,000 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%.

During the reporting period.
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.

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.**

- **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.

- **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.

- **Giving full play to “ICBC Spark Research & Training Center” in spreading financial knowledge**

  Continuing the “science box” project for rural revitalization

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

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.

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).

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.

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 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 responsibility, 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 of agro-related loans
- Balance of inclusive agro-related loans
- Balance growth rate of 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 number of green bonds
- Amount of expected electricity use reduction
- Growth rate of corporate loans to SDFX 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: 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 interviewees 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