Report on sustainable development (ESG)

2025

ICBC ALMATY

Sustainable Development.
Responsible Finance.
Long-Term Value Creation.

THE GLOBAL GOALS

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Standards and methodology

The report has been prepared in accordance with leading international sustainability standards and industry guidelines.

GRI Standards (2021)

SASB industry: financials and commercial banks

TCFD recommendations

IFRS S1 и S2

The United Nations Sustainable Development Goals (UN SDGs)

Message from the Chairman of the Management Board

Lyu Honghai

Chairman
of the Management Board
ICBC Almaty

Dear Colleagues, Partners, and Stakeholders,

The year 2025 marked an important milestone in the Bank's development and in strengthening our commitment to sustainable development principles.

Amid a changing global economic environment and increasing attention to sustainability matters, we continue to consistently integrate ESG principles—environmental, social, and governance—across all areas of the Bank's operations.

Our sustainable development strategy is aimed at supporting long-term economic growth, enhancing the resilience of the financial system, and facilitating the transition to a more environmentally sustainable and responsible economy.

We place particular emphasis on the development of sustainable finance, strengthening corporate governance practices, and enhancing transparency across our operations.

During the reporting period, the Bank continued to implement initiatives aimed at improving energy efficiency, reducing environmental impact, and enhancing internal ESG risk management mechanisms. We also place significant emphasis on developing human capital and strengthening the trust of our clients and partners.

In line with the global strategy of ICBC Group, the Bank actively contributes to the international sustainable development agenda by supporting the United Nations Sustainable Development Goals and the national sustainable development priorities of the Republic of Kazakhstan

I firmly believe that responsible business conduct and sustainable development are not only strategic priorities but also embedded in our corporate culture. By further advancing our ESG initiatives, we aim to create sustainable long-term value for our clients, partners, employees, and society.

I extend my sincere gratitude to our Clients, Partners, and Employees for their trust and continued cooperation in advancing a sustainable future.

Disclosure aligned with: GRI 2-22

Highlights of 2025

+39%
Growth in net profit for the year

+329%
Record growth in the Bank's loan portfolio

+72%
Growth in total assets

Highest rating
achieved following supervisory review

+5%
Return on Assets (ROA)

+28.5%
Return on equity (ROE)

Total assets exceeded **600 bln KZT** for the first time

Disclosure aligned with: GRI 2-6

CORPORATE GOVERNANCE

Allocation of ESG Responsibilities among the Bank's Committees

- Approval of the ESG strategy and key objectives
- Oversight of the implementation of the ESG agenda
- Ensuring transparency and regular ESG reporting

- Review and recommendation of the ESG strategy
- Monitoring of ESG targets and risks
- Support for the development of sustainable finance

* Strategic Planning and Risk Management Committee

- Integration of ESG principles into processes
- On-the-ground risk management
- Provision of data and reporting

- Implementation of the ESG strategy and policies
- Management of ESG risks and opportunities
- Achievement of ESG targets

- Coordination of ESG initiatives implementation
- Methodological support and oversight
- Preparation of ESG reporting

Coordinated efforts across all levels of governance ensure the integration of ESG principles into business processes and support the achievement of the Bank's sustainable growth.

Disclosure aligned with: GRI 2-9, GRI 2-12, GRI 2-13

ESG Governance Structure

Disclosure aligned with: GRI 2-9, TCFD Governance

Role of the Board of Directors in ESG Governance

The Board of Directors provides overall oversight of the ESG agenda, ensuring the integration of sustainability principles into the Bank's strategy, risk management framework, and operations.
The Board of Directors defines priority areas of sustainable development, oversees the implementation of ESG initiatives, and ensures alignment with leading international best practices.

Key Functions of the Board of Directors in ESG

Strategic Management

- ESG-strategy
- ESG priorities
- Integration of ESG considerations into the business strategy
- Setting ESG targets

ESG risk management

- Oversight of the ESG risk management framework
- Focus on climate and environmental risks
- Oversight of sustainable lending

Implementation of ESG initiatives

- Approval and oversight of ESG reporting
- Evaluation of ESG initiatives' effectiveness
- Integration of ESG into the Bank's processes

ESG Disclosure and Transparency

- ESG-reporting
- Ensuring transparency of ESG disclosures
- Compliance with regulatory requirements
- Stakeholder engagement

Disclosure aligned with: GRI 2-12, GRI 2-13, TCFD Governance

Board of Directors

Chairman of the Board of Directors

Tao Mei

- Over 35 years of experience in financial markets
- Experience across Asia, Europe, South America, and New Zealand
- Expertise in corporate governance, finance, and risk management

Members of the Board of Directors

Lyu Honghai	Sun Shaoyi	S. Akhanov	Ch. Kanapyanov
Chairman of the Management Board	Shareholder Representative	Independent Director	Independent Director

Activities of the Board of Directors in 2025

2 Meetings with an ESG agenda

Key ESG Agenda Items in 2025

- Review of ESG reporting
- Approval of ESG Policy

Corporate Governance Indicators

40% Share of independent directors

20% Female representation on the Board

Every 5 years Regular assessment of the Board of Directors' effectiveness

30+ years Average professional experience of Committee members

Disclosure aligned with: GRI 2-9, GRI 2-12

Role and Responsibilities of the Strategic Planning and Risk Management Committee (SP&RMC) in ESG

The Strategic Planning and Risk Management Committee (SP&RMC) plays a key role in the development and implementation of the Bank's ESG framework.
In performing its functions, the Committee is guided by the principles of strategic sustainability, long-term performance, and prudent risk management, in line with leading international best practices and regulatory requirements.

Key Functions of the SP&RMC in ESG

Strategic Integration of ESG

- Integration of ESG approaches
- ESG prioritization
- Mitigation of environmental and social risks
- Support for the Bank's sustainable development

Review of ESG documents

- The Bank's ESG strategy
- Analysis of ESG initiatives
- Review of ESG reporting
- Alignment of ESG metrics

Monitoring of ESG-goals

- Monitoring of ESG performance indicators
- Evaluation of ESG initiatives
- Monitoring of sustainable finance activities
- Oversight of ESG risks

Development of Sustainable Finance

- Development of ESG products
- Green financing
- Social projects
- Climate initiatives

Disclosure aligned with: GRI 2-13

SP&RMC of the Bank

The Committee conducts preliminary review of ESG matters and provides recommendations to the Board of Directors.

Chairman of the Committee

Ch. Kanapyanov

Chairman of the Committee

- Over 20 years of experience in financial markets and the public sector
- International experience, including diplomatic service in the United Kingdom and leadership of projects within the Astana International Financial Centre (ITS) and international banking groups

Members of the Committee

Lyu Honghai

Chairman of the Management Board

D. Muratkhanov

Member of the Management Board

Activities of the SP&RMC in 2025

13 In-person meetings

2 Meetings with an ESG agenda

Key ESG Agenda Items in 2025

- Review of ESG reporting
- Approval of ESG Policy

Corporate Governance Indicators

30% Share of independent directors

20 + years Average professional experience of Committee members

Disclosure aligned with: GRI 2-13

Role and Responsibilities of the Management Board in ESG

The Management Board plays a key role in the implementation of the Bank's sustainable development (ESG) strategy and ensures the integration of ESG principles into the Bank's operations.

The Management Board is responsible for the implementation of ESG initiatives, monitoring the achievement of ESG targets, and managing ESG risks, as well as ensuring that the Bank's activities comply with international sustainability standards and regulatory requirements. The Management Board also coordinates the Bank's divisions to integrate ESG approaches into business processes, strategic planning, and the risk management framework.

The Management Board regularly reports to the Board of Directors on the progress of the ESG strategy implementation and the achievements.

Strategic Integration of ESG

- Integration of ESG approaches
- ESG prioritization
- Mitigation of environmental and social risks
- Support for the Bank's sustainable development

Review of ESG documents

- The Bank's ESG strategy
- Analysis of ESG initiatives
- Review of ESG reporting
- Alignment of ESG metrics

Monitoring of ESG-goals

- Monitoring of ESG performance indicators
- Evaluation of ESG initiatives
- Monitoring of sustainable finance activities
- Oversight of ESG risks

Development of Sustainable Finance

- Development of ESG products
- Green financing
- Social projects
- Climate initiatives

Disclosure aligned with: GRI 2-13

Management Board of the Bank

Chairman of the Management Board

Lyu Honghai

Chairman of the Management Board

- More than 25 years of experience in the international financial market.
- Extensive and diverse professional experience, including information technology, credit portfolio and investment management, as well as risk management

Members of the Management Board

Bai Ming	Liu Yinghua	Yang Xiaoguang	D. Muratkhanov
Deputy Chairman of the Management Board	Deputy Chairman of the Management Board	Member of the Management Board	Member of the Management Board

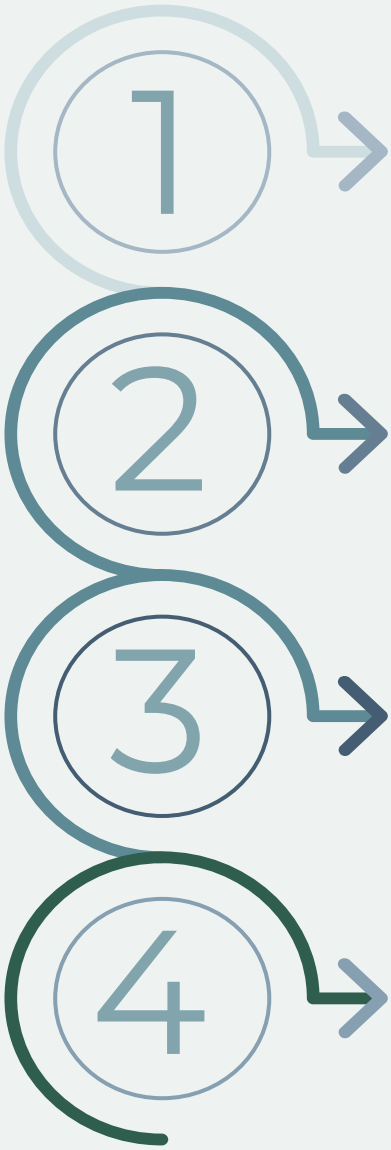
ESG Agenda Items in 2025

- Review of ESG reporting
- Review of ESG Policy
- Oversight of the implementation of ESG policies and procedures
- Formation of approaches to ESG factors into credit processes
- Management of social initiatives and HR

Disclosure aligned with: GRI 2-13

ESG-coordinator of the Bank(CSO)

The Bank's ESG Coordinator is responsible for coordinating the implementation of sustainable development principles, ensuring effective interaction between divisions, and overseeing the execution of ESG initiatives across the Bank's operations. The ESG Coordinator function is aimed at integrating ESG approaches into the Bank's strategy, risk management framework, corporate governance, and operational activities.
The ESG Coordinator ensures effective interaction between the Board of Directors, the Management Board, committees, and the Bank's divisions to support the implementation of the ESG strategy and the achievement of sustainable development goals.



Strategic Coordination

- Coordination of the implementation of the Bank's ESG strategy
- Support for the implementation of ESG initiatives
- Integration of ESG principles into business processes
- Interaction with committees and business units

Methodological Support

- Development of ESG policies and procedures
- Preparation of methodological documents
- Advisory support to business units
- Implementation of international ESG standards

Monitoring and Reporting

- Collection of ESG indicators
- Monitoring of ESG target achievement
- Preparation of ESG reporting
- Coordination of disclosures

Management of ESG Initiatives

- Development of sustainable finance
- Support for social initiatives
- Implementation of environmental projects
- Engagement with stakeholders

Disclosure aligned with: : GRI 2-13

Internal Control System and ESG Risk Management

Clear allocation of responsibilities across the lines of defense

1st line of defense **2nd line of defense** **3rd line of defense**

- Segregation of functions across the lines of defense
- Independence of risk management and internal audit functions
- Integration of ESG risks into the risk management and internal control system
- Regular assessment of the system's effectiveness

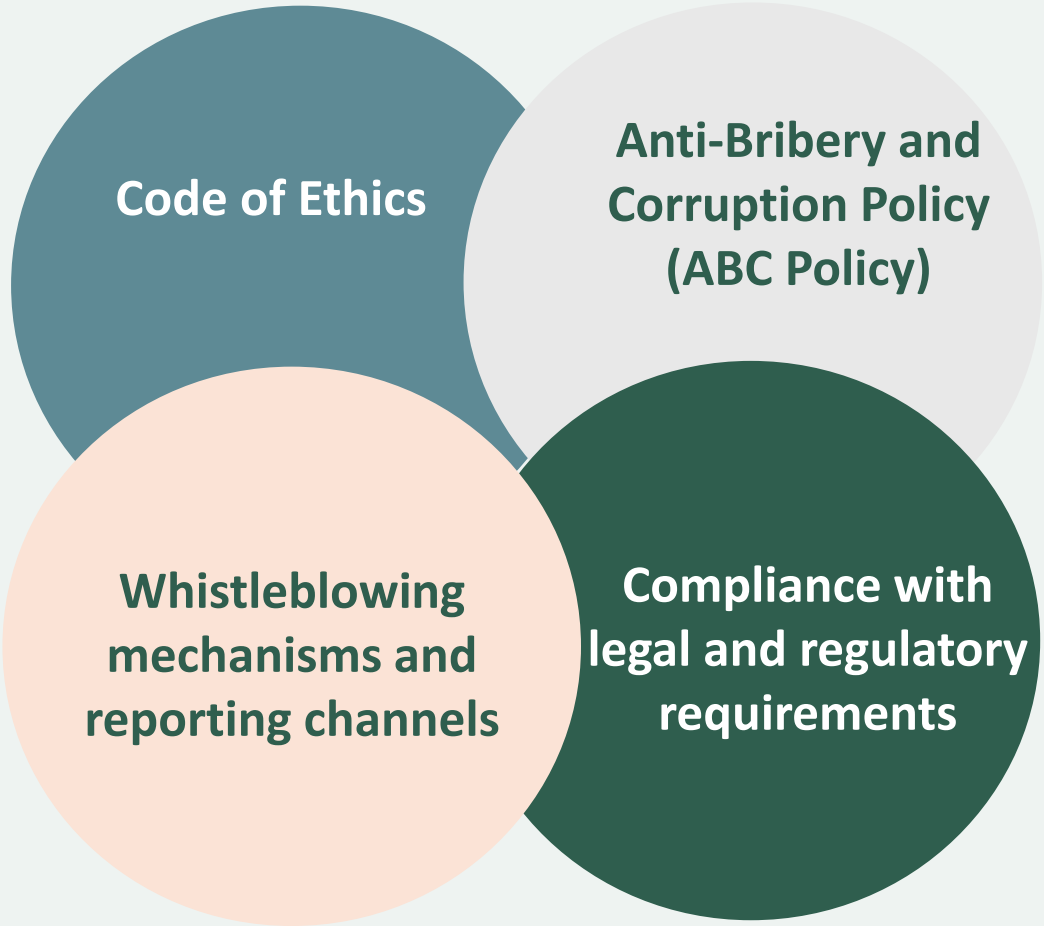
- ESG risks are integrated into the Bank's risk management framework
- Considered at the level of the Board of Directors and the Management Board
- Include climate, social, and governance risks
- Taken into account in credit and investment decision-making

Disclosure aligned with: GRI 3-3

Ethics, Business Conduct, and Stakeholder Engagement

The Bank adheres to high standards of business ethics and corporate governance, ensuring transparency, integrity, and accountability in its operations.

The Bank conducts regular assessments of corruption risks and provides employee training on anti-corruption matters.



- Ensuring transparency and accountability of the Bank's operations
- Promoting a culture of integrity and ethical behavior
- Prevention and management of conflicts of interest
- Ensuring protection for whistleblowers

Disclosure aligned with: GRI 2-23, GRI 2-26, GRI 205

Stakeholder Engagement

The Bank builds a structured approach to stakeholder engagement, taking into account their expectations in shaping its strategy and implementing ESG approaches.

Clients

- Feedback
- Customer service and digital channels
- Sustainable finance products

Employees

- Internal communications
- Training and development
- ESG initiatives and engagement

Shareholders and Investors

- Disclosure of information
- ESG-reporting
- Regular communications

Regulatory authority

- Compliance with requirements
- Submission of reports
- ESG-related engagement

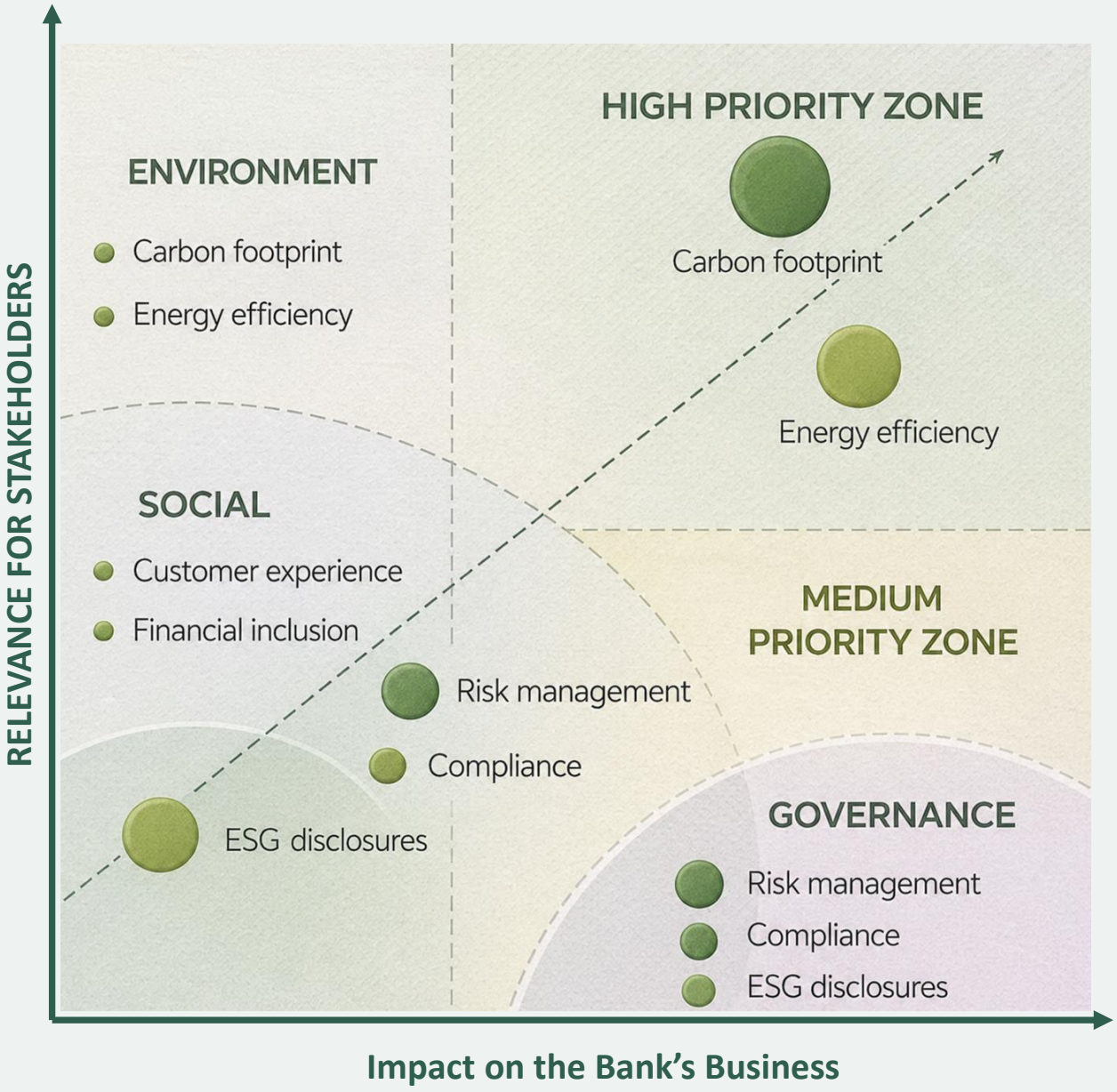
Society

- Social initiatives
- Environmental projects
- Volunteering

Disclosure aligned with: GRI 2-29

BUSINESS MODEL

Significant ESG aspects



- The Bank identifies priority ESG topics based on an assessment of their impact on the Bank's operations and stakeholder expectations.
- The results of this assessment are used in shaping the ESG strategy and managing risks.

Disclosure aligned with: GRI 2-29, GRI 3-1

Business Model within the Bank's ESG Strategy

The Bank's ESG strategy focuses on the integration of sustainable development principles into its business model, risk management system, and operations.

The strategy is based on an analysis of material ESG topics and stakeholder expectations.

ESG integration is implemented across the key elements of the Bank's business model:

Environment

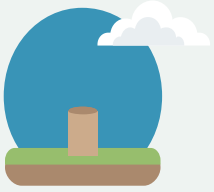
- Reduction of environmental impact of operations
- Improvement of energy efficiency
- Development of green and sustainable finance
- Management of climate and environmental risks

Social Responsibility

- Enhancement of customer experience quality
- Development of human capital
- Expansion of financial inclusion
- Support for social initiatives and sustainable development

Corporate Governance

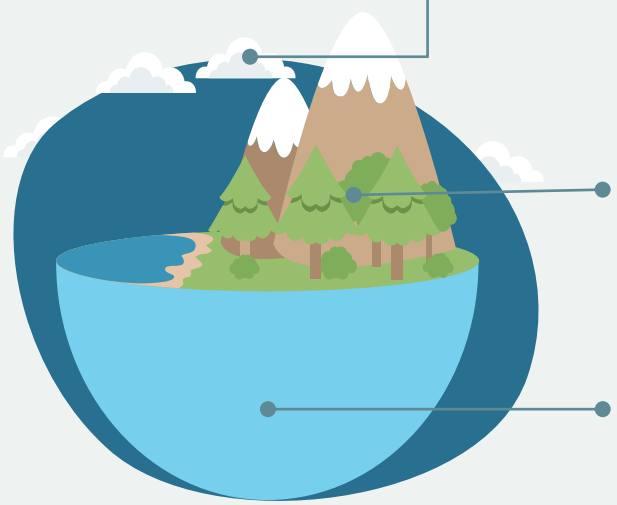
- Enhancement of the risk management system
- Improvement of transparency and disclosure
- Adherence to principles of business ethics
- Integration of ESG into management processes



Disclosure aligned with: GRI 3-3, IFRS S1

ESG targets of the Bank

The Bank establishes quantitative and qualitative ESG targets aimed at achieving its strategic sustainable development objectives and integrating ESG factors into its business model and risk management framework.



- Reduction of energy consumption
- Reduction of carbon footprint (Scope 1 and 2) by 10%
- Development of the green portfolio

- Employee development
- Enhancement of customer experience
- Financial inclusion

- Management of ESG risks
- Enhancement of transparency
- ESG-disclosure

Targets for the Upcoming Year

10% reduction in carbon footprint

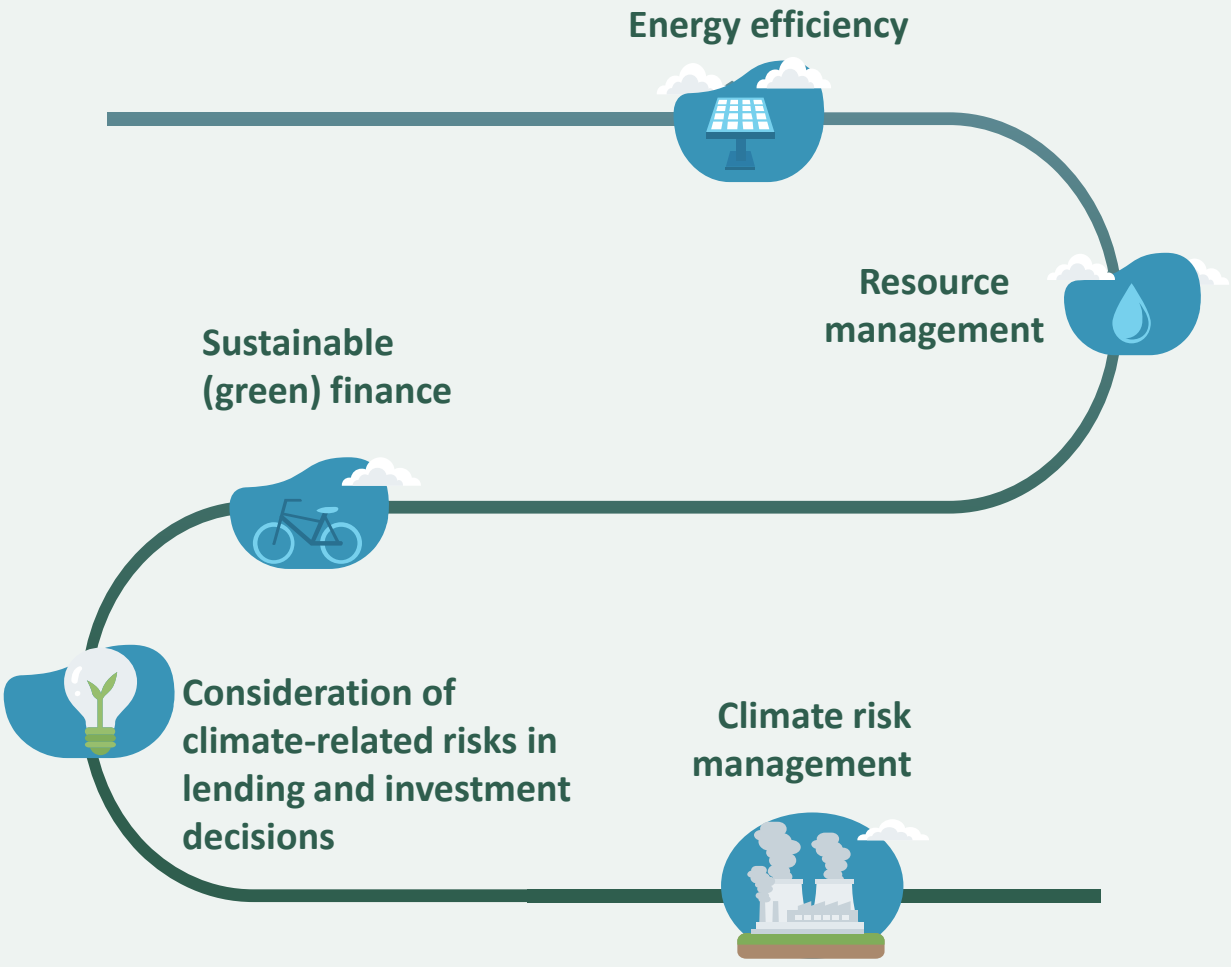
10% increase in the green portfolio

Full integration of climate risks

Disclosure aligned with: GRI 3-3, GRI 302, GRI 305, GRI 404, IFRS S1

Approach to Managing Environmental Impact

The Bank implements a systematic approach to managing its environmental impact, including reducing energy consumption, optimizing resource use, developing sustainable finance, and managing climate-related risks.
The Bank's approach includes the integration of environmental factors into its operations, credit processes, and risk management framework.

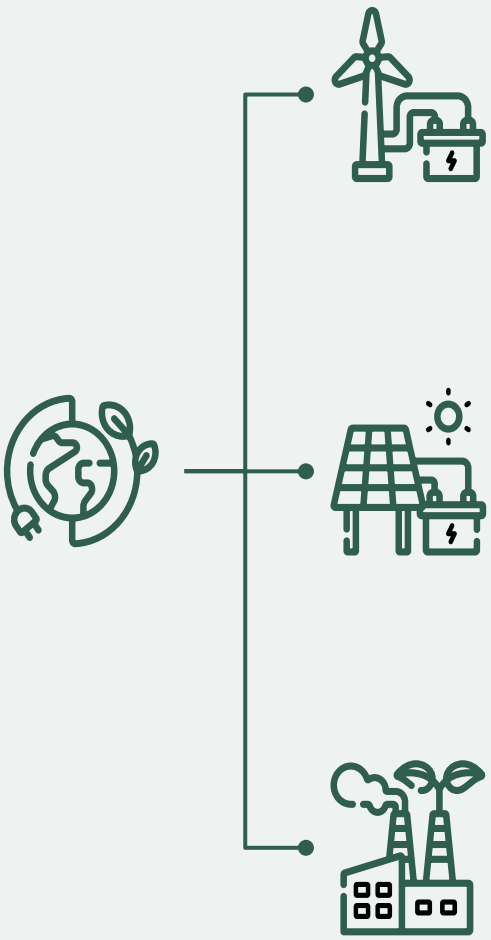


Disclosure aligned with: GRI 3-3, GRI 302, GRI 305

STRATEGY

Direct Impact

The Bank recognizes its responsibility for its impact on the environment and strives to minimize environmental risks by integrating sustainable development principles into its operations.
The Bank's environmental agenda is aimed at promoting efficient resource use, reducing its carbon footprint, and advancing sustainable financing.



Energy efficiency and resources

- Reduction of energy consumption
- Improvement of resource use efficiency
- Optimization of operational processes

Climate risk management

- Identification and assessment of climate-related risks
- Integration of climate factors into the risk management framework
- Consideration of climate-related risks in decision-making

Environmental Initiatives

- Reduction of operational environmental footprint
- Digitalization of processes
- Enhancement of employees' environmental responsibility

The implementation of this approach is accompanied by monitoring of ESG indicators, including energy consumption and carbon footprint.

The Bank consistently integrates ESG approaches into its operations and risk management framework, ensuring sustainable development and reducing its negative environmental impact.

Disclosure aligned with: GRI 3-3, GRI 302, GRI 305, TCFD

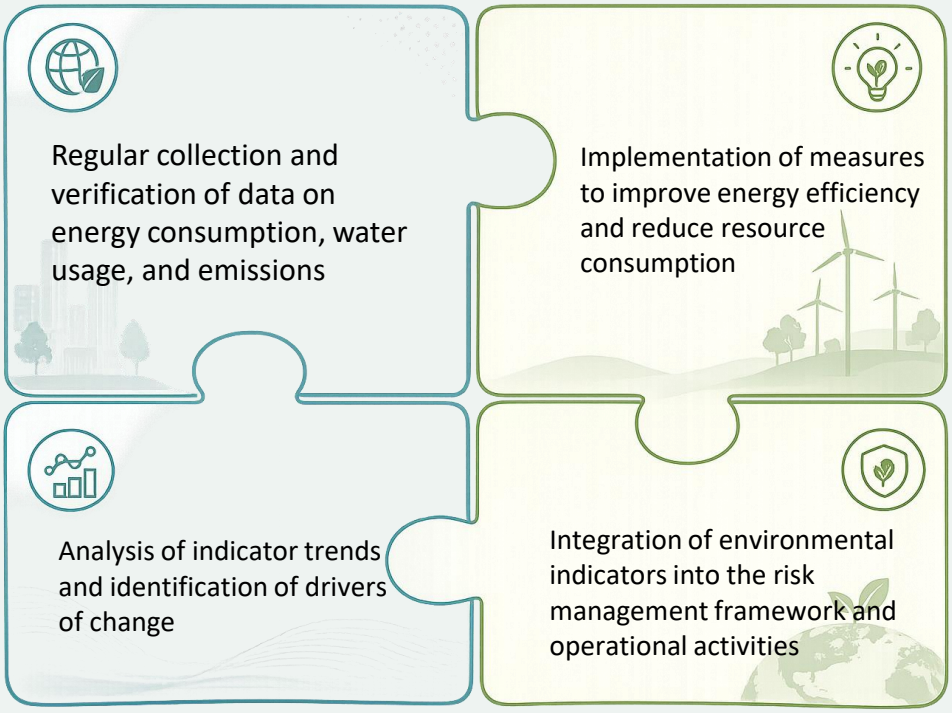
Environmental Performance Indicators of the Bank

The Bank conducts regular monitoring of environmental indicators aimed at assessing its impact on the environment and improving the efficiency of resource use.

The Bank demonstrates consistent efforts to reduce its environmental impact, including optimizing energy consumption and improving the efficiency of resource use.

The results of the monitoring are used to assess the achievement of the Bank's ESG targets.

The monitoring system includes:



This approach enables the Bank to respond promptly to changes and ensure a sustainable reduction of its environmental impact.

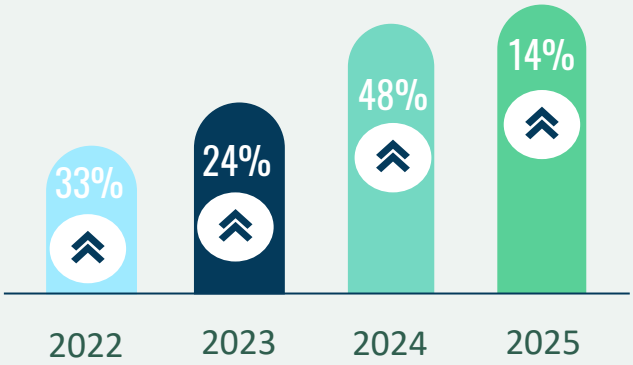
Monitoring includes the assessment of climate indicators and their trends.

Disclosure aligned with: GRI 3-3, GRI 302 (Energy), GRI 305 (Emissions)

Direct impact: dynamics

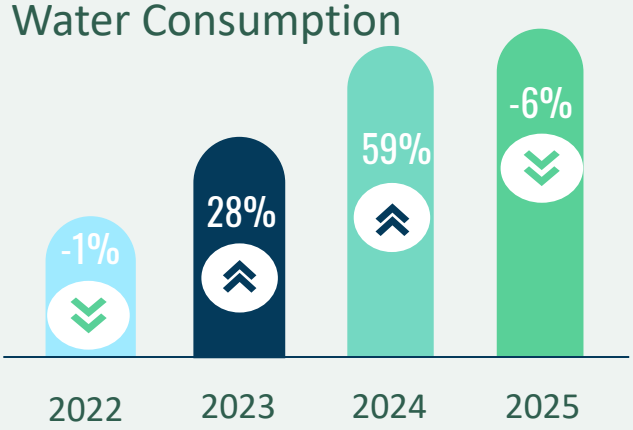
The Bank consistently reduces its environmental impact by implementing measures to improve energy efficiency, promote efficient resource use, and control emissions.

Energy Consumption



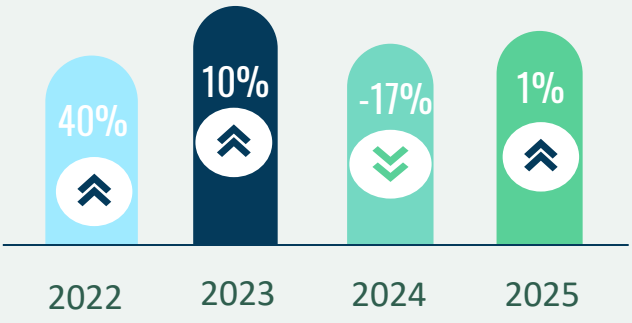
Despite business growth, the Bank manages to contain the increase in energy consumption through improved operational efficiency and the digitalization of processes.

Water Consumption



The reduction in water consumption in 2025 reflects improved resource management efficiency and the implementation of sustainable consumption practices.

Greenhouse Gas Emissions (Scope 1 and 2)



The Bank maintains control over its emissions levels, ensuring a balance between business growth and the reduction of the carbon intensity of its operations.

The indicators reflect year-on-year changes (YoY)

Disclosure aligned with: GRI 3-3, GRI 302, GRI 303, GRI 305, TCFD

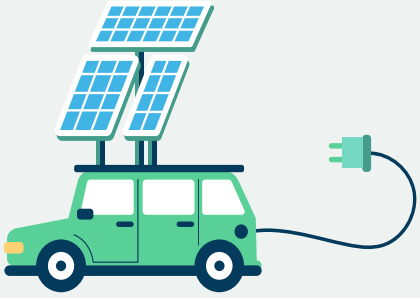
Key ESG Initiatives to Reduce the Bank's Environmental Footprint

Sustainable Energy Financing

Scope 3*

*not related to direct impact

The Bank participates in financing renewable energy projects, including the construction of wind power plants.
The implementation of these projects contributes to the development of a low-carbon economy, the expansion of clean energy capacity, and the creation of jobs in the regions.
Participation in such initiatives is considered by the Bank as a strategic contribution to sustainable development and the energy transition.



Resource Efficiency

The Bank has implemented approaches to efficient use of materials and to enhancing employees' environmental responsibility.
The use of office supplies is centralized and controlled, which helps minimize excessive consumption.
Additional initiatives aimed at raising employees' environmental awareness and fostering sustainable behavioral practices are encouraged.

Disclosure aligned with: GRI 3-3, GRI 302, GRI 305, GRI 306

Key Achievements in Reducing the Bank's Environmental Impact

Digitalization and Reduction of Paper Consumption

The Bank actively implements digital solutions aimed at reducing the use of paper-based materials.
The transition to electronic document management, digital service channels, and process automation enables a significant reduction in paper consumption and improves operational efficiency.
These measures contribute to reducing environmental impact and fostering sustainable practices within the Bank.

Sustainable Mobility and Emissions Reduction

The Bank creates conditions to reduce transport-related impact by encouraging the use of public transportation.
The office is located in an area with high transport accessibility, including proximity to key public transport infrastructure.
These measures contribute to reducing greenhouse gas emissions associated with employees' daily commuting.

Disclosure aligned with: GRI 3-3, GRI 302, GRI 305, GRI 306

Key Achievements in Reducing the Bank's Environmental Impact

Energy Efficiency

The Bank's office is equipped with modern energy-efficient solutions, including automated lighting systems and equipment with a high energy efficiency rating.
The measures implemented are aimed at reducing energy consumption and improving resource efficiency across the organization.

Waste Management

The Bank has implemented a waste segregation system that includes sorting waste into key categories.
In parallel, the Bank implements initiatives to develop employees' environmental culture and engage them in responsible consumption practices.
These approaches contribute to reducing waste volumes and increasing recycling rates.

Disclosure aligned with: GRI 3-3, GRI 302, GRI 305, GRI 306

Green financing

The Bank actively develops its sustainable finance activities, aimed at supporting projects with positive environmental and social impact. Sustainable finance is one of the key elements of the Bank's ESG strategy and contributes to the development of a sustainable economy.

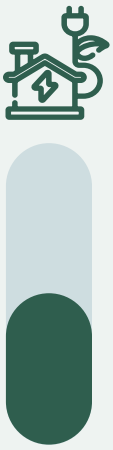
Green financing

- Financing of projects with environmental impact
- Support for energy-efficient and low-carbon solutions
- Development of green lending products

Social financing

- Financing projects with social impact
- Support for small and medium-sized enterprises (SMEs)
- Enhancement of financial inclusion

Sustainable Finance Volume



ESG Portfolio Share

Number of ESG Projects

Disclosure aligned with: GRI 3-3, IFRS S1, ICMA Green Bond Principles

Key Projects

Projects focused on developing socially significant infrastructure in the region:
- hospitals
- schools
- boarding schools and etc.

Rural and urban water supply projects:
- Engineering projects to ensure drinking water safety
- Water conservation projects
- Urban water preservation initiatives
- Water management services

Renewable and environmentally friendly energy projects:
- Solar energy projects
- Wind energy projects
- Biomass power generation projects

Environmental protection projects:
- Ecosystem restoration
- Disaster prevention and mitigation, including response to natural disasters

Environmentally sustainable transport projects:
- Railway transport projects
- Waterway management and vessel procurement projects
- Urban public transport projects
- Environmentally focused transport projects

Energy efficiency and green building projects:
- Green transformation initiatives
- Projects related to green building, including design, development, operation, and maintenance

Recycling and upcycling projects:
- Circular economy services
- Resource recycling projects
- Environmental protection services
- Waste management and pollution prevention projects

Financing is carried out with consideration of ESG project assessments and the application of internal sustainability criteria.

Disclosure aligned with: GRI 3-3, IFRS S1, IFRS S2, ICMA Green Bond Principles

Approach to Green Lending

The Bank's approach to green financing fully aligns with the Green Loan Principles (GLP) and consists of four main stages.

USE OF PROCEEDS

The borrower must provide the Bank with: a comprehensive description of the intended use of loan proceeds (including the project category within sustainable development), details of any refinancing components (if applicable), and all measurable and expected benefits of the project in terms of sustainable development.

PROCESS FOR PROJECT EVALUATION AND SELECTION

To effectively assess a potential investment, the Bank requests from the borrower information on the purpose of the project, the criteria used by the borrower to classify the project as "green," and additional information to identify potential ESG risks associated with the project.

MANAGEMENT OF PROCEEDS

Funds received by the borrower under green financing must be tracked separately to ensure transparency in their use, including on a tranche-by-tranche basis.

REPORTING

The borrower must provide timely reporting on the use of proceeds, including all required disclosures and project-related information, taking into account the amount allocated to its financing.

Disclosure aligned with: GRI 3-3, IFRS S1, IFRS S2, ICMA Green Loan Principles

Social Policy

The Bank places particular emphasis on social responsibility, focusing on the development of human capital, enhancement of customer service quality, and support for the sustainable development of society.
The Bank's social policy is focused on creating a supportive environment for employees, ensuring a high level of customer service, and implementing social initiatives.

Employees

Employee development and training

Ensuring a safe and comfortable working environment

Enhancing employee engagement

Development of corporate culture

Clients

Enhancement of customer service quality

Advancement of digital services

Ensuring product transparency

Improvement of financial inclusion

Society

Implementation of social initiatives

Support for local communities

Participation in charitable projects

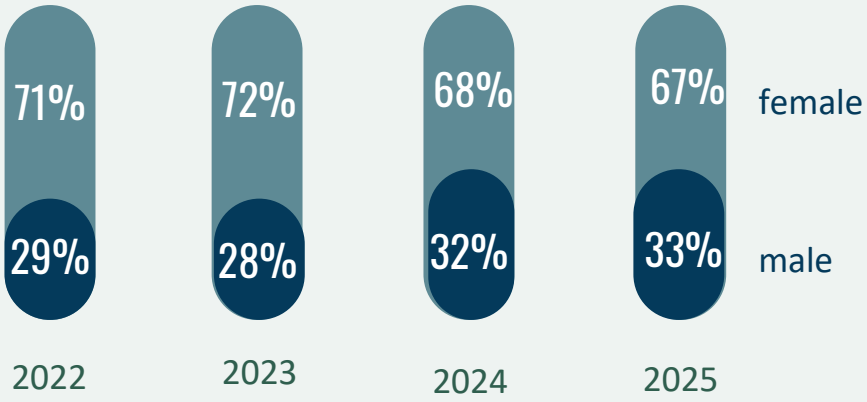
Development of corporate volunteering

The Bank fosters a sustainable social environment focused on employee development, customer support, and contributing to society.

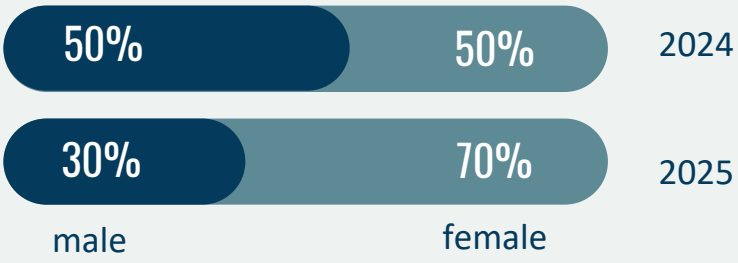
Disclosure aligned with: GRI 3-3, GRI 401 (Employment), GRI 404 (Training and Education), GRI 413 (Local Communities), GRI 417 (Marketing and Labeling), IFRS S1

Human Capital Indicators

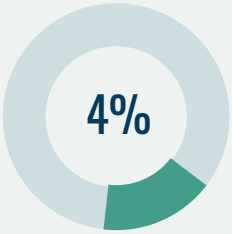
Gender Distribution of Employees



Gender Distribution in Management

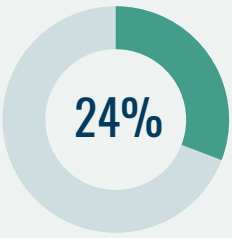


Workforce Overview

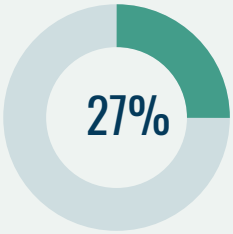


Employees aged 50+

of the total number of employees



Employee Turnover



Employed for more than 6 years

Disclosure aligned with: GRI 401 (Employment), GRI 405 (Diversity and Equal Opportunity)

People Focus: Employee Development and Well-being

Development and training

- Investment in employee training and professional development
- Participation in international programs and knowledge exchange within the Group

Employee Well-being

- Employees are provided with meals in the office: the menu is well-balanced, and excludes potentially allergenic products.

Compensation and Benefits

- Competitive compensation and bonus system
- Additional payments and recognition programs

Health and Social Benefits

- Employee health insurance
- Weekly on-site consultations with a general practitioner
- Implementation of sanitary and hygiene measures, including daily wet cleaning, regular ventilation, UV disinfection when necessary, and scheduled breaks from work
- Installation of bactericidal air recirculatory to help prevent illness and reduce allergen exposure

Occupational Health and Safety

- Regular occupational health and safety training and briefings
- Engagement of experts to enhance safety standards

Disclosure aligned with: GRI 401 (Employment), GRI 403 (Occupational Health and Safety), GRI 404 (Training and Education)

The Bank's Approach to Social and Governance Aspects of ESG

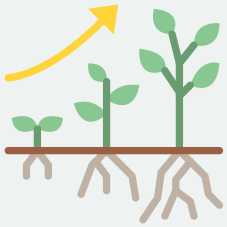
Working Conditions and Well-being

Development of Corporate Infrastructure and Working Conditions

Equality and Inclusion

Prevention of discrimination and adherence to equality principles
Ensuring equal opportunities for all employees

Governance and Transparency



Principles of transparency, accountability, and regulatory compliance
Disclosure of information in accordance with regulatory requirements

Corporate Culture and ESG

Development of ESG culture and employee training
Integration of ESG principles into business processes

Ethics and compliance

Anti-corruption and fraud prevention
Strengthening trust among stakeholders

Labor Risk Management

Prevention of labor rights violations and conflicts
Effective mechanisms for resolving disputes

Disclosure aligned with: GRI 2-23, GRI 2-24, GRI 401, GRI 403, GRI 404, GRI 405, GRI 406, GRI 419

Green Finance Development Objectives

The Bank develops sustainable finance in line with national decarbonization priorities and international ESG standards.

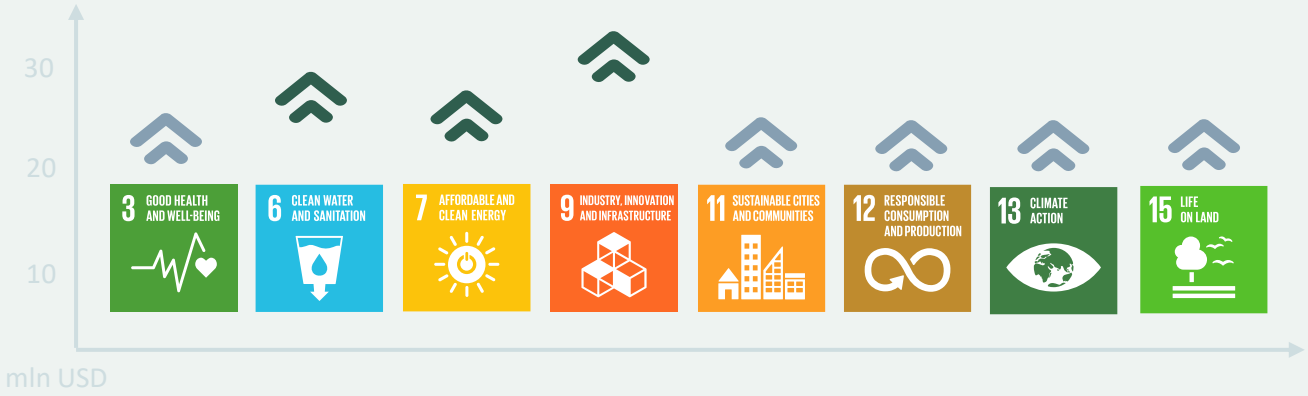
Strategic Directions

- Integration of ESG principles into the Bank's business model and products
- Support for a low-carbon economy and energy-efficient solutions
- Encouraging clients to transition to sustainable business models
- Development of partnerships with international financial institutions

Realization

- Growth in the volume of green and sustainable finance
- Monitoring of financing for carbon-intensive industries
- Support for transition and transformational projects
- Development of ESG products and financial instruments
- Contribution to emission reduction and achievement of carbon neutrality

Target volumes of financing for priority ESG areas (aligned with the United Nations Sustainable Development Goals (SDGs))



Disclosure aligned with: GRI 3-3, GRI 201-2, GRI 302, GRI 305, IFRS S1, IFRS S2, Green Bond Principles (ICMA) / Green Loan Principles (LMA)

Sustainable Finance Principles

Sustainable Development Principle

- Integration of ESG factors into the Bank's business model
- Development of green financing instruments
- Support for economic decarbonization

Principle of Confidentiality

- Compliance with personal data protection requirements
- Ensuring information security
- Implementation of modern digital solutions

Principle of Transparency and Openness

- Development of international relations
- Participation in global initiatives
- Enhancement of the Bank's transparency

ICBC

Social Principle

- Fostering an inclusive financial environment
- Support for social well-being
- Participation in charitable and volunteering initiatives

Customer-Centric Principle

- Expansion of access to financial services
- Improvement of financial literacy
- Support for clients' quality of life

Corporate Principle

- Responsible engagement with stakeholders
- Development of an effective corporate governance system

Disclosure aligned with: GRI 3-3, IFRS S1, IFRS S2, Green Loan Principles (LMA), Green Bond Principles (ICMA)

The Bank's Approach to ESG Strategy Implementation

ENVIRONMENTAL

- Development of green and sustainable finance
- Reduction of the Bank's carbon footprint
- Improvement of energy and resource efficiency

SOCIAL

- Enhancement of customer service quality
- Development of human capital
- Implementation of social initiatives

GOVERNANCE

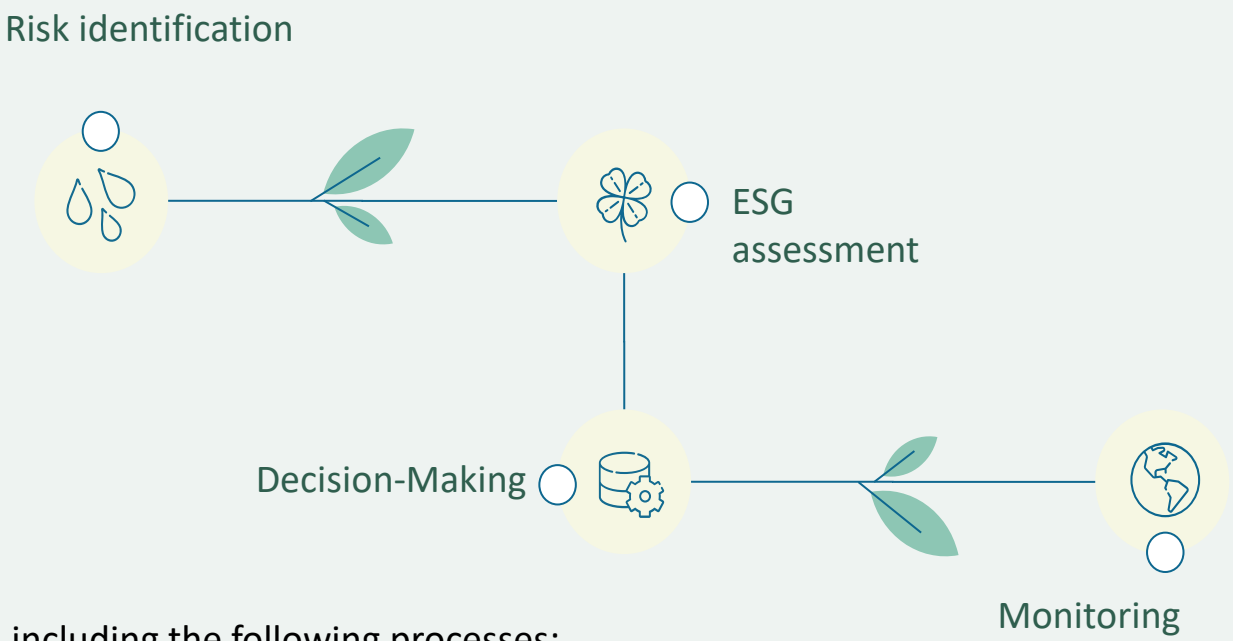
- Integration of ESG factors into the risk management framework
- Ensuring compliance and transparency
- Enhancement of corporate governance

Disclosure aligned with: GRI 3-3 (Management of material topics), IFRS S1, IFRS S2

RISK MANAGEMENT SYSTEM

ESG risk management system

ESG risk management is implemented at all levels of the organization and covers key business processes, including lending, investment activities, and operations.



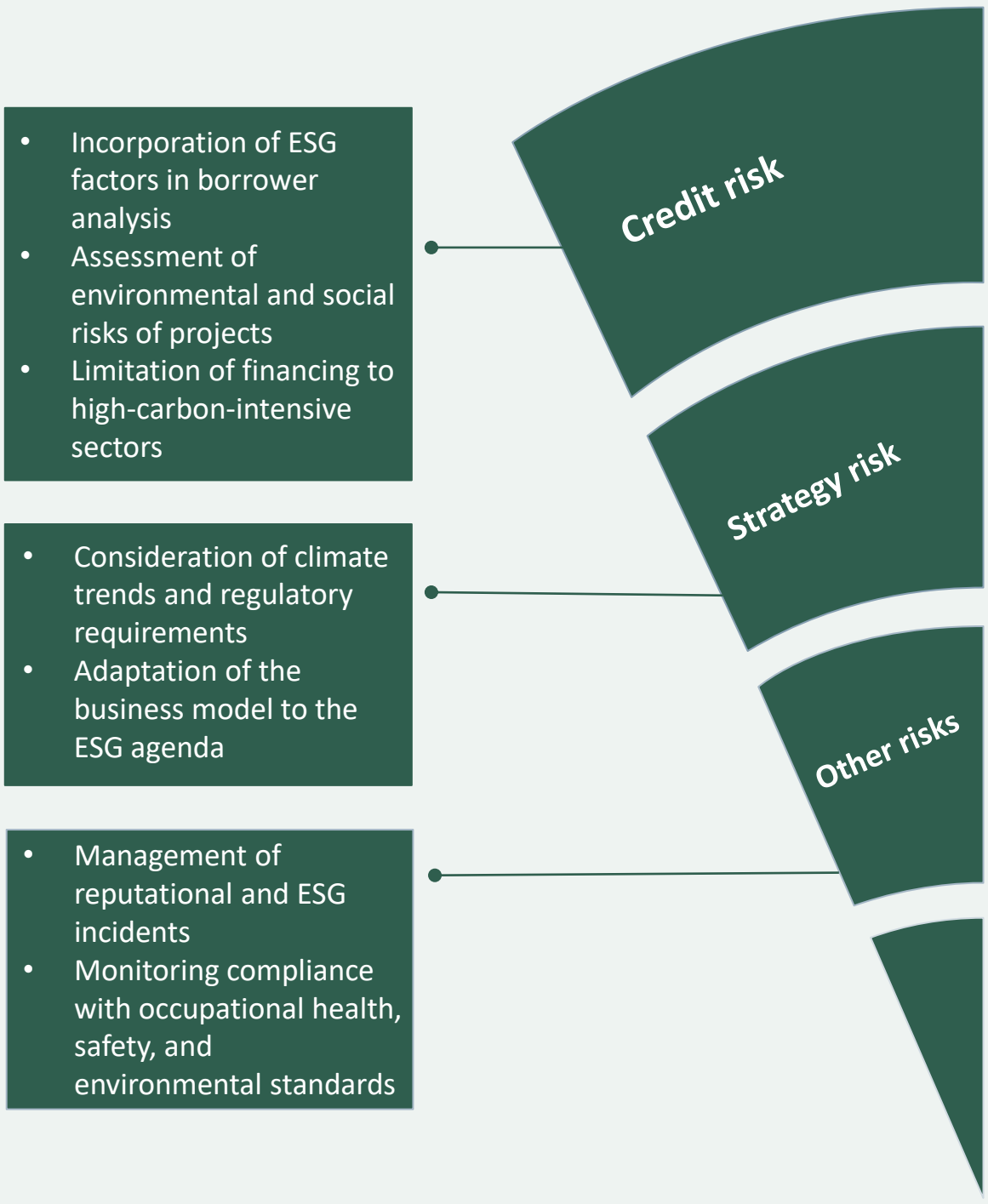
including the following processes:

- credit analysis
- investment activities
- counterparty assessment
- portfolio management

The Bank integrates environmental, social, and governance (ESG) factors into its existing risk management framework to enhance business resilience, minimize potential losses, and ensure compliance with international sustainability standards.

Disclosure aligned with: GRI 3-3 (Management of material topics), IFRS S1, IFRS S2, TCFD

Integration of ESG Factors into Risk Management



Disclosure aligned with: GRI 3-3, IFRS S1, IFRS S2, TCFD

Key ESG Risks of the Bank

Risk	Description	Management approach
Environmental	- Physical and transition climate risks - Portfolio carbon footprint - Resource constraints	- ESG assessment of borrowers - Integration into the credit process - Portfolio monitoring
Social	- Violation of employees' rights - Reputational risks - Impact on customers	- Internal policies - Customer due diligence (CDD) - Monitoring and control
Governance	- Compliance and regulatory risks - Transparency - Business ethics	- Internal control system - Compliance-function - Corporate governance

ESG risks are integrated into the Bank's lending processes, risk management framework, and decision-making processes.
The Bank integrates ESG principles into its strategy, business model, and risk management system, ensuring sustainable growth and long-term value for stakeholders.
Consideration of ESG factors in credit risk assessment and portfolio quality evaluation.

Climate risk management

Physical Risks

- Impact of climate change on clients' assets and operations
- Risk of damage to infrastructure and supply chains

Transition Risks

- Changes in regulation and carbon policy
- Technological changes and industry transformation
- Devaluation of carbon-intensive assets

Bank's approach

- Integration of climate factors into credit analysis
- Development of green financial instruments
- Monitoring of the portfolio's carbon footprint
- Conducting scenario analysis and climate risk stress testing

Disclosure aligned with: GRI 3-3, IFRS S2, TCFD

GRI Content Index

GRI Standard	Disclosure	Description	Location in Report
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement	pg. 16
GRI 3-3	Management of material topics	Significant ESG Aspects	pg. 17–18
GRI 302	Energy	Energy consumption	pg. 23
GRI 303	Water	Water consumption	pg. 23
GRI 305	Emissions	Greenhouse Gas Emissions	pg. 23
GRI 401	Employment	Social Policy and Employees	pg. 30–32
GRI 404	Training and Education	Employee Development	pg. 32
GRI 413	Local Communities	Community Engagement	pg. 30
GRI 3-3	ESG Risk Management	ESG risk management system	pg. 37–40

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