



# 2023

## Semi-annual ESG Report



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# Declaration

## Reporting Compilation Background

This report aims to summarise the progress of the Bank's ESG work in the first half of 2023, present the Bank's exploration and practice of integrating ESG management concepts into practical business operation and promoting high-quality and sustainable development, enhance stakeholder communication, and respond to the concerns of all stakeholders on substantive issues in the ESG field of the Bank.

## Reporting Scope

The scope of this report covers China Construction Bank Corporation and its subsidiaries.

## Reporting Period

This report covers the period from 1 January 2023 to 30 June 2023. To ensure consistency in reporting, part of the content may contain information that is beyond the above-mentioned period.

## Data Explanation

The data in this report mainly covers the period from 1 January 2023 to 30 June 2023. Among them, green finance, inclusive finance, agriculture-related loans, corporate housing leasing loans and other relevant data are forecast data. If there is any discrepancy, please refer to the Bank's 2023 semi-annual report. Part of the data is beyond the above-mentioned period and contains the data from previous years. The data of this report mainly comes from the internal document and relevant statistics of the Bank.

## Forms of Release

This report is published in the electronic format and can be viewed and downloaded on the Bank's official website.

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*The concept of new finance aligns closely with international sustainable development principles. We must adhere to the concept of "mass finance", serving the majority, not just a few, and strive to be practitioners of the new development concept, pioneers empowering society, and leaders in financial innovation.*

”

—Tian Guoli, Chairman of China Construction Bank Co., Ltd.





“

*We will continue to improve the green development financial system, build consensus for green business development, accelerate the increase in the proportion of green credit, promote the healthy and rapid development of non-credit green financial business, further integrate ESG principles into our operations and management, and enhance the ESG risk management framework for investment and financing business.*

”

—Zhang Jinliang, President of China Construction Bank Co., Ltd.



“

*We will actively and proactively integrate into the overall green and low-carbon transformation and development. We will take strong measures, move forward with greater strides, and vigorously develop green finance to make our due contribution to China's green and low-carbon development.*

”

—Wang Yongqing, Chairman of the Board of Supervisors of China Construction Bank Co., Ltd.



The 20th Party Congress Report outlined that China should advance the rejuvenation of the Chinese nation on all fronts through a Chinese path to modernisation. This modernisation should encompass several key components, including "achieving high-quality development", "promoting harmonious coexistence between humans and nature", and "working to build a community of a shared future for mankind". And Environmental, Social and Governance (ESG) is embedded in it. In recent years, as sustainable development has grown more deeply ingrained in the public consciousness, companies around the world have recognised the importance of improving ESG management. Promoting ESG work is not only in line with international development trends, but also a strategic choice to achieve economic transformation and promote all-round development.

As a large state-owned commercial bank, CCB always adheres to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, carries out the "Three Major Tasks" of financial services, and follows through on General Secretary Xi Jinping's crucial guidance on improving "Three Capabilities" of the Bank. CCB implements the new development concept fully, accurately, and comprehensively and supports the fostering of a new development pattern. The Bank consciously practices financial activities in a politically-oriented and people-centred manner, continuously improving professionalism and further advances New Finance initiatives, actively playing a major role in promoting the high-quality sustainable development of the whole society, and promoting the construction of ecological civilisation and the common prosperity of the people.

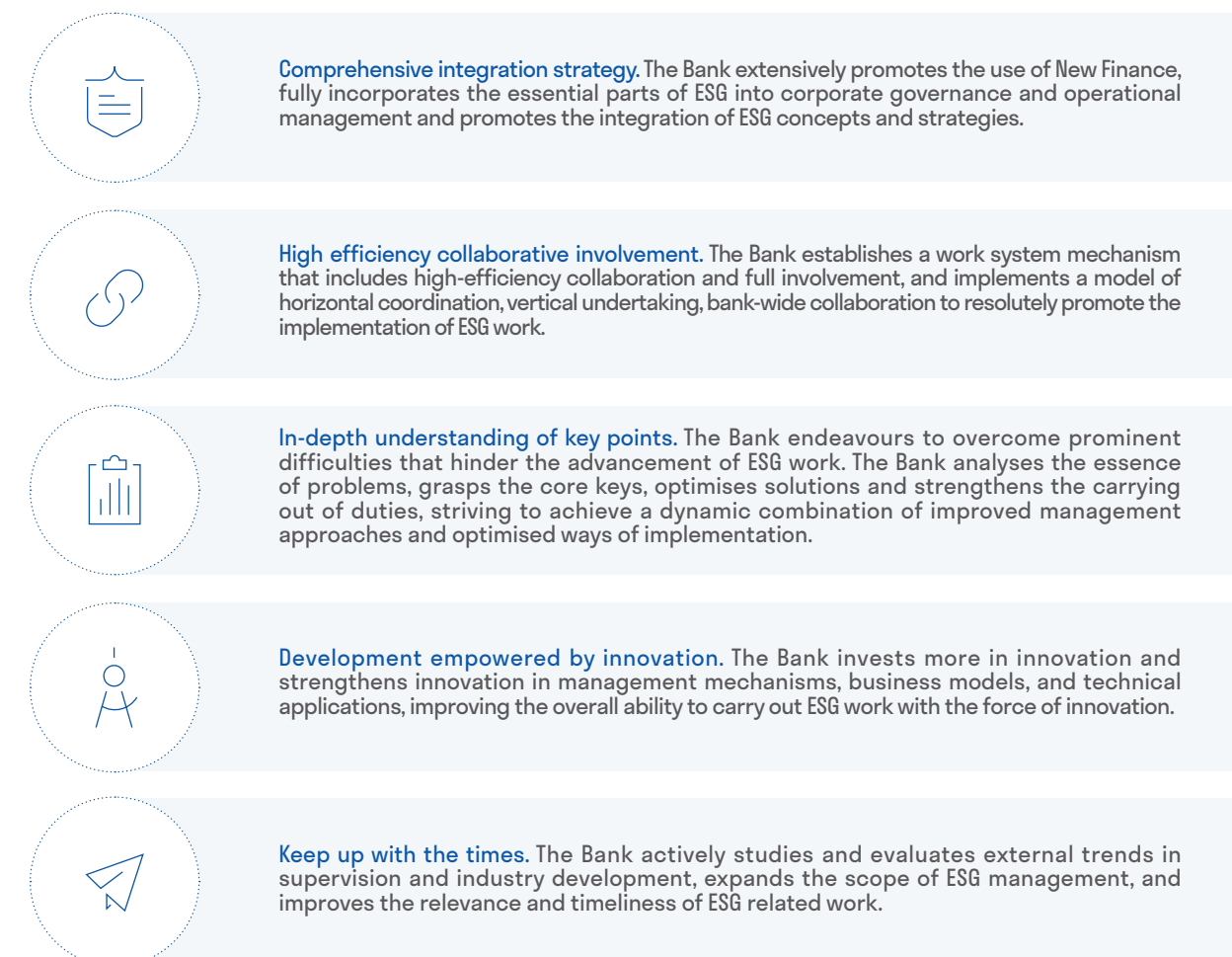
The needs of the country and the aspirations of the people are exactly what the new finance pursues. In recent years, China Construction Bank adheres to the new financial logic of "serving the majority of people, not just a few", takes the responsibility of finance, fully implements new financial actions, relies on modern technologies such as FinTech and big data, promotes the three major strategies of housing rental, inclusive finance and FinTech. The Bank also implements the rural revitalisation strategy and directs financial resources to where they are most needed. While effectively supporting and serving the real economy and solving social pain points and difficult problems, the Bank also fully integrates ESG concepts into the strategic development, operation management and corporate culture of the Bank.

In 2023, ratified by the Board of the Bank, the *China Construction Bank Environmental, Social and Governance Plan (2023-2025)* was issued and implemented throughout the Bank. The plan showed an in-depth grasp of the fundamental requirements of Chinese path to modernisation, exploring to incorporate ESG concepts into strategic development, product design, risk management and daily operations and clarifying the key tasks and steps to implement ESG management. By making full use of the ability of ESG practices to drive high quality sustainable development, the plan aimed to promote the organic unity of achieving economic and social benefit.

## ESG Planning Vision

Striving to become a world-leading sustainable development bank.

## ESG Planning Principles



## ESG Planning Goals

The Bank fully incorporates ESG concepts into its corporate governance and operation management, to improve the governance system of state-owned financial enterprises with Chinese characteristics. The Bank redoubles efforts to develop green finance and strengthens green operation management, thus helping to prevent pollution and promote the low-carbon transformation of the economy and society. In addition, the Bank actively shoulders social responsibilities, improves the risk management system, strengthens consumer rights protection and enhances the planning and training of talents, aiming to improve the level and capability of sustainable development and promote high quality development.



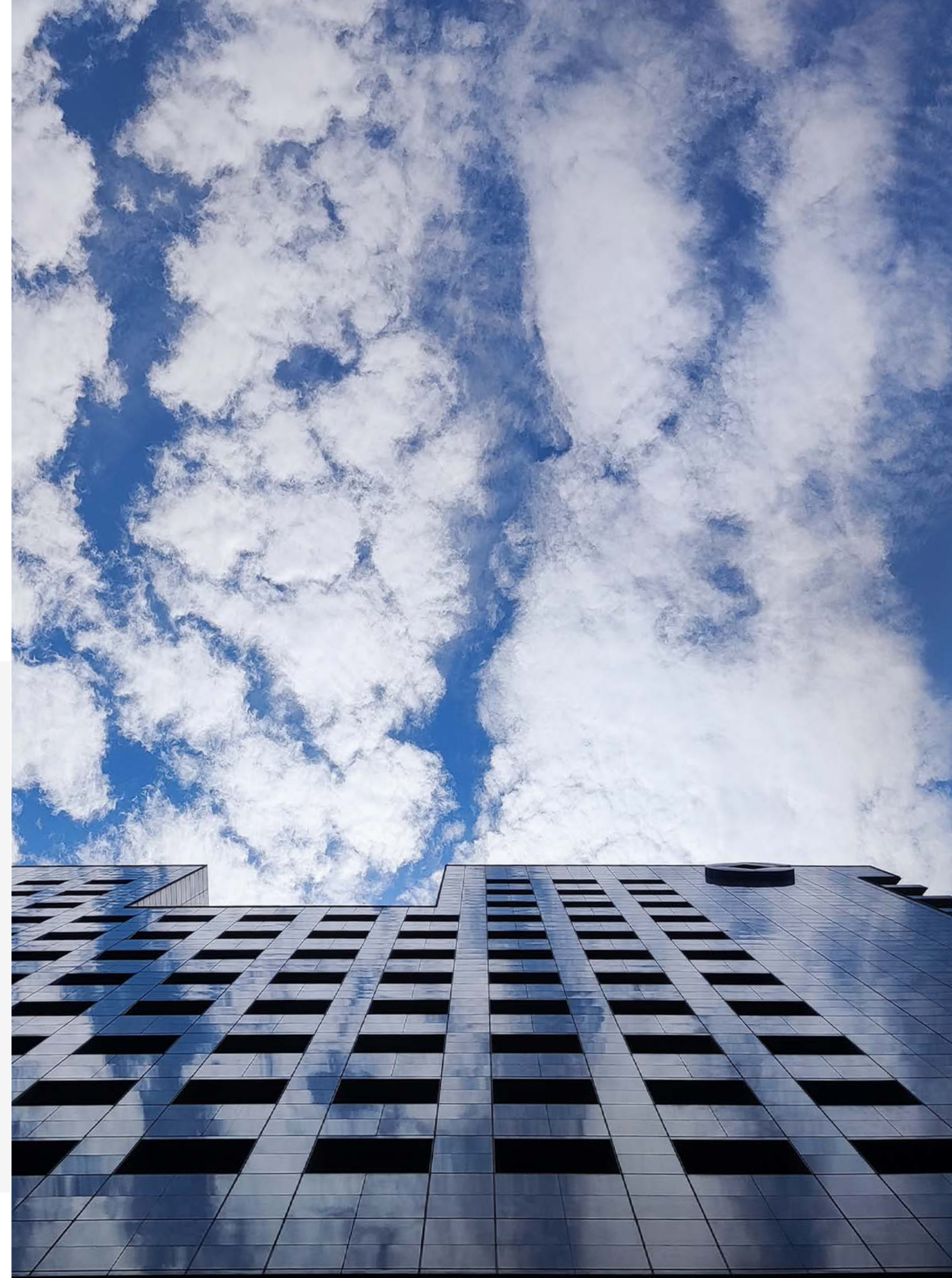
# 01

## GOVERNANCE

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# Corporate Governance

The Bank establishes a framework for ESG and sustainable development governance which is top-down, clearly defined, and features an improved structure. All levels collaborate with each other and unite in a concerted effort. The Bank is committed to building an efficient and collaborative ESG governance mechanism that encourages comprehensive participation. The Bank continuously improves the system to advance sustainable development work and promote high quality development.



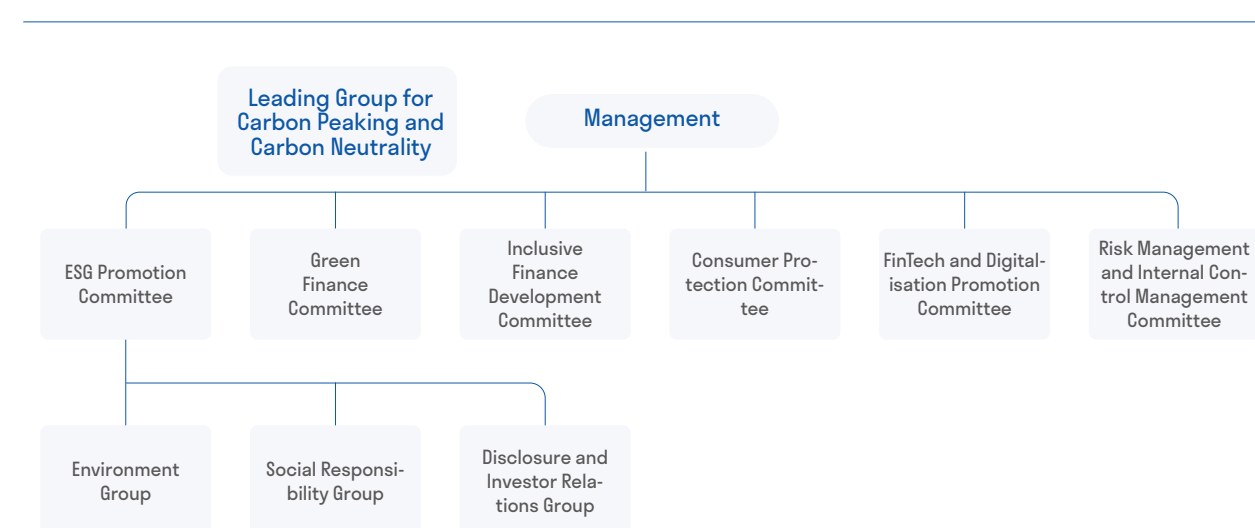
## ESG Governance Structure

The Bank's ESG governance structure is as follows:

### Governance



### Management



## Board of Directors

### Duties and authorities

The Board of Directors of the Bank assumes ultimate responsibility for the formulation and implementation of the Group's ESG strategy. The Board defines ESG strategic objectives, key tasks, and management priorities, oversees and evaluates the implementation effect of the ESG strategy, guides ESG risk identification and assessment, reviews relevant objectives and the progress of achievements at regular intervals, and regularly receives reports from subordinate special committees and management on process of ESG-related initiatives, as well as provides guidance on ESG information disclosure efforts.

The related party transaction, social responsibility, and consumer protection committee of the Board of Directors is responsible for the overall implementation of the ESG work at the Bank. This includes but is not limited to: studying and formulating the green finance strategy and supervising and evaluating its implementation; studying and formulating the social responsibility strategy and policy and monitoring, inspecting, and evaluating their execution; studying and formulating the strategy, policy, and target of consumer protection and monitoring and evaluating their implementation; and supervising and instructing the management to promote inclusive finance related work. The risk management committee of the Board of Directors is responsible for overseeing the management of climate-related risks and opportunities, offering guidance to the management on matters such as ESG risk management and climate risk stress test.

### Diversity of Board members

The Bank attaches great importance to achieving a diversified composition of the Board of Directors, and continuously strives to enhance the Board's professionalism and structural reasonableness, aiming to achieve an optimum combination of board members that aligns with the development strategies of the Bank, which vigorously supports the efficient operation and scientific decision-making of the Board.

In August 2013, the Board of Directors of the Bank ratified and disclosed a resolution regarding the diversity policy for board members. In accordance with the Board's diversity policy, the selected candidates should be complementary to one another, with diversified backgrounds in terms of gender, age, culture and education background, ethnicity, professional experience, skills, knowledge, and tenure of service. The final selection of candidates should be based on the candidates' comprehensive abilities and possible contributions to the Board. The nomination and remuneration committee of the Board is responsible for overseeing the implementation of the Board's diversity policy and periodically reviewing the composition and structure of the Board of Directors. The composition of the Board of Directors, including the gender, age, and tenure of service of each director, is disclosed annually in the annual report.

As of 30 June 2023, the Board consisted of a total of 14 directors, including four executive directors, five non-executive directors, and five independent non-executive directors. A female director newly joined the Board, making a total of three female directors, accounting for 21.43% of the board members. The independent non-executive directors of the Bank come from various regions including America, Europe, Oceania, and Hong Kong SAR, and are familiar with international accounting standards, capital supervision, credit rating, and financial market rules. The audit committee, risk management committee, nomination and remuneration committee and the related party transaction, social responsibility, and consumer protection committee of the Board are all chaired by independent non-executive directors. The composition of the Board complied with the gender diversity requirements set by the Listing Rules of Hong Kong Stock Exchange and aligned with the Bank's internal policy.

### Professionalism of Board members

The Board members of the Bank possess a broad perspective and extensive experience in professional fields such as strategy analysis, economic research, state-owned financial capital management, risk management and financial accounting.

Among the non-executive directors and independent non-executive directors of the Bank, five members have formerly worked for financial supervisory government departments and international organisations related to risk management, such as the Ministry of Finance, State Administration of Foreign Exchange, Reserve Bank of New Zealand, the World Bank, the Basel Committee on Banking Supervision, and the International Monetary Fund. Three members formerly held positions in financial accounting-related institutions, such as the Ministry of Finance, the IFRS Foundation, Moody's, PricewaterhouseCoopers, and Deloitte. Six members had industry experience, working for Bank of China, Industrial and Commercial Bank of China, JPMorgan, Barclays Bank, and Citibank and other domestic and international financial institutions.

Our Board members have extensive experience in risk management. Among them, Mr. Leung Kam Chung, Antony, chairman of the risk management committee of the Board of the Bank, has many years of experience in government and financial institutions. He served as Financial Secretary of the Hong Kong SAR, chairman of the risk management committee of the Board of ICBC, an independent director of China Merchants Bank and AIA (Hong Kong), chairman of Blackstone Greater China and a member of the investment decision committee, chairman of J.P. Morgan Asia and a member of the credit management committee, head of Asia Private Banking, Fund and Foreign Exchange Department, Investment Banking and head of Greater China Region, the director of the asset and liability management committee, a member of the credit management committee and senior director of global credit risk of Citibank, with rich experience in risk management of financial institutions.



Board of Supervisors

The Board of Supervisors of the Bank attaches great importance on the establishment and operations of the Bank's ESG framework, ensuring that ESG management, corporate governance operations, green finance development, and consumer protection are included within the scope of supervision. The Board of Supervisors supervises on the performance of the ESG-related responsibilities of the Board of Directors and the Management, continuously monitors the implementation of ESG strategies and key initiatives, and provides supervisory suggestions on strengthening top-level design, solidifying foundational management, enhancing risk control, and improving capacity building. The Board of Supervisors conducts specialised research on the New Finance initiatives and seeks to develop an in-depth understanding of developments in key areas, such as inclusive finance, housing rental, FinTech, smart government affairs, and rural revitalisation. It also offers constructive supervisory recommendations for ongoing tasks, improving the quality and efficiency of the Bank's services to the real economy, and accelerating the Bank's high-quality development.

The Management

The Management is responsible for formulating ESG objectives and major tasks and promoting the implementation in relevant departments, domestic and overseas branches, and subsidiaries. Multiple committees and working groups have been established to oversee various aspects of ESG work, collectively promoting the improvement of sustainable development management practices. The composition and responsibilities of the management committees of the Bank are as follows:

Committee	Responsibilities
Leading Group for Carbon Peaking and Carbon Neutrality	Led by chairman of the Board of Directors and assisted by the president, this committee consists of six working groups, including the corporate business group, retail business group, capital market business group, risk management group, disclosure and publicity group, and carbon footprint management group. These aim to support the achievement of the carbon peak and carbon neutrality goals through New Finance initiatives.
ESG Promotion Committee	The president serves as chairman of this committee, which includes 34 member departments (institutions) that are responsible for overall management of ESG strategy planning, implementation, and coordination. This committee divides its responsibilities into three working groups: Environment, Social Responsibility, and Information Disclosure and Investor Relations. Each working group has clear roles and closely collaborates to effectively advance various initiatives.
Green Finance Committee	Chaired by the president, this committee oversees overall promotion of green finance across the organisation, is responsible for making decisions on significant matters related to the advancement of green finance business, and plans and implements key directions and initiatives for the development of green finance throughout the Bank.
Inclusive Finance Development Committee	Chaired by the Bank's executives, this committee is responsible for comprehensively coordinating the strategic development of the Bank's inclusive finance strategy, as well as studying and implementing the inclusive finance-related work arrangements of the CPC Central Committee, State Council, and regulators, and the work requirements for promoting the strategic development of inclusive finance put forward by the party committee, the Board of Directors, and the executive meetings. Within its authority, this committee reviews significant operational and management matters.
FinTech and Digitalisation Promotion Committee	Chaired by the Bank's executives, this committee is responsible for planning the overall promotion, coordination, and decision-making of the Group's FinTech and digitalised operations, and studying FinTech and digitalised operation strategies, policies, and development direction for the Bank. This committee ensures compliance with regulatory requirements, undertakes the responsibilities of relevant leadership groups, and coordinates and promotes important initiatives, such as credit information security and financial data statistics.
Consumer Protection Committee	Chaired by the Bank's executives, this committee conducts unified planning, deployment, promotion, and supervision of consumer protection. It specially arranges consumer protection initiatives, systematically organises and advances these, and continuously tracks implementation results.
Risk and Internal Control Management Committee	Chaired by the president, this committee incorporates environmental and climate risks, compliance risks, operational risks, and reputational risks into a comprehensive risk management framework, and defines accountability of relevant department to manage these risks professionally. Regular meetings are held to track progress, discuss work updates, and deploy important matters.

Progress in ESG Governance

The Board of Directors and the Board of Supervisors receive reports from the Management regarding ESG matters. The ESG governance work has been driven based on the Bank's internal ESG practices, actively benchmarking against advanced ESG practices to explore improvements in ESG management capabilities, aiming to achieve significant progress in ESG initiatives, and promoting coordinated development. As of the first half of 2023, the progress of ESG governance is as follows:

Governance	Progress
The Board of Directors and the Strategy Development Committee	The Board of Directors convened six meetings, approving proposals, such as the 2022 Annual Report, the 2023 Risk Appetite, the 2023 First Quarter Report, the Comprehensive Risk Management Report and the Social Responsibility Report; reviewed and approved significant plans and measures, including the <i>China Construction Bank Environmental, Social and Governance Work Plan (2023-2025)</i> , in line with regulatory requirements and ESG initiatives. Chairman Tian Guoli chaired a strategic session where macroeconomic and financial conditions, regulatory changes, opportunities and challenges for the banking industry, and the future development of China Construction Bank were discussed. The session provided a platform for in-depth exchanges of views between senior management and independent directors, offering important strategic decision-making references for driving high-quality and sustainable development across the Bank.
Related Party Transaction, Social Responsibility and Consumer Protection Committee	This committee convened three meetings, approved the <i>China Construction Bank Environmental, Social and Governance Work Plan (2023-2025)</i> , reviewed ESG-related topics, such as social responsibility, green finance, inclusive finance, rural revitalisation finance, housing rental, consumer rights protection, and related-party transactions. And this committee discussed MSCI ESG rating report and its analysis, environmental target guidelines and ESG disclosure, and the Hong Kong Stock Exchange's consultation on climate-related information disclosure.  Additionally, two ESG thematic communication meetings were held to address the formulation and implementation of the ESG work plan, the progress on environmental targets, the innovation in ESG rating systems, and the risk stress testing for high-carbon industry transformation.
Risk Management Committee	Four committee meetings were convened, the <i>China Construction Bank Limited Risk Appetite (2023)</i> has been ratified, and environmental, climate, and biodiversity risks have been embedded in the Group's risk preference. The <i>Environmental and Climate Risk Analysis Report</i> has been reviewed, and its findings discussed, including the effectiveness of environmental and climate risk management measures, current challenges, and future plans. The <i>Report on Quantitative Risk Assessment of ESG-related Factors</i> was received and discussed, focusing on the progress of China Construction Bank's ESG rating system for corporate clients and climate risk stress testing. Furthermore, the latest requirements and work plans regarding the Hong Kong Stock Exchange's <i>Consultation Paper on Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework</i> were addressed.
Nomination and Remuneration Committee	Six committee meetings were convened, and reports on the career development of female employees, the latest progress of the China Construction Bank Training Centre, and the impact of ESG initiatives and digital transformation on human resources and employee policies were received. In addition, this committee placed a strong emphasis on talent cultivation and development and conducted specialised research at the China Construction Bank Training Centre.
Audit Committee	This committee convened five meetings and received specialised reports on the preparation of the 2022 Annual Report and the Q1 2023 Report and provided oversight and coordination to guarantee the smooth execution of ESG related disclosure.
Board of Supervisors	The Board of Supervisors received reports on the development of green finance and proposed suggestions to enhance participation in formulating industry plans and standards, strengthen expert teams, optimise assessment and incentive policies, and improve post-loan fund management. The Board of Supervisors also monitored the MSCI ESG rating and reviewed key ESG initiatives, including understanding changes in rating indicators and upcoming focus areas. Finally, the 2022 Social Responsibility Report was discussed, which focused on supporting small and micro-enterprises, affordable housing, pension finance, and social welfare activities.



ESG Performance Assessment

The Bank focuses on enhancing the performance assessment mechanism for the ESG work of the Board of Directors, the Board of Supervisors, and the Management. The Bank continuously improves the clawback mechanism for performance compensation and link pay to sustainability performance, strengthening the supervision and management of the Board of Directors and the Management.

Remuneration clawback mechanism

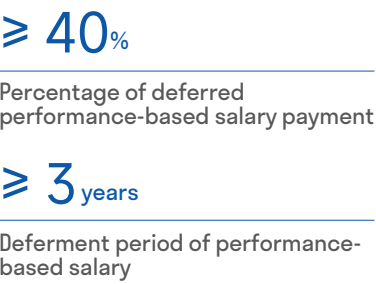
In accordance with the *Regulatory Guidelines for Sound Remuneration in Commercial Banking*, the Bank has established and continuously optimised the performance remuneration clawback mechanism for senior management personnel and key personnel. Internal policies for performance remuneration clawback have been established, which enable, based on the severity of the situation, the partial or total clawback of the performance remuneration within the corresponding period.

Management structure

The nomination and remuneration committee is responsible for monitoring the implementation of the Bank's rules on performance appraisal and remuneration. The comprehensive operation and management committee organises the implementation of the Board's resolutions on remuneration management. The Human Resources Department of the Head Office is responsible for the concrete implementation of relevant clawback provisions. The audit department, the risk management department, and the finance & accounting department are responsible for supervising the implementation of remuneration mechanism and providing feedback for improvement.

Policy requirements

The Bank strictly implements deferred remuneration and clawback policies for performance-based compensation of senior management and key personnel of the Group. Over 40% of performance-based salary is subject to deferment, with a minimum deferment period of three years, following the principles of equal division. The policy clearly stipulates that, if senior management personnel and key personnel make a significant mistake, cause significant financial loss to the enterprise, fail to meet performance assessment standards, falsify performance results, or violate remuneration management procedures, the recourse and clawback process will be initiated for previously distributed performance annual salary and term incentive income.



Implementation process

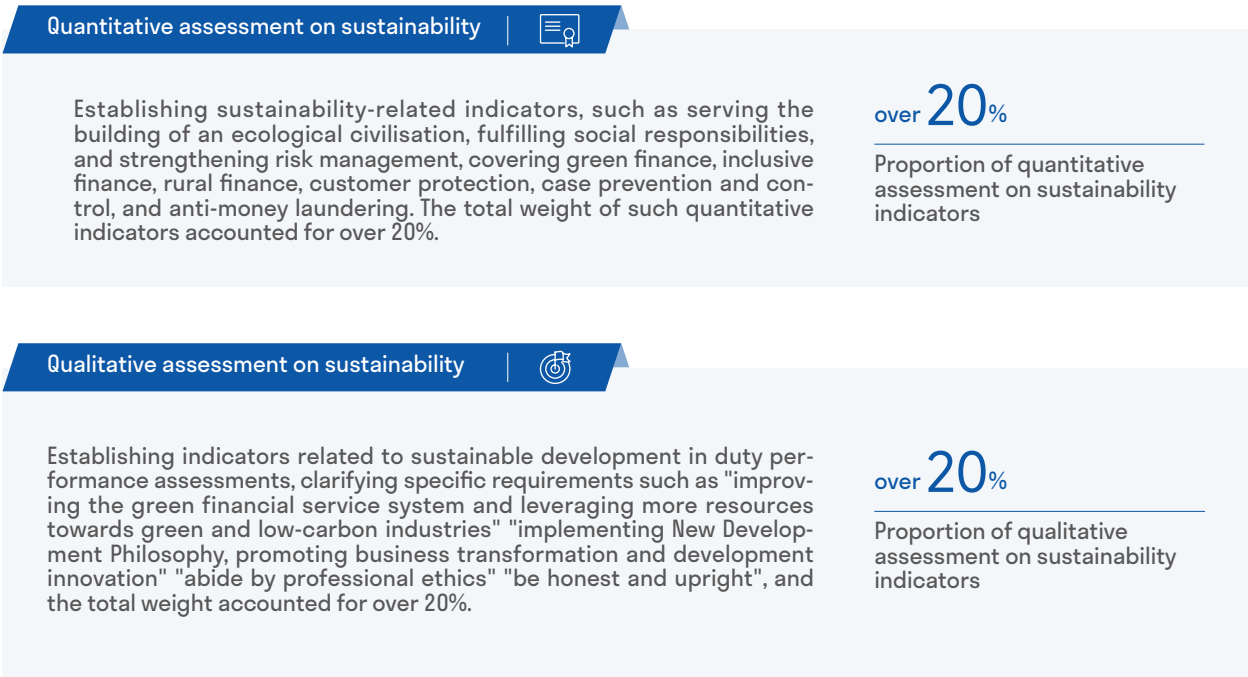
In response to the circumstances which lead to the clawback of performance-based remuneration, the Bank will enact varying proportions of payment clawback on the staff involved based on the severity of the circumstances. The category of remuneration to be clawed back is performance-based remuneration, including quarterly performance or annual performance. The remuneration is clawed back through deducting a fixed sum or a proportion (>5%) of the performance-based compensation. A claw back action is determined according to the specific claw back decision. When implementing, the clawback is first deducted from the performance-based compensation to be paid in the current year. If that amount is insufficient, further deductions are made from the unpaid and deferred performance-based compensation. If it is still insufficient, additional deductions will be preferentially taken from the employee's other remunerations. If shortfall still exists, the Bank may require relevant personnel to return salaries that have been paid to compensate the difference.

Pay linked to sustainability

The Bank has established a performance evaluation mechanism for executive directors, shareholder representative supervisors, and senior management personnel. In accordance with regulatory policy requirements, articles of association, and annual business plans, sustainability indicators are included as part of the performance assessment and given a high degree of attention.

Indicators

The Bank has established qualitative and quantitative sustainability-related indicators for the performance assessment indicator system. Based on the sustainable development objectives of "striving to develop green finance, improving green operational management, helping to protect the environment from pollution and promote the low-carbon transformation of the economy and society, enhancing the protection of consumer interests, and strengthening talent planning and training", the Bank has continued to improve the establishment of sustainability-related indicators and the appraisal mechanism related to the performance assessment mechanism, establishing a direct link between appraisal result and sustainability, in line with the sustainable development strategy of the Bank.



Implementation

Since the establishment of sustainability-related indicators, the Bank has continuously reinforced the relationship between sustainability performance and executive remuneration. Performance assessment results were made the basis for determining the floating coefficient for annual performance-based salary, and directly linked to the remunerations of executive directors and senior management. Objectives and tasks related to sustainability were more effectively achieved, and compensation effectively worked as an incentive and restraint in sustainable development.





# Corporate Behaviour

The Bank continuously strengthens the establishment of a policy system for business ethics. The Bank summarised various measures for anti-bribery, anti-corruption, and whistleblowing, comprehensively outlined the key points for our anti-bribery and anti-corruption policy, and whistleblower protection policy, and revised and improved relevant measures for managing employee behaviour, clearly defining the guidelines of business ethics for all employees (including all staff and workers dispatched from labour leasing companies) of the Bank. Furthermore, the Bank enhanced effective supervision on business ethics to foster a healthy and positive corporate culture.



## Anti-bribery and Anti-corruption Efforts

The Bank strictly adheres to all anti-bribery and anti-corruption laws and regulations in China and the jurisdictions where it operates, as well as international standards. The Bank is committed to upholding a fair, honest, and transparent business environment, as well as focusing on the business ethical conduct and integrity of its employees and the third parties involved in its business activities. All employees are required to adhere to business ethics, comply with market regulations, and engage in fair competition. The Bank maintained a zero-tolerance stance towards bribery and corruption.

### Management structure

In addition to having close collaboration with public authorities, the Bank's anti-bribery and anti-corruption efforts are jointly supervised by the Board of Directors, the Board of Supervisors, and the Management, which ensure the proper and comprehensive implementation of related initiatives. The Bank established a complete management and supervision mechanism, with the participation of appointed public institutions, the Compliance Department, the Risk Management Department, the Internal Audit Department, and other relevant departments. These departments worked together to promptly identify, assess, investigate, and control potential bribery and corruption risks, effectively implementing the requirements of the Bank's anti-bribery and anti-corruption policy.

### System construction

The Bank strictly adheres to regulatory requirements, such as the *Guidelines on Internal Control for Commercial Banks* and the *Law of the People's Republic of China on Banking Supervision and Administration* and continues to strengthen the construction of systems in the field of anti-corruption and anti-bribery policies, systematically reviewing its existing policies. The policy is applicable to directors, supervisors, executives, all employees, and workers dispatched from labour leasing companies. The *China Construction Bank Anti-bribery and Anti-corruption Policy Overview*<sup>1</sup> was disclosed through official and public channels. The key points were summarised in four aspects: application scope, general principles and requirements, key areas and requirements, and management mechanisms, clearly defining specific work requirements, review processes, accountable entities, and other details.

The Bank developed and distributed to all employees the *Employee Code of Conduct*, which specified the legal and compliant behaviours that should be followed, behaviours that should be avoided or corrected, and violations and illegal and criminal activities that should be strictly prohibited. These includes bribery and corruption, harm to the Bank or client security, infringement of citizen personal information, etc. Specific behavioural norms were also proposed, and all levels of the Bank's institutions and employees were required to strictly implement and follow them. Furthermore, the Bank regularly analysed employee behaviour to proactively identify any improper financial transactions with clients or third parties and other abnormal behaviour. This practice effectively strengthened anti-corruption and anti-bribery management, further implementing the requirements of strict governance and promoting the healthy development of business operations.



### Requirements for ethical behaviour

The Bank requires every employee to uphold the principles of integrity and self-discipline, maintaining a clear separation between personal and professional interests and conducting their work in compliance with regulations. The Bank expects employees to actively avoid and report any actual or potential conflicts of interest and prohibit any engagement in abuse of power or illegal pursuit of personal gain. The Bank clearly defined prohibited behaviours, such as accepting arrangements of hospitality, travel, fitness, entertainment and other activities that may affect the integrity of positions, and using one's authority to embezzle company assets, misappropriate public funds, engage in bribery or corruption, illegally make profits for oneself or family members, misuse of authority, etc.

The Bank is committed to taking immediate action upon discovering any violation of anti-bribery and anti-corruption policies. Measures were taken to halt improper conduct, conduct investigations and verifications, and either initiate internal disciplinary action or refer cases of violations to judicial authorities, in accordance with internal regulations, issuing notifications and implementing corrective measures depending on the circumstances. The Bank specifically focused on potential bribery and corruption risks in personnel appointment, procurement, credit operations, and charitable donations, developing corresponding risk mitigation measures to address risks in these areas. In addition, the Bank implemented measures to continuously strengthen anti-corruption management, such as conducting annual risk self-assessment, regularly providing compliance education and training to all employees, continuously improving reporting channels, and establishing robust provisions for whistleblower protection.

## Business Ethics Training

The Bank places great importance on enhancing the business ethics performance of all employees. To this end, the Bank has established and continuously improved a training system for business ethical standards and designed differentiated specialised training courses for members of the board of directors, key personnel, and new employees. These courses were tailored to strengthen compliance awareness and elevate the business ethical standards performance. Through diversified training channels such as centralised publicity, collective learning, online courses and tests, the Bank consistently provided training on business ethics and compliance warning education to all employees (including all employees and labour dispatch employees). The training covered a wide range of topics, including anti-corruption, anti-money laundering, anti-fraud, personal information protection, sanction risks, violation handling methods, and compliance risks.

### Members of the Board of Directors

To closely keep up with regulatory policy changes, the Bank provides all members of the Board of Directors with compliance training on the secrecy act and anti-money laundering law, and legal and regulatory trainings on anti-corruption. The Board pays close attention to specialised training organised by domestic and international regulatory institutions. Non-executive directors and independent non-executive directors actively participate in relevant training programmes, which covers topics such as the macroeconomic landscape, interpretation of regulatory policies, corporate governance, strategy management, information disclosure, risk management, international accounting standards, interpretation of policies of false statements and infringement in the securities market, investor protection, and prevention and detection of financial fraud, continuously enhancing their capabilities in order to fulfil the designated duties of the Board and make scientific decisions.



<sup>1</sup> China Construction Bank Anti-bribery and Anti-corruption Policy Overview: <http://www.ccb.com/eng/attachDir/2023/08/2023080117285740407.pdf>



⚙️ All employees

The Bank conducts regular and diverse training on business ethics for all employees in a variety of content and forms. Through the combination of online and offline channels, centralised publicity, collective learning, independent learning, on-line courses and other means are used to carry out training activities such as publicity and education on the *Employee Code of Conduct*, anti-corruption system training and warning education, and convey the requirements of compliance practitioners to institutions and employees at all levels, including consciously resisting and strictly prohibiting participation in illegal acts such as money laundering, commercial bribery, insider trading, market manipulation, etc., and must not use their positions and work to seek illegal benefits, embezzle bank and customer funds and other violations.

The Bank's *Employee Code of Conduct* clarifies the requirements for employees' business ethics, requires employees to practice in compliance and integrity, and protects the legitimate rights and interests of financial consumers, including: prohibiting employees from using their authority to seek improper interests, prohibiting theft, embezzlement or misappropriation of funds or other property of CCB and customers, prohibiting improper capital exchanges with stakeholders, prohibiting false and misleading statements about important information in credit granting business or investment and wealth management business, prohibiting the sale of consumer financial information, and prohibiting the unauthorised sale of non-CCB issuance, underwriting or consignment financial products, etc.

While continuously increasing the frequency of employee compliance education, the Bank organised online quizzes, knowledge competitions, and other interactive learning activities to reinforce the effectiveness of the learning process. By utilising the employee behaviour management system, the Bank delivers compliance education content through various forms, such as videos, audios, articles, messages, etc., to support online interactions between grid personnel. As of June 2023, the Bank had utilised the employee behaviour management system to publish various compliance education content, covering a total of 1.3 million participants, enabling the precise delivery of warning education materials and effectively reaching the intended audience.

1.3 million

Number of participants of compliance education on employee behaviour management system

⚙️ Compliance personnel

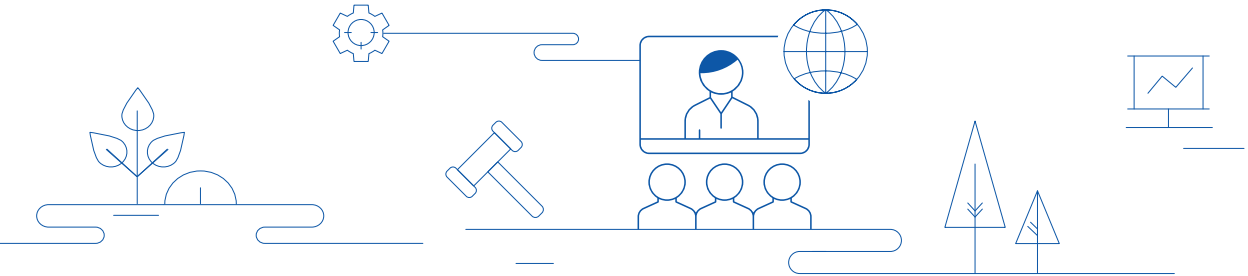
Every year, regular compliance training are conducted for compliance personnel, covering areas such as employee behaviour management, analysis model construction and big data analysis, to strengthen the cultivation of compliance talents. In the first half of 2023, the Bank organised specialised training sessions for employees in compliance-related roles within the Group. These training programmes focused on topics such as employee behaviour management, accountability determination and accountability enforcement.

⚙️ Key positions personnel

Focusing on key positions, such as branch managers, client representative managers, and bank clerks, warning education activities on compliance and anti-corruption are organised by the Bank every year through methods such as compiling case sets, sharing online quizzes, and posting and watching warning education videos, enhancing the compliance awareness of key positions personnel.

⚙️ New employees

The Bank incorporates business ethics training content into new employee training, covering topics such as the *Employee Code of Conduct* and employee behaviour norms during the annual onboarding training. Through the combination of online and offline methods, including specialised training, online testing, and creating compliance short videos, are used to strengthen the promotion and education of business ethics behaviour standards among employees. This approach deepens the employee's understandings of business ethics, improving compliance with relevant regulations and ensuring implementation effectiveness.



📁 Case | Multiple measures to strengthen anti-money laundering awareness and training

Henan Branch of the Bank attached great importance to anti-money laundering training and established a diversified and comprehensive anti-money laundering training system. Anti-money laundering training sessions for management, business line employees, grassroots outlet employees and new employees were carried out through door-to-door classes, knowledge tests, micro-classes and teaching materials, with rich content, comprehensive coverage and strong pertinence, and actively guiding employees to firmly establish compliance awareness.

In the first half of 2023, Henan Branch conducted comprehensive training for compliance managers of grassroots institutions, covering more than 300 employees; organised 10 sessions of special anti-money laundering training for business departments, with more than 1,000 participants; held a series of special activities for the second-level branch "send classes to the door", and provided trainings to the grassroots; held anti-money laundering knowledge competition, and commended the winning branches and individuals after the competition; created a series of video micro-lessons with a total of 26 sessions, actively spreading the concept of compliance and anti-money laundering; carried out anti-money laundering activities "monthly learning", and distributed key business training courseware and test questions for employees to learn anytime and anywhere; carried out the training of "weekly petrol station" for corporate business employees, and publicised the basic knowledge of anti-money laundering.

At the same time, Henan Branch established a regular anti-money laundering publicity mechanism, actively organised all subordinate outlets to conduct internal and external anti-money laundering publicity activities, published 86 propaganda articles on the anti-money laundering column of Henan Branch, went out to publicise 302 times in Zhengzhou, and publicised 20 times on the WeChat public account, reaching more than 890,000 people, and achieved significant results in promoting anti-money laundering awareness.

302

Number of publicity outreach

20

Number of publicity through WeChat public account

over 890,000

Number of participants

Whistleblower Protection

The Bank is committed to implementing the management requirements of strict governance, continuously strengthening employee behaviour management. The Bank expands internal and external supervision and reporting channels, guides insiders to provide illegal clues, and strictly protected whistleblowers. The Bank issued a series of reporting-related policies for reporting and petitioning, encouragement of real-name reporting, clarification of false reporting, and rewards for reporting illegal or irregular activities. These measures aimed to strengthen the reporting of misconduct, enhance professional ethics and integrity, and establish high standards for business ethics. In the first half of 2023, the Bank issued an annual assessment plan for petitions and incorporated commendation activities for petition into the annual honour recognition programmes. The Bank organised five special inspections and three investigations on Letters and Visits (a form of reporting or petition), and guided various levels of institutions to solve complex and difficult problems related to Letters and Visits, further improving the quality and efficiency of the Bank's Letters and Visits work.

⚙️ System construction

The Bank continuously optimises its whistleblower protection mechanism to ensure smooth reporting channels, effectively protecting the legitimate rights and interests of whistleblowers. The Bank summarised a series of reporting policies, including Letters and Visits, encouragement of real-name reporting, clarification of false reporting, and rewards for reporting illegal or irregular activities. These practices were consolidated into the *China Construction Bank Whistleblowing Policy Overview*<sup>2</sup>, which was officially published through public channels. This policy applies to whistleblowers who obtained information about misconducts in relevant scenarios within the Bank (including all employees, customers, suppliers, etc.). The scope of reported incidents includes financial issues, internal control vulnerabilities, illegal activities, and regulatory violations. Reporting channels includes letters, emails, phone calls, on-site visits, and other online and offline channels. Reporting methods includes real-name and anonymous reporting.

The Bank strictly implements the requirements of the *Regulations on Letters and Visits* and formulated and implemented the *Provisions on the Administration of Letters and Visits*, establishing petition reporting channels at various levels of institutions. The Bank set up dedicated departments at tier-two branches and above to receive and handle petitions and reports. Whistleblowers including citizens, legal entities, or other organisations could report issues or provide suggestions on management, labour employment, personnel appointment, business disputes, customer services, business ethics, etc., through various means, such as letters, emails, telephone, fax, and visits. The relevant channels were published on the Bank's website, providing convenience for reporting and complaints and ensuring timely and effective handling of reported issues.

<sup>2</sup>China Construction Bank Whistleblowing Policy Overview: <http://www.ccb.com/eng/attachDir/2023/08/2023080117445039517.pdf>



The Bank strictly adheres to the confidentiality system for whistleblower information, ensuring the confidentiality and legal rights of all whistleblowers. The collection, storage, use, processing, transmission, provision, and deletion of whistleblower information were conducted in accordance with legal, legitimate, necessary, and honest principles. The Bank controls the scope of access to the information and prohibited unauthorised retention and disclosure of the information. The Bank relies on facts and takes legal regulations and internal rules as the criterion when handling whistleblower reports, following the prescribed procedures for processing reported matters, which includes coordinated management, assigning dedicated personnel, and prioritising the handling of significant reports.

In addition, the Bank issued the *Measures for Rewarding Blocking, Resisting, and Reporting Illegal and Irregular Behaviours* to actively encourage and guide all employees to proactively prevent, resist, and report all types of illegal and irregular behaviours, and to reward and commend relevant employees, requiring all institutions to keep employees' personal information confidential. The Bank regularly reviews and revises the *Measures for Handling Employee Violations*, which clearly stipulates any behaviour that obstructs others from reporting, leaks whistleblower information, retaliate against whistleblowers, or intervene with the handling of reports, shall be subject to administrative penalties in accordance with rules and laws.

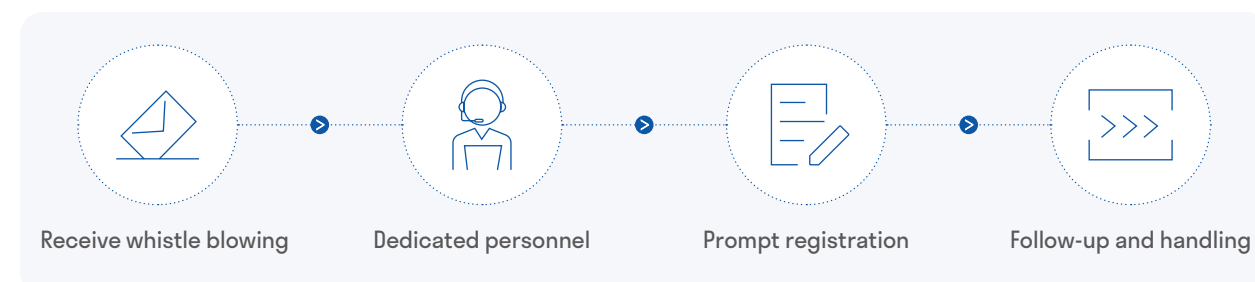
### Protection measures

The Bank strictly adheres to the confidentiality system for reported matters and effectively safeguards the confidentiality and legitimate rights and interests of all whistleblowers. The Bank implemented a series of protective measures for whistleblowers, including but not limited to the following aspects:

- The Bank controlled the scope of access to information about the handling of reported matters and strictly prohibited unauthorised retention, concealment, access, transcription, copying, or acquisition of related issue clues and materials.
- Without the consent of the whistleblower, it was prohibited to disclose information regarding the identity of the whistleblower or the content of the report to anyone other than the authorised personnel responsible for receiving and handling the report.
- The collection, storage, use, processing, transmission, provision, and deletion of personal reporting information adhered to the principles of legality, legitimacy, necessity, and integrity, in compliance with relevant national laws and regulations on personal information protection, as well as the Bank's information security policies.
- The storage of personal reporting information was limited to a necessary and appropriate period of time.
- Violations, such as obstructing others from reporting, leaking reporting information, retaliating against whistleblowers, and interfering with the handling of reports were strictly dealt with in accordance with relevant laws and regulations, as well as the Bank's regulations, such as the *Provisions on the Administration of Letters and Visits* and the *Measures for Handling Employee Violations*.

### Processing procedure

The Bank coordinated the management of reported matters received through various channels, assigned dedicated personnel for coordination, and promptly registered and followed up on processing procedures. For reported matters that included the whistleblowers' real name (or organisation name), with clear and accurate address and contact information, the Bank promptly informed the whistleblower of the acceptance and processing results. The Bank conducted the processing of reported matters in accordance with regulations and procedures for reporting. Significant reported matters were promptly escalated, timely reported and given priority in processing. The avoidance system was processed. For example, people who were closely related to the reported individual or other circumstances that may affect impartial handling were not allowed to be involved in the processing of the report. The whistleblower and other relevant individuals had the right to request recusal.



## Audit of Business Ethical Standards

### System construction

The Bank places great importance on the supervision and management of matters regarding business ethics. The Bank closely monitors progress in areas, such as anti-bribery, anti-corruption, anti-money laundering, employee behaviour norms, and operational risk management. In compliance with the requirements of relevant policies, such as the *Anti-Money Laundering Management Measures* and *Operational Risk Management Policy*, the Bank regularly organises audits in the field of business ethics across the Group. The Bank's business-ethics-related audits conducted dynamic assessments, taking into account the specific circumstances of the Bank's business activities. Each year, risk assessments were conducted across all operations within the Group. Based on the results of the risk assessments in different business units, the Bank dynamically determined the form and scope of audit coverage. The key focus of the audits was to examine the revision, update, and implementation of relevant policies and regulations, the effectiveness of daily work procedures and systems, and the implementation of relevant policies and regulations, as well as the execution of employee behaviour management mechanisms that were either offline and grid based or online and intelligent, continuously strengthening the supervision and management of employee behaviour and business ethics.

In response to the results of audits for business ethics and the current state of employee behaviour management, the Bank developed and actively applied an employee behaviour management model. The Bank explored the use of intelligent technology to detect and correct employee misconduct, enabling the dynamic identification of violations, such as favouritism, corruption, and lack of integrity. By promptly identifying abnormal behaviour, the Bank aimed to achieve early detection, early warning, and early intervention, effectively mitigating case-related risks and ensuring the effective performance of various responsible entities.

### Work progress

In the *Management Measures for Rules and Regulations*, the Bank clearly requires that the management department in charge of rules and regulations must recheck these rules and regulations every year and revise the relevant regulations in a timely manner based on the reconstruction status. In recent years, in accordance with the internal requirements on regulations, the Bank reviewed and revised the business ethical standards, including the *Measures for Handling Employee Violations*, the *Management Measures for Employee Behaviour*, and the *Employee Code of Conduct*. The review and revision content included expanding the scope of business ethics management, enriching the application scenarios of relevant provisions, and enhancing the examination process for matters related to business ethics. These efforts aimed at standardising employee behaviour, strengthening internal management, and establishing a solid institutional foundation to elevate standards for business ethics.

*Measures for Handling Employee Violations*  
*Management Measures for Employee Behaviour*  
*Employee Code of Conduct*



Review and revise business ethical standards annually

In early 2023, the Bank developed the internal audit plan for the year. The plan included conducting dynamic audits on key operational risks for 37 domestic tier-one branches, focusing on areas, such as case prevention and control management, employee behaviour management, and significant violations. Anti-money laundering special audits were conducted for 12 domestic tier-one branches, with emphasis on customer identification, transaction reporting, money-laundering risk assessment, sanction compliance management, and issue rectification. At the same time, the Bank covered anti-money laundering related matters of 31 domestic branches through the audit of the main business operation and management of secondary institutions and through audits which were conducted on the main business operations and management of 15 overseas institutions and 6 subsidiaries, the Bank continuously improved the audit supervision of business ethics and compliance across the Bank. Currently, all the mentioned projects are progressing on schedule.

In the first half of 2023, the Bank's Party Committee Supervision Office organised the inspection of five domestic tier-one branches, local audit institutions and two overseas institutions. Each tier-one branch conducted inspections of their respective secondary institutions, with a focus on whether power was corrupt and responsibility was implemented, aiming to find and promote the solution of problems of work style, corruption, and institutional mechanisms that affect and restrict reform and development. In the second half of 2023, inspections in batches are planned for five tier-one branches and local audit institutions, and relevant departments at the Bank's headquarters. The inspections will continue to focus on monitoring power and responsibilities and key individuals and matters, as well as critical areas and processes in business operations and management. The aim is to strengthen the supervision and oversight of inspections, utilise the outcomes of inspections comprehensively, and leverage the role of inspections in identifying issues, creating deterrence, promoting reform, and facilitating development.



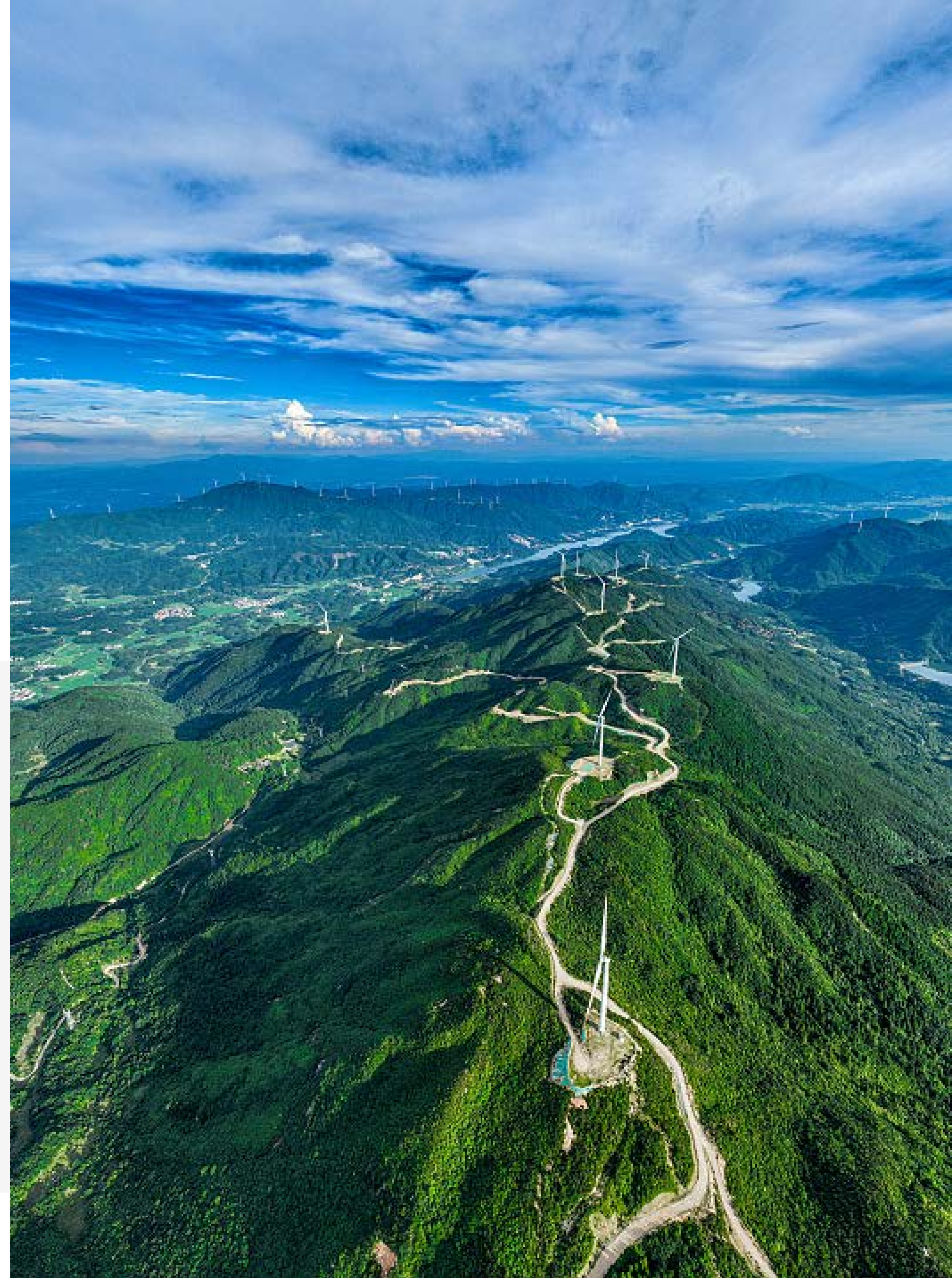
# 02

## ENVIRONMENT

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# Green Finance

Leveraging strengths in full-coverage financial licenses, the Bank is committed to driving the advancement of green finance holistically, unleashing innovative potential. As such, the Bank constantly expands the types of green credit, green bonds, and other green financial products. Aiming to spearhead green breakthroughs within the industry and empower enterprises in the low-carbon transformation, the Bank unwaveringly strives to promote and implement green finance practices effectively.

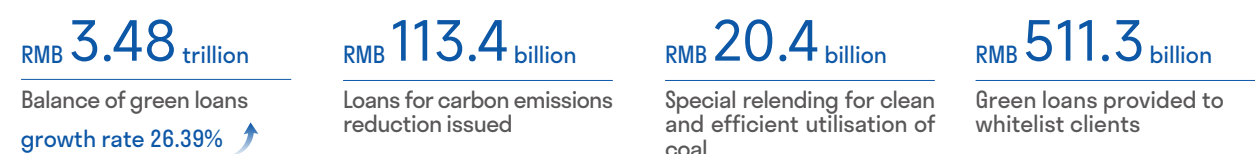


## Green Credit

The Bank continues to expand the offerings of green credit products and services to proactively meet the demand of enterprises for green financing. As of the end of June 2023, the Bank's green loan balance was RMB3.48 trillion, an increase of RMB725.772 billion, or 26.39%, over the end of the previous year.

The Bank actively utilises monetary policy tools provided by the central bank to facilitate the targeted allocation of low-cost funds towards sectors promoting low-carbon and environmental protection. As of the end of June 2023, the Bank had cumulatively issued RMB113.4 billion in loans for carbon emissions reduction, as well as RMB20.4 billion in the special relending for clean and efficient utilisation of coal. These efforts have provided robust support for projects related to clean energy, energy conservation, environmental protection, technologies for carbon emissions reduction, and the clean utilisation of coal.

The Bank consistently optimises the green credit whitelist mechanism to increase support for green enterprises and projects. The Bank offers differentiated policy support for green credit to high-quality customers with significant carbon emission benefits and ecological and environmental benefits. As of the end of June 2023, the Bank had cumulatively provided RMB511.3 billion in green loans to whitelist clients.



### Case | Tanyoudai

Zhejiang Branch innovatively launched the "Tanyoudai" loan, which integrated the clients' carbon account indicators with the Bank's credit business based on the local People's Bank of China (PBOC)'s enterprise carbon account indicator system. The product has achieved system integration and provided strong support for the local enterprises' low-carbon production. In 2023, Zhejiang Branch granted additional RMB100 million to the credit line of a local "National Green Factory" enterprise and issued RMB160 million of "Tanyoudai" in the first half of the year, resulting in savings of approximately RMB2.53 million in financial costs for the enterprises due to preferential interest rates. As of the end of June 2023, a total of RMB8.968 billion in "Tanyoudai" had been issued to 179 clients by Zhejiang Branch, resulting in a total interest cost savings of RMB42 million for enterprises.

### Case | "Carbon Footprint" linked loan product

Guangdong Branch has introduced an innovative "carbon footprint" linked loan product for eligible enterprises. This product establishes a connection between loan interest rates, overall costs, and enterprises' carbon dioxide emissions. The carbon dioxide emissions of an enterprise are preliminarily estimated for a benchmark value by a third-party professional agent verified by relevant authorities. During the monitoring period, the loan interest rate or overall cost is adjusted based on the deviation of the enterprises' actual carbon dioxide emissions from the benchmark value. As this product linked performance in carbon emissions reduction with enterprises' financing costs, it effectively helps enterprises reduce financing costs through energy conservation and emissions reduction efforts. This approach has successfully stimulated enterprises' enthusiasm for energy-saving transformations. As of the end of June 2023, Guangdong Branch had implemented two "carbon footprint-linked loans" with a total investment of RMB24.8 million.

### Case | Supporting the construction of the world's first ultra-high-altitude photovoltaic demonstration base

Sichuan Branch assisted a new energy investment and development company under a major state-owned enterprise in constructing the world's first ultra-high-altitude photovoltaic demonstration base. This project is located on the Dinggong Prairie at an altitude exceeding 4,000 meters. Sichuan Branch analysed the policies in the photovoltaic industry, evaluated the company's project indicators and estimated power generation, etc. With remarkable efficiency, it successfully completed the approval and lending process, making it become one of the first banks to issue fixed loans for the project. Sichuan branch has invested RMB150 million of loans to the company. In addition, it has secured funds through carbon-reduction supporting tools. With such efforts, it has effectively contributed to the healthy development of the local green industry.



## Green Bond

The Bank has proactively engaged in the green bond business, promoting the issuance, underwriting, and investment of various green and low-carbon-themed bonds. By setting clear goals for green bond initiatives, the Bank works to promote the vigorous growth of the green bond business.

### Green bond goals

#### Green bond issuance

From 2023 to 2025, a total of RMB150 billion of new green and sustainable development bonds will be issued.

#### Green bond underwriting

The Bank will actively underwrite green bonds, carbon-neutrality bonds, sustainable development-linked bonds, transformation bonds, and various other innovative products in ESG areas.

#### Green bond investment

The Bank will continue to enhance the establishment of a responsible investment system, consistently refine relevant assessment incentive measures, and ensure that the increase in the proportion of green bond holdings is no lower than the increase in the proportion of green loans. While remaining committed to market-based investment principles, the Bank will actively participate in the subscription of high-quality green bonds and strategically allocate more resources to outstanding ESG-focused issuers.

### Green bond achievements

#### Green bond issuance

In March 2023, the Bank issued RMB10 billion of green financial bonds in China. All the funds raised have been used for the green industry projects set out in the *Green Bond Endorsed Projects Catalogue (2021 Edition)*.



In May 2023, the Bank issued overseas green bonds themed on both "Biological Diversity" and "Belt and Road". These bonds managed to raise a total of USD780 million. The Bank selected assets that focused on the preservation of natural forests, protection of rivers, lakes, and wetlands, and turning farmlands into forests, as well as clean energy projects in key provinces along the "Belt and Road". This aligns with relevant standards under the *Green Bond Principles* of the International Capital Market Association (ICMA).

### Green bond underwriting

As of the end of June 2023, the Bank had underwritten 29 domestic and foreign green bonds, with a total issuance size of RMB107.11 billion, covering green non-financial corporate debt financing instruments, green financial bonds and group underwritten cross-border bonds.

### Green bond investment

The Bank continues to exponentially increase its allocation of financial resources to green and low-carbon industries. As of the end of June 2023, the Bank had engaged in over 350 green bond investments and transactions.

The balance of green bonds in foreign currency bond portfolios increased by more than 32% from the end of the previous year.

32% ↗

The balance of green bonds in RMB bond portfolios surged by 48% compared to the end of the previous year.

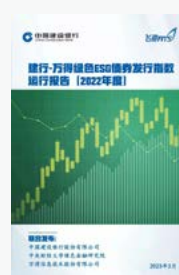
48% ↗

### Green bond consulting

The Bank actively offers advisory services for green bonds to its clients. This includes analysing and interpreting green bond policies for issuers and helping them align their development strategies and main businesses with such policies. In addition, the Bank selects green project assets that meet the intended objectives and provides guidance for enterprises to use the raised funds in accordance with the purposes stated in the issuance documents.

### Case | Releasing the CCB-Wind Green ESG Bond Issuance Index Annual Operation Report (2022)

In March 2023, the Bank published the *CCB-Wind Green ESG Bond Issuance Index Annual Operation Report (2022)*. Starting in May 2021, the Bank, in collaboration with Wind Information Technology Co., Ltd. and the International Institute of Green Finance of Central University of Finance and Economics, released the first green bond issuance index which incorporated ESG and carbon neutrality concepts. This index, known as the "CCB-Wind Green ESG Bond Issuance Index and Yield Curve", was simultaneously launched in both Beijing and Luxembourg stock markets. Furthermore, the Bank has committed to annually writing and disclosing its operation, providing timely insights into the trends of China's green bond market for domestic and global participants.



### Case | Releasing the first edition of the Green Paper of China's Green Capital Market (2022) in China

In April 2023, the Bank, in collaboration with the Institute of Finance and Sustainability, published the first edition of the *Green Paper of China's Green Capital Market (2022)*. The event was witnessed by representatives from National Green Development Fund, China Yangtze Power, and other green investment and financing institutions. The release of the *Green Paper of China's Green Capital Market (2022)* aimed to consolidate practical experiences from the green investment and financing market, provide valuable insights and suggestions to achieve the goals of "Carbon Peaking and Carbon Neutrality", and promote the green and low-carbon transformation of the economy and society. Additionally, it presented China's solutions for improving the global environment and addressing climate change.



### Case | Underwriting Jinan Energy Group Co., Ltd.'s overseas senior green bonds

In April 2023, CCB International, as the joint bookrunner and joint lead underwriter, successfully assisted Jinan Energy Group Co., Ltd. to complete its USD210 million overseas premium green bond offering. The net proceeds from the sale of this green bond were invested in projects that included the reuse of waste heat from urban heating systems and the design, construction, and operation of the renewable energy heating systems' energy-saving infrastructure. This helped improve the heat energy efficiency of Jinan's urban heating system, increase the proportion of renewable energy used in the system, and promote the city's green transformation.

### Case | Facilitating the issuance of the first "Science and Technology" and "Green" dual-label Real Estate Investment Trusts (REITs) asset-backed notes in the market

As the lead underwriter and custodian bank, the Shanghai Branch assisted Shanghai Energy Technology Development Co., Ltd., a subsidiary of State Power Investment Corporation Limited (SPIC), to successfully issue the first asset-backed notes for "Science and Technology" and "Green" dual-label REITs in the market. According to estimates, the operation of the underlying assets in this project was projected to result in an annual reduction of 372,700 tonnes of carbon dioxide emissions and a decrease in emissions of other pollutants including sulphur dioxide, nitrogen oxides, and soot by 46.62 tonnes, 70.16 tonnes, and 10.16 tonnes, respectively. Furthermore, it will result in the replacement of 139,200 tonnes of standard coal, generating significant environmental benefits.

### Case | Enabling the issuance of the first asset-backed notes for green REITs in the Northwest Interbank Market

As the lead underwriter and custodian bank, the Bank assisted Shanxi New Energy Co., Ltd., a subsidiary of SPIC, to successfully issue the first asset-backed notes for green REITs in Northwest China. According to estimates, the operation of fundamental photovoltaic assets of this project was expected to reduce carbon dioxide emissions by 196,800 tonnes, save 76,100 tonnes of standard coal, reduce sulphur dioxide emissions by 25.51 tonnes, reduce nitrogen oxides emissions by 38.39 tonnes, and reduce soot by 5.56 tonnes per year. This serves as an exemplary project for Northwest China to explore the development of green finance and enhance ecological and environmental benefits.

## Other Green Finance Businesses

### Green funds

Since joining the United Nations Principles for Responsible Investment (UN PRI) in July 2021, CCB Principal Asset Management has implemented a series of measures to actively promote the development of green finance business. It has established three lines of defence, namely investment research, risk control, and internal audit, to prevent and control risks. It has also implemented various measures and policies, including responsible investment, due diligence management, investment management, and conflict of interest management. Additionally, it has developed diverse investment frameworks such as ESG stock rating models.

In terms of products, CCB Principal Asset Management developed a range of ESG-themed products including CCB Shanghai Securities Social Responsibility ETF, CCB Social Responsibility Fund, CCB Environmental Protection Industry Fund, CCB Guozheng New Energy Vehicle Battery ETF, CCB New Energy Fund, and several others. In cooperation with Principal, the first CCB New Energy Industry Equity Fund was issued in the UCITS fund model in the first half of 2023. The fund received approval from Irish regulators and was officially launched in mid-May. As of the end of June 2023, the total size of ESG-related thematic products of CCB Principal Asset Management reached RMB5.592 billion, with the CCB SSE Social Responsibility ETF achieving an annualised return of 7.92%.

### Green leasing

CCB Financial Leasing continues to build on its competitive edge in green industries, such as rail transportation, green vehicles, and environmental governance, increasing the differentiated investment guidance price of green credit. As of the end of June 2023, green leasing investment accounted for RMB8.967 billion, a year-on-year increase of 36.5%. This accounted for 50.51% of the general leasing business, an increase of 0.86 percentage points over the same period last year. In the general leasing business, the balance of green leasing assets reached RMB45.962 billion, accounting for 49.23% and representing an increase of nearly 2.9 percentage points over the beginning of the year.



### Case | Supporting offshore wind power generation project through customised comprehensive financial services

In the first half of 2023, CCB Financial Leasing and Fujian Branch jointly provided financial support for the first ultra-large-individual-capacity offshore wind power generation project in China with customised comprehensive financial service solutions. The service effectively reduced the financing costs for lessees through product design and tax planning. The cooperation amounted to approximately RMB1.6 billion, of which RMB117 million was lent through the direct leasing business of financial leasing. The project was located in the offshore water southeast of Zhangpu Liuaio Peninsula, with a total installed capacity of 399 MW, a total investment of approximately RMB6 billion, an annual on-grid generation of more than 1.6 billion kWh, and an annual output value of about RMB640 million. The project is estimated to save about 500,000 tonnes of standard coal and reduce about 1.36 million tonnes of carbon dioxide emissions per year.

### Case | Serving leading enterprises in the field of new energy logistics vehicles through "parent-subsidiary linkage"

In the first half of 2023, CCB Financial Leasing and Shenzhen Branch cooperated to invest a total of RMB236 million in leaseback payments for a leading new energy logistics vehicle enterprise and its 25 co-lessee subsidiaries. This marked the Bank's first new energy logistics vehicle business. The lessee is the largest new energy logistics vehicle operator in China, specialising in providing one-stop new energy logistics fleet leasing and operation supporting services for major express logistics and urban distribution enterprises. Leveraging its licences, CCB Financial Leasing provided leasing support to clients, contributing to the growth of the transportation and logistics sector and the new energy sector.

## Green insurance

CCB Life innovates in green insurance business and product system. It offers exclusive insurance services tailored for employees of green industry enterprises and increases the allocation of insurance funds towards "green sectors". Based on the *Green Insurance Business Statistical Rules* of the former China Banking and Insurance Regulatory Commission, CCB Property & Casualty divides green insurance into three categories of ESG risk insurance, green industry insurance and green life insurance. As of the end of June 2023, it provided coverage of RMB5.4 billion for the wind power industry and RMB2.7 billion for green building and infrastructure (including green buildings, parks, urban and rural roads, and bus businesses).

### ESG risk insurance

It mainly refers to insurance products that serve environmental, social, and governance aspects, including work safety liability insurance, environmental pollution liability insurance, etc.

### Green industry insurance

It mainly refers to insurance products that serve policyholders or the insured involved in the green industry or associated with the development of the green industry.

### Green life insurance

It mainly refers to insurance products that provide protection for green lifestyle, such as new energy vehicle insurance, non-motor vehicle group accident insurance, and additional third-party liability insurance.

### Case | "Witness to love, low-carbon travel", a themed activity for the beautiful life travel season

Through the "CCB Life" APP, CCB Life and Henan Branch jointly launched the "Witness to love, low-carbon travel", a themed activity for the beautiful life travel season. This event offered clients a range of travel benefits. It introduced three major privileges in a package for clients, including Zhengzhou Metro Week Pass on the "Business Easy Travel" APP, bus fee discount with QR code payment on the "CCB Life" APP, and a gift accident insurance called "Worry-free Commuting", encouraging them to choose public transportation and experience low-carbon life.



## Green futures

CCB Futures leverages its brokerage business to enhance its green variety industry chain services, optimise the investment allocation of green asset management products, and improve green asset management research and investment capabilities. It actively caters to industrial clients by implementing differentiated pricing, which has effectively reduced transaction costs for them. As of the end of June 2023, the green futures variety transaction accumulated a security deposit balance of RMB1.766 billion, the balance of green asset management business reached RMB315 million, and the balance of fee reduction and commission cuts for green projects amounted to RMB6.1973 million.

## Green consulting

CCB Consulting is mainly engaged in engineering cost consulting business and non-cost consulting businesses. It consistently explores and develops innovative green consulting products, establishing a distinctive "Green Finance + Consulting" service model. Cooperating with the parent bank, it introduces third-party consulting institutions in the initial stage to provide differentiated green finance services and actively promotes project pilot work. CCB Consulting vigorously develops green building assessment and consulting services, helping solve the timing mismatch between the demand for green loans and the determination of eligibility for green loan applications.

### Case | Serving prefabricated building project in "green finance + consulting" mode

CCB Consulting cooperated with Beijing Dingkun sub-branch to provide green consulting services and green loan business for the prefabricated building project in Miaocheng, Huairou District, Beijing. The project had a total construction area of 269,900 square meters, and it utilised the innovative prefabricated building technology. CCB Consulting provided green building consulting services for the project constructors and prepared green building pre-evaluation reports. In April 2023, after the evaluation of the Science, Technology, and Industry Development Centre of the Ministry of Housing and Urban-Rural Development, the project obtained the pre-evaluation assessment of "Grade-A Prefabricated Building".

## Green investment

CCB Investment continues to increase investment in clean energy, new energy vehicles, energy conservation, and environmental protection, driving the low-carbon transformation of traditional enterprises. It promotes the establishment of green thematic funds and introduces social capital to jointly support the growth of green industries. As of the end of June 2023, a total of RMB21.5 billion was invested in photovoltaic, wind power, hydropower, lithium power, environmental protection, and other sectors. Additionally, several green thematic funds were successfully established.

### Case | Initiating the Shandong Green Energy Construction Source Fund

In the first half of 2023, CCB Investment and Shandong Green Energy Investment Co., Ltd. jointly initiated a green-themed fund called Shandong Green Energy Construction Source Fund. With a size of RMB1 billion, this fund focuses on clean energy projects in Shandong Province, which helps drive the high-quality, scaled, and clustered development of the new energy industry.

## Green pension

CCB Pension vigorously develops green businesses, bolstering financial support for the green finance sector. It encourages the shift towards a green and low-carbon asset management structure and achieved significant increase in both the balance and proportion of green assets under investment management. As of the end of June 2023, the balance of CCB Pension's green business increased by 23% from the beginning of the year, reaching a total of RMB4.141 billion, and the proportion of green business increased from 2.83% at the beginning of the year to 3.16%.



# Financing Environmental Impact

## ESG Risk Management System

The Bank places great importance to ESG risk management in investment and financing businesses. The Bank incorporates ESG risks into its comprehensive risk management system, thoroughly evaluating the impact of ESG factors on risks, such as credit, market, liquidity, reputation, operation, and compliance, establishing a risk management and control system covering the entire process of investment and financing businesses. Through ESG due diligence, the Bank conducts in-depth research on the environmental impact of business activities. With such efforts, the Bank integrates ESG risk management mechanisms, processes, and specific initiatives into the overall process management of investment and financing businesses.

### Regulatory policies

With a steadfast commitment to establishing a robust ESG risk management system, the Bank provides clear guidance and regulations for the operational mechanism of the ESG risk management system. In compliance with the *Guidelines for Comprehensive Risk Management of Banking Financial Institutions* and the *Guidelines on Green Finance for the Banking and Insurance Industries*, the Bank formulated the *Measures on Environmental, Social and Governance Risk Management for Investment and Financing Businesses of China Construction Bank* (hereinafter referred to the "ESG Risk Management Measures"). This measure served as the Bank's top-level management policy for the ESG risk management system. The management scope included corporate credit business, retail credit business<sup>3</sup>, financial market business, financial institutional business, investment banking business in the Group.



### Management Structure

#### The Board and its special committees

The Bank establishes and continuously improves the ESG risk management structure, which involves the Board, Board of supervisors and the management. The Board is ultimately responsible for ESG risk management. The ESG risk management related issues are regularly reviewed by the risk management committee of the Board, as well as the related party transaction, social responsibility, and consumer protection committee. Based on the Bank's business and operational characteristics, critical areas of ESG risk are assessed and identified to facilitate the implementation of the Bank's ESG management work.

#### Risk management committee

The risk management committee is responsible for overseeing and guiding the management of ESG-related risks, including those associated with climate change. It also supervises the implementation of the relevant risk reporting mechanism to facilitate the deep integration of climate change risk factors into the comprehensive risk management system. The committee regularly analyses environmental and climate risk management, listens to the *Environmental and Climate Risk Analysis Report*, and studies climate change countermeasures. It promotes climate transition risk stress test, ensures follow-up on the quantification of ESG-related risk factors, and advocates for the organic integration of ESG factors into the customer credit rating system. Additionally, the committee provides guidance to the management in optimising industry credit policies, incorporates green finance into risk appetite analysis, and enhances the digital management capability of green finance.

During the first half of 2023, the duty performance of the risk management committee in relation to ESG risk management was as follows:

- The committee reviewed and approved the *China Construction Bank Limited Risk Appetite (2023)*. It incorporated environmental, climate, and biodiversity risks into the Group's risk appetite, and called for exploring the integration of ESG risk control requirements into the whole-process management. Additionally, the committee worked to establish an ESG evaluation system for clients, accelerated the construction of a stress test methodology system for environmental and climate risks, and scientifically evaluated the Group's capability to cope with the relevant risks under the carbon peak and carbon neutrality goals.
- Listening to and discussing the *Environmental and Climate Risks Analysis Report*, the committee evaluated the measures and performance pertaining to environmental and climate risk control and analysed existing challenges and subsequent steps for work arrangement. It also focused on the effective measurement of environmental and climate risks, as well as the adoption of ESG rating tools for corporate clients, while stressing the need to reinforce the data base related to environment and climate and to continuously enhance the development of professional talent teams.
- The committee listened to and discussed the *Report on Quantitative Risk Assessment of ESG-related Factors* and assessed the progress in constructing ESG rating system for the Bank's corporate clients, as well as the development of climate risk stress tests.
- Listening to and discussing the latest requirements of the HKEX's *Consultation Paper on Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework* and the related work arrangements, the committee called for continuously enhancing the coordinated management and disclosure of information on ESG, and enhancing supervision and guidance on the management of climate-related risks and opportunities.

#### Related party transaction, social responsibility, and consumer protection committee

Related party transaction, social responsibility, and consumer protection committee is responsible for formulating ESG management guidelines and strategies which include climate change risks, supervising and guiding the Bank's green finance, and other environment-related issues. By reviewing reports on the progress of green finance work, the committee follows up on management's progress in climate risk management capabilities, integration of environmental and climate risk management into the entire business process, improvement of risk measurement tools and methods, and enhancement in the quality of environmental information disclosure.

During the first half of 2023, the duty performance of the committee in relation to ESG risk management was as follows:

- The committee listened to and discussed the environmental target-setting guidelines and ESG disclosure-related issues and perused the *Guidelines for Climate Target Setting for Banks* issued by the United Nations Environment Finance Initiative and the HKEX's *2022 Analysis of ESG Practice Disclosure*. It analysed the gap between CCB's ESG disclosure and management status and international best practices and held in-depth discussions on ESG disclosure arrangements.
- The committee listened to and discussed the latest requirements of the HKEX's *Consultation Paper on Enhancement of Climate-related Disclosures under the Environmental, Social and Governance Framework*, analysed challenges that emerged from the consultation paper to CCB's corporate governance and risk control, and deployed the next work arrangements.

#### Board of supervisors

The Board of supervisors performs its supervisory duties by overseeing and assessing the performance of the Board and the management in fulfilling ESG and green finance strategy responsibilities. It remains dedicated to monitoring the implementation and promotion of the ESG strategy, and thematically reviewing the progress of ESG work. It also provides supervisory recommendations for enhancing top-level design, consolidating basic management, and improving capacity building.

<sup>3</sup> Refers to personal business loan.



During the first half of 2023, the duty performance of the Board of supervisors in relation to ESG risk management was as follows:

- The Board of supervisors maintained consistent oversight over the implementation of the climate risk stress tests and the application of outcomes. It placed importance to the implementation of the Bank's green credit policy, the optimisation of the main investment direction and structure of green loans, and the development of the risk control system.
- The Board of supervisors received dedicated reports on the progress of ESG work, inclusive finance strategy implementation, and "CCB Huidongni" platform operation. In addition, it continued to follow up the consumer protection efforts, as well as supervised the effective implementation and anticipated advancement of the ESG system.
- The Board of supervisors conducted a special investigation and research on "financial services for sci-tech enterprises" with a focus on green industries. This included visiting relevant enterprises and engaging in in-depth discussions on how commercial banks can enhance their provision of comprehensive financial services for green industries. The actions aimed to support the development of the green and low-carbon transformation.

## Management

The management of the Bank is responsible for overseeing and guiding the ESG risk management in the investment and financing business. The management is also responsible for driving the implementation of specific ESG management work to enhance the overall ESG management of the Group. The main responsibilities of the management include:

- Organising the formulation and implementation of environmental and climate-related policies and reviewing ESG risk management related policies.
- Organising the implementation of the daily ESG risks management and major risk issues handling and reporting to the Board in a timely manner in accordance with regulatory requirements and management needs.
- Strengthening ESG risk management supervision and assessment and urging branches to perform ESG risk management duties.

The Bank sets up the risk management and internal control management committee, with the president serving as chairman. The ESG factors are integrated into the risk management process, whilst environmental and climate risk, compliance risk, operational risk, reputational risk, and other related risks are incorporated into comprehensive risk management system, with relevant departments allocated to perform professional management. Regular meetings are held to monitor the progress and deploy important matters.

The Bank sets up the ESG promotion committee, chaired by the president, to consistently promote the Bank's ESG strategic planning, deployment, and coordination. The committee regularly receives updates on the progress of ESG work, drives the enhancement of ESG risk management, and supports the comprehensive integration of ESG concepts into business operation and risk management.

## Professional departments

The Bank clarifies that the Credit Management Department of the Head Office is responsible for leading the ESG risk management work across the whole bank. The Bank establishes "three lines of defence" for ESG risk management at the professional department level and is committed to taking timely and effective mitigation measures for ESG risks in the investment and financing business, and promoting information sharing and coordination throughout the ESG risk management process. Furthermore, the Bank emphasises collaborative efforts to prevent and control risks, ensuring that risk cross-contamination of risks is prevented.

- The first defence line consists of the customer management departments and investment and financing business operation departments. The departments are responsible for the implementation or supervision of branches carrying out the ESG risk management policies, systems, processes, and working requirements.
- The second defence line consists of the Risk Management Department and the Internal Control and Compliance Department. The Risk Management Department regulates, assesses, supervises, and reports ESG risk management activities across all business units.
- The third defence line is the Audit Department. This department is responsible for reconducting supervisions of the ESG risk management, control, and monitoring system.

## Credit Policies for Key Industries

The Bank pays close attention to the ESG risks involved in clients and projects across various industries, formulating industry-specific credit policies based on industry attributes and business characteristics. At present, 75 industry credit policies have been formulated, covering key industries, such as agriculture, electricity, forestry, mining, petrochemical, transportation, materials, and construction. The Bank conducts regular real-time updates and reviews of key industry policies. The review process is centred on assessing the enforcement level, applicability and feasibility of policy norms, taking into account changes in business trends and dynamic assessment of ESG risks within the respective industries. Outlined below are some examples of key industry credit policies.

### Agriculture



The Bank actively supports the green development of agriculture. Therefore, the Bank specifies requirements on compliance operations, environmental protection, and quality safety, and exercises the "One-Vote Veto" policy over environmental and climate risks when selecting agricultural clients. Credits are not granted to clients or projects with significant environmental and climate risks. The Bank prioritises and actively supports agricultural entities in carrying out carbon reduction and carbon sequestration and comprehensive utilisation of resources, as well as the construction of efficient and water-saving irrigation and drainage facilities in farmland. More agriculture-related credit loans are required to grant for clients with good performance in agricultural energy conservation, such as those reducing the consumption of fertiliser, pesticides, water, and land.

For example, the evaluated factors include negative impacts of agricultural land on natural habitats/protected areas, soil erosion or degradation, fertiliser and pesticide contamination, impacts of crop types on local biodiversity, excessive consumption or pollution of water sources, etc.

### Forestry



The Bank actively supports the green development of forestry. For that reason, the Bank specifies requirements on compliance operations, environmental protection, and quality safety, and exercises the "One-Vote Veto" policy over environmental and climate risks when selecting forestry clients. Credits are not granted to clients and programmes with significant environmental and climate risks. The Bank prioritises and grants more forestry-related credits and supports forestry management entities to carry out the construction of national reserve forests, ecological protection and restoration, and the return of cultivated land to forests and grasslands. The Bank supports key projects under the national forest operation planning and the *Outline of the "14th Five-Year Plan" for Forestry and Grassland Protection and Development*, serving to increase the forest stock volume and enhance the carbon-sink capacity.

### Power industry



The Bank coordinates the energy supply guarantee and the green and low-carbon transformation of energy, paying close attention to and actively identifying ESG risks involved in power industry projects. The Bank assesses the significance of relevant risks and the degree of impact on credit risks. The Bank specifies requirements on pollutant discharge and coal consumption in the selection criteria of thermal power projects. It is the Bank's decision to firmly downsize and withdraw from energy projects, which will be phased out per national policy, and support the coal and electricity enterprises in the "Three Upgradings" (Coal-power carbon reduction upgrading, heating system upgrading, and flexibility upgrading). Finally, the Bank strengthens the evaluation of hydropower and other clean energy projects, prudently supports small and medium-sized hydropower projects with prominent environmental risks, and pays close attention to the impact of project construction on the ecological environment and biodiversity.

For example, the evaluated factors include the negative environmental impact of high carbon emissions and exhaust emissions during the combustion of fossil fuels, the impact of the construction of hydro-power plants on local hydrological conditions and biodiversity, and the negative impact on indigenous peoples or operating local communities.



## Mining industry



The Bank pays close attention to and actively identifies ESG risks involved in mining industry related projects, assesses the importance of relevant risks and the degree of impact on credit risks. The Bank supports green, clean, and intelligent mining and considers various factors like production safety, environmental protection, and resource utilisation to decide whether the client and project are eligible. The Bank focuses on supporting the supply of scarce and strategic new minerals that conform to green mines, energy and resource efficient, and environmentally friendly standards. The Bank exercises the "One-Vote Veto" policy over environmental and climate risks, and credits are not approved for clients or projects with significant environmental and climate risks. The Bank has decided to reduce and withdraw support from non-compliant and outdated low-capacity enterprises, acting against the national industrial policies, as well as from those who do not comply with the environmental protection and safety production standards.

For example, the evaluated factors include the negative environmental benefits of mineral resources development on habitats/nature reserves, the negative impact of production water consumption on water quality in water sources, the emission pollution of production equipment such as transportation vehicles and equipment, and the health and safety hazards of workers.

## Petrochemical industry



The Bank pays close attention to and actively identifies ESG risks involved in projects related to the petrochemical industry, assesses the importance level of relevant risks and the degree of impact on credit risk. The Bank supports the green, low carbon, and recyclable development of the petrochemical industry and considers various factors like production safety, clean production, energy consumption level, and carbon emissions intensity to decide whether the client and project are eligible. The Bank supports high-quality petrochemical and chemical enterprises navigate the energy-saving and carbon-reduction transformation, as these strive to achieve technology R&D and application, equipment upgrading and transformation, product upgrading, and upstream and downstream integrated development and capacity layout optimisation. Projects with leading energy efficiency levels in the four major petrochemical industry clusters and green industrial parks are also supported by the Bank. The Bank pays close attention to the impact of production and project construction on energy consumption, carbon emissions, and on the environment and biodiversity and exercises the "One-Vote Veto" policy over environmental and climate risks. Credits are not approved to clients or projects with significant environmental and climate risks. The Bank decides to not participate in new production capacity projects in key areas of air pollution prevention and control, and resolves to withdraw support from projects against the national industrial planning and environmental policies, as well as from enterprises that violate the requirements of green and low-carbon development or that present high environmental and climate risks. Finally, the Bank determines to reduce and withdraw from backward capacity and excess capacity projects, as well as from projects that do not meet the energy efficiency level and cannot be upgraded on schedule.

For example, the evaluated factors include the negative impact of oil and gas leakage on the environment during production operations, the environmental impact of hazardous waste disposal, harmful chemical substances and water use, and the negative impact of processing or operation water on local water sources.

## Iron and steel industry



The Bank supports the green development, transformation, and upgrading of the steel industry and considers various factors, such as energy efficiency and emissions efficiency to decide whether the client and project are eligible. The Bank pays close attention to the impact of the project construction and applies a dual control that assesses the total volume and intensity of energy consumption, carbon emissions, and the effect on the environment and biodiversity. The "One-Vote veto" policy is exercised over environmental and climate risks and credits are not approved for clients or projects with significant environmental and climate risks. The Bank resolves to withdraw support from projects against the national industrial planning and environmental policies and from enterprises that are against the standards regarding environmental protection and production safety.

## Biodiversity conservation



In the annual credit policy, the Bank commits to actively contributing to and increasing financial support in the field of biodiversity conservation, vigorously supporting major projects for the protection and restoration of important ecosystems and major projects for biodiversity conservation, and to not engaging with projects that pose a threat to major nationally protected wild animals and plants and their habitats. Clear requirements are set in credit policies for industries, such as wind power and photovoltaic power generation, in which the Bank outlines requirements on raising the awareness of ecological protection, strictly abiding by the red line of ecological protection, the bottom line of environmental quality, the upper limit of resource utilisation, and the ecological environment access list. Additionally, close attention is given to the impact of project construction on the ecological environment and biodiversity.

For example, the evaluated factors include fragmentation, degradation and destruction of the ecological environment; unsustainable production and consumption, overexploitation of forests, oceans, rivers and soils; and the decline in ecological resilience; invasive alien species; hydrological changes, eutrophication, etc.

## Transportation industry



The Bank actively supports the green transformation of the transportation system, focusing on key green transportation projects, such as urban public transport and rail transport. The Bank supports the green, low-carbon, and high-quality development of the aviation industry, the development of the new energy vehicle industry, and the upgrading of vehicles towards electrification and clean design.

## Green building industry



The Bank actively supports the development of the green building industry and takes active measures to promote the coordinated advancement of green finance and green urban construction, supporting energy conservation and emissions reduction in construction projects. When selecting real estate projects, the Bank considers essential whether the proposal meets the green building criteria.





## ESG Due Diligence

In investment and financing business activities, the Bank attaches great importance to the impact of ESG risk factors on credit risk, adopts targeted risk mitigation measures, integrates ESG risk factors into the credit risk assessment and review process, covering key aspects such as pre-loan, in-loan and post-loan management, etc., to continuously strengthen ESG risk factors management in businesses. The Bank's *ESG Risk Management Measures* clearly stipulates that for investment and financing businesses including corporate credit business, retail credit business, financial market business, financial institutional business, investment banking business, etc., branches shall comprehensively, deeply and carefully investigate the ESG risk of clients when accepting business and conducting due diligences.

### Due diligence process

#### Basic principle

In the ESG due diligence, the Bank's business handling institutions fully consider factors such as the client's industry, region, environmental impact, social impact, operation and management capabilities, project construction management capabilities, and upstream and downstream enterprises and contractors. The Bank adopts a variety of methods to analyse and judge the possible impact of specific factors on assets safety and to assess the risk areas that need to be focused on ESG factors in the investment and financing business process.

In response to the identified ESG-related risks, the Bank would actively promote the implementation of risk management measures and responding plans according to the nature and severity of the risks. The credit approval department and the investment department would implement reasonable and differentiated credit approval and investment strategies, such as setting limit standards for environmental protection indicators, adjusting the credit scheme, increasing the capital ratio, suspending new credit, compressing the stock of business, requiring rectification of laws and regulations violations, signing special commitments, etc. The Bank strictly restricts credit granting or investment to clients who have serious violations of laws and regulations or major risks in environmental, social and governance aspects.

#### Implementation performance

##### Credit business

In order to address the risks related to climate change, the Bank formulates environmental, social and climate risk management policies for all corporate clients who grant public credit, incorporates environmental, social and climate risks into the entire process of credit management, focuses on high-energy-consuming and high-emission projects, and takes energy efficiency levels, greenhouse gas emissions and pollutant emissions as important bases for client and project selection, credit approval and post-loan management.

- **Client access:** assess the degree of environmental, social and climate risks of clients, and implement the "one-vote veto" mechanism, that is, clients and projects that do not meet national policies and regulatory requirements, do not meet environmental protection standards, have environmental, social and climate violations, have not completed rectification, and other major environmental, social and climate risks, are required not to pass credit access. For enterprises or projects with serious problems, bad impact, repeated investigations or inability to rectify, demand compression and exit.
- **Mid-loan review:** according to the level of environmental, social and climate risks of clients, implement differentiated credit approval strategies, and refuse to lend to enterprises or projects that do not implement environmental, social and climate risk management and control requirements.
- **Post-loan management:** add the content of environmental, social and climate risks in post-loan inspection, strengthen risk early warning verification and tracking management, and timely verify early warning signals. For customers with significant environmental, social and climate risks, strictly control credit exposure and accelerate risk resolution.

##### Bond underwriting

In terms of the bond underwriting, the Bank requires its bond underwriting clients to comply with the requirements of the bank-wide environmental and social risk management process for corporate clients. Throughout client and project selection, credit approval, and post-loan management, the Bank conducts a stringent review of environmental and social performance, including energy efficiency, greenhouse gas emissions, and pollutant emissions. During the client and project selection, the Bank conducts stage-by-stage audits and escalates management requirements for clients operating in industries within ESG intensive sectors, such as steel and coal industries. In the business engagement stage, ESG risk-related factors are considered crucial elements of due diligence. These factors may include aspects, such as the client's environmental and social risk control policies and management level, the acquisition of permits obtained for production, operation, and emissions, the level of production processes and energy efficiency utilisation in the relevant industry, the regulatory authorities' records of environmental and safety violations and rectifications, etc.

##### Investment business

In the financial market investment business, the Bank continues to optimise business philosophy and incorporate ESG elements into its annual business strategy. In making investment decisions, the Bank focuses on the shareholding structure and corporate governance of issuers. The Bank gives priority support to high-quality issuers with high ESG ratings, to those who contribute to key areas of the green and sustainable development in the real economy, and to those who align with the direction of the national strategy. In daily management, the Bank consistently monitors negative public sentiment concerning issuers within the investment portfolio and regularly tracks changes in the external ESG evaluations of issuers within the portfolio.

The Bank upholds the investment philosophy of "responsibility + value" and establishes a "responsible investment system for the RMB credit bond investment portfolio". The Bank establishes a fundamental framework that covers strategy formulation, trade execution, post-investment management, and fundamental research. The framework contemplates various external information sources, scoring systems, and sentiment indicators, and considers issuer's ESG external ratings, public sentiment, and other ESG-related performances as vital factors in making investment decisions. The average ESG ratings of issuers within the portfolio consistently outperforms the market average.

##### ESG rating tool for corporate clients

The Bank establishes an ESG rating tool for corporate clients and has implemented its application throughout the Bank. Furthermore, the Bank continues to expand the scope of applicable clients and application scenarios in which the system can be utilised. This rating tool provides investment and financing business professionals and management personnel with convenient access to clients' ESG rating analysis, ESG risk alerts, comparative analysis with similar clients, overall ESG performance of key business areas, regional ESG risk characteristics, etc., effectively enabling the identification and assessment of clients' ESG risks. The rating tool considers both international standards and Chinese characteristics. It covers key ESG capability indicators, such as energy management, green management, green product opportunities, green supply chain, emission management, human resource management, product quality, and business responsibility.

For details of the ESG rating tool for corporate clients, please refer to the section "Environment-related Risk Management System" <sup>4</sup> in chapter four of the Bank's *Environmental Information Disclosure (TCFD) Report 2022*.

##### Case | Template for credit approval and declaration materials for large and medium-sized business clients

The Bank has embedded a classification system for environmental and social risks and integrated environmental and climate risks into client investigation and evaluation reports. The Bank formulated the *Template for Credit Approval and Declaration Materials for Large and Medium-sized Business Clients*, mandating that high energy consumption and high emissions industries, such as coal power, iron and steel, non-ferrous metal smelting, building materials, petrochemicals, and chemicals must be explicitly listed in the risk investigations. The investigations encompass environmental penalties, deadlines for emissions rectifications, excessive emissions of pollutants, energy management, green operations, labour disputes, occupational safety penalties, product and operational responsibilities, and business performance. Furthermore, the Bank encourages all branches to expand the coverage of industries based on their local conditions. In addition, the Bank provides training to the management and credit approval departments at all levels, as well as relevant personnel in domestic subsidiaries and credit-related positions. The Bank requires loan applicants to include details on the classification of environmental and social risks, as well as information related to environmental and climate risks, in their application materials.

### Triggers and risk escalation process

The Bank requires ESG due diligence practices in a wide range of investment and financing businesses or projects. The investigation of ESG-related issues and risk factors become a regular review mechanism embedded in the project management process. The Bank regularly rechecks the client's ESG risk classification, raises, lowers or maintains the ESG risk level according to the results, and takes corresponding risk management measures.

<sup>4</sup> China Construction Bank's Environmental Information Disclosure (TCFD) Report 2022: <http://www.ccb.com/eng/attachDir/2023/07/2023071716521332187.pdf>

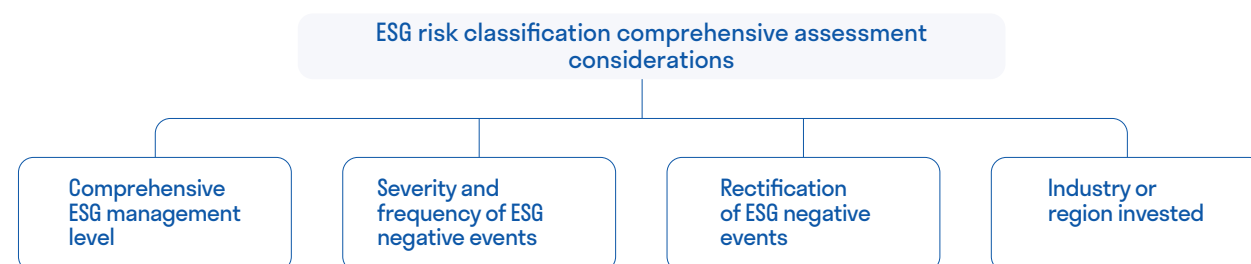


### ◆ Classification criteria

The Bank formulated and issued the *ESG Risk Management Measures* to further improve the ESG risk management system and related system construction of investment and financing business. According to the ESG risk identification factors, ESG risk classification to the customer, from low to high is divided into "four colours and five categories", which are green (normal category), blue (concern category), yellow I (observation category), yellow II (rectification category) and red (exit category).

- Normal Category: Clients (or projects) hold a robust level of overall ESG management with almost no negative ESG issues.
- Exit Category: Clients (or projects) occur any significant negative ESG events, which represent or are likely to represent a significant risk to the Bank.

In addition, according to the client's (or project's) comprehensive ESG management level, the severity and frequency of ESG negative events, rectification, industry or region invested and other factors, a comprehensive assessment is carried out, and it is divided into rectification category, observation category and concern category according to nature and severity.



The Bank requires branches re-examine the classification of clients' ESG risks at least annually in accordance with the management requirements for ESG risk classification. For clients with a red or yellow ESG risk classification, assessments are conducted at least quarterly. In the event of changes in environmental protection laws and regulations, industrial policies, industry access policies, or the client's own environmental, social, and governance situation, a prompt review of ESG risk classification is initiated.

### ◆ Triggers

Factors triggering risk escalation management in the ESG due diligence process include negative public sentiment incidents, industry/business attributes that have a significant impact on the environment, systemic risks in the governance structure, and significant changes in ESG risk performance. If any of these situations triggers ESG risk escalation, the Bank's handling agency will promptly initiate a re-inspection of ESG risk classification. This specifically includes:

- In the last 3 months, the client (or project) received notifications, punishments, or was included in any blacklists or key monitoring lists by financial supervisory authorities, as well as by the authorities in charge of development and reform, environmental protection, food and drug supervision, or price control, or there are major disputes that adversely affect normal construction, production and business activities.
- In the last 3 months, the client (or project) experienced any issues that had a significant impact on environmental, social, and governance, such as media sentiment incidents, mass incidents, or changes in regional or industry environmental standards.
- Significant governance changes occur, such as asset restructuring, significant shareholding changes, frequent changes in senior management, or significant changes to the articles of association of the listed company.
- Changes occur in the client's environmental, social, and governance assessment by a qualified, independent third party or relevant authority.
- Regulatory inspections and internal or external audits require adjustments to ESG classification results, or significant changes occur in the client's ESG risk rating results.
- The ESG risk classification results of the client are no longer valid, the validity of the classification results is about to expire, or the classification results need to be assessed or re-examined as required during the validity period, etc.

### ◆ Risk escalation management

Clients whose risk level upgrades to red or yellow in the ESG risk classification re-examination will be included in the list system management, and the classification and re-examination will be carried out on a quarterly basis, while corresponding management measures will be taken according to the upgraded risk level. For credit clients and investment projects involving significant environmental, social and governance risks, clients are required to submit ESG risk reports, while statements and commitment terms for clients to enhance ESG risk management, and remedies in case of default by clients in managing ESG risks will be established. Where major risks arise, the allocation of funds may be suspended until terminated in accordance with the contract.

For sectors with high environmental, social and climate risks, such as iron and steel, cement, coal mining, and thermal power, the Bank implements a risk escalation management process. This involves centralising the approval of new project loans in the Head Office. Projects that meet the green credit standards are included into the "green channel", under a differentiated process, to enhance business efficiency. Furthermore, for enterprises that fail to comply with national policies and regulatory requirements, violate laws and do not complete the rectification, hold environmental credit evaluations indicating warnings or a poor environmental protection record, are involved in environmental and climate-related lawsuits with the potential for a significant adverse impacts, or are mandated by the government to shut down, as well as for other clients and projects with significant environmental and climate risks, the Bank implements a "one-vote veto" on environmental and climate risks and does not grant credit access. Prior to the completion of rectification by existing clients, the credit balance or loan balance is allowed to be increased (unless it is for the credit business intended for risk mitigation). Clients and projects that pose significant problems, have negative impacts, repeat offences, or cannot be rectified will be promptly reduced and withdrawn.

In the first half of 2023, the Bank conducted both regular and enhanced social, environmental and climate risk reviews as part of its due diligence process for investment and financing businesses. The reviewed aspects include:

- The actual energy efficiency level, comprehensive energy consumption, energy structure, greenhouse gases and emissions of major pollutants of the client's main products, the implementation of cleaner production, ultra-low emissions renovation, and the results of environmental credit evaluation.
- The impact of the client's production and operation on the ecological environment and biodiversity, and the main measures taken by the client to reduce greenhouse gas emissions, pollution prevention and control, and ecological environment and biodiversity protection.
- Incorporated information on carbon emissions allowance approvals and on trading and clearing performance of clients in national and local carbon trading markets.
- Whether the client faces public sentiment incidents on ecological protection, social impact, and biodiversity.
- Problems, penalties, and rectifications found, imposed, or required by ecological and environmental protection inspection teams, ecological and environmental departments, etc.

### Case | Environmental assessment requirements for fixed asset investment projects

The Bank conducted research and formulated the *Fixed Asset Investment Project Evaluation Method (2022 Edition)*, which specifies evaluation requirements for energy consumption, environmental protection, carbon emissions, and other environmental assessments in fixed asset investment projects. It includes a new specialised analysis on the project's impact on "Carbon Peak and Carbon Neutrality" to conduct sensitivity analysis on quantifiable parts and strengthen qualitative analysis on non-quantifiable parts, aiming to effectively evaluate the project's environmental and climate risks. For projects where environmental, social and climate risks are escalates based on investigations, the Bank has established a complete analysis, evidence collection, and response process. For fixed asset loan project engineering, the process applies analogue analysis, material balance analysis, data reuse, and other methods to analyse the characteristics of the project's different stages. After the analysis, the process investigates the matters leading to the escalation of social, environmental and climate risks, identifies risk factors, and conducts special evaluation of risk factors for projects with significant external environmental impacts. After analysing and investigating, a response plan for project-related matters will be formulated, and the feasibility and economic rationality of relevant projects will be re-evaluated.



Case | Environmental, social and climate risk due diligence in the mining and metals industry

The client was a company engaging in the development, smelting, processing, trade, and related fields of non-ferrous metal mineral resources. The company operated within the mining and metals industry, which was classified as an social, environmental and climate risk-intensive industry. This industry involved potential environmental risks, such as land destruction, water pollution, waste disposal, and ecosystem impact. Additionally, there may have been social risks, including relations with local communities, labour rights, and human rights issues. To comprehensively assess these risks, the Bank conducted environmental, social and climate risk due diligence on the environmental, social and climate risks that the client may have been involved in. The assessment allowed the Credit Approval Department at the Head Office to determine the client's comprehensive credit limit based on the due diligence results. Considering the long-term national strategic direction and the "Carbon Peaking and Carbon Neutrality" goals, which will impact the future development of the metal mining, processing, and smelting industry, the Bank strengthened regular monitoring and observation measures during and after the loan issuance. The Bank has been focusing on the client's environmental governance, environmental standard compliance, production safety, employee development, and labour rights and interests.

Case | Environmental, social and climate risk due diligence in the energy and chemical industry

The Bank provided comprehensive credit services to a large energy and chemical group with limited liability, which had certain scale and product advantages in coal and chemical business. The local branch of the Bank declared a comprehensive credit line. During the credit review process, the Credit Approval Department at the Head Office conducted a thorough assessment of environmental, social and climate related risks, particularly analysing the potential impact of the "Carbon Peaking and Carbon Neutrality" goals on the future development of the coal and chemical business. The output scale of the group's coal business ranked in the middle to lower range among large domestic coal enterprises, and the region where its core production capacity was located still faced the future pressure for capacity reduction. Based on comprehensive consideration, the credit line that the branch declared for the group was reduced by Credit Approval Department of the Head Office.

Climate Risk Management

Top-level design for climate risk management







The Bank continues to strengthen the top-level design for climate risk management and enhance management capabilities. The Board assumes ultimate responsibility for formulating and implementing the Group's environmental and climate-related strategies, conducts in-depth research on the climate-related disclosure requirements of the International Sustainability Standards Board (ISSB) and the HKEX, ensures a clear climate-related governance structure, identifies the risk management committee of the Board to oversee climate risk and opportunity management, establishes a mechanism for regular debriefing, regularly studies the situation of environmental and climate risk management, listens to the *Environmental and Climate Risk Analysis Report*, studies climate change response measures, promotes climate transition risk stress testing, and follows up the risk quantification of ESG-related elements. The leading department of the ESG promotion committee's environmental working group of the management (the Head Office's Credit Management Department) is responsible for the Bank's climate risk and opportunity management. Each department of the Head Office is responsible for specific work of climate risk and opportunity management according to the departmental responsibilities and regulatory requirements.

Members of the Board of the Bank have extensive experience in climate risk management. Michel Madelain, a trustee of the IFRS Foundation, has extensive track record in the development of international sustainability disclosure standards. Under the guidance of the Board, the Bank actively implements climate risk identification and analysis, develops and implements risk mitigation mechanisms, and incorporates climate risk management into the overall risk management system. In May 2021, the Bank became a supporting organisation of the Task Force on Climate-related Financial Disclosures (TCFD). Subsequently, in July 2022, the Bank released the Group's first environmental disclosure report. In April 2023, the Bank submitted the *China Construction Bank Environmental, Social and Governance Work Plan (2023-2025)* to the Board for deliberation and approval. The comprehensive plan clarifies the development goals and paths for strengthening climate change management, addressing climate change risks and opportunities, conducting climate risk stress test, and further advancing the development of green finance.







Climate-related risk analysis

The Bank incorporates climate change risk factors into the traditional risk analysis framework, analyses the transmission paths of climate risk factors affecting traditional risks, assesses the significance of climate-related risks comparing to other inherent risks. The Bank clarifies the overall impact of climate risks on business models, operational strategies, and financial conditions, and develops countermeasures to enhance climate risk management. Examples of major environmental and climate risks identified by the Bank, along with countermeasures, are as follows:







Credit risk

 Risk factor	Regulatory requirements are strengthened/new environmental protection policies are introduced/ environmental protection standards are raised, etc.	 Business involved	Investment and financing businesses
 Major impact	In the process of the economic and social green and low-carbon transition, high-carbon industries may face declining revenue, rising costs, and declining profits, leading to rising risk of corporate default and posing challenges to asset quality management.		
 Time range <sup>5</sup>	Short/medium/long term	 Impact <sup>6</sup>	Depending on specific projects
 Response	<ul style="list-style-type: none"><li>◆ Strengthen management of credit, investment, and financing of industries with high energy consumption and high emissions, and take energy efficiency, greenhouse gas emissions, and pollutant emissions as important basis for client and project selection, credit approval, and post-loan management.</li><li>◆ The credit policy explicitly supports the building of the renewable energy supply, storage and consumption system based on large wind, photovoltaic, and solar power bases supported by clean, efficient, advanced, and energy-saving coal power in their surrounding areas and by stable, safe, and reliable UHV transmission and transformation lines.</li></ul>		

Operational risk

 Risk factor	Extreme weather factors such as floods, tornadoes, and hurricanes	 Business involved	The Group
 Major impact	Extreme weather events may result in water outages, power outages, office damage, casualties, disruption of operations, and loss of assets.		
 Time range	Short term	 Impact	Low
 Response	<ul style="list-style-type: none"><li>◆ Improve the whole process of business continuity management and clarification of responsibilities, formulate relevant systems, clarify the organisational structure, responding process, emergency strategy, and plan and drill requirements, and make information reports, so as to effectively deal with the interruption of important business operations caused by physical risks.</li><li>◆ Select the business premises that meet the national technical standards and requirements on natural disaster resilience, designed mechanisms to pre-emptively prevent and plan in advance, and ensure the life and property safety of employees and customers, as well as the transfer, protection, and disposal of important equipment, cash, and other assets.</li><li>◆ Based on the "Two locations, three Centres" architecture design, if data centres are affected by extreme weather or other disasters, critical service information systems will be switched to other centres.</li></ul>		

Reputational risk







 Risk factor	As public awareness of issues, such as environmental protection and climate change increases, and consumer preferences shift, environmental performance could affect the Bank's reputation	 Business involved	Determined by the source risk of the reputational event
 Major impact	Damage to the environment or delay in acting on climate change during daily operation and business management may lead to negative comments from stakeholders, the public and the media, thus damaging the reputation and image of the Bank.		
 Time range	Long term <sup>7</sup>	 Impact	Medium
 Response	<ul style="list-style-type: none"><li>◆ Strengthen corporate culture and brand building, assume social responsibilities, and create a good social image. Take the initiative to accept public opinion supervision, and timely and accurately disclose information.</li><li>◆ Conduct regular reputational risk investigations, prevent reputational risks, and deal with reputational events in a forward-looking, comprehensive, proactive, and effective manner, to eliminate or minimise reputational damage.</li></ul>		







<sup>5</sup> Time frame: short term (1-3 years), medium term (3-5 years), long term (5-10 years).







<sup>6</sup> Impact: high, medium, low.

<sup>7</sup> It is determined by the source risk of reputational issues, but in general the accumulation of reputational capital and the repair of reputational damage are long-term.



Market risk			
 Risk factor	Customer preference and investment behaviour change Fluctuations in carbon prices/changes in the proportion of free allowances	 Business involved	Industries that were included in the carbon trading market
 Major impact	If the Bank fails to develop green products in time, the Bank may face risks, such as customer loss and decreased demand for products and services. With the increase of carbon price and the decrease of free allowances, debtors' profitability declines or their assets will depreciate.		
 Time range	Medium/long term	 Impact	Depending on specific conditions of industries and businesses.
 Response	Timely develop and launch products and services to meet the environmental needs of customers and consumers.		

Liquidity risk			
 Risk factor	Natural disasters led to financing difficulties, causing shortage of liquidity in the Bank's own operations and customers' operations	 Business involved	The Group
 Major impact	Due to physical risks such as natural disasters, the operations of the Bank and the implementation of customer business projects are limited, and the corresponding funds cannot be obtained to ensure liquidity in time.		
 Time range	Short/medium term	 Impact	Medium
 Response	Take climate factors into consideration in liquidity emergency plans, pay close attention to the impact of climate-related risk factors on the Bank's operations and customer operations, and reduce the risk of liquidity shortage.		

Legal risk			
 Risk factor	The introduction of new laws, regulations, and policies related to environmental protection	 Business involved	The Group
 Major impact	If the Bank fails to follow up and study relevant national policies or implement specific measures in a timely manner, it may need to pay for additional costs, experience negative impacts on normal operations, and even face legal risks, such as fines and lawsuits.		
 Time range	Long term	 Impact	Low
 Response	Continuously pay close attention to national legislation in the fields of green and environment and strengthen research and analysis.		

◆ The progress of climate transition risk stress test

In 2020, the Bank initiated the climate transition risk stress test, and subsequently conducted a stress test on the climate transition risk associated with the thermal power industry. In 2021, the stress test was expanded to include the iron and steel, cement, and aviation industries. In 2022, the Bank continuously broadened and deepened the stress test by encompassing eight high-carbon industries: electric power, iron and steel, building materials, petrochemical, chemical, paper making, civil aviation, and non-ferrous metal smelting. For detailed methodology, work progress, test results, and applications, please refer to the section "Quantitative Analysis of Environmental Risks" in Chapter four of the Bank's *Environment Information (TCFD) Report 2022*.

In addition, the Bank, as one of the three pilot banks, participated in the PBOC's climate risk stress test pilot programme for two consecutive years, contributing to the research and development of common climate risk stress test templates for the banking industry in sectors, such as the thermal power, petrochemical, and aviation industries. In 2023, building on the experience gained from the PBOC's climate transition risk sensitivity stress test, the Bank explored the possibility of expanding climate risk stress scenarios, attempting to adopt the "30-60" target scenario to conduct scenario analysis and stress tests the eight high-carbon industries. At the same time, the Bank explored to undertake scenario analysis and stress tests to assess the impact of physical risks on the Bank's major assets.





# Green Operations

The Bank is deeply committed to the concept of green operations. The Bank strictly complies with relevant laws and regulations, including the *Energy Conservation Law of the People's Republic of China* and the *Environmental Protection Law of the People's Republic of China*. Additionally, the Bank advocates for the practice of green office concept, promotes the application of energy-saving and environmental protection technology and equipment, and remains dedicated to establishing green and low-carbon operational sites. Emphasis is also placed on the construction of green data centres. The Bank organises various green and environmental protection activities for employees, aiming to instil a sense of low carbon awareness and build an eco-friendly bank.



## Building a Green and Low-Carbon Bank

The Bank remains dedicated to implementing an environment-friendly operation model, with a particular focus on various aspects, including green office, green service, green outlet, green procurement, and green data centre, taking multiple measures to continuously enhance management capabilities in green operations. The Bank continues to strengthen waste management and ensure the proper disposal of both hazardous and non-hazardous waste materials. The Bank actively undertakes energy-saving technology upgrades and adopts efficient and environmentally friendly equipment. The Bank developed a carbon emissions management system and established a sustainable monthly reporting mechanism that follows a bottom-up approach. A comprehensive assessment of the Bank's energy consumption and resource utilisation is conducted to gain a deeper understanding of its energy consumption structure. Energy audits are carried out across the Bank, enabling the improvement of energy management systems and the exploration of energy-saving opportunities.

Green office			
			
Energy consumption monitoring: Establish and improve systems for monitoring, diagnosing, and energy consumption auditing and maintenance; establish categorised statistical ledgers and sort out and summarise energy consumption data; and gradually improve energy conservation and emissions reduction measures.	Energy consumption: Eliminate "everlasting light" in the workspace and promote energy-saving lights; dynamically control the running time and temperature of central air conditioning systems; minimise unnecessary stops of elevators during the peak periods; turn off electronic devices when not in use to reduce standby energy consumption of computers; and retire high-fuel-consumption business vehicles, and, instead, prioritise the use of the energy-saving and new energy variants when purchasing vehicles.	Paperless office: Fully utilise the "Long Video" online meeting system, email, instant messaging, and other online tools to minimise the transfer of paper materials and single-use office supplies. Promote double-sided printing, and carefully check the content of the document to avoid repeated printing.	Waste disposal: For electronic waste, the Bank emphasises detailed record-keeping and closed-loop management for scrap disposal process to promote the recycling of waste equipment. For hazardous waste, it is handled by professional recycling enterprises holding hazardous waste business licenses to ensure the safety and controllability of the disposal process. For food waste, the Bank carries out refined meal preparation and supply management in canteens and advocate the implementation of the "Empty Plate Campaign".



## Green outlets



- Follow the *Guidance on Promoting the Building of Green Outlets* and the *Administrative Measures for Building of Outlets*, select green and low-carbon building materials in the site selection and decoration of new outlets, reduce energy load, fully integrate green and environmental protection concepts in design and construction, implement green operation management rules in operation, maintenance, and daily management, and actively expand the use of renewable energy.
- Summarise the experience of green branch construction from the whole Bank, compile it into the *Reference Code for the Construction of Green Outlets of CCB*, and distribute it to all branches for implementation. As of the end of June 2023, the Bank had completed the construction of 36 green outlets and had put them into operation.
- In terms of the construction of overseas branches, the Bank's Sydney branch, Zurich branch, CCB New Zealand, and Frankfurt branch obtained the "carbon neutral certificate" from their respective local authorities.

36

Number of green outlets constructed and put into operation

## Green service



- Support the online processing of all procedures for electronic contracts covering more than 20 business scenarios, promote electronic transactions at outlets, expand the scope of electronic application of receipts, vouchers, and seals, reduce the cost of paper contract printing and express delivery, and improve business processing efficiency.
- Enhance the synergy between online and offline services, streamlining the online appointment process for clients, including online appointment, at-home appointment, and in-branch appointment to empower green business operation transformation and upgrading.
- Carry out inclusive carbon practices and continue to promote the "personal carbon account" scenario service. By the end of June 2023, the number of personal carbon account users reached nearly 2 million, covering 24 scenarios such as green travel, living payment, online payment, investment and financial management, and the cumulative carbon emission reduction accounts exceeded 140 million, and the carbon emission reduction reached more than 5,075 tonnes, maintaining the industry's leading position; Implement FinTech innovation regulatory tools, and explore the innovative application of low-carbon data in financial businesses such as credit cards, insurance, payment and settlement; Actively participate in the development of carbon account finance industry standards, and help build key infrastructure for green finance.

## Green data centre



- Promote the digitalisation and intelligence of data centre management and improve the efficiency of operations and maintenance management through integrated monitoring and real-time display of information of multi-location and multi-centre computer room environments and IT equipment.
- Improve energy efficiency, aiming to achieve safe, stable, green, and sustainable operations through various energy-saving and consumption-reducing measures, such as cold aisle closure, near-end cooling, targeted air feeding, and optimised lighting.
- Choose green and energy-saving IT equipment to reduce equipment energy consumption and minimise the environmental impact. Examples include requiring server suppliers to obtain the ISO14001 Environmental Management System certification and acquiring products that have energy-saving environmental protection certifications and environmental label certifications.
- The Bank's Beijing Daoxianghu Data Centre and Wuhan Nanhu Data Centre were included in the List of National Green Data Centres for 2022 certified by the Ministry of Industry and Information Technology and other six ministries.

## Green procurement



- Vigorously promote digital procurement, continue to implement online business negotiation, contract signing, and other work under the premise of ensuring controllable risks, reduce business costs, and strive to improve the quality and efficiency of green procurement.
- For procurement of products included in the *Green Procurement Product Catalogue of CCB*, along the whole procurement process, including model selection test, supplier qualification review and selection, and procurement review and execution, green qualifications, such as energy conservation and environmental protection, are added as review indicators to promote green procurement comprehensively.
- Introduce a recycling mechanism for waste products in procurement projects, and purchase waste IT equipment disposal services for data centres to reduce recycling risks and improve management efficiency.
- Continue to promote the advertisement of green procurement, publish the *Green Procurement Work Brief* in the "Green Procurement" section of the internal website to share, and promote green procurement concepts and methods.

## Establish the Concept of Green Environmental Protection

The Bank actively engages in a variety of environmental protection public welfare and promotional activities to deepen employees' understanding and recognition of environmental protection, green, and low-carbon concepts. These efforts enhance the awareness of energy conservation and emissions reduction at Bank-wide level. In the first half of 2023, the Bank formulated the work plan "2023 Energy Conservation Publicity Week and Low Carbon Day Activities" and circulated an activity notice to all branches, urging them to encourage employees' active participation. These activities not only enriched employees' cultural and recreational experiences, but also further reinforced their awareness of green environmental protection, contributing to jointly building a sustainable and eco-friendly bank.

## Case | Green harbour, low-carbon companionship

In April 2023, relying on the "Workers' Harbour", Ningxia Hui Autonomous Region Branch of the Bank launched the "Green Harbour, Low-carbon Companionship" activity, through "finding environmental protection partners", completing green environmental protection proposals, replacing low-carbon equipments and other measures, actively and sincerely providing workers with service places for a quick rest or a short break, popularising green environmental protection and low-carbon knowledge for clients who come to rest, and advocating clients to participate in low-carbon activities through the online harbour. The Bank strived to create a warm and homelike atmosphere with green and low-carbon concepts, becoming an environmentally friendly and caring bank in the hearts of clients.

## Case | Nurturing nature's canvas, contributing to the afforestation of Lhasa's South and North Mountains through tree planting

Ever since the launch of the afforestation project of Lhasa's South and North Mountains in 2022, the Bank's Tibet Branch supported the promotion of the afforestation of Lhasa's South and North Mountains with high quality, created a national ecological civilisation highland and took the afforestation of Baidingdong Zone 2-1 with an area of 151.9 hectare, equivalent to a total of 2,278.5 Chinese mu, the planned number of saplings planted (replanted) was 291 thousand. As of the end of June 2023, the number of saplings planted (replanted) had reached 61.1 thousand, providing jobs for 1,250 farmers and herdsmen in total, and promoting farmers and herdsmen to increase their income by RMB4.64 million.






Steadily Advancing Towards Environmental Goals

The Bank consistently implements various energy conservation and emissions reduction measures, strives to achieve the strategic goals of "Carbon Peaking and Carbon Neutrality", strengthens the green management of its own operation, and promotes various environmental goals in a steady and controlled manner.

Energy conservation goals		Water conservation goals	
			
Goals	Progress	Goals	Progress
From 2022 to 2026, the energy consumption and carbon emissions intensity across the Bank will be on a decreasing trend.	<ul style="list-style-type: none"><li>In 2022, the comprehensive energy consumption of the Bank decreased by 4.11% year-on-year, and carbon dioxide emissions decreased by 0.57% year-on-year.</li></ul>	From 2022 to 2026, water-saving appliances will be selected for replacement, with new installations gradually increasing their coverage. Water-saving education activities will also be held across the Bank.	<ul style="list-style-type: none"><li>In 2022, water-saving appliances were used for the new and replaced water equipment in the Head Office. The utilisation rate of water-saving has gradually increased appliances throughout the whole bank.</li></ul>
The Bank will strengthen its capacity to reduce carbon emissions across the Bank, establish a bank-wide "carbon emissions management platform", construct a solid database of the energy consumption, and improve the capabilities to collect, analyse, and apply the data on energy and resource consumption of institutions at all levels.	<ul style="list-style-type: none"><li>The Bank's carbon emission management system was officially launched in July 2022, and system operation trainings were organised.</li></ul>	From 2022 to 2026, the Bank will organise water conservation promotion activities at least once a year at the Head Office of the Bank.	<ul style="list-style-type: none"><li>In 2022, the Head Office launched the water-saving publicity campaign.</li></ul>
		From 2022 to 2026, the Bank will promote pilot projects on water recycling in branches with appropriate conditions.	<ul style="list-style-type: none"><li>The promotion and utilisation of recycled water was carried out in some tier-one branches and production data centres.</li></ul>

Waste reduction goals			
Goals	Progress	Goals	Progress
From 2022 to 2026, 100% of the Bank's waste IT assets will be delivered to enterprises with the qualifications to dispose of electronic wastes. These will have to be registered on the website of the government's environmental protection department for green and eco-friendly treatment.	<ul style="list-style-type: none"><li>In 2022, 1,796 devices in 53 categories of waste IT assets, including servers, networks, and security equipment, were retired and scrapped, and 100% of the devices were recycled by qualified suppliers.</li></ul>		
The Bank will promote a paperless office, improve the recycling rate of office supplies, and reduce the generation of office supplies waste. From 2022 to 2026, the office paper consumption per employee in the Head Office will be lowered by 5%.	<ul style="list-style-type: none"><li>Compared to 2021, the office paper consumption per capita decreased by about 6.25% in the Head Office headquarters.</li></ul>		
From 2022 to 2026, 100% of the Bank's retired self-service equipment, such as ATMs, will be recycled annually by suppliers with relevant qualifications.	<ul style="list-style-type: none"><li>In 2022, 42,817 self-service equipment units were retired and scrapped, 100% of which were recycled by qualified equipment suppliers.</li></ul>		

Emissions reduction goals			
Goals	Progress	Goals	Progress
Every year, the Bank will organise bank-wide low-carbon publicity activities and carbon peaking and carbon neutrality professional trainings, in combination with the World Environment Day, World Water Day, and the National Energy Conservation Awareness Week, to enhance employees' awareness of emissions reduction and energy conservation.	<ul style="list-style-type: none"><li>In 2022, the Bank arranged bank-wide publicity weeks with the themes of "saving energy to start a green and low carbon life" and "Implementing the action, building a beautiful home together". In the first half of 2023, the Bank formed the work plan of "2023 Energy Conservation Publicity Week and Low Carbon Day Activities" and issued activity notices to the subsidiary branches.</li></ul>		
From 2022 to 2026, the Bank will conduct bank-wide energy auditing. Based on the results of the energy auditing, the Bank will gradually carry out energy-saving renovation projects. LED fixtures will be preferred when adding or replacing lighting fixtures. It is expected that by 2026, 100% of lighting fixtures in the buildings owned by the Bank will use LED fixtures.	<ul style="list-style-type: none"><li>The Bank's energy audit work of 2023 is progressing steadily, and some energy efficiency tests (lighting system, environmental parameters, heating system, boiler, etc.) have been carried out. The energy efficiency test of refrigeration systems is in progress.</li><li>Based on the audit of the energy management system, the energy management system is being supplemented and improved.</li><li>In the first half of 2023, non-hazardous LED fixtures were selected for lighting addition and replacement.</li></ul>		
The Bank will prioritise new energy vehicles as the new official vehicles. From 2022 to 2026, the proportion of new energy vehicles in the Bank will be gradually increased to promote green commuting.	<ul style="list-style-type: none"><li>In 2022, the Bank purchased 996 vehicles for replacement, of which 495 were new energy vehicles, accounting for 50% of the purchase.</li></ul>		
From 2022 to 2026, the PUE (Power Usage Effectiveness) value of the data centres will be gradually reduced.	<ul style="list-style-type: none"><li>In 2022, the PUE value of Wuhan Data Centre decreased by 5.35% year-on-year; The PUE value of Beijing Daoxianghu Data Centre decreased by 6.84% year-on-year.</li></ul>		
The Bank will continuously construct "green outlets". From 2022 to 2026, the percentage of recyclable materials used in renovated or new outlets will reach more than 60%.	<ul style="list-style-type: none"><li>As of the end of June 2023, the Bank completed the construction of 36 green outlets and put them into operation. During the design and construction of these outlets, green and low-carbon construction material were chosen and used, and the proportion of reusable and recyclable material was increased.</li><li>In the first half of 2023, the experience of green branch construction from the whole bank was summarised, compiled into the <i>Reference Code for the Construction of Green Outlets of CCB</i>, and distributed it to all branches for implementation.</li></ul>		



# 03

## SOCIAL

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# Human Capital Development

Human capital is considered as the core drive of sustainable and high-quality development of the company, the Bank extensively hires diverse talent, empowers the development of human resources, and establishes an employee training mechanism that is scientific and systematic and conforms to employees' strengths and job-specific characteristics. The Bank provides all employees with comprehensive benefits and care, actively improves channels through which employees give advice and get feedback, puts forth effort to create an equal, friendly and enterprising working atmosphere, and pursues common development with employees.



## Equal and Diverse Hiring

The Bank actively implements the employment-first strategic requirement, earnestly fulfils its social responsibilities as a large state-owned bank, and conducts open recruitment in accordance with laws and regulations. The Bank upholds the principles of openness, equality, competition, and merit-based selection in hiring, expands the scope of employment, and actively promotes equality in employment, prohibiting the setting of discriminatory conditions, for reasons such as gender, ethnicity, region, or religion. Over the past five years, the Bank has continuously expanded its hiring, providing diverse job opportunities to people from different regions, institutions, and professional areas. Meanwhile, the Bank has constantly optimised employment service and made positive contributions to stabilising employment expectations and facilitating employment.

The Bank continuously expands horizons during selection in public hiring, strengthens introduction of key specialised talents, and keeps optimising the employee profession structure to provide diverse personnel support for business transformation. In recent years, the Bank has constantly increased the introduction of talents with a science or engineering background, particularly for digitalisation personnel and green finance personnel. As a result, the proportion of science or engineering background new hires has increased steadily and the diversity in professional backgrounds of employees across the Bank has further improved. In the first half of 2023, to serve the rural revitalisation strategy, further expand services in lower-tier cities, enrich rural financial supply, and improve the accessibility of financial services in underserved regions, the Bank organised the "specialised hiring for rural revitalisation" in a unified manner. A total of 21 tier-one branches participated and more than 800 people were hired, providing strong human resources support for deepening and expanding business in counties and improving the accessibility of financial services.

The Bank strictly abides by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, and other relevant laws and regulations, performs labour contract management for all employees, keeps refining employment related rules and regulations, safeguards employees' legitimate labour rights and interests, and prevents all forms of child labour and forced labour.

## Talent Development Strategy

The Bank issued and strictly implemented the "14th Five-Year Plan" *Talent Development Plan of CCB* and carried out the specialised talent development strategy in key areas, such as financial technology, wealth management, risk compliance, digitalised operation, platform operation, green finance, rural revitalisation, and fund business. Measures were taken to improve key talent training through special campus recruitment, precise market-oriented talent introduction, and establishment of talent training bases. Meanwhile, the Bank paid close attention to the talent reserve and plans the number of personnel needed in key areas in a scientific manner.

The Bank applies digitalisation to human capital development and promotes intelligent, refined, and online management of human resources. The Bank built an online management platform covering the entire scope of the Bank's expert talent pool to collect accurate information about expert talents, stratify and classify them according to their different professional fields, and realise the online warehousing approval and daily management of expert talents, such as FinTech talents and three-level marketing support system talents. The establishment of expert retrieval indexes was based on business segments, allowing fine analysis and intelligent recommendation of the best expert talents for various business scenarios such as the three-level marketing support system.

21

Number of tier-one branches participated "specialised hiring for rural revitalisation"

over 800

Number of people hired during "specialised hiring for rural revitalisation"

The Bank continuously strengthens the building of specialised personnel teams. Efforts were made to build "three teams" of wealth management, investment research experts, wealth consultants and personal customer managers, refine the development of the "1+N" team that comprised of corporate customer manager, product manager, investment advisor and analyst, etc., and establish more than 10 professional talent pools, such as anti-money laundering, data analysis, investment banking, law, industry research, inclusive finance, wealth management investment research, and consumer protection. The Bank also strived to focus on high-end talents and talents in shortage to cultivate elite teams.

The Bank achieved international talent reserve and training by establishing and improving overseas talent pool. For foreign language talents, the Bank implemented a special training plan and increases campus recruitment efforts based on the demand for foreign language talents. Making full use of external training resources, the Bank collaborated with renowned universities, such as Peking University HSBC, Beijing Foreign Studies University, and Shanghai International Studies University, and conducted international talent training programmes for middle and senior management personnel, as well as overseas talent pool members, in a layered and classified manner. According to the actual situation, different training plans and professional courses were formulated, aiming at improving the comprehensive management and language application abilities of professional talents.

## Empowering Employee Growth

The Bank continuously optimises the employee career development and training system, establishes a broad development platform for employees and promotes the construction of the training system throughout the career development lifecycle of employees.

### Specific career development training programmes

The Bank puts forth effort to establish a training development system that covers all employees, integrates internal and external quality training resources, and upholds joint construction, sharing, and precise training. In preparing education and training programmes, the Bank gave full play to the functions of each business segment. The business segment defined key training content based on business development and talent team training needs and put forward accurate and feasible training programme requirements. The Bank carried out high-quality, classified, and hierarchical training in multiple forms via multiple channels according to job responsibilities and competency requirements. The Bank strengthened one-stop training tutoring for new hires to help New Finance talents integrate and grow. By digital means, the Bank made quality training resources available to employees at all levels across the whole bank, set diverse learning programs, and gradually increased training coverage. The Bank attached great importance to the development of personnel in technical positions, strengthening their business capability building and expanding their career development paths. The Bank helped employees establish the lifelong learning concept and improve their professional skills and qualities.

### Training for employees in management and professional technical positions

The Bank set up a dual career path of management positions and professional technical positions and defined the job system for each position. All employees could attain career development within or across career path. The Bank continuously optimised the staff promotion rules, highlighting the requirements on grass-root working experience and actual working results, focusing on competition and merit. The Bank integrated the administrative position sequence into the professional and technical position sequence to motivate employees to continuously strengthen their professional competence and keep growing and making progress.

The Bank set up a fully covered and hierarchical job level examination system for professional and technical positions to guide employees to continue to advance in their professional fields. In the first half of 2023, job level examination for professional and technical positions recorded an attendance of 151,800 people. The Bank reviewed applications for senior professional titles independently to play the crucial role of professional titles in evaluating the academic and technical competence of professional and technical personnel. The Bank made relevant arrangements for professional title evaluations for 2023. The Bank will organise economic, accounting, and engineering series senior professional title evaluations in the second half of the year.

### Training of international personnel

The Bank actively empowers training of international personnel and specialised personnel, constantly expands the international vision of employees across the whole bank. The Bank made full use of external training resources by developing cooperation with universities, including the Beijing Foreign Studies University and Shanghai International Studies University, to improve international professional education standard and value creation capability. The Bank provided "International Online Lectures" for all employees both domestic and abroad, which developed and shared topics on hot issues of global economy and finance and international cutting-edge trends. The Bank carried out the "Languages Build the World" bank-wide English learning activity in spring to build a bank-wide foreign language learning ecosystem. In addition, the Bank provided "Chartered Financial Analysts" (CFA) online learning resources on the "CCB Learning" platform. All employees who prepared for CFA exams are able to use the resources.

151,800

Number of people participated in the professional and technical position ranking exams in the first half of 2023



### Training for corporate client managers

To strengthen the building of the "1+N" team for corporate business, improve the professional skills and overall quality of corporate client managers, and promote high-quality development of corporate business, the Bank organised the learning competition for capability improvement of corporate client managers and encouraged other employees who were interested in corporate client services to participate in the competition.

### Training for personnel in primary-level outlets

The Bank puts forth effort to promote strategy implementation and service upgrading at outlets. The Bank established a special training system for outlet heads, outlet client managers and customer service managers to fully strengthen their capabilities, effectively empower outlet employees and reduce their burdens, and cover all employees in primary-level outlets.

- **Training programme for outlet heads.** Based on differentiated learning needs and organisational training requirements, the training programme divided the training group into newly appointed outlet heads, gold lecturers, and reserve personnel, focused on five core content, namely, primary-level party building, operation innovation, team management, outlet benefit creation, and employee management efficiency improvement, and organised and carried out training sessions, the gold lecturers' contest and series live streaming programmes. It also optimised the online learning zone and gradually built an all-round learning ecosystem for outlet heads.
- **Training programme for outlet client managers.** The training programme divided the training audiences into part-time lecturers and newly appointed client managers, optimised the training programme for part-time lecturers, and helped strengthen part-time lecturers' capabilities in experience extraction and course development. The Bank continuously strengthened the building of online course area and launched 10 scenario-based courses, 71 micro courses, 10 standard courseware, and 36 excellent cases in 2023 to help newly appointed client managers quickly update and improve their knowledge system.
- **Training programme for outlet customer service managers.** The training programmes helps outlet customer service managers better understand their job responsibilities, strengthen risk control capability and improve professional competencies by establishing five systems, namely, brand, course, operation, lecturers and assessment systems and by providing useful and thoughtful learning products. In the first half of 2023, the Bank developed 20 micro courses and 59 prep courses for professional & technical exams, and it conducted six in-person training sessions according to the training plan, covering a total of 360 outlet customer service managers.



### Development of training resources and platforms

- **Establishing the teaching product system.** The Bank developed a training management system covering learning products, production delivery system, and teaching operation, and created a full-chain support and guarantee system for education and training demand generation, resource response, and product supply, so as to enhance the level of professional education. An enterprise-level learning products pool was built to contain 410 learning programmes in total. The bank-wide library of textbooks was put under intensive management, with 191 textbooks in 91 sets in use. The establishment of full-time, part-time, and external lecturers "trinity" system constituted a faculty pool of more than 6,015 members.
- **Building the digital teaching platform.** The "CCB Learning" platform continues to improve its functions, enrich its learning resources, and build up its digitalised learning service capacity. The online training camp was launched to promote the transformation and upgrading of digital learning concept in all employees of the whole bank. Progress was made towards building a digital library to offer basic services as needed by e-learning. As of the end of June 2023, the accumulated visits of "CCB Learning" platform exceeded 1.219 billion and its DAUs accounted for 45.88% of all channels.

The figure below shows changes in accumulated visits to "CCB Learning" platform after its launch:



- **Providing external resource support.** The Bank actively coordinates the introduction of external resources and continuously improves the professionalisation and refinement of the training and teaching system. Combined with the professional knowledge and skills required by each business line, the Bank introduced external experts and lecturers in related fields, focusing on helping employees in corresponding positions understand cutting-edge industry trends and business knowledge and skills. The Bank cooperated with numerous educational institutions, jointly providing employees with professional targeted talent development programmes. The Bank supported employees to participate in key position talent training projects in cooperative universities by coordinating employees' working hours and providing fee subsidies, so as to strongly support employees to consolidate their professional knowledge base and clarify their career development paths.



⚙ Graduate development/internship programme

The Bank continuously strengthens the training system for young talents with great potential and develops diverse graduate training programmes to help them integrate into CCB culture and jointly paint their career development futures.

Graduate traineeship programme

Students from the partner universities of the Bank who obtained excellent Grade Point Average (GPA) could join the Bank's online talent programme after passing through screening and accept a five-month training session, which had a specific topic every month and helped students find self-development opportunities through seminars and online learning programmes.

"CCB Intern" internship programme

The Bank launched the "CCB Intern" summer internship programme for all students of all majors in domestic and overseas universities and implemented a special summer internship programme of financial technology, deepening the understanding of IT majors on the Bank's financial technology strength and financial technology positions, attracting and reserving high-potential talents in the field of financial technology.

At the same time, supporting activities, such as the "CCB star" selection and the "FinTech superstar" competition were carried out to give preferential policies for campus recruitment to students with excellent internship performance and to reserve excellent student sources in advance. Since 2019, the "CCB Intern" programme attracted nearly 40,000 college students, significantly improving the Bank's employer image and attractiveness in the job market.

nearly **40,000**  
Number of college students participating in the "CCB Intern" programme

"Your Future with CCB" new employee training mechanism

To strengthen new employee training and education, the Bank cultivated the "Your future with CCB" new employee training brand, with three main pillars of "on-boarding training + integration follow-up cultivation + management trainee development", to accompany the growth of employees.

New employee training programme

In terms of new employee training, the new employee on-boarding training invited relevant department heads from the Head Office and industry experts to conduct online training. The course content covered corporate culture, products and services, leadership building, mental health, etc., and included new employees of the Head Office, tier-one branches, institutions directly under or managed by the Head Office, and a number of domestic subsidiaries and overseas institutions, effectively ensuring the standardisation and consistency of new employee training of the Group.

New employee integration programme

The Bank pays attention to the growth of grass-roots young employees who are within the Bank for two to three years and conducts follow-up training for them to help them understand the business development of the Bank and find their career development directions. The programme screened two key positions, outlet client manager and counter teller. Following the guidelines of "what to do, how to do, what to learn, and how to learn", the programme systematically analysed the key tasks and competency criteria of each position, built learning roadmaps, and synchronously designed five learning models which were course training, on-the-job practice, reading and self-study, coaching, and conclusion and sharing, to help new employees quickly adapt to their positions and integrated into the Bank.

Management trainee programme

The Bank explored a "2+N" high-potential youth talent traineeship system, with "design thinking" as the methodology and "research topics" as the means to guide management trainees in establishing a problem-solving mind-set and innovation and breakthrough capabilities based on the user's perspective and build all-round composite talents. Furthermore, this system provided strong support for building the employer brand and reserving strategic talents for the steady development of the Bank.



⚙ Supporting employees in obtaining vocational certifications and academic degrees

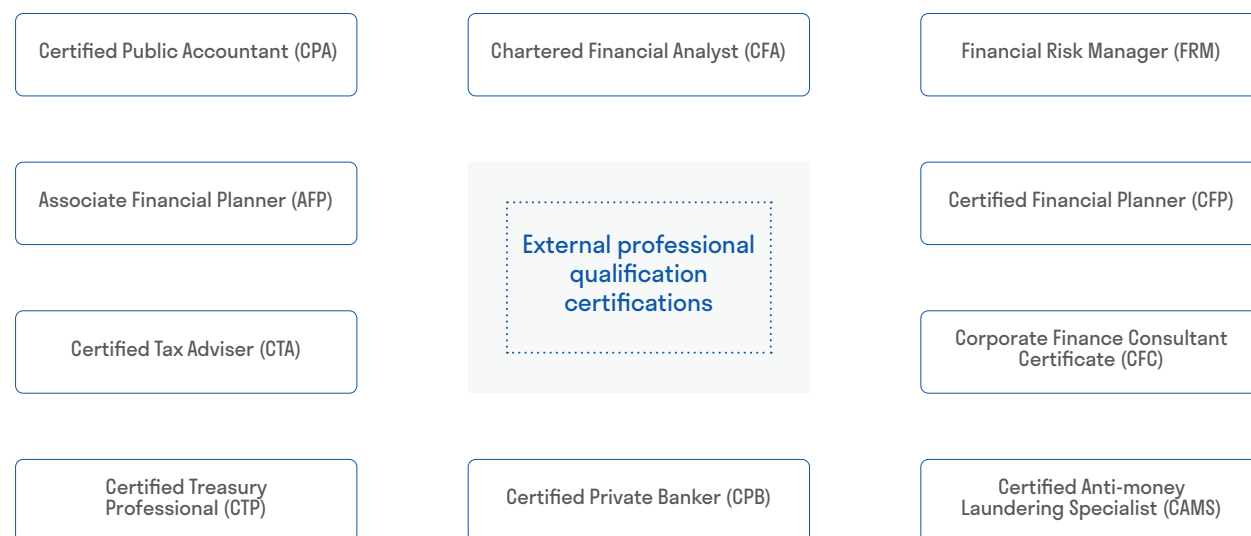
Attaching great importance to professional capability building of employees, the Bank provides all employees with comprehensive vocational certification support programmes and resources to obtain higher academic degrees. Meanwhile, the Bank continuously refines the internal qualification certification system and promotes the professional and technical position job exam to help employees improve their career level and professional competence.

Supporting employees obtaining external professional qualification certificates

In supporting employees obtaining external qualification certificates, the Bank provided training courses, expense subsidies, and other development resources to all employees. The Bank offered free preparatory resources for Chartered Financial Analyst (CFA) exams to all employees. The Bank organised and paid for employees to participate in the international anti-money laundering qualification certification every year, and currently, the number of certified trainees reached 2,117.

For professionals in related fields, such as client managers, wealth consultants, and compliance managers, those who participate in and pass professional qualification certifications, such as Certified Public Accountant (CPA), Chartered Financial Analyst (CFA), Financial Risk Manager (FRM), Associate Financial Planner (AFP), Certified Financial Planner (CFP), Certified Tax Adviser (CTA), Corporate Finance Consultant Certificate (CFC), Certified Treasury Professional (CTP), Certified





Private Banker (CPB), Certified Anti-money Laundering Specialist (CAMS), etc., will receive fee support. Under equal conditions, they can be given priority for professional and technical job positions.

The Bank vigorously supports employees enhancing their professional skills and carries out specialised certification training programmes in cooperation with domestic and overseas universities to help employees obtain relevant certificates. In 2023, the Bank continued to collaborate with the University of Hong Kong to host the "Certified Data Analyst training programme," aimed at developing young business elites engaged in data analysis related work. Trainees who passed the project assessment were awarded professional certificates accredited by the Hong Kong Accreditation Bureau.

#### Launching academic degree programmes for employees

The Bank and The Hong Kong University of Science and Technology (HKUST) created the "financial technology talent professional master's programme", which provided employees of the Bank with a one-year full-time further learning opportunity. Meanwhile, the two parties built a joint research centre for financial technology and provided a complete curriculum system for employees based on the existing curriculum of the HKUST financial technology master's programme.

#### Establishing an internal qualification certification system

The Bank independently developed and established a wealth management professional talent certification and training system and built qualification certification systematic courses and online learning areas by leveraging the "CCB Learning" platform. As of June 2023, the Bank cumulatively trained and certified 109,000 "China Construction Bank financial planner (CUFP)" professionals. The Bank also launched a qualification certification system for outlet client service managers and independently developed initial, intermediate, and advanced outlet client service manager qualification certification courses and organised online learning. In 2023, the Bank launched the first batch of outlet manager qualification certification, with more than 52,000 applicants.

# 109,000

Number of "China Construction Bank financial planner (CUFP)" professionals trained and certified

#### Establishing an internal ranking exam system for professional technical positions

The Bank established an internal learning and exam system that covered all employees, so that "learning, doing, and competition" became the main way for professional talents' promotion. The job level examination system covered more than 30 job series and basically realised a full coverage of business lines, equipped with 56 review reference textbooks and organising expert pre-exam tutoring live broadcasts, integrating 548 learning reference textbooks and various reference materials. The cumulative number of learners in the online learning area exceeded 3.38 million. In the first half of 2023, the Bank organised professional technical position ranking exams at the Head Office, branches, domestic and overseas institutions, and parent company and subsidiaries with a total of 151,800 involved employees, which covered the whole Group for the first time.

#### Leadership development training

The Bank establishes and constantly refines the leadership training mechanism for employees at all levels, sets the position succession plan for key positions, and increases leadership training resource support to broadly strengthen employees' management capability and further enhances reserve of management personnel of all levels.

#### Key position succession system

The Bank smooths the career development channel of employees, establishes a concise and clear job system, and strictly implements succession plans for managers at all levels. Respecting young employees, the Bank adopted a whole chain mechanism for the selection, training, and management of young managers, clarified the goal of normal proportion of young managers at all levels of management, built a special training platform for outstanding young managers, and selected outstanding young employees who were in the industry for 3 to 5 years to establish a pool of new seedlings and talents, so as to achieve early detection, early tracking, and early training. Attaching great importance to top-level design and systematic planning, the Bank strengthened the building of senior management teams at all levels and accelerated the discovery, cultivation, and selection of excellent young talents.

#### Core courses system for leadership training

The Bank continuously develops the core courses system for leadership training and implements the managerial capability improvement plan to strengthen the management functions of management personnel. The Bank built modular training systems based on the functional requirements of each management level. Regarding management difficulties that were often encountered by management personnel, effective management approaches, upward and downward communication skills, etc., the Bank provided capability training in resource allocation, conflict management, staff motivation, time management, etc. by offering various types of courses, to reduce management dilemmas faced by management personnel and help them improve management quality. Meanwhile, the Bank adopted the dual-track parallel mechanism that combined the "leadership management function" and "business management function" and offered specific training for management personnel based on their management levels.

#### Leadership training platform and resources

The Bank offers online and off-line training courses for all types of employees. In the first half of 2023, the Bank kept refining the core courses for leadership training, met the training needs of leadership at all levels, continued to advance the capability improvement programme for divisional-level cadres at tier-one branches, set up the special online learning zone for leadership improvement of divisional-level cadres, and offered a wide range of learning resources including leadership, economic trends, team management, innovative thinking, humanistic care, etc. The online learning zone had more than 83,000 visits. The Bank launched the leadership channel on "CCB Learning", making quality leadership learning resources available to employees.

#### Carrying out joint development programmes with educational institutions

The Bank continuously strengthens cooperation with educational institutions, actively carries out joint development programmes, and provides employees with a rich diversity of cooperation and exchange opportunities, in an effort to cultivate high-quality, high-level financial talent and optimise the professional talent echelon building.

#### Carrying out joint development programmes with universities

The Bank actively collaborates with domestic and foreign universities to develop joint development programmes to promote the training of employees for key positions. In cooperation with Xi'an Jiaotong University, the Bank created a two-year auxiliary training programme called the "CCB financial technology elite class" to cultivate composite talents with emerging cutting-edge technology vision and first-class financial professional foundation. The "CCB financial technology elite class" was open to undergraduate, graduate, and doctoral students majoring in science and engineering at Xi'an Jiaotong University. After completing the programme, students could obtain bachelor's degrees in economics and relevant certificates. Besides, the Bank advanced the master of FinTech programme with HKUST and carried out the "CCB - SCUT FinTech Elite Class" and "CCB - SCNU FinTech Class" training programmes with South China University of Technology and South China Normal University, to strengthen training of specialised personnel and actively empower the society.



### Initiating Certified FinTech (CFT) certification training

The Bank, together with the China Banking Association, HKUST, and Shenzhen University, jointly initiated the CFT certification training to promote CFT to become a new profession in China and get included into the *Occupational Classification Dictionary of the People's Republic of China* of the Ministry of Human Resources and Social Security. Additionally, the Bank innovatively launched a pilot project for a new professional qualification certification training programme that integrated "internationalisation, new professions, professional capabilities", in collaboration with the Tsinghua University PBC School of Finance and the China Banking Association. The trainees could receive the CFC dual qualification certificates of the China Banking Association and International Capital Market Association.

### Industry-Education Integration Alliance for New Financial Talents

As a member of the Industry-Education Integration Alliance for New Financial Talents, the Bank orderly pushes forward its work to extend its service reach. As of the end of the first half of 2023, the alliance had 75 member units and six overseas observer units. In the operation of the alliance, participants jointly explored new ways to integrate new finance talent training with national strategies, improved the bank-university collaboration to strengthen the professional discipline and talent cultivation, and opened up more talent training channels. Platforms such as colleges and training bases that aligned classroom education with industrial needs were built with joint efforts to gather more technical and application-oriented talents.

### ESG thematic learning activities

In order to further cultivate a green culture, popularise ESG concepts throughout the Bank, and enhance employees' understanding and awareness of ESG work, the Bank has launched ESG learning activities for all employees of the Group. Relying on CCB's learning platform to build ESG thematic channels, introduce diversified ESG learning resources, including: the 17 United Nations Sustainable Development Goals and ESG science popularisation knowledge, CCB's ESG work overview and characteristic practices, commercial banks' ESG management and industry best practices, organise all employees to learn through course study, project research, seminars and exchanges, etc., to create a strong atmosphere for learning and practicing ESG in the whole bank. The learning activity was carried out in the whole bank from March to June 2023, during which more than 900,000 visits to ESG online channels and more than 400,000 ESG courses were learned.

### Non-salary benefits and work/life balance

The Bank has always adhered to the concept of "people-oriented", attaching importance to protecting employees' rights, caring for employees, establishing a non-salary benefits system covering all employees, and committing to building a good corporate atmosphere of equality, solidarity, and mutual progress.

### Ensuring rest and vacation rights

All employees of the Bank signed labour contracts in accordance with laws and regulations and are strictly subject to labour management according to the labour contracts, effectively safeguarding the legitimate labour rights and interests of all employees. The Bank fully ensured all employees' rest and vacation rights. The Bank provided various types of paid leave, including annual leave, home leave, marriage leave, bereavement leave, maternity leave, nursing leave, sick leave, work-related injury leave, personal leave, public holiday leave, etc. The Bank optimised and adjusted relevant policies, such as extending maternity leave, paternity leave for male employees, and spousal child-rearing leave, in accordance with local policies and regulations.

75

Number of member units of the Industry-Education Integration Alliance for New Financial Talents

over 400,000

Number of people participated in ESG courses learning

### Providing employee insurance and supplementary medical insurance

The Bank strictly implemented national social insurances, housing provident fund policies and financial management requirements. The Bank paid in full and on time its contributions to all employees' five kinds of social insurances, including basic endowment insurance, basic medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance, and fully pays the housing provident fund. The Bank also established an enterprise annuity plan and a supplementary medical insurance plan according to relevant regulations to ensure employees' benefits. The enterprise annuity plan entrusts external institutions for investment operations and periodically conducted a performance evaluation for fund allocation, so as to better preserve and increase value and ensure benefits of in-service employees after their retirement.

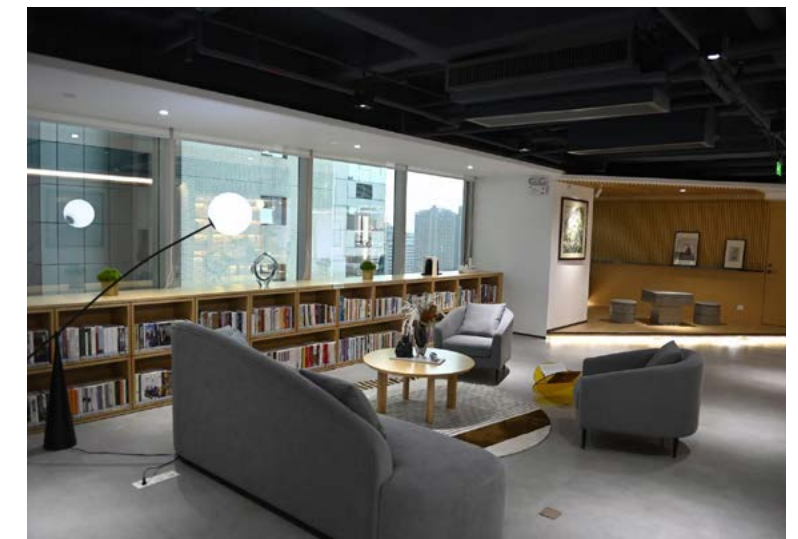
The supplementary medical insurance plan mainly included commercial group medical insurance, which covered outpatient, emergency treatment, inpatient treatment, major diseases, death, accidents, and other aspects, and aimed to establish a normal growth mechanism of supplementary medical costs that matches medical expenses and financial affordability. In addition to social insurances and supplementary medical insurance, the Bank set up a health insurance group-buying platform, which introduced top insurance companies by market competitiveness and offered highly cost-effective health insurance products for employees to choose voluntarily at their own expense, building a complete all-round, multi-channel medical security system for employees.

### Caring for employees' physical and mental health

The Bank attaches great importance to employees' physical health and urges them to have health check-ups regularly. The Bank provided health check-up benefits for all employees (including labour workers) every year and paid heatstroke prevention subsidy to all employees (including labour workers) every summer, so as to improve their summer working and living conditions, ensure physical comfort and health and provide cost support. Attaching great importance to mental health management of employees, the Bank conducted questionnaire surveys to fully learn about employees' physical and mental health and care needs. Meanwhile, the Bank offered seminars on mental health, covering topics such as positive attitude, stress management, intimacy, investment psychology, etc. to continuously ensure employees' mental health. In the first half of 2023, with the support of professional institutions, the Bank trained 53 mental health liaisons for the Head Office with 169 person-time psychological counselling provided.

### Deepening care for female employees

The Bank continuously pays attention to female employees' benefits, constantly deepens special care for female employees, and actively solves the problems of equal employment, salary distribution, rest and vacation, education and training, growth and talents, "protection during menstrual, pregnancy, perinatal, and lactation periods", maternity insurance, gynaecological physical examination, and other issues that female employees are generally concerned about. The Bank contacted social security institutions to provide childbirth allowance application service for female employees and carried out the joint construction of the female employee care room to create a female employee care harbour for breastfeeding, stress reduction, learning, and communication. Over the past five years, the number of "care rooms for female employees" of the Bank increased from 1,129 to 3,890.



### Refining the employee aid system

The Bank formulated and launched the "One Heart Plan", a comprehensive health protection plan for employees, promoting all employees to achieve dual protection for serious illness and death, effectively playing the role of "backup" protection, and avoiding employees from "returning to poverty due to illness". The Bank established the "three-level mutual aid" mechanism for the Head Office, tier-one branches, and tier-two branches (sub-branches). The mechanism followed the principles of "local assistance and level-by-level initiation", provided assistance to employees living in difficulties due to serious illnesses or force majeure factors, such as disasters or accidents, and put forth effort to address employees' urgent and special difficulties, creating a corporate culture of compassion and mutual assistance in adversity.



### ⚙ Normalised care activities on festivals

The Bank carries out holiday visits and daily caring for employees in distress, making overall arrangements for caring funds based on considerations of the number of employees in difficulty, per capita union funds, etc. In 2023, during the Spring Festival and the New Year's Day, the Bank raised more than RMB52 million in care, visited 9,708 institutions and outlets, sent cares more than 67,000 times to employees who were in distress or dispatched out of town. Living and medical assistance were provided to employees in need.

9,708

Number of institutions and outlets visited

over 67,000

Times of sending cares to employees

### ⚙ Carrying out diverse cultural and sports activities

The Bank actively carries out diverse cultural and sports activities, supports building of cultural and sports facilities, and encourages employees to cultivate hobbies after work. Branches built workers' homes and workers' corners in grassroots outlets, particularly outlets in former revolutionary base areas, areas inhabited by minority nationalities, remote and border areas, and poverty-stricken areas. The number of completed workers' homes and workers' corners reached 11,314.

Labour unions at all levels organise popular cultural and sports activities that employees like in various forms based on employees' interests and actual needs, including calligraphy and paintings, floriculture, dance, yoga, and ball games. The Bank opened cultural learning resources to all employees, gave "seeing action and seeing beauty" aesthetic improvement series lectures, and offered courses on philosophy, history, economic management, etc. to enrich employees' leisure life.

In the first half of 2023, the Bank held the "rose fragrance and joyful reading" reading activity among all female employees, encouraging female employees to record their reading achievements and thoughts using text and voice during reading, and guiding female employees to increase cultural deposits, cultivate the learning spirit, firmly maintain their ideals and faiths, and write a wonderful life through reading.



### 📄 Case | Holding a variety of activities for employees' physical and mental health

Paying great attention to employees' physical health, Macao Branch held health lectures with the Macao Health Bureau and local health institutions to share causes of common job-related pains and enhance employees' health awareness. Macao Branch also organised physical health assessments, sports that help to prevent pains, etc. among employees. Employees of Macao Branch actively signed up for the health education and sharing lectures. More than 30 employees participated in one-on-one physical health assessments, through which they further understood and improved their physical conditions to achieve work-life balance.

Macao Branch actively promoted physical and mental health of employees, by organising employees to participate in cultural and sports activities including bowling, badminton, dancing, yoga classes, and employees' annual meeting. In the first half of 2023, Macao Branch organised more than 20 ball games and more than 60 yoga and dancing events. Besides, employees of Macao Branch made earnest efforts to promote public good. Every year, Macao Branch held employee blood donation activities to enhance employees' sense of belonging and recognition of cultural identity. In 2023, Macao Branch organised the blood donation activity for the fifth year. With more than 33% of employees participating, the Branch carried forward the spirit of helping others with solid actions.



### Employee stock ownership plan

In July 2007, the Bank implemented the first phase of the employee stock ownership plan. For details, please refer to the announcement published by the Bank on 6 July 2007. The Bank's AGM reviewed and approved the *Proposal to Revise the Articles of Association of China Construction Bank Corporation* ("Articles of Association"), to include stock repurchase, equity incentive, employee stock ownership, etc. into relevant articles of the *Articles of Association*. Article 74 provides that the AGM is responsible for reviewing equity incentive plans and employee stock ownership plans, and Article 131 specifies that the Board is responsible for formulating equity incentive plans and employee stock ownership plans. The revised *Articles of Association* will take effect after being approved by the National Administration of Financial Regulation.



Implementing democratic communication

The Bank constantly refines democratic communication mechanisms and channels, maintains continuous communication and feedback with employees, knows employees' requirements in depth, and safeguards employees' legitimate rights and interests, committing to creating a democratic, equal, and open enterprise atmosphere.

Regular performance appraisals and feedback processes

The Bank established a performance management system and performance management rules and regulations, covering all employees. The regulations encompass practical and achievable management requirements in terms of assessment methods, assessment processes and feedback on assessment results, aiming to unify the performance assessment. The Bank built a regular assessment mechanism. The employee assessment methods mainly included quarterly assessment and annual assessment. The annual assessment was based on quarterly assessments with consideration given to both short-term and long-term assessments. In the first half of 2023, The Bank's performance assessment covered all in-service employees.

The Bank established specific employee performance management rules and regulations, clarifying the management requirements for all employees' assessment methods, assessment processes, assessment result feedback, etc., and unifying the performance appraisal orientation. After extensive solicitation of employees' opinions and suggestions and performing democratic procedures, such as employee representatives' meeting or general staff meeting, organisations at all levels formulated assessment measures and released them to all employees and made sure that employees understood assessment content and relevant requirements, to achieve fairness, justice, openness, and transparency. The assessment process primarily consisted of the following four stages:

Performance plan formulation	Following the process of decomposing organisational goals, assigning objectives by immediate supervisors or authorised assessment departments, employees drafting initial proposals, conducting performance plan discussions, and receiving confirmation from immediate supervisors, the Bank developed performance goal task assignments.
Performance plan implementation and coaching	This included conducting performance interviews and providing written guidance to employees.
Performance appraisal and feedback	The assessment content mainly included fulfilment of job tasks and quarterly objectives, duty performance and attendance, moral and professional capabilities, work attitude, integrity and self-discipline, etc. The procedures for determining assessment results included self-assessment, assessment by the immediate superior or authorised evaluator, confirmation of assessment grade by the performance assessment meeting, result feedback, and improvement measures. After the employee learning the assessment results, the Bank obtained feedback from employees on the evaluation results through conversation meetings, written opinions, etc.
Application and improvement of assessment results	The annual assessment results of employees were used as an important basis for promotion, salary increase, position adjustment, and education and training. According to the assessment results, the Bank provided employees with suggestions on improving their performance, communicated with employees about improvement methods, continuously followed up their progress, and actively helped solve objective problems they encountered and proposed.

Reporting of employee opinions and grievances

The Bank highly values employee voice and actively engages in diverse ways of soliciting employee opinions. A multi-channel feedback mechanism that reached employees at all levels was established. These channels included staff representative meetings, the voice of experience (VOX) platform, and the "Love-Home Harbour" suggestion column. Additionally, the Bank utilised official websites, internal announcements, email communications, and internal communication tools to ensure that employees are aware of the feedback channels and opportunities for communication.

Employees were able to submit opinions anonymously and strict regulations were in place to govern the authorisation and access to employees' personal information and feedback. The Bank diligently adhered to information confidentiality requirements throughout the feedback handling process and strictly controls data retention time to ensure the security of employees' personal information. The Bank placed great attention to employee feedback regarding labour rights and development opportunities, including opinions and suggestions on career development, labour relations, remuneration and benefits, labour safety, rest and leave, skill training, etc. The Bank supports employees in expressing their opinions and suggestions via email, internal communication tools, employees' communities, mailbox, etc. The departments responsible for the feedback channels, such as labour unions and human resources department, periodically handled and reflected employees' opinions and suggestions, fostering a continuous flow of communication and optimising and refining the interactive feedback mechanism.

**Employee representatives' meeting:** The Bank established a corporate democratic management system with the employee representatives' meeting as its basic form. The Bank explored and innovated in democratic management models that conform to the grassroots characteristics, constantly refined the policies and regulations on proposal collection and processing, employee representatives visiting grassroots units, conducted inspections by employee representatives, and continuously optimised mechanisms for soliciting opinions and expressing claims. The employee representatives' meeting and the "employee representatives visiting grassroots" activities were conducted periodically by the Bank to listen to employees' opinions and handle feedback, aiming to foster a harmonious labour relationship between the Bank and employees, promoting a mutually beneficial development.

**Voice of experience (VOX):** The Bank independently developed the VOX community, which provided a convenient and effective channel for employees to participate in the Bank's management from the bottom up and earnestly listened to employees' voices. All outlet employees were encouraged to express themselves in the community, anonymously or with real names, to report grievances. The opinions presented were analysed and further detailed by the backend support team. The Bank fully respected the privacy of employees, and the information of employees who chose to use their real names was visible only within the community. This information was not disclosed outside the community without the consent of the employees themselves, ensuring the security of employees' personal information.

The Bank strengthened the closed-loop management mechanism of "collect-sort-solve-tracking-feedback" of the VOX community. The Channel and Operation Management Department of the Head Office is responsible for taking the lead in handling related matters. After the opinion was analysed and categorised, different types of issues were forwarded to the relevant departments for research and analysis. Progress in resolving these issues was continuously tracked and supervised. After the experienced problems were solved, prompt feedback on the handling results was provided to employees, and when necessary, further evaluation from users was sought. Additionally, a cross-department green channel was established to enhance the efficiency of issue resolution, effectively improving the work experience of employee users. Since its launch in June 2020 to the end of the first half of 2023, through the VOX community, the Bank collected a total of 3,274 work experience-related issues raised by employees, and 96% of user feedback has been addressed and resolved or being dealt with.

**"Love-Home Harbour" advice column:** "Love-Home Harbour" is one of the platforms for employees across the Bank to participate in democratic management and contribute ideas on the Bank's development in all respects. It is also an essential channel for the Bank to follow employees' needs and provide care for employees' development. Employees are able to share opinions and express their demands through the OA system or the website login platform. The platform's designated personnel collected and organised the feedback and put forward it to relevant departments for collaboration. Additionally, the process was supervised by dedicated individuals to ensure that all employee opinions were received timely and effectively, so as to complete the "last mile" for soliciting feedback from the Bank's vast employee base.

Case | "Love-Home Harbour" helps new employees solve "housing difficulties"

Unaffordable housing and high rents were common problems faced by new employees. After receiving an employee's request on "Love-Home Harbour", Anhui Branch promptly handled and responded the issue. It immediately organised relevant departments including its labour union and human resource department to develop solutions to the housing difficulties faced by new employees relocating from other regions. The Bank issued the *Notice on Implementing the Accommodation Policy for New Employees* and formulated three caring measures, including renovating idle properties into dormitories for new employees, providing rental services through CCB Housing with favourable rental benefits, and offering housing subsidy to new employees. These measures fundamentally solved the housing difficulties faced by new employees and effectively enhanced new employees' sense of belonging to the Bank.



## Employee satisfaction survey

To listen to the voices of employees, the Bank conducted regular employee satisfaction surveys across all positions and all employee types each year. These surveys were conducted at multiple levels, covering various dimensions, formats, and topics. This approach created an internal communication and interaction platform with employees, allowing for timely analysis and summary of the survey results. The findings were then reported to the management as decision-making references. Based on the areas of concern highlighted by employees, the Bank researched and formulated supportive policies and measures, aiming to continuously enhance employee satisfaction levels.

### Employee satisfaction survey for all employees

The Bank regards employees as the most valuable asset of the whole bank, regards listening to employees' voices, understanding employees' demands, and solving employees' problems as important content of employee management services, and establishes a regular survey mechanism for employee satisfaction. In the June 2023 survey, the Bank issued questionnaires on issues of general concern to employees, such as career development, training and cultivation, remuneration and benefits, strategic identity, corporate culture, direct superiors, and working environment, and collected more than 220,000 valid questionnaires.

The Bank is committed to providing reference for employee management service decision-making through the analysis of employee satisfaction survey results of the Bank, and continuously improving the professional experience of employees. In June 2023, the Bank conducted a quantitative analysis with more than 220,000 valid questionnaires recovered, and the results showed that the satisfaction rate of all employees of the Bank reached 95.33%, of which the satisfaction rate in training and cultivation, strategic identity, corporate culture, working environment and other aspects exceeded 95%.

In the next step, the Bank will further analyse the employee satisfaction data, carefully sort out the opinions and suggestions put forward by employees, improve human resource management services in a targeted manner, and establish and continuously improve the closed-loop management mechanism of collecting, analysing and solving problems.

over **220,000**

Valid questionnaires recovered



Satisfaction rate of all employees of the Bank



Satisfaction rate in training and cultivation, strategic identity, corporate culture, working environment and other aspects

### Employee satisfaction survey for outlet employees

Every year, the Bank conducted two employee satisfaction surveys for outlet employees, one in the middle and another one at the end of the year, to follow up on the implementation of the measures concerning the rights and interests of outlet employees. The survey covered salary allocation, benefits, career development, training, etc.

In July 2022, the Bank conducted a survey among employees from selected business outlets and retrieved 15,955 questionnaires. The average satisfaction score was 4.40 out of 5.00, an improvement of 0.07 compared to the end of 2021. In December 2022, a survey was conducted among employees from all outlets. A total of 135,138 questionnaires were collected with an average satisfaction score of 4.48 out of 5.00, an improvement of 0.15 compared to the December 2021, and achieved continuous improvement in satisfaction.

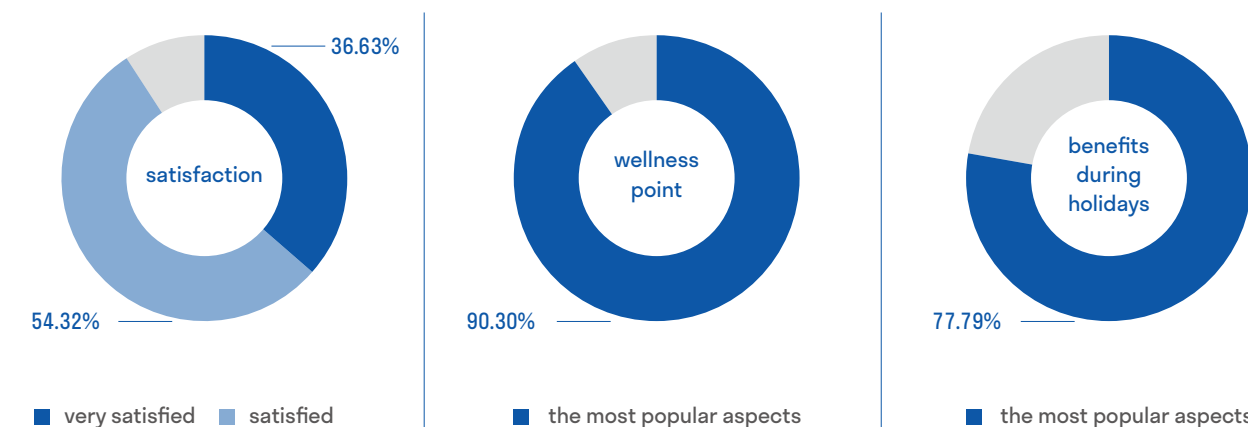


The Bank promptly summarised and analysed the results of the satisfaction surveys, solicited opinions and suggestions from grassroots employees across the Bank for caring about their work in 2023, and focused on reflecting issues, such as the need for continuous optimisation of incentive policies, relief of work pressure, and continuous strengthening of employee training and development. The Bank researched and formulated the implementation plan for the 2023 grassroots employee care project, constantly upgraded and enriched work measures, promoted a salary distribution plan favouring the front line, optimised the career development path for grassroots employees, continuously streamlined administrative work at the outlet level, improved the outlet position training system, etc., to continuously improve the level of satisfaction among grassroots employees.

### Specialised satisfaction surveys

Regarding employees' major concerns and key topics on management improvement, including mental trends, leadership satisfaction, union satisfaction, and logistics satisfaction, the Bank periodically conducted specialised satisfaction surveys among different types of employees, such as young employees and frontline employees, studied and analysed changes in scores, and put forward suggestions on subsequent work as decision-making reference for the senior management.

In March 2023, the Head Office continued and conducted a satisfaction survey on employees' psychological well-being and performed quantitative analysis of the survey results, where 36.63% of the respondents expressed "very satisfied" with their current life status and 54.32% were "satisfied". In terms of the form of employee care, "wellness points" and "benefits during holidays" were the most popular aspects, accounting for 90.30% and 77.79%, respectively. Other forms of care, such as conducting condolences, offering major disease diagnosis and treatment appointment services, promoting a harmonious organisational culture, and assisting employees in overcoming life difficulties, were also well-received. These findings serve as essential references for enhancing the employee care initiatives.



### Selection and publicity for excellent measures for employee care

To further strengthen communication and promotion of experiences in employee care, and facilitate the culture building of people foremost and helping others, in 2022, the Bank organised a bank-wide selection of "The Most Popular Employee Care Practices and Measures". The selection was carried out following the procedures of recommendation by organisations at all levels, preliminary review by the Head Office, voting by the whole bank, and final review by the Head Office. A total of 114 tier-one institutions participated in voting offline and nearly 150,000 employees voted with their real names online. "The Most Popular Employee Care Practices and Measures" from 30 items under 5 categories, including comprehensive mechanism, mental care, empowerment and burden alleviation, employee growth and support, were selected.

During the selection process, more than five thousand messages were received from employees, expressing their appreciation for the employee care efforts and the selection activity. They positively acknowledged the series of employee care measures introduced conducted by the Head Office and branches and provided suggestions and expectations for further optimisation. The selection served as a summary and review of the employee care work carried out in the whole bank in recent years. It aimed to consolidate the achievements of the "Bring Tangible Benefits to the People" campaign, served as a communication bridge between management and employees at all levels, and effectively listened to the voices of employees. The results of this selection provided essential reference for the continuously deepening improvement of employee care initiatives within the bank.



# Consumer Protection

The Bank continuously advances the implementation of the *Consumer Protection Work Plan (2023-2025)* based on regulatory requirements and the work realities of the Bank. The development vision is to "demonstrate social responsibilities, improve management systems, and create industry benchmarks for financial consumer protection". The plan embraces two missions of "being a guardian of the people's interests" and "being an escort of the operation and management", centres around the three main axes of "refining the top-level design system for consumer protection, laying down consumer protection management specifications for key areas, and strengthening proactive management and monitoring throughout the process", and adheres to four principles of "customer first, integration and collaboration, being problem-oriented, and being innovation-driven". The Bank aims to achieve new breakthroughs in five areas: "understanding, mechanisms and regulations, business integration, empowerment through technology, and talent teams". The Bank will make all efforts to establish a proactive, standardised, and intelligent consumer protection system that covers all levels, all employees, and the full process, building core competitiveness in services with strong and effective consumer rights protection. The Bank seeks to lead the industry in consumer protection management and external evaluations, foster a symbiotic and mutually beneficial relationship with the customers, further clarify the overall thinking and phased tasks of consumer protection work across the Bank, and draw up a blueprint for the advancement of consumer protection in the coming stage.

The Bank established a comprehensive consumer rights protection supervision mechanism and issued the *Consumer Rights Protection Audit Management Measures*. The Audit Department was required to organise professional audit teams and audit institutions to conduct consumer protection audits annually, supervise the implementation of consumer protection work of the Bank, and report the audit results to the related party transaction, social responsibility and consumer protection committee of the Board.

## Trainings on the Protection of Consumers' Financial Rights and Interests

### Requirements

The Bank attaches great importance to enhancing employees' consumer protection awareness and puts consumer protection training as an important item in the compliance inspection of the consumer protection business and consumer protection evaluation. The Bank formulated the *Management Measures for Consumer Protection Education and Publicity* and distributed it to all institutions of the Bank, clarifying the implementation standards and execution specifications of the trainings on protection of consumers' financial rights and interests. In the first half of 2023, the Bank distributed the 2023 work plan for education and publicity on consumer protection across the Bank with focuses on improving the quality and efficiency of consumer protection work throughout the full business operation process.

### Trainees

The Bank's consumer protection trainings cover the middle and senior management staff, business personnel at outlets, and new employees. All relevant employees who would have direct contact with customers are required to receive at least one consumer protection training programme for each year. For outbound call related personnel of the Bank, the Bank conducts training on various themes including interpretation of consumer protection policies, risk control, and consumer rights protection, in an effort to enhance the consumer protection awareness of outbound call related personnel of the Bank.

### Training Methods and Content

The Bank formulates consumer protection training plans of different forms and content based on the realities of employees' positions and job ranks. The training forms included consumer protection special training, embedded training in business lines, daily trainings in outlets, and online training in CCB Learning Centre. The training content involve code of conduct of fair marketing, personal information privacy protection and data security, debt collection, customer complaint management, consumer protection review, etc.

### Public Class on Consumer Protection Knowledge

The Bank set up a public class on consumer protection knowledge through CCB Learning platform and created the "standard + characteristic" education and publicity content library to help employees build a complete consumer protection knowledge system. The Bank has held the "Colourful Consumer Protection, Intelligent Classroom" themed course-making contest for three consecutive years and released consumer protection theme high-quality courses, with a total of more than 4 million views.

Over **4** million

Number of views for "Colourful Consumer Protection, Intelligent Classroom" themed courses

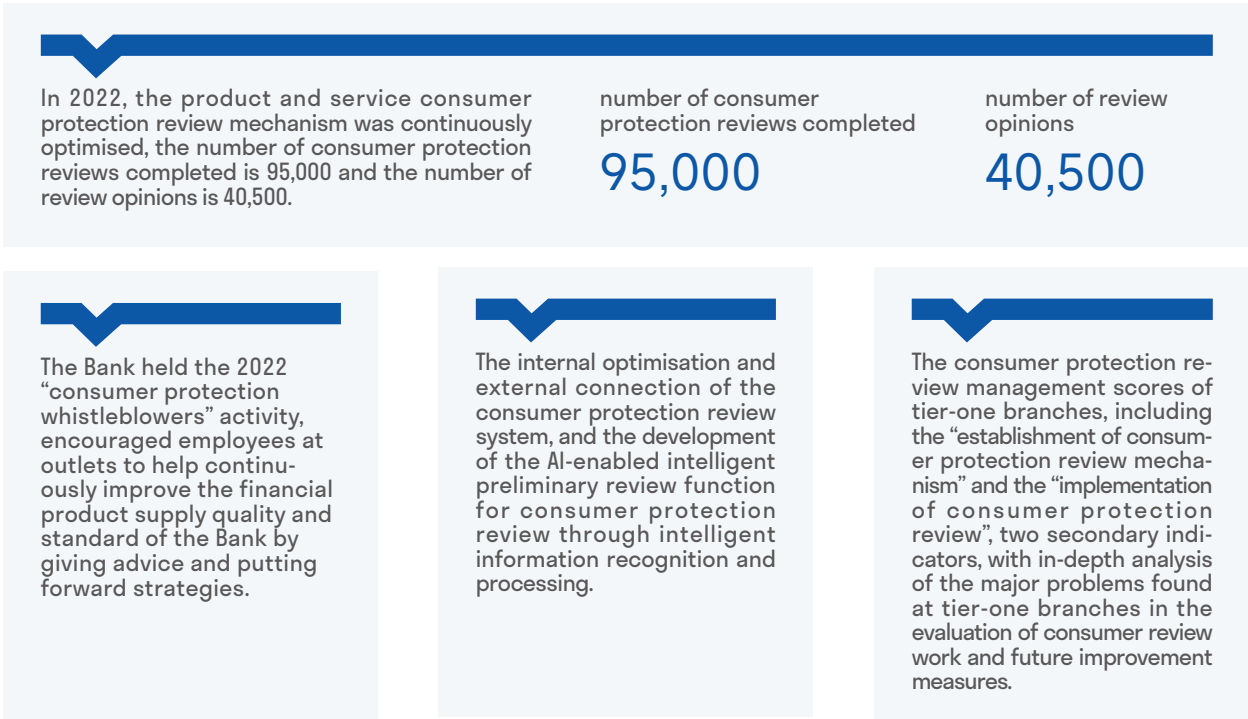
### Product and Service Review

The Bank is committed to building a well-functioning product and service review mechanism. The Bank protects the customers' rights and interests by establishing the review governance structure that consists of the Board and the management, formulating relevant policies and regulations, conducting risk assessments and reviews of products, and strictly regulating the review requirements of products before their launch.

### The Board and its special committees

The Board of the Bank is responsible for reviewing and determining product innovation and development strategies and corresponding risk management policies, overseeing the execution of relevant strategies and policies. The related party transaction, social responsibility and consumer protection committee of the Board oversees and guides consumer protection review related work of the products and services and pays continuous attention to consumer protection related risks. The risk management committee of the Board is responsible for overseeing the review of product and service innovation related work, focusing on the risk control in product and service innovation.

In the first half of 2023, the related party transaction, social responsibility and consumer protection committee of the Board performed its duty of overseeing product and service review, listened to the *Report on the Implementation of Consumer Rights Protection in 2022 and Work Scenarios for 2023*, and the *Report on the Internal Evaluation of Consumer Protection Work in 2022*, and focused on the following areas and put forward specified work requirements:



In the first half of 2023, the risk management committee of the Board listened to and discussed the *Report on Product Innovation Management in 2022* and gained a comprehensive understanding of the Bank's fulfilment of product innovation tasks, major product innovation management measures, and product innovation risk control in 2022.



Management

The Bank continuously improves the digitalisation and professionalism levels of consumer protection review. A digital consumer protection review system was developed and launched, covering all branches of the Bank. The Bank has established a consumer protection review control mechanism, embedding a system control of consumer protection review at the front end of the system in regulations, marketing, and other business systems to ensure a thorough review. A coordination mechanism of the consumer protection review system and business systems were developed to support business systems in initiating consumer protection review applications, accelerating the integration of consumer protection work and business operations. The Bank focused on the whole process of design and development, pricing management, agreement formulation, marketing, and publicity for products and services, and implemented the management requirements for the consumer protection process for products and services provided to financial consumers. In the first half of 2023, the Bank completed 84,100 consumer protection reviews, the number of review opinions is 36,100.

To prevent potential risks in new products and services, the product R&D departments of the Bank established strict approval procedures for the risk assessment and review of new products before their launch. Relevant departments, such as risk, compliance, consumer protection, and law are responsible for reviewing whether the products meet the requirements for launch, preventing those new products which has failed to pass the review from being released to the market, and ensuring that the new products meet industry regulatory requirements and internal regulations and standards of the Bank.

Loan Contracts Modification

The consumer protection committee of the management of the Bank is responsible for supervising the modification of loan contracts and reviewing the execution of the relevant policies on modification of loan contracts. The Bank formulated the *Key Points of the Policy on Modification of Loan Contracts of China Construction Bank*, specifying the application conditions and modification options and the access for loan contract modification.

Applicable conditions

The Bank takes into full account the impact of objective factors, such as extreme weather, business conditions, and physical conditions, as well as the effect of subjective factors such as financial changes on customers' loan repayment, and allows customers to, based on consensus, alter the loan term, instalment amount, repayment method, guarantee, entrusted payment account, etc.

Modification content

Based on communication with customers in the debt collection process, the Bank fully fulfils its social responsibilities as a large bank and helps customers who are willing to make repayment but temporarily have difficulties in capital turnover and provides certain bailout services according to the circumstances. Besides, after fully assessing the customers' assets and risks, the Bank supports customers with good credit records to apply for better credit lines via online and offline channels, including business outlets, mobile banking, and online banking.

Loan modification options

In the personal loan contract, the Bank clarifies with consumers the contract items which could be subject to modification. Consumers can apply to modify loan term, repayment method, instalment limit, guarantee, and entrusted payment account.

Access to rights and interests

If the loan terms involving the loan product are modified, the Bank clearly presents relevant modification terms and inform customers of relevant rights and interests in the personal loan contract.

Application modification approach

The Bank supports customers to apply for modification of loan terms via business outlets, mobile banking, online banking, WeChat applet "CCB Intelligent Personal Loan", etc. The Bank provides convenient customer services and has improved the quality and efficiency of customer services by refining the customer demand response mechanism, establishing fast processing mechanism, learning about customers' questions about loan contract modification, and patient answering to the questions.

Review mechanism

The Bank conducts consumer protection audits every year and reports the audit results to the related party transaction, social responsibility and consumer protection committee of the Board. The scope of the audit covers loan contract modifications, focusing on the adequacy of information provided to the consumers being informed and convenience regarding business for the modification and whether there are circumstances, such as insufficient notification, artificial obstacles, increased transaction costs, etc. that hinder the consumers from making the modifications. The audit opinions were issued, and management recommendations were put forward, further safeguarding consumers' legitimate rights and interests.

Debt collection management

The Bank attaches great importance to debt collection management and strictly follows debt collection management related laws and regulations and the *Guidelines for Credit Card Debt Collection of the China Banking Association (Trial)*. Based on its realities, the Bank formed the *China Construction Bank Debt Collection Policy Overview*<sup>8</sup> and released through public official channels and established standardised collection procedures. Meanwhile, the Bank included debt collection into the annual consumer protection audit to effectively safeguard the legitimate rights and interests of consumers.

Applicable scope

The debt collection policy of the Bank is applicable to all employees of the Bank and its subsidiaries, and to retail loan services and products including operating loan, mortgage, consumer loan and credit card, etc. It has specified debt collection working processes such as collection methods, collection frequency and collection requirements, measures to ensure consumer protection during the collection process and details of debt collection training, etc., and established standardised collection procedures.

Segregation of duties

The consumer protection committee of the Board of the Bank is responsible for overseeing the implementation of the debt collection policy; Departments of the Head Office are responsible for establishing and improving the debt collection business management system, formulating and improving the relevant policies and systems for debt collection, preparing and issuing debt collection plans, and organising training, supervision and inspection; Branches are responsible for the specific execution and operation of debt collection; The Audit Department is responsible for carrying out consumer rights protection audits, reviewing the implementation of debt collection policies, and protecting the legitimate rights and interests of consumers in the process of debt collection.

<sup>8</sup>China Construction Bank Debt Collection Policy Overview: <http://www.ccb.com/eng/attachDir/2023/08/2023080117454935120.pdf>



Work mechanism

Debt collection methods

The Bank's debt collection methods include manual collection and non-manual collection. Manual collection methods include telephone, face-to-face and judicial collection. Non-manual collection methods include intelligent voice, SMS, letter and email collection and overdue alerts via other internal channels of the Bank (e.g., outlet counter, STM, ATM, mobile banking, online banking, etc.). The Bank also outsources collection business according to the circumstances.

Repayment reminder

Taking "AI + human" approach, the Remote Intelligent Banking Centre of the Bank provides differentiated customer-friendly payment reminder services to customers with loans approaching maturity, matured and overdue based on their situations. The Centre gives advance reminders to some personal loans and rural household loans that are approaching maturity and timely repayment reminders to some due personal loans, and provides differentiated repayment reminder services to non-risk credit card accounts that are overdue within 60 days and personal loans, small and micro business loans and rural household loans that are overdue within 30 days.

Customer rights and interests protection measures

The Bank requires collection personnel to strictly follow the Chinese laws, regulations and regulatory requirements, follow standardised operating procedures, arrange the collection reminding time reasonably, provide collection reminding according to the laws and regulations, maintain fair, polite and clear communications with consumers, strengthen supervision, evaluation and management, and prevent violent collection. The Bank continuously adjusts and optimises collection strategies, ensures proper customer service to certain eligible customers, and dynamically adjusts the proportion of credit card debt collection between robot and manual collection.

<p><b>Applying the concept of consultation on the basis of equality</b></p> <p>The Bank reduces the use of jargons that are difficult for customers to understand, provide solutions in customers' shoes, and offer customers with options of solutions in a caring approach.</p>	<p><b>Providing repayment reminders in a normative and orderly manner</b></p> <p>The Bank gives repayment reminders in a normative and orderly manner. The Bank does not initiate any collection from a third party irrelevant to the debt, or falsely use the name of an administrative or judicial authorities or use wording involving threat, intimidation or fraud, to truly ensure customer experience.</p>	<p><b>Strengthening intelligence application</b></p> <p>The Bank actively expands intelligent services and makes the best effort to contact customers to reduce customers' cost of forgetting repayment.</p>
<p><b>Refining the compliant collection process</b></p> <p>Based on fair, polite and clear communication, the Bank reasonably arranges the schedule of collection reminder, strictly requires relevant personnel to conduct collection with lawful means, and strengthens supervision, evaluation and management.</p>	<p><b>Respecting customer privacy</b></p> <p>The Bank processes customers' personal information in line with the principles of legitimacy, rightfulness, indispensability and good faith, with the collection of personal information limited to the minimum scope required to achieve the processing purpose, and strict prohibition of disclosing customer information.</p>	<p><b>Enhancing the management of outsourced collection business</b></p> <p>The Bank provides clear working requirements and operating specifications for outsourced collection business, strengthens the supervision and evaluation of outsourced institutions, ensuring strict compliance with personal information protection requirements, and further standardises the process and control of outsourced debt collection.</p>

Collection review mechanism

The related party transaction, social responsibility and consumer protection committee of the Board of Directors is responsible for overseeing the execution of the debt collection policy and periodically listens to relevant reports by the Management. The Audit Department of the Bank conducts a consumer protection audit every year and reports the audit results to the related party transaction, social responsibility and consumer protection committee of the Board. The scope of the audit covers debt collection related work with focuses on improper collection acts of the collection institutions, access and removal management of third-party partners, etc., and reviews of the implementation of policies. The audit results are reported to the related party transaction, social responsibility and consumer protection committee of the Board of Directors.

The Bank strictly manages outsourced collection institutions, formulating relevant regulations and specifications, providing strict access and removal criteria and specifying collection requirements. In daily management of outsourced collection business, the Bank conducts trainings and inspections on collection wording and code of conduct for cooperating collection institutions to make sure that the collection is in compliance with the laws and regulations.

Debt collection training

Attaching great importance to training on employees' debt collection capabilities, the Bank requires all collection personnel to receive training periodically, including post-loan management personnel, customer managers and repayment reminder personnel at the remote intelligent banking centre. The trainings cover the debt collection policy, system application, complaint management, experience of pilot projects and representative cases and the training frequency is no less than once a year, making sure that employees are familiar with relevant laws and regulations and internal policies. The Bank conducts pre-job training and on-the-job business training for repayment reminder employees and holds a bank-wide retail NPL collection capability improvement training session every year to truly enhance employees' awareness of compliance collection.

The Bank promotes the transformation of repayment reminder service, strengthens optimisation, training and guidance of repayment reminder wording, and aims to shift the approach from an operator to a customer problem solver with the attitude of consultation on the basis of equality. The Bank conducts training on refined management of rural revitalisation financial business, which transmits the Head Office's NPL disposal policy and operating methods to rural revitalisation finance lines at branches and aims to strengthen the debt collection capability of the employees working on the business line. The Bank holds training class on post-lending management of personal loans, which covers interpretation of debt collection policies and regulations, system application, consumer protection, etc.

Fair Marketing Policies

The Bank continuously refines its fair marketing policy strictly according to the *Advertising Law of the People's Republic of China* and other relevant laws and regulations. The Bank requires strict incorporation of consumer protection into the full process of marketing campaign design. The Bank has formulated and issued the *Measures for the Administration of Advertising*, which is applicable to advertisements relating to all the financial products and services provided by the Bank. In 2023, according to relevant laws and regulations and its internal regulations such as the *Administrative Measures for Marketing Work of Individual Users and Clients*, the Bank formed the *China Construction Bank Personal Customer Marketing Policy Overview*<sup>9</sup> and disclosed it on public official channels, aiming to strengthen management of individual user/customer marketing across the Bank, carry out relevant work in a normative, systematic and professional manner, improve marketing effect, and effectively protect consumers' rights and interests.

Applicable scope

The *China Construction Bank Personal Information Protection Policy Overview* is applicable to all employees, departments and domestic branches relating to marketing, and subsidiaries are required to use it as reference as reference. In the *Policy*, individual customer marketing includes marketing planning and advertisement design, financial marketing and business promotion, event organisation and application execution, private domain connection and traffic operation, business opportunity coordination and customer reach, contact interaction and experience feedback, network fission and digital communication, process supervision and monitoring & tracking, performance evaluation and validation & conclusion, etc.

Policy requirements

The *China Construction Bank Personal Customer Marketing Policy Overview* has set out provisions on marketing tools, marketing publicity and marketing execution to avoid illegal marketing behaviours such as exaggerated or false advertising, the use of government credibility, unfair competition practices, violation of customers' right to be informed, improper collection and usage of customer information, and unauthorised publication of marketing information. The key points of the policy regulate marketing behaviour, including complying with the basic marketing specifications of individual customers, not violating the basic provisions of marketing content, not carrying out misleading publicity, not harming the right of user customers to be informed, not collecting or using user customer information in violation of regulations, and not publishing marketing information in violation of regulations, as well as other mandatory regulations stipulated by laws, regulations, or financial regulatory authorities, and cases recognised as illegal or non-compliant and clearly stipulates the mechanisms for review and monitoring and employee behaviour management in the process of marketing activities. Please refer to the full text published by the Bank for details.

<sup>9</sup>China Construction Bank Personal Customer Marketing Policy Overview: <http://www.ccb.com/eng/attachDir/2023/08/2023080117414273527.pdf>



## ⚙️ Practical measures practice

Upholding the customer-centric philosophy, the Bank continuously improves customer experience and safeguards consumers' rights and interests. The Bank has taken a series of practical measures:

The Bank strictly implements the protection of customer tranquillity rights. The Bank does not make outbound calls from 21:00 to 8:30 every day and it only reaches customers with authorisation and sets call barring for customers who do not wish to receive outbound call marketing.

The Bank has established the rights and interests middle-office and the privilege product centre, developed an operating mall, and enriched the types of privileges to ensure the stable and sustained supply of privilege products and make sure privileges they are given in a fair and transparent manner.

The Bank has integrated the precision marketing platform, the intelligent direct sales platform and the digital marketing campaign management platform, and promoted bank-wide marketing business opportunity and campaigns into system management.

The Bank has established an operating platform, migrated marketing campaigns from third-party operation platforms to the Bank's internal full-chain platform, and strengthened routine monitoring and see-through management of marketing campaigns through unified position role authority.

## ⚙️ Training on fair marketing

The Bank conducts training on customer marketing specifications annually through business line training, daily training at outlets, online training through the CCB Learning Centre, etc. The training covers fair marketing related laws and regulations, policies, code of marketing conduct, compliance risk and practical case presentation. All employees who directly contact customers are required to receive fair marketing-related training at least once a year. The Bank regularly organises relevant assessments for special training content, continuously consolidates training results, and strengthens the fair marketing awareness and ability of employees.

## ⚙️ Oversight mechanism

The Bank has established a comprehensive oversight mechanism of fair marketing that comprises the Board of Directors, the management and the execution level.

The related party transaction, social responsibility and consumer protection committee of the Board of Directors is responsible for overseeing the implementation of consumer protection work including fair marketing. The consumer protection committee of the Management supervises relevant departments to conduct marketing and makes sure that the marketing campaigns are fair and in compliance with laws and regulations.

The product and service management departments across the Bank conduct comprehensive review of advertisement, marketing and promotions, including marketing plan, common Q&A, event pages, publicity materials, etc., supervise the implementation of consumer protection review opinions, vigorously prevent the risk of infringement upon consumers' rights and interests, pay attention to consumer feedback, put in place the full-process control mechanism for consumer protection, and help customers understand their own financial needs and make corresponding decisions.

The audit department of the Bank conducts internal consumer protection audits every year and reports the audit results to the related party transaction, social responsibility and consumer protection committee of the Board. The audit scope covers the implementation of fair marketing policies, with a focus on whether the identified risk level of the Bank's agency sales of wealth management products is accurate, whether the information of product investment directions disclosed is complete and comprehensive and whether service is provided to a customer who is misled or not well informed. Meanwhile, the audit would put forward management recommendations on future focuses of work to make sure that the fair marketing policy is implemented and there is no false advertising in marketing campaigns, to effectively safeguard consumers' legitimate rights and interests. In 2023, the Audit Department of the Bank will conduct a consumer protection audit at eight tier-one branches.

## ⚙️ Management of cooperative institutions

The Bank oversees and manages the consumer protection work of cooperative institutions. The Bank has promoted and implemented the *Implementation Opinions on Further Standardising Oversight and Assessment of Consumer Protection at Intermediaries and Third-party Institutions* to strengthen oversight of cooperative institutions in respect of personal information protection, information disclosure, financial marketing behaviours, consumer complaints, transaction behaviours, etc. that involve the Bank's customers. The Bank has set access and removal criteria for cooperative institutions, and specified cooperative institutions' responsibilities and obligations on consumer protection in relevant cooperation agreements to prevent transmission of external risks to the Bank.

## Customer Complaint Management

### ⚙️ Management structure

#### ● Board and special committees

The related party transaction, social responsibility and consumer protection committee of the Board is responsible for overseeing complaint review management related work of the Bank. It listens to complaint reports on a quarterly basis, studies and analyses the changes in the number of complaints and the reasons, provides guidance on improving complaint handling efficiency, and oversees the comprehensiveness, timeliness and effectiveness of the complaint management work by the Management and the consumer protection department. In the first half of 2023, the committee studied the reports on the complaints forwarded by regulators in Q3 and Q4 2022, analysed and discussed the changes in the number of complaints about personal loans and credit card business and the reasons, and raised specific work requirements for improving complaint handling and response timeliness, taking effective measures to reduce the number of complaints, etc., driving the Bank to further improve the quality and efficiency of customer complaint management. In addition, when discussing reports on consumer protection work including the *Report on the Implementation of Consumer Rights Protection in 2022 and Work Scenarios for 2023*, the *Report on Consumer Protection Audit in 2022* and the *Report on the Internal Evaluation of Consumer Protection Work in 2022*, the committee listened to the Management's report on customer complaints and provided guidance on how to strengthen customer complaint management.

#### ● Management

The consumer protection committee of the management of the Bank holds meetings periodically, makes unified planning and overall arrangements for consumer protection work, and urges relevant departments to carry out consumer protection work. It lays down consumer protection work arrangements at bank-wide meetings, organises and advances their implementation and follows up on the implementation, and makes sure that the strategic objectives and policies for consumer protection are effectively executed. The Bank periodically analyses complaints across the Bank and in key areas, forms complaint and consumer sentiment briefs, and submits them to the leadership of the Bank for review every month. Meanwhile, the Bank reports major problems found in the analysis to the Board of Directors and special committees, to continuously improve customer experience. Earlier, the consumer protection committee reviewed and approved the *Consumer Protection Work Plan (2023-2025)*, *Individual Client Issue Resolution Management Measures (2022 Edition)*, *Consumer Complaint Management Measures (2022 Edition)*, and deployed and arranged the next steps. It emphasised the need to continuously improve the consumer protection system and mechanism, strengthen refined consumer protection management, improve the level of complaint management, and implement consumer protection education, publicity and training.

#### ● Consumer protection departments at Head Office and tier-one branches

The Bank has established a consumer protection department and full-time positions at the Head Office and branches to take the lead in carrying out consumer protection related work including complaint management, consumer protection review, consumer education, etc. The consumer rights protection department of the Head Office takes the lead in organising and implementing management, guidance and evaluation of consumer complaint handling work, coordinates and supervises institutions to properly handle consumer complaints, and standardises consumer complaint handling process and management. Tier-one branches undertake the primary responsibility of consumer complaint management and fully implements the consumer complaint management requirements specified by regulators and the Head Office.

### ⚙️ Complaint management targets

The Bank is committed to providing warm, considerate, efficient and timely financial services, building well-functioning communication mechanisms and channels, efficiently responding to and properly addressing customer feedbacks, continuously refining customer complaint management, and strengthening customer service experience. The Bank advances the implementation of the *Consumer Protection Work Plan (2023-2025)* based on regulatory requirements and the consumer protection realities. The *Consumer Protection Work Plan (2023-2025)* has laid out the development vision of "demonstrating social responsibilities, improving management systems, and creating industry benchmarks for financial consumer protection" and put forward specific work targets including achieving 100% coverage of product and service consumer protection review and inspection, reducing the number of individual consumer complaints per million, improving customer satisfaction, etc. Besides, the Bank has formulated the *China Construction Bank Environmental, Social and Governance Work Plan(2023-2025)*, making it a key target of complaint management work to "conclude a complaint work within 15 days" and requiring to maintain the complaint conclusion rate not less than 90% between 2023 and 2025.

100%

coverage rate of product and service consumer protection review and inspection

≥ 90%

Complaint work order completion rate within 15 days

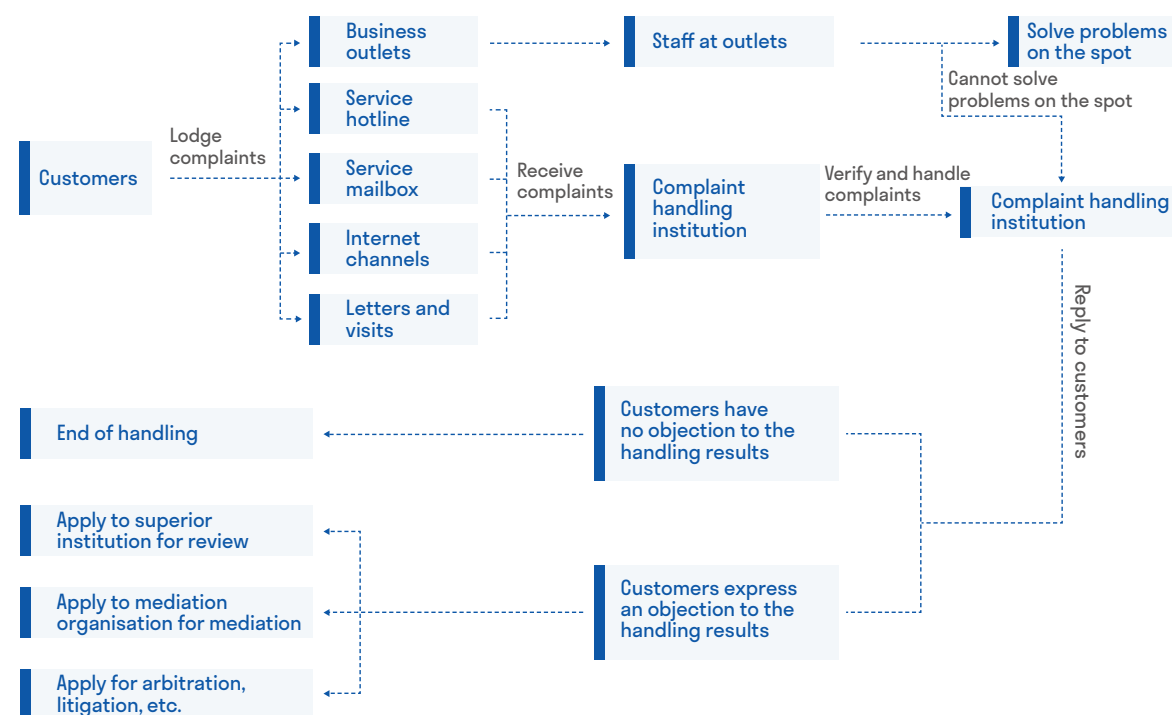


## Complaint handling process

The Bank continuously optimised the complaint handling process, formulated new consumer complaint channels and handling procedures, enhanced the updates of public information for online and offline complaint channels, improved complaint handling quality and efficiency, and made sure that every complaint was properly addressed.

### Complaint handling process

The Bank formulated new customer complaint channels and handling processes and displayed them to customers in prominent positions at outlets, the website, WeChat official accounts such as "China Construction Bank", Mini Programmes such as "CCB Customer Service", APPs such as "CCB Huidongni" and the interbank cooperation platform (fi.ccb.com). *The Bank's complaint handling process is as follows:*



1. Customers can lodge complaints through the complaint channels published by CCB.
2. The complaint handling institution shall reach a conclusion within 15 days and inform the customers. For complex complaints, the deadline can be extended to 30 days, and the maximum processing period shall not exceed 60 days.
3. If the customer has objections to the result of the complaint handling, he or she may submit an application in writing to the superior authority of the complaint handling institution for verification within 30 days from the date of receipt of the handling decision. Where there are objections to the verification decision, they may apply to the higher authority of the complaint handling body for verification step by step.
4. If the customer still disagrees with the verification results, he or she can ask the complaint handling institution for the contact information of the local financial consumer dispute mediation organisation and apply for mediation, or resolve the dispute through arbitration, litigation or other channels.

### Complaint channels and customer service centre

The Bank has established the Remote Intelligent Banking Centre, providing multiple channels, such as the 95533 client service hotline, "CCB customer service" WeChat official account, mobile banking live chat, online banking live chat, and SMS platform. Leveraging a variety of media, including audio, text, and video, the Bank provides clients with enterprise-level, integrated, intelligent, multi-functional, multilingual, and 24/7 services in a "human + AI" manner, to respond to customer requests in a timely manner. The Remote Intelligent Banking Centre is equipped with specialised customer complaint handling personnel to respond to customer complaints in a timely manner. When receiving customer complaints for the first time, the complaint handling personnel pacifies the customer and resolves the complaint by explaining online, providing solutions or quickly discussing with corresponding branches and directly solves the problems within its limits of authority. For complaints that cannot be resolved online or exceeds its limits of authority, the personnel records the complaint and relevant information via the unified customer service platform, generates a complaint work order, quickly transfers it to the complaint handling institution, and urges and supervises work orders with complaints from customers with a second call or overdue. Meanwhile, the Remote Intelligent Banking Centre handles complaints transferred from external institutions in a timely manner.

### Complaint handling upgrade and review mechanisms

The Bank established sound consumer complaint handling upgrade and review mechanisms and published them through public official channels. The problem that cannot be solved by the complaint handling institution or exceeds its limits of authority is reported to the superior management institution of the business line for coordination. Specifically, product related complaints are transferred to the superior product management department, service-related complaints are transferred to the superior channel and operation management department, and major and difficult complaints are transferred to the superior consumer protection department for centrally-organised and well-coordinated handling. The Bank strictly prevents shifting responsibility onto other institutions. Consumers who have objections to the consumer complaint handling results may submit a written application for review to the superior institution of the consumer complaint handling institution, and consumers who object to the review decision may apply to the superior institution of the complaint handling institution for review level by level. If consumers still object to the review results, consumers may ask the complaint handling institution for the contact information of the local financial consumer dispute resolution organisation and apply for mediation, or resolve the dispute through arbitration, lawsuit, etc.

In addition, regarding disputes related to consumer complaint, the Bank has also set a complaint supervision hotline. The consumer rights protection department is responsible for the management of complaint supervision hotline at the Head Office.

## Complaint management working mechanism

### Strengthening the complaint management system

The Bank constantly optimises complaint handling procedures. It revised and issued multiple regulations and measures, such as *Consumer Complaint Management Measures*, *Individual Client Issue Resolution Management Measures*, *Emergency Management Measures and Plans for Major Consumer Protection Events* and pushed for implementation, forming a multidimensional complaint management system, including complaint management, handling of major complaints, compromise, and diversified solutions. In the first half of 2023, the Bank has actively implemented the latest requirements of regulatory policies, developed the *Plan to Implement the Management Measures of the China Banking and Insurance Regulatory Commission for Consumer Protection at Banking and Insurance Institutions*, and continued to promote the institutions to put them in place.

### Pushing for implementation of responsibilities

The Bank established top leaders' responsibility system for major complaints, in which the head of corresponding institution shall personally investigate, advance and participate in the resolution of major complaints. The Bank has assigned specialised personnel at every level and every business line to handle customer complaints and strictly implements the guaranteed satisfactory solution system, requiring personnel provide satisfactory responses to consumers regarding consumer complaints in the most timely, efficient, and straightforward manner within their job responsibilities.

### Optimising the response mechanism

The Bank established the "tiered response" problem solving mechanism and analysed the customer problem handling process according to the funnel principle to improve problem solving timeliness and effectiveness. The Bank makes full use of diverse dispute resolution mechanism, actively participates in and supports the organisation of local dispute resolution, and strengthens multi-party collaboration to properly solve customers' problems from multiple dimensions.

### Promoting technology empowerment through innovation

The Bank introduced big data and AI technology and innovatively built the complaint screen and the consumer protection dashboard to improve management and monitor efficiency and make consumer protection management data "traceable, early warning, and empowering" by providing multidimensional analysis and full-aspect display of complaint data. The Bank constantly optimised the consumer protection management system and further classified complaint data, making complaint resources "quantifiable, statistical, and analysable".



## Emphasising problem source tracing and rectification

The Bank attaches great importance to applying complaint resources to product and service improvement. The Bank conducts real-time monitoring, periodical notification and comprehensive analysis of major products, key institutions and major problems, organises relevant departments of the Head Office and branches to carry out targeted problem source tracing and optimisation, and established a normalised feedback mechanism in which complaint data was forwarded to product design and channel operation departments through various forms such as risk warning, work recommendations, source tracing proposals, etc. The Bank provides precise guidance and assistance to relevant departments and branches to push forward system refinement, product optimisation and business improvement from the source and further strengthen service capabilities across the Bank by addressing both surface and root causes.

### Oversight and audit mechanisms on complaint management

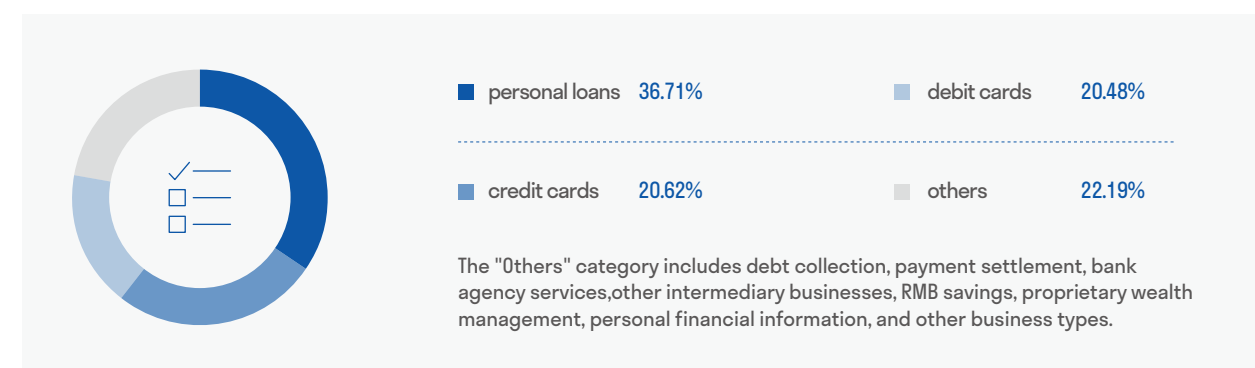
The Bank established a regular reporting and monitoring mechanism for consumer complaints. The Chairman of the Board of Directors, the President and other Senior Management review the monthly consumer complaint reports, covering the overall complaint situation, complaints in key business areas and branches, as well as related media coverage. Through the monthly reports, the Chairman of the Board of Directors, the President and other Senior Management are updated about the dynamic trending of complaints and learn about hotspot issues leading to rising complaints, consequently directs the management's identification of root-cause problems and guide the handling of complaints and improvement of customer service. The Consumer Protection Committee at the management level holds periodic meetings, makes unified planning and organises the promotion of consumer protection work.

The Audit Department of the Bank conducts internal consumer protection audits every year and reports the audit results to the related party transaction, social responsibility and consumer protection committee of the Board. The audit scope covers the implementation of complaint management work. The audit team follows the principle of independence, pays attention to complaint handling results periodically, checks the effectiveness of the complaint handling framework, the completeness of the complaint management system, the timeliness and standardisation of complaint handling tracking, statistical analysis of customer complaints and improvement effect, etc., oversees the performance of consumer protection responsibilities such as complaint management across the Bank, provides management recommendations, and reports to the related party transaction, social responsibility and consumer protection committee of the Board, so as to effectively safeguard consumers' legitimate rights and interests. In 2023, the Audit Department of the Bank will conduct a consumer protection audit at eight tier-one branches, with priorities on the actual effect of the reduction of the number of customer complaints, whether the major problems complained by customers are properly addressed, major customer complaint monitoring and analysis of problems, response timeliness and degree of attention to public opinion monitoring problems, and provide management recommendations for further work tasks.

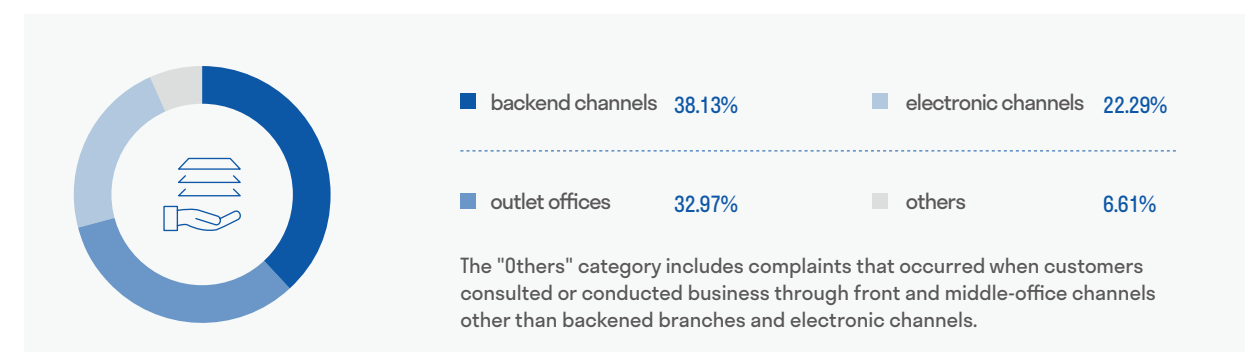
### Consumer complaint data

In the first half of 2023, the Bank received a total of 74,199 consumer complaints, significantly down from 139,468 in the same period last year, with a complaint incidence rate (number of complaints per million clients) of 99.38 and an average number of complaints per outlet of 5.22. The main categories of complaints were personal loans (accounting for 36.71%), credit cards (accounting for 20.62%), debit cards (accounting for 20.48%), etc. The main channels of complaints were from middle and back offices (accounting for 38.13%), outlets (accounting for 32.97%), and electronic channels (accounting for 22.29%). The complaints were mainly distributed in West China (accounting for 20.93%), Central China (accounting for 20.56%).

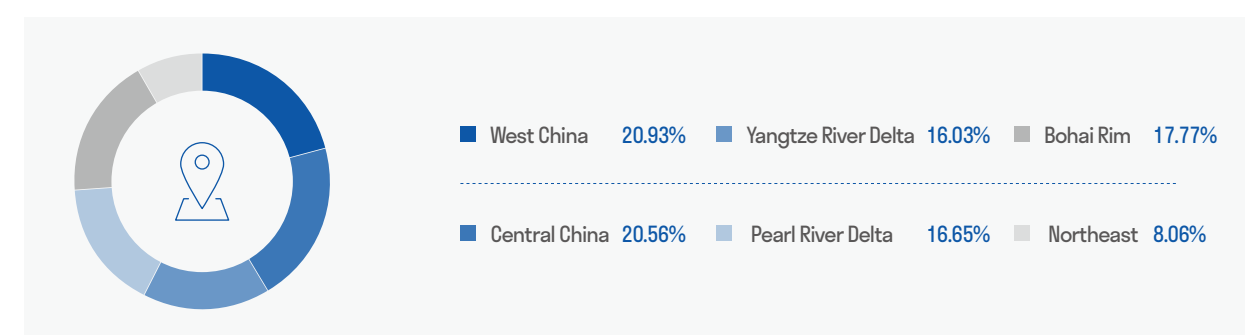
The following chart illustrates the distribution of complaint categories received by the Bank in the first half of 2023.



The following chart illustrates the distribution of complaint handling channels accepted by the Bank in the first half of 2023.



The following chart illustrates the distribution of complaints received by the Bank in different regions in the first half of 2023.



## Financial Education

Firmly upholding the philosophy of "financial services for the people", the Bank actively carries out financial education activities to help the public to establish correct financial thinking, and to enhance financial security awareness, so as to practice corporate social responsibilities.

### Public financial education and publicity

The Bank attaches great importance to public financial popularisation. It perfects the financial education mechanism, expands the scope of audiences, innovates communication channels, improves the financial literacy of the social public through lively activities, and teaches financial knowledge at campuses, communities and military camps. The Bank aims to establish a mechanism that covers both rural and urban areas and promotes the integration of financial knowledge into the national education system. In 2023, The Bank strictly carries out regulatory requirements, held the "3·15" consumer rights protection education promotion week and "Popularize financial literacy and keep your money bags" activity. More than 14,000 outlets and more than 330,000 employees across the Bank have participated in the campaign. The campaign reached over 780 million consumers. The Head Office and branches effectively collaborated with each other, concentrated on the themes, upheld the fundamental principles and made new breakthroughs. The campaign successfully raised public awareness on financial consumer protection and produced good effect.

Over **14,000**

Number of outlets participating in the campaign

Over **330,000**

Number of employees participating in the campaign

Over **780** million

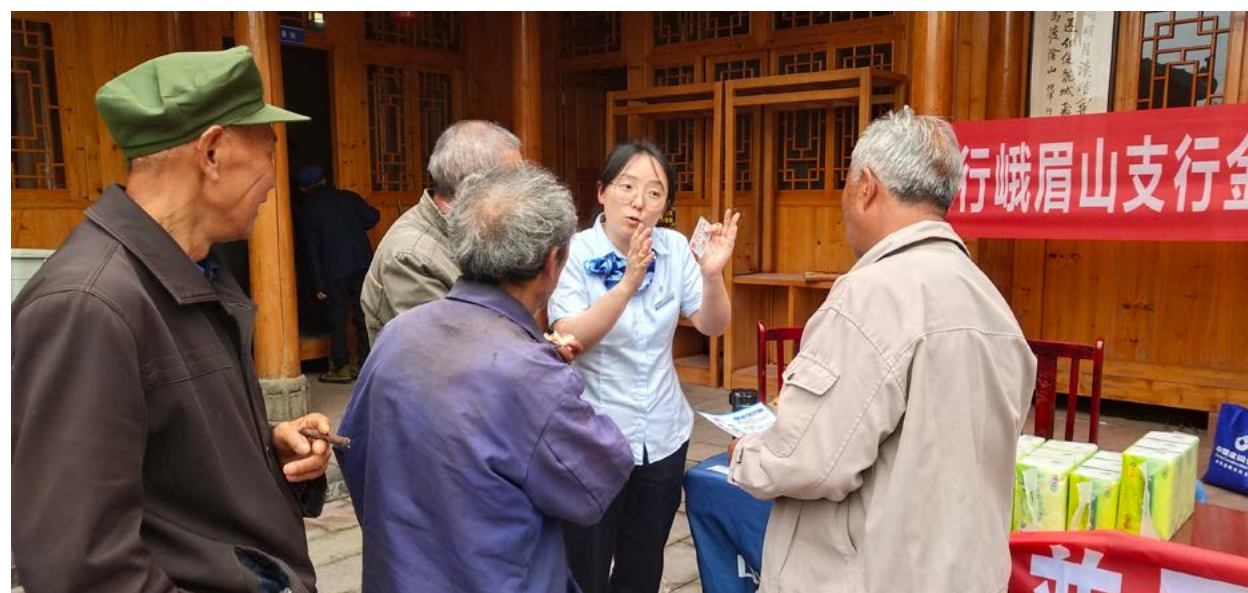
Consumers reached



## Financial education towards key customer groups

The Bank holds featured financial education initiatives targeting key customer groups such as elderly people, teenagers, ethnic minorities and new urban residents. For elderly people, the Bank organises calligraphy competitions, aerobics competitions, thematic speeches and photography competitions. For teenagers, the Bank holds drawing contests, "Golden Bee" campus consumer protection education, etc. For new urban residents, the Bank organises the "Services for New Urban Residents" characteristic education campaign and carries out series of characteristic activities under the theme of "an anti-fraud lecture, an investor education course, a book and a story".

Besides, the Bank developed exclusive consumer protection classrooms for key customer groups through "CCB Learning" platform and publicised through the whole internet and all media. The Bank established various course systems including "Knowledge Class for Elderly People, Class for College Students and Little Bankers", providing the public with multiple options to learn financial knowledge.



## Conducting financial education partnership with universities

The Bank established close partnership with financial educational institutions. More than 20 branches have cooperated with local universities in financial education.

over **20**

Number of branches cooperating with local universities in financial education

Hubei Branch

The branch has jointly built a financial education base with Zhongnan University of Economics and Law, which is the first provincial-level financial education base in China licensed by the People's Bank of China and the Cyberspace Administration of China. The base provides a variety of financial education and publicity activities including "President's lecture hall", "First financial lesson for college and middle school students" and "Tracking financial literacy of elderly people".

Jiangsu Branch

The branch has set up financial education sites in Nanjing University, giving lectures on hot topics like "telecommunications fraud", "campus loans" and "online loans" based on the actual needs of college students, to improve their financial literacy and risk prevention awareness.

Dalian Branch

The branch holds the "Bring financial knowledge to campuses" campaign with Dalian University of Technology, organises students and teachers to watch consumer protection micro-films, displays consumer protection cases through case-based and scenario-based approaches, adds consumer protection knowledge in the university's APP to guide college students to avoid illegal financial activities.

Liaoning Branch

The branch has jointly built an education base for college students with China Medical University and advertises anti-fraud knowledge in campuses with Shenyang anti-fraud centre. The branch recruits "little consumer protection experts" at the campus and organises consumer protection education activities in which students volunteer to improve public financial literacy.

Tibet Branch

The branch holds financial education activities at Tibet University to increase the students' and teachers' knowledge on prevention of telecommunications fraud, illegal fundraising, illegal campus loan, as well as personal credit protection, etc., to improve their financial literacy and risk awareness.

Besides, the Bank established a section of financial knowledge for college students on "CCB Smart Campus Application" platform, which provides financial knowledge online for over 400 contracted universities to help college students keep away from illegal financial activities and guide them to access financial services through legitimate channels.

Over **400**

Number of universities that signed contracts on "CCB Smart Campus Application" platform, which provides financial knowledge online

## Conducting financial education partnership with other institutions

The Bank launched a themed investor education campaign of "retirement journey across China" across ten cities in China, with sponsorship from more than 20 specialised wealth management institutions. The campaign focused on retirement topics and included various activities such as roundtable forums, community visits and visits to enterprises, covering Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Xi'an, Qingdao, Nanjing, Xiamen and Changsha. At the on-site campaign, experts provided customers with information on personal pension policies, guiding the public to make reasonable asset allocation and financial planning. Starting with the pilot cities and gradually covering the whole country, the campaign has contributed its strength to the development of the multi-tiered and multi-pillar retirement insurance system.

Over **20**

Number of cooperating specialised wealth management institutions

## Upgrading digitalised financial education

### A digitalised financial education zone for consumer protection

In the first half of 2023, the Bank established the digital consumer protection education zone in major digital marketing campaigns of "Benefit season" and "Fighting season", enhancing the quality and expanding the coverage of digital consumer protection education. The digital consumer protection education zone has won a total of more than 330 million user visits.

Over **330** million

Number of user visits to the digital consumer protection education zone

### Colourful 3D Digital Exhibition Hall on Consumer Protection

The Bank promoted a "Colourful 3D digital exhibition hall on consumer protection" to be presented on the home page of the mobile banking APP. Together with the exhibition hall at the Head Office, characteristic halls at branches and local regulatory offices' exhibition halls, it displays financial education with local characteristics. The "Colourful 3D digital exhibition hall on consumer protection" was awarded as an outstanding case of digital transformation by the China Listed Companies Association.



# Privacy and Data Security Protection

The Bank attaches great importance to personal privacy and data security protection. Centring around management structure, policies and norms, protection measures, education and training, audit and oversight, third-party data and privacy management, etc., the Bank has refined relevant management measures and exerted effort to improve privacy and data security protection management capability.



## Privacy and Data Security Management Structure

### Board and special committees

The Board and its special committees pay great attention to privacy and data security protection and are responsible for approving information security strategies and monitoring the implementation of information security strategies, promoting the integration of IT risk into the Group's risk preferences, continuously strengthening security operation and maintenance capabilities, improving information security and cybersecurity risk control capability, protecting customers' privacy and the Bank's information and financial security, advancing IT system disaster recovery and drills, and exerting effort to improve information security and privacy protection capabilities.

The related party transaction, social responsibility and consumer protection committee of the Board oversees customer privacy and information protection related issues and urges the management to strictly implement laws, regulations and internal policies and regulations for privacy protection. In the first half of 2023, the committee listened to and discussed the report on the progress of privacy and data security, paid attention to the risks and challenges faced by privacy and data security work, and required the management to pay attention to relevant management recommendations from external audits and strictly conduct internal audits.

The risk management committee of the Board oversees IT and cybersecurity risk control, promotes the inclusion of IT risk into the Group's risk preferences, strengthens security operations and maintenance capabilities, improves information security and cybersecurity risk control capabilities, protects customers' and the Bank's information and financial security, and continuously advances the construction and drills of IT system disaster recovery. The committee periodically studies and discusses reports on IT risk and cybersecurity risk management, researches the overall situation of the IT risk management system of the Bank, risk identification and assessment, risk control and mitigation, current trends and issues faced by the Bank and further work plans. It understands in detail the Bank's cybersecurity governance, cybersecurity risk status analysis, cybersecurity risk management and upcoming measures. Besides, the committee reviews the *Major Risk Assessment Report* periodically and keeps a close watch on efforts guaranteeing information security and the operations of the network and IT systems across the Bank.

### Management

#### FinTech and digitalisation promotion committee

The management of the Bank sets up the FinTech and digitalisation promotion committee headed by executive of the Bank, to advance important work such as FinTech, digital operation, information security, data governance, etc. in a coordinated manner, study and deliberate on major issues such as preparation of plans, and report to the Board, executive meetings, etc. for decision-making according to required procedures. The FinTech and digitalisation promotion committee has 12 member units, which include the Head Office departments, institutions directly under the Head Office, subsidiaries, etc. See relevant content of "ESG governance structure" in Chapter I Governance for their specific responsibilities.

In the first half of 2023, the FinTech and digitalisation promotion committee held three plenary sessions and five thematic sessions, reviewed and approved the *Opinions on Implementing the Data Security Measures of the China Banking and Insurance Regulatory Commission* and the *Measures for Data Security Management of China Construction Bank (Version 2023)*, and discussed specific matters including implementation of plans, data governance, work safety, e-CNY, personal customer information protection and initiation of relevant FinTech projects. Meanwhile, the committee made arrangements for next-step work and raised such specific requirements as steadily pushing for the implementation of the *Master Plan for Building a Digital CCB (2022-2025)*, improving data security and governance capabilities, strengthening management of technology projects, ensuring proper integration of online and offline channels, and improving personal customer information protection management capability, etc.

### Chief Information Officer

The management appoints Chief Information Officer (CIO) to co-oversee the operations of Digitalisation Construction Office, Data Management Department, FinTech Department and Operation Data Centre, taking charge of the planning, development, promotion and management of the Bank's information systems and information security control measures as well as sharing and integration of relevant resources so as to improve the Bank's digital finance business and information security management capabilities in all respects.

### Execution

The Bank establishes an execution system for privacy and data security protection with clearly defined job responsibilities:

The FinTech Department of the Head Office takes the lead in studying and formulating relevant rules on customer information and privacy protection and sees customer information and privacy protection work properly done in a coordinated manner. The Data Management Department of the Head Office leads the data security management work across the Bank, organises planning and implementation of data security management work, and makes arrangements for emergency handling of data security breach incidents, and the data security division, as the specialised full-time office of data security management, carries out specific work. The FinTech Department, Operation Data Centre, etc. of the Head Office are responsible for implementing data security in IT fields and business departments put in place data security management requirements in their corresponding business areas. The Head Office's Risk Management Department and Internal Control & Compliance Department conduct data security risk management, internal control evaluation, accountability and penalties, etc. within their scope of duty and the Audit Department of the Head Office performs information security and privacy protection related audits.

## Privacy and Data Security Policies and Specifications

### Privacy protection

The Bank attaches great importance to and continuously strengthens customer privacy protection. According to relevant requirements specified in the *Personal Information Protection Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*, the Bank lays down strict provisions on the types and purposes of personal information to be stored, collection and use processes, individuals' control over their data and other personal information management work. The Bank fully protected individuals' rights of personal information. The Bank specified relevant requirements such as inform-consent and minors' information security in product and service processes to make sure obtain customers' authorisation before using their personal information. The Bank optimised the "inform-consent" process of mobile banking, etc. and realised the functions of obtaining customer consent, withdrawing consent, re-obtaining consent and case-by-case authorisation and consent.

In the first half of 2023, the Bank systematically sorted issued internal management regulations on privacy protection and formed the *China Construction Bank Personal Information Protection Policy Overview*<sup>10</sup> and disclosed it to the public. Meanwhile, the Bank revised the *Terms of Service for Personal Customers of Electronic Banking*, the *Personal Information Protection Policy*, etc. and added the *Biometric Identification Authorisation Agreement* and the *Children's Personal Information Protection Rules* for e-finance business, further consolidating and optimising its system of policies and regulations.

The personal information protection related policies of the Bank are applicable to all business lines of the Bank and its subsidiaries and guide employees across the Bank to implement information security protection measures in business practice.

### Privacy protection principles

The Bank abides by the following personal protection principles of matched right and responsibility, explicit purpose, informed consent, necessity, security assurance, openness and transparency, integrity and information quality. The Bank undertakes corresponding security protection measures to protect personal information according to law.

### Privacy protection policy

By systematically sorting issued internal management regulations on privacy protection, the Bank formed the *China Construction Bank Personal Information Protection Policy Overview*, released it to the public. The key points laid down relevant provisions on protecting customers' control over personal information:

<sup>10</sup>China Construction Bank Personal Information Protection Policy Overview: <http://www.ccb.com/eng/attachDir/2023/08/2023080117431113073.pdf>



- ▶ The purpose of collecting and using personal information is to provide quality products (or services) to customers according to laws and regulations.
- ▶ In the process of collecting and using personal information, the scope and types of personal information collected are strictly limited, such as ID card number, personal biometric information, financial account, communication log and content, property information, credit information, whereabouts trace, health and physiological information, transaction information, specific identity, personal information of minors under 14 years old, etc.
- ▶ Relevant provisions on using Cookie and similar technologies to share, transfer or disclose customers' personal information to the public.
- ▶ Filing, protecting and retaining time boundaries of customers' personal information. When the Bank stops providing financial products or services, the Bank will immediately stop customer information collection and data analysis and application activities.
- ▶ Granting rights to control personal information, including personal information control rights such as notification, acquisition, correction, deletion, restriction of processing, withdrawal of authorisation, and refusal of processing.

Meanwhile, the Bank reviewed privacy protection related regulations and policies regularly. The Bank formulated and revised a total of 44 rules and regulations, including personal customer information management, employee behaviour management, data analysis management, etc. The Bank continuously revised the text of personal information protection policies, privacy authorisation agreement, etc. for channels, products and services and refines the "inform-authorise" business processing procedures according to laws and regulations. The Bank pushed for the preparation of the *Work Plan to Further Improve the Personal Customer Information Protection Level* and the *Management Measures of Personal Customer Information Protection*, providing unified standards, refined provisions and clearly-defined responsibilities of each level and each institution to cover the full lifecycle of personal customer information.

44

Number of privacy protection related rules and regulations

⚙️ Data security

The Bank continuously refines data security protection policies and management regulations. The Bank formulated and issued specific data governance policies and information security regulations including *Data Governance Measures*, *Data Security Grading Standards*, *External Data Management Measures*, *Client Information Management Measures* and *Measures for the Management of Information Security*, specifying job requirements and management strategies, and establishing and improving data security, information security and privacy protection policies management system. The Bank's data security policies already covered all business lines and domestic and overseas institutions. Overseas institutions were also required to abide by local laws and regulations and industry regulatory requirements in the located countries (regions).

In the first half of 2023, the Bank issued the *Implementation Opinions on Implementing CBIRC's Measures for the Administration of Regulatory Data Security*, requiring institutions across the whole bank to strictly follow regulatory requirements, defining specific tasks and laying down work arrangements concerning the building of the data security institution system, security control through the full lifecycle of data, protection with data security technology, data security risk management, data security monitoring and emergency management mechanisms, regulatory reporting work and management of and guidance for branches. The Bank also issued the *Measures for Data Security Management of China Construction Bank (Version 2023)*. It was applicable to the Head Office and institutions directly managed by the Head Office and domestic branches, while overseas institutions and domestic subsidiaries were required to abide by for reference. It provided specific requirements to the entire bank on data security organisational architecture, data security grading, data security protection on every link through the full data lifecycle, data security monitoring, handling of data security incidents, data security risk assessment, data security check and employee education and training.

Privacy and Data Security Protection Measures

The Bank continuously improves information security and privacy protection measures. The Bank built a data security technical protection system that is structured around "prevention of external attacks and theft, prevention of internal data leakage, and comprehensive security monitoring", covering the entire data lifecycle. The Bank formulated an IT solution for personal information privacy protection that covered client information access control and corporate customer information de-identification. The Bank pushed for the development of the data access control security platform to achieve precise access control and dynamic de-identification of personal information data during its use. The Bank optimised the personal client information protection business control mechanism, constantly refined the privacy policy system, strengthened authorisation control, and took security control measures for the use of personal information that combine authorisation approval and machine control.

⚙️ Promoting hierarchical data security protection

The Bank identified important data and strengthened protection, formulated and issued the *Measures for Data Security Management of China Construction Bank (Version 2023)*, which stipulated the requirements for classified and hierarchical management of data, continuously promoting hierarchical protection of data security.

⚙️ Continuously strengthening technology-enabled data security protection capability

The Bank adopts the "cloud storage and centralised control" model, builds a secure virtual environment based on enterprise-level security components. Strict control is applied to terminal devices, and data traceability capabilities are enhanced to effectively protect customer information and data security in the information system. The Bank accelerates the application of the data access control technology framework in data using scenarios such as data query, batch data use and data interface invocation, optimises the sensitive information check function for production data, realising automatic de-identification after production data are fetched and strengthening data protection capability.

⚙️ Conducting unified management of privacy authorisation across the Bank

The Bank has integrated the customer personal data authorisation agreement information of business lines and established cross-business line, cross-system customer authorisation management components. The Bank has developed authorisation template, authorisation agreement and authorisation record related approval procedures, standardising agreement information management and data authorisation management, realised scenario-based, differentiated management of customer information service and online review of applications for use of customer information.

⚙️ Comprehensive monitoring and analysing data leak

The Bank uses sensitive information anti-leak products to monitor at real time the leaking of sensitive information of the Bank via email, the internet, etc., and promptly intercept relevant communications. It proactively monitors and deals with information leak by third parties via the internet. Once it finds that a customer's information is leaked by external parties, the Bank automatically includes the customer in the risk control system protection list to prevent fund losses to the customer. The Bank proactively monitors and shuts down phishing sites and APPs that masquerade as the Bank, analyses the information of customers deceived by the phishing sites, includes them in the risk protection list, and provides fund protection and risk alerts to safeguard their interests.

⚙️ Verifying the effectiveness of the technology-enabled data security protection system

The Bank regularly conducts internal cyber security offensive and defensive drills, which are the responsibility of the FinTech Department and the Operation Data Centre, with the participation of the Head Office, direct centres and subsidiaries. The Bank improves the security protection capability through the actual combat inspection of the network and data security protection technology system of the information system. The Bank carries out Internet system penetration testing on a regular basis, and comprehensively covers network security and data security.

⚙️ Emergency response plan

To ensure continuity of key businesses and maintain stable operation, the Bank has formulated the *Measures for Data Security Management of China Construction Bank (Version 2023)*, which has specified the management requirements for data security risk monitoring, incident response and handling and incident conclusion and remediation, further refines the data security emergency response mechanism and procedures. It stipulates that when there is a data breach incident, emergency response plan should be activated immediately, and the leading department of data security should be informed within 1 hour. Different handling and reporting should be carried out, to ensure business continuity in the emergency situation. The Bank has added data security monitoring in daily public opinion monitoring and included personal information protection tags into the complaint management system, and monitoring data security incidents through media and complaint channels.



## Third-party Data and Privacy Protection Management

### Third-party data use oversight

The Bank constantly refines the management policies on third-party data and privacy security, and standardises compliance management of data cooperation agreements with third parties. It formulated sample data security provisions for data cooperation with third parties, guided institutions of the Bank at all levels to comply with laws, regulations and regulatory requirements on data security, clarified partners' responsibilities and obligations in data security when entrusting and sharing data with external parties, and required all suppliers and partners to abide by national laws, regulations and regulatory requirements related to data and privacy protection, protect data owners' legitimate rights and interests and ensure compliance and security in the data processing process.

The Bank strengthens management of data cooperation with third parties. During the contract term, the Bank oversees the implementation of measures for the protection of the trustee's data to ensure that the commissioned processing behaviours do not exceed the authorised data processing scope, and urge rectification of problems found. The Bank organises tier-one branches, CCB Learning Centre (Research Institute), institutions directly under the Head Office, audit institutions, overseas institutions and domestic subsidiaries to conduct data security protection impact assessment and inspections of commissioned processing in business outsourcing and external data sharing scenarios, to make sure: compliance with cooperation agreements and employ appropriate technical measures in the collection, processing, transmission, etc., so as to ensure customer data security and privacy information. The Bank strengthens third-party cooperation evaluation in product innovation, by setting a third-party cooperation evaluation point in the data security evaluation for new products on offer and conducting the evaluation.

### Third-party data processing

The Bank respects customers' personal privacy and provides effective data protection to customers. The Bank has formulated the *Measures for Data Security Management of China Construction Bank (Version 2023)* and *Implementation Opinions on Further Standardising Oversight and Assessment of Consumer Protection at Intermediaries and Third-party Institutions*, specifying data security requirements of commissioned processing in business outsourcing and data sharing with external parties.

Regarding the data that the Bank commissions a third party to process in business outsourcing, the Bank controls the scope of commissioned data according to the "minimum necessary" principle. Meanwhile, the Bank adopts de-identification or encryption, signs an agreement with clearly defined powers and responsibilities, and shares data in a secure and controllable environment, to ensure data security while meeting business objectives. The Bank does not rent, sell or provide personal data to any third party for purposes other than completing transactions or services, nor share customer information with financial partners, associates or business partners without customers' consent. The Bank continues to strengthen its supervision over the protection of personal information of intermediaries and third parties involving the Bank's customers, and takes reasonable and effective measures to ensure that the third party service providers comply with the applicable provisions of data protection laws, fulfil their obligations to protect user information and perform appropriate confidentiality/non-disclosure obligations. In the cooperation agreements signed with intermediaries and third-party institutions that provide products or services to consumers, the personal information protection measures of both parties and the liability for breaching the contract of personal information disclosure are clearly defined, and the right to consumer information security is effectively protected.

### Minimal data collection and retention

The Bank strictly abides by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and other relevant laws and regulations, follows the data collection principles of "minimal impact and minimal scope", and clearly informs customers of the processing measures through their data's full lifecycle including personal information collection, storage, use, processing, transmission, provision, public disclosure, deletion, etc. in the text of publicly disclosed privacy policy and authorisation agreement. The Bank commits to delete the data that exceeds using scope or necessary retention time and obtains customers' consent according to law. The Bank does not collect personal data via any third party (except when required by law) without obtaining customers' individual or written consent according to laws, to make sure the data collection scope is the minimal, the retention time is reasonable and the data processing is proper.

In 2023, the Bank formulated the *Measures for Data Security Management of China Construction Bank (Version 2023)*, specifying security requirements for data collection from personal information owners and external institutions and data acquisition when accessing to third party products or services, and further clarifying minimal information collection and retention.

## Privacy and Data Security Related Training

### Training for all employees

#### Personal information protection training

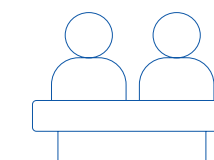
The Bank has created a client information protection zone on its online learning platform "CCB Learning" to provide specialised long-term training sessions for all employees. As at the end of June 2023, the zone had a total of 3.33 million visits, of which more than 220,000 taken required courses and passed the knowledge test. Besides, the Bank learns about and reviews suppliers' privacy management every year (including development of policies and regulations, compliance procedures and privacy protection trainings).

3.33 million

Number of employees participated in client information protection zone training sessions

over 220,000

Number of people taken required courses and passed the knowledge test



#### Periodical data security training

The Bank continuously strengthens and regularly conducts privacy and data security training and education, enriches training courses, establishes data security training assessment indicators, and incorporates them into the data work assessment and evaluation system of branch offices. The Bank introduced data security-related courses through "CCB Learning" and enterprise WeChat channels, providing data security training and publicity to all employees. The training content include laws, regulations and regulatory requirements on data security, the Head Office's data security regulations and management system, data security evaluation requirements, bank privacy and customer confidentiality obligation, privacy protection design and considerations for new projects, employee identification of and response to customer requests to exercise their data rights, handling measures of privacy and data security violations, etc. The courses had more than 40,000 views.

#### Trade secret protection training

The Bank conducts regular training on protecting trade secrets, introducing relevant laws, regulations and management requirements to enhance the Bank's ability to protect its trade secrets, client information, and private data. The course covers all employees. In the first half of 2023, 49,000 employees across the Bank participated in the training.



⚙️ Training for specialised personnel

◆ Data security courses series	The Bank has added data security courses in the data analyst certification training programme, refined the data security training system, covering all data line personnel of the Head Office and branches. The Bank has also added data security courses in the training classes for relevant business lines of the Green Tree Project including institutional business, personal financial business, preservation business and settlement business, to enhance business personnel's data security protection awareness.
◆ Professional competence training class	The Bank periodically holds CISP (certified IT security professional) certification training courses, CTF skills training courses, security attack and defence practical training courses, and security research and technology training courses for IT security practitioners.
◆ Data security assessment training	The Bank regularly conducts video training on data security assessment for the data business line at tier-one branches, CCB Learning Centre (Research Institute), directly managed institutions, audit institutions and domestic subsidiaries to interpret data security management policies and regulatory requirements and data security assessment requirements and strengthen guidance on data security assessment work. The Bank conducts in-person training on data security assessment for new products on offer at tier-one branches.
◆ Customer information protection training	The Bank periodically holds the training class for management personnel of consumer protection and personal finance business, providing training to heads of consumer protection departments at tier-one branches and relevant subsidiaries on key requirements of customer information protection work, in a bid to empower frontline personnel and improve compliance awareness and enhance implementation effect.

Privacy and Data Security Audit

The Bank periodically conducts external and internal audits of privacy and data security to strengthen oversight and assessment of privacy and data security. To evaluate the effectiveness, security and adequacy of information security policies and systems, the Bank conducts series tests in the audit process, including network penetration, code scanning, security certification test, R&D asset and data access control and data security processing. According to the audit results, for the accurate protection of data and other fields, the Bank further intensifies efforts in security mechanism building to ensure that privacy security technologies are more controllable, refined and covering different levels and categories.

⚙️ External audit of information systems

The Bank engages a third-party accounting firm for the information system related external audit to evaluate the effectiveness of security control every year. The audit covers the Head Office, tier-one branches, the Operation Data Centre and CCB FinTech and other institutions, and pays major attention to such areas as data security, personal information protection and cybersecurity.

⚙️ Information security assurance

Every year, the Bank engages a third-party accounting firm to perform assurance of the Head Office-end IT service and information security service provided by the Head Office to overseas institutions, issue an ISAE3402 assurance report on the Head Office-end overseas IT service system and a SOC2 report on the Head Office system and institution control.

⚙️ Grade-based cybersecurity protection evaluation

According to the national standard of Cybersecurity Classified Protection 2.0 for the financial industry, the Bank engages a qualified third-party appraisal institution to evaluate the protection capability of the filing systems at or above Grade III every year. The evaluation results are excellent.

⚙️ Information security special audit

Every year, the audit departments of the Bank conducts special audits on data information security and realises full IT audit coverage of the Head Office, branches and CCB FinTech with three years as a cycle. In the first half of 2023, the Bank completed the audit of FinTech cost control and financial expenses at six tier-one branches, four head office departments, four directly managed institutions, CCB FinTech and other institutions. The audit content included technology cost items such as R&D line, operation and maintenance line, data line and financial line as well as information, network and data security related items. The audit covered key institutions of the Bank.

⚙️ Data security self-assessment




The Bank periodically organises group-wide data security self-assessment. In the first half of 2023, the Bank assessed the current data security status of the Group in various aspects including data security management system, data protection covering different levels and categories, security technology, data security monitoring, data security audit, data security training, etc. and identified the direction for improvement through the self-assessment. Meanwhile, the Bank organised departments and overseas institutions to sort, evaluate and report outbound data transfer scenarios to ensure secure cross-border data flow.

⚙️ Comprehensive gap assessment

The Bank has conducted a comprehensive gap assessment of applicable control measures based on the results of external and internal audit on information security. The gap assessment results show that there are information protection defects in some data application scenarios, system functions with information protection defects, and ineffectively categorised technical documentation. For major gap items, the Bank has taken remediation measures including monitoring abnormal application behaviours, promoting security testing capability, unifying document management tools, fixing defects and strengthening machine control, and made sure that relevant policies of the Bank have been effectively implemented, the information security risk assessment procedures have been fully defined and implemented, and that employees fully understand their roles and responsibilities after information security training and awareness campaigns.

Data and Information Security Management Certification

Attaching great importance to data and information security management, the Bank has continuously conducted internationally recognised information security management system certification and kept strengthening overall information security and privacy protection capability and management level. The Operation Data Centre of the Bank has obtained the ISO27001 certificate, with a scope covering operation maintenance of the information systems, cloud platforms and cloud services of the Head Office, and planning, construction and technical operation management of infrastructure across the Bank. All account transactions of the Bank are processed by information systems maintained by the Operation Data Centre of the Bank.

Institution/system	Certification	
 Operation data centre	● ISO27001 Information Security Management System Certification	
 CCB Public Cloud	● Trusted Cloud Service (TRUCS)	
 CCB FinTech	● CMMI-DEV ML5	● Identified as a high-tech enterprise
	● ISO9001 Quality Management System Certification	● CAICT (China Academy of Information and Communications Technology) DevOps tool standard evaluation - <i>R&amp;D and Operation Integration (DevOps) Capability Maturity Model</i>
	● ISO20000 IT Service Management System Certification	● CAICT DevOps tool standard evaluation - <i>R&amp;D and Operation Integration (DevOps) Generic Performance Measurement Model</i>
	● ISO27001 Information Security Management System Certification	
	● TMMi 5	



## Access to Finance

The Bank adheres to the unification of economic and social benefits. Centring around the pain points and difficulties in economic and social development, the Bank has launched the New Finance Initiatives. With the strong support of FinTech, the Bank has kept innovating in business models, developed "extensive, new and strong inclusive finance", and advanced rural revitalisation on all fronts. Meanwhile, the Bank has developed the housing rental ecosystem, promoted the integrated development of the "binary star" platforms, and kept expanding the coverage and accessibility of financial services, so as to provide better financial services to more people, facilitate social fairness and justice through finance. The New Finance Initiatives are being vigorously implemented in all respects. At the end of 2022, the Bank's inclusive finance loan balance, agriculture-related loan balance (excluding the balance of agriculture-related inclusive loans), and corporate housing rental loans totalled RMB5.19 trillion, accounting for 24.48% of corporate loans and advances, fully demonstrating the remarkable results of New Finance in expanding the accessibility of financial services.



### Management System Structure

The related party transaction, social responsibility and consumer protection committee of the Board of Directors is responsible for supervising and instructing on senior management to promote inclusive finance related work, continuously following up on and intensifying oversight of inclusive finance business, rural revitalisation finance business and housing rental business. In the first half of 2023, the committee listened to the report on the progress of inclusive finance work, the report on the advancement of rural revitalisation finance business and the report on the implementation of the housing rental strategy, and instructed the Management to further improve financial services accessibility through implementation of relevant strategies.

The inclusive finance development committee of the Management makes overall planning for the strategic development of inclusive finance of the Bank. It studies and implements the plans of the CPC Central Committee, the State Council and regulators for inclusive finance work and the work requirements of the Bank's party committee, the Board of Directors and President's Office of the Head Office on promoting the strategic development of inclusive finance of the Bank. It deliberates on major operation and management matters within its authority.

### Serving Inclusive Customer Groups

In May 2018, the Bank fully launched the inclusive finance strategy. Driven by FinTech, and with data operation and platform operation at the core, the Bank continues to promote inclusive growth through inclusive finance, extends operations and services to lower-tier cities, builds a new inclusive finance development ecosystem, keeps improving financial services accessibility, and creates the best practices of inclusive finance development.



### Increasing financial support to inclusive customer groups

The Bank continuously pushes for improvement in inclusive finance service capability and development quality and efficiency, and increases financial support to inclusive customer groups such as small and micro business owners and self-employed individuals. As at the end of June 2023, the Bank's balance of inclusive finance loans reached RMB 2.86 trillion. Since its launch, "Quick Loan for Small and Micro Businesses" has provided RMB10.9 trillion credit support for inclusive customer groups and served 4.15 million customers, making the Bank a financial institution with the largest inclusive finance supply in the world.

In the first half of 2023, the Bank's inclusive finance loans injected in underserved regions such as Tibet, Qinghai, Ningxia, Gansu and Xinjiang recorded nearly RMB50 billion, which benefited more than 93,500 local small and micro businesses. The Bank continued to expand the breadth and depth of inclusive finance services and helped relieve the difficulties faced by local small and micro businesses in accessing affordable financing. The Bank vigorously expands credit loan and first-time loan services. As of June 2023, the Bank served 81,600 first-time small and micro business loan customers in the year.

RMB **2.86** trillion

Balance of inclusive finance loans

**4.15** million

Number of inclusive customers

RMB **10.9** trillion

Credit support provided to inclusive customer groups

Nearly RMB **50** billion

Inclusive finance loans injected in underserved regions such as Tibet, Qinghai, Ningxia, Gansu and Xinjiang in the first half of 2023

### Enriching the inclusive finance product system

Leveraging the internet and big data technology, the Bank has stepped up efforts to unleash the potential of new products and new models such as "Quick Loan for Small and Micro Businesses", "Quick Loan for Personal Business" and "Goodwill Loan for Small and micro Businesses". First, the Bank has expanded and optimised small and micro business services for corporate customers and continued to refine "Quick Loan for Small and Micro Businesses" series products. Second, the Bank has built the "second track" of personal business and pushed high-quality development of personal business loan services such as "Quick Loan for Personal Business". Third, the Bank has strengthened integrated online and offline development and promoted the "Goodwill Loan for Small and micro Businesses" business model. As of June 2023, the loan balance of new model products such as "Quick Loan for Small and Micro Businesses" exceeded RMB2.34 trillion, and the loan clients exceeded 2.42 million. The Bank continued to develop the "CCB Startup Station" service to support micro, small and medium-sized sci-tech enterprises. As of June 2023, "CCB Startup Station" was promoted to 26 provinces and cities across China and provided RMB52.5 billion credit support to 33,000 enterprises that have joined "CCB Startup Station".



over RMB **2.34** trillion

Loan balance of new model products such as "small and micro fast loans"

over **2.42** million

Number of the loan clients for new model products such as "Quick Loan for Small and Micro Businesses"



## ⚙️ Upgrading the exclusive service platform for the inclusive customer group

With a focus on the characteristics and differentiated needs of inclusive finance customers, the Bank continuously enriches digital and online service supply and expands the dimensions of inclusive finance services, accessible demographics and territorial scope. Upholding the concept of digital operation, the Bank has developed the integrated ecosystem-based service platform, "CCB Huidongni". Focusing on the requirements, pain points and difficulties of inclusive customer groups such as small and micro businesses and self-employed individuals, the platform provides journey-based, diverse and intelligent credit services, expands accompanying, one-stop wealth service experience, builds a sustainable inclusive finance ecosphere, and strengthens digital inclusive finance service capability.

In 2023, "CCB Huidongni" 3.0 was newly upgraded. Since its debut, the platform and its functions have been constantly iterated. It has become the core support and important driver of customer acquisition and traffic diversion at Business Community. It is committed to providing services that understand customers better. Centring around customers' pain points and the requirement of completing the full credit process online, the platform offers 26 credit service items. In addition to the constantly optimised core functions of enterprise certification, online credit line testing, loan application, etc., the platform has creatively rolled out services with relatively high requirements on customer convenience such as intelligent calendar, speedy limit raising, settlement certificate, detail enquiry, etc., to provide "fast, easy, simple and convenient" credit service experience to inclusive customer groups. The platform has launched payroll service with one-stop mobile remuneration management process to meet the demand of small and micro businesses for "intelligent, mobile and efficient" services. It has also provided the functions of wealth view, account management, electronic reconciliation, vendor collection, wealth management, fund, outlet service and e-CNY, enabling it to offer more convenient accompanying services.

As of the end of June 2023, "CCB Huidongni" App accumulated more than 250 million visits, 31 million downloads, served 10.53 million corporate customers, and reached RMB1.69 trillion in platform loans.

over **250** million

Number of visits accumulated on the "CCBHuidongni" App

over **31** million

Number of downloads of the "CCB Huidongni" App

**10.53** million

Number of corporate customers served by the "CCB Huidongni" App

RMB **1.69** trillion

Total credit amount of the "CCB Huidongni" App



## ⚙️ Refining the digitalised and online operating models

The Bank further expanded the data application scenarios and established hundreds of data models based on eight major business scenarios, including customer marketing, application for access, loan approval, limit calculation, early warning and monitoring, debt collection and disposal, loan renewal management and operation management, and continued to improve digitalised and online inclusive finance operating models with data as a key production factor and modelling as the major production tool.

## ⚙️ Providing comprehensive services to small and micro enterprises

The Bank builds joint internet scenarios for enterprise opening, financial management, express and logistics, legal service, etc., to provide customers with integrated solutions and more favourable service packages. The Bank develops social networking services based on enterprise name cards and pushes for the building of a multi-dimensional enterprise community to help small and micro businesses expand markets. The Bank held the "Benefiting 10,000 Enterprises in 100 Industries" themed event. By leveraging advantages in online and mobile terminals, the Bank provided more than 10 million corporate users on the platform with diverse exclusive discounts. Meanwhile, in cooperation with government agencies, chambers of commerce and associations and platform ecosystem partners, the Bank held several "Enterprise-benefiting Salons" activities, with visiting industrial parks, business circles and enterprises, to jointly support enterprises resuming business and production, improving the capability of inclusive finance to serve the real economy.

## Supporting Rural Revitalisation

The Bank is actively building a model of demonstrative and replicable financial support for rural revitalisation development, actively improves the top-level system design for rural revitalisation, allocates various policy resources, deepens cooperation among all parties, applies technology to empower the construction of scenario-based rural financial platforms, provides excellent financial services for key areas, key regions, and key customer groups in rural revitalisation, and meets the diversified and multi-level financial needs of agricultural-related clients, striving to enhancing financial services accessibility in areas of financial deprivation.

## ⚙️ Building "Yunongtong" online and offline service models for rural revitalisation

In the practice of serving rural revitalisation through new finance, the Bank vigorously develops the "Yunongtong" comprehensive service platform through technology, sharing, etc. The platform that includes "Yunongtong" inclusive financial service sites, the "Yunongtong" APP and the "Yunongtong" WeChat official account. The Bank attaches special importance to empowering rural revitalisation through digital technology and continuously refines the functions and scenarios of the "Yunongtong" APP to provide farmers with more diverse financial and non-financial services such as helping farmers withdraw funds, livelihood payments, and social security and medical services, truly improving financial services accessibility in underserved regions.



### "Yunongtong" inclusive financial service sites



- The Bank collaborates with village committees, supply and marketing cooperatives, village supermarkets, health clinics, and retired military service stations to establish "Yunongtong" inclusive financial service sites by deploying intelligent POS electric devices, intelligent agricultural terminals and other electric devices that connect effective social resources in rural areas to provide local rural residents with basic financial services, and offers basic payment services including helping farmers withdraw funds, cash remittance, remittance transfer, agency payment and query, as well as other services such as anti-gambling, anti-fraud, anti-money laundering and anti-counterfeit money publicity and financial literacy for rural residents.

As of the end of June 2023, the Bank built 370,000 "Yunongtong" service sites across China, covering most townships and administrative villages across China and providing services to more than 58 million people. 230,000 of the "Yunongtong" service sites were jointly built with the "village committee and village party branch", accounting for about 62%. The Bank issued 27.33 million "Rural Revitalisation Yunongtong Card" focusing on large-scale rural farming and breeding households, and people returning to rural areas for innovation and entrepreneurship, with a net increase of 4.5 million cards in the same year, and the number of new customers accounted for about 70%. "Yunongtong" service sites became the first rural inclusive financial service site in China with electronic social security card issuance function.



**370,000**

Number of "Yunongtong" inclusive financial service sites

over **58** million

Number of services provided at "Yunongtong" inclusive financial service sites



**"Yunongtong" online service channels**

The "Yunongtong" APP is closely centred on the real needs of the countryside, and provides various agriculture-related entities with integrated services including financial services, intelligent agricultural services, convenience services and e-commerce and it has launched more than 100 scenario-based functions. Based on the standard version of the Head Office, branches launched regional functions with local characteristics based on the actual needs of rural construction, grassroots governance and industrial development, effectively connecting the "last mile" of the Bank's financial services for rural areas.



The Bank develops the "Yunongtong" APP as the main access to farmer credit and continuously enriches the loan products on the APP to meet the credit needs of rural households in counties. The Bank actively works with local government to build the concept of rural ecosystem and enrich service scenarios like intelligent agricultural services and livelihood payments to increase convenience for rural residents. The Bank actively explores digital channels to serve rural customer groups in counties, and promotes integrated services to counties and villages through the co-ordinated development of the APP, mobile banking and CCB Life.

As of the end of June 2023, there were 10.24 million registered users of the "Yunongtong" APP, an increase of 5.13 million over the end of 2022. A total of RMB52.2 billion of loans were issued and a total of 7.61 million payment transactions were completed. An online and offline integrated service network has been established, which is capable of handling 41 types of government and livelihood services and more than 100,000 life payment projects, making public services in rural areas more convenient.

## Increasing resource support to agriculture-related industrial chains

### Building an agriculture-related financial service system

With a focus on the building of an ecological financial services system for six characteristic agricultural industry chains, including food security, dairy industry revitalisation, beef cattle, vegetables, fruits, and flowers, the Bank has constructed a new business model that serves the entire scene, all customer groups, and the entire industry chain. The Bank vigorously develops loans for farmers' production and operation. As of the end of June 2023, the balance of production and operation loans of the Bank for farmers was RMB313.831 billion, an increase of RMB110.177 billion, or 54.10%, over the end of the previous year. The balance of agriculture-related loans was RMB3.62 trillion, an increase of RMB613.353 billion, or 20.41%, over the end of the previous year, of which the balance of corporate agriculture-related loans was RMB2,512.624 billion and the balance of retail agriculture-related loans was RMB1,105.255 billion; The balance of inclusive agriculture-related loans was RMB546.397 billion, an increase of RMB141.807 billion, or 35.05%, over the end of the previous year. The number of agriculture-related loan customers was 3.58 million, and the interest rate of new agriculture-related loans issued that year was 3.60%, down 0.31 percentage points from the previous year.

### Developing innovative credit products for agriculture-related industrial chains

The Bank based on farm households' credit information, asset and transaction information, agricultural insurance, "Yunongtong" and other client data, as well as all kinds of characteristic agricultural production and operation data, creating the "Yunong Quick Loan" product package and offline "Yunong Loan" series products, to meet the production and operation capital needs of farmers. As of the end of June 2023, the loan balance of "Yunong Fast Loan" (including "Yunong Loan") was RMB168.766 billion, an increase of RMB59.181 billion compared with the end of 2022, an increase of 54%. Besides, to support key areas such as ensuring national food security, rural industries, and rural construction, innovative "rural revitalisation loans" series products were created, such as "high-standard farmland loans", "facility agriculture loans", "agricultural production trust loans" and "agricultural products cold chain logistics loan", serving the precise needs of agricultural and rural production development.

RMB **3.62** trillion

Balance of agriculture-related loans

**20.41%**

An increase in the balance of agriculture-related loans

**3.58** million

Number of agriculture-related loan customers

## Supporting green development in rural areas

The Bank provides quality ecological guarantee, environmental protection and green products to support the green development of the rural areas. The Bank studied and formulated the *Action Plan for Vigorous Development of Green Finance in Rural Revitalisation*, focusing on enhancing credit support to seven key areas: rural land improvement and restoration, development of ecological circular agriculture, comprehensive improvement of rural living environment, development and utilisation of green resources, pollution control in agriculture, restoration and protection of ecosystems, and development of clean energy in counties and energy-saving and environmental protection industries. The plan aims to enrich the Bank's reserve of green credit projects related to agriculture. Jointly with 10 selected key branches, the Head Office developed customised green financial service plans according to local conditions, to support rural areas in establishing governance structures and organisational systems in line with the carbon peaking and carbon neutrality goals.

### Establishing the "Shanfutong" supply chain service platform

The Bank established the "Shanfutong" supply chain service platform, based on existing supply chain relationships with business clients, to provide networked financial services and business collaboration for clients and their upstream and downstream partners. The Bank relied on "Shanfutong" to actively implement the rural revitalisation strategy, focusing on the networked and digital upgrading needs of agriculture-related industry chains. It provided a comprehensive package of "e-commerce + financial" services, including payment settlement, order management, and information sharing, to upstream and downstream entities in the agricultural supply chain. This effectively addressed the transaction bottlenecks such as multiple offline communication channels and long waiting times for payment verification, helping to promote the integration of the primary, secondary, and tertiary industries in rural areas. As of June 2023, the Bank had 315 external business clients and 660 active supply chains, covering over 250,000 active clients upstream and downstream, with a transaction volume of RMB43.2 billion. More than 40 of these supply chains were related to agriculture, with a transaction volume exceeding RMB7.2 billion.

## Diverse financial and non-financial support measures

The Bank continuously strengthens financial and non-financial support to regions that have been lift out of poverty and key counties under the national rural revitalisation programme. The Bank takes diverse measures with a focus on circulation of agricultural products, cooperative economy, socialised services for agricultural production, price fluctuation risk management for agricultural products, assistance through consumption, rural training, farmers' social contact, etc. to support rural revitalisation and sustainable development.

- **In terms of circulation of agricultural products**, the Bank created the service model of "Yunong Market", which provided integrated financial and non-financial services to agriculture-related businesses of all types in 4,500 agricultural wholesale markets and 30,000 farmers' markets across China.
- **In terms of cooperative economy**, the Bank created the "Yunong Cooperation" service model, which provided comprehensive services such as credit, settlement and digitalised operation to relevant agriculture-related entities at 2.2 million farmers' cooperatives across China.
- **In terms of socialised services for agricultural production**, the Bank created the "Yunong Custody" service model, which, with a focus on 900,000 socialised service organisations for agricultural production across China, aiming to build a digitalisation platform for agricultural production custody service.
- **In terms of price fluctuation risk management for agricultural products**, the Bank established the "bank + insurance + futures" model, to strengthen the market-oriented sharing and compensation mechanism for agricultural credit risks, help farmers avoid agricultural product price fluctuation risk, and stabilise the profits from agricultural production and operations.
- **In terms of assistance through consumption**, the Bank launched the "Yunong Excellent Products" rural e-commerce service to help agricultural products to go upmarket.
- **In terms of training in rural areas**, the Bank set up the online and offline "Yunong School", which provided diverse financial and non-financial training;
- **In terms of social interaction in rural areas**, the Bank created "Yunong Friends Circle", the exclusive comprehensive social platform for farmers, which, as a new model of "media + finance + internet" platform serving rural revitalisation, provided more than ten services for the convenience of farmers including weather and farm work, daily analysis of the agricultural market, village information query, Yunong Quick Loan, loans to small and micro business, etc.



### ⚙️ "Deputy village chiefs in charge of financial affairs" help solve financial service difficulties in rural areas

To solve the double problem of farmers' difficulty in getting loans and banks' difficulty in granting loans in rural areas and address the imbalance between financial supply and demand in rural areas, since 2020 the Bank, in cooperation with the Arun Banner Committee Government of the Inner Mongolia Autonomous Region, implemented the "deputy village chiefs in charge of financial affairs" programme in 148 administrative villages, as part of the originated "deputy village chief in charge of financial affairs + Yunongtong" service model. The Bank set up a Yunongtong service site at the village committee and appoints the "deputy village chief in charge of financial affairs" who was familiar with rural financial business and had strong comprehensive coordination ability as Yunongtong employer, to guide villagers to use services like transfer, top-up, social insurance fee payment, etc. via the "Yunongtong" APP from home. Meanwhile, the "deputy village chief in charge of financial affairs" who became Yunongtong employer can also help farmers make an appointment to get the rural revitalisation bank card service and test their loan limits by sharing a QR code and recommend inclusive finance loans to agriculture-related businesses.

The practical exploration of "deputy village chief in charge of financial affairs" model actively assisted in rural governance, empowered and ensured food safety, and promoted agricultural development. It proved to be a win-win model for four related parties. For the government, it cultivated rural revitalisation talents; for the people, it provided convenient financial services; for individuals, it provided a broad career growth platform, demonstrating political responsibilities as a large state-owned bank. In early 2023, on the basis of the previous promotion of the model, the Inner Mongolia Branch launched the "Spark Programme", aiming to promote the "spark" of the "deputy village chief in charge of financial affairs + Yunongtong" service model in Arun Banner to the whole region to start a "prairie fire". As at the end of June 2023, the whole region appointed 2,008 deputy village chiefs in charge of financial affairs, effectively covering all the 12 league cities in the region.

## Promoting New Models of Housing Finance Services

As the No. 1 retail credit bank and the first bank in China that started housing finance business, while maintaining its traditional housing finance advantages, the Bank, with a focus on the people's "pain point and difficulty to settle down", made housing rental a bank-wide strategy in August 2017, the first in the industry to do so, aiming to promote the new housing concept that "long-term rental means long stay, and long stay means settling down", support increase of government-subsidised rental housing and market-based long-term rental housing, and make full use of financial means to meet the needs of different customer groups, especially the housing needs of underserved groups, thus benefiting the social public through housing rental service.

The housing rental strategy of the Bank is to develop innovative financial products and service models based on market demand, expand housing financial service support means and coverage, push housing finance business toward one that covers both housing rentals and purchases, promotes upgrade of existing services, and relies on both indirect and direct financing, and form a closed-loop system of "investment, financing, management and exit" services integrating equity investment, financing support, management and operation, and REITs service, providing a financial solutions to help realise "have a home to live in" and exploring ways to improve the long-term mechanism for real estate market development.

### ⚙️ Continuously optimising housing rental credit service

To meet the special financing needs of the housing rental industry, the Bank rolled out housing rental loan, the first of its kind in the industry, established a loan system that supports multiple entities, covers the whole lifecycle, and ensures that risks are under control, and increased financing support to long-term rental housing and government-subsidised rental housing. As of the end of June 2023, the Bank's corporate housing leasing loan balance was RMB306.495 billion, exceeding the RMB300 billion mark, supporting more than 1,600 housing leasing enterprises and more than 600 affordable rental housing projects, effectively increasing the supply of rental housing and helping to solve the problem of rental housing settlement.

### ⚙️ Helping build high-quality long-term rental communities

In 2018, the Bank established CCB Housing Services Co., Ltd. ("CCB Housing") and supported its participation in housing rental business, helping it make better use of idle assets on the market and meet the rental needs of new urban residents and low-income groups. As at the end of June 2023, CCB Housing managed 165,000 apartments and 272 "CCB Home" long-term rental communities. Beijing Startup Home and CCB Home - No.83 Zhongshan Fourth Road in Chongqing were presented as representatives of government-subsidised housing projects at the "Forge Ahead in a New Era" achievements exhibition of the 20th CPC National Congress.

RMB **306.495** billion

Balance of corporate housing leasing loans

over **1,600**

Number of housing rental enterprises supported

over **600**

Number of government-subsidised rental housing projects supported

### ⚙️ Establishing the "CCB Home" trading platform

CCB Housing runs the "CCB Home" platform, which is equipped with functions such as housing display, house touring by appointment, online contract signing, fund payment, among others. The platform provides housing rental enterprises and individual users with a transparent trading environment as well as a guarantee of secure and convenient services, inherently reducing the costs of house touring and house rentals for tenants. As at the end of June 2023, CCB Home reached 47 million individual users, shared housing resources with large rental enterprises, and provided SaaS to small and medium-sized rental enterprises.

### ⚙️ Building the housing rental system service ecosystem

The Bank broadly utilises FinTech means to support the development of the housing rental government service system, covering government-subsidised housing, public rental housing and housing rental market regulation. This effectively expands service coverage and inclusiveness and allows tenants to obtain regulated housing rental services. As at the end of June 2023, the government-subsidised housing APP was promoted to 234 cities nationwide and the public rental housing APP to 158 cities. The public rental housing system provided rental matches and rent subsidy payment services for more than 5 million households.

### ⚙️ Setting up the first housing rental fund in China

In 2022, the Group invested in the establishment of CCB Housing Leasing Fund (Limited Partnership), raising a scale of RMB30 billion. The Group also established CCB Housing Rental Private Fund Management Co., Ltd. Through market-oriented, rule-of-law-based and professional operation and a comprehensive package of financial instruments including equity investment, bank loans and REITs, the Fund acquires idle assets such as commercial properties and self-owned residential housing, and transforms them into government-subsidised rental housing and market-based long-term rental housing to meet the rental housing demand of new urban residents and young people. As at the end of June 2023, CCB Housing Rental Fund secured 20 projects located in cities such as Beijing, Shanghai, and Chengdu, with a total asset of RMB8,754 million, providing 14,500 rental apartments to migrant workers, new graduates, among others. It effectively improved accessibility of financial services and met the housing needs of new urban residents and young people.

**20**

Number of projects that CCB Housing Rental Fund secured

RMB **8,754** million

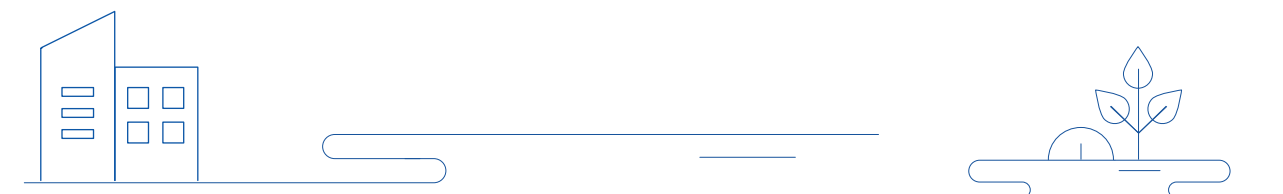
Total asset of projects that CCB Housing Rental Fund secured

### ⚙️ Exploring housing rental REITs

Since 2019, the Bank organised a specialised team to assist regulatory bureaus in research relating to REITs regulating policy and process. The Bank carried out one of the first pilot project of equity trading service of housing rental enterprises, launched by Beijing Financial Assets Exchange, and actively participated in the issuance of publicly offered government-subsidised rental housing REITs, devoting itself to unblocking a critical phase of capital withdraw in the housing rental realm. As at the end of June 2023, the Bank and the Group's subsidiaries successfully participated in the initial issuance of three publicly offered government-subsidised rental housing REITs in a variety of roles, including fund trustee, promoter's consultant, strategic investor, using financial means to solve problems in the housing rental industry and, realising a sound circulation of the "investment, financing, management and exit" business model.

**14,500**

Number of rental apartments provided by projects that CCB Housing Rental Fund secured





## Case | Implementing the housing rental strategy to benefit the people through financial services

In the process of advancing the housing rental strategy, the Bank has further extended the reach of financial services, expanded the depth and breadth of financial services and improved financial services accessibility. As at the end of June 2023, the housing rental ecosystem added more than 13 million new personal customers to the Bank.

The Bank promotes the dynamic integration of financial services and housing rental scenarios. By leveraging advantages in financial support, technology empowerment and resource integration, the Bank fully supports the financial service needs of the housing rental industrial chain and supplied a variety of housing rental services nationwide. The Bank helps to resolve housing difficulties of the people, while further expanding the coverage of its financial services and reaching more customer groups:

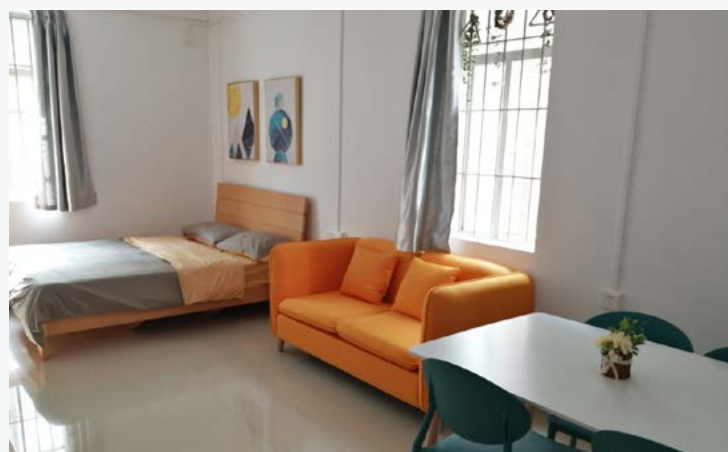
### • ["Deliveryman Home" in Beijing]

Beijing Branch supported the renovation of a homestead residence in Huangcun Town, Daxing District, Beijing, adopting a "unified acquisition, overall renovation and professional operation" model to improve the project quality and operation efficiency. The project provided couriers, deliverymen, and other basic public service personnel with rental housing that living experience meets the needs and is well-equipped with supporting facilities.



### • ["Sanitation Workers' Home" in Guangzhou]

Guangdong Branch cooperated with subsidiaries supported the renovation of an aged and idle public housing. Harnessing its advantage of resource integration, the branch, relying on the rental industry alliance to purchase and configure household appliances in bulk, reduced the cost of transformation, provided clean and comfortable living environment for sanitation workers, and improved the quality of life and happiness of "urban beauticians".



### • ["Pukun Community" in Hangzhou]

Zhejiang Branch supported the renovation of idle workshops in an industrial park in Hangzhou and built blue-collar apartments. By turning workshops into rental housing, the Branch solved the housing problem faced by blue-collar workers in the industrial park. The branch reduced the cost of the project through signing a long-term lease agreement and applying for preferential policies of the local government, among others, and was able to lease the residence requiring rent payments that are 70% of the market price, another action that benefited the people through housing finance.



### • ["UTIME" in Shanghai]

Shanghai is one of the few cities in China that have allotted designated land for rental. Shanghai Branch actively involved in the government-subsidised rental housing projects built on designated rental land by local state-owned enterprises. Shanghai Branch engaged via provision of loan support and CCB Housing entrusted undertaking in order to build a government-subsidised rental housing community, expand its service boundaries, and to provide a convenient and quality accommodations that meet the needs of both working and living for new urban residents.



### • ["Daxing government-subsidised rental housing project" in Beijing]

CCB Housing Rental Fund acquired an idle commercial property in the Daxing Biomedicine Base of Beijing and transformed it into government-subsidised rental housing. The project applied the ESG framework and the green building concept and jointly constructed a green standard for government-subsidised rental housing that primarily meets the housing needs of new urban residents and young people in the Biomedicine Base and to enhance the residents' sense of belonging and fulfilment.





## Expanding the Coverage of Financial Services

The Bank continuously refines financial service models and expands financial service coverage, improving accessibility of financial services and providing warmer financial services to more people.

### Expanding physical and online channels

The Group provides convenient and high-quality banking services to customers through a wide range of branches, self-service facilities, professional service institutions and electronic banking service platforms. As of the end of June 2023, the Bank had a total of 14,337 operating institutions. Among them, there are 14,303 domestic institutions, including head office, 2 branch-level franchise institutions, 37 first-level branches, 362 second-level branches, 13,866 sub-branches, 35 sub-branch outlets, and 34 overseas institutions. The Bank has 24 major subsidiaries with a total of 602 institutions, including 454 domestic institutions and 148 overseas institutions. In the first half of 2023, the Bank further promoted the integrated development of "Gemini", and the scale of individual customers on the online platform continued to expand, reaching 523 million, covering more than 70% of individual customers. The number of personal mobile banking users reached 450 million, an increase of 5.27% over the same period of the previous year.

### Supporting financial services at the county level

The Bank actively expands outlet coverage in new urban planning areas and counties. The Bank formulated and issued the *Guidelines on Business Expansion in Counties*, and strictly saw it implemented. As at the end of June 2023, the Bank set up 11 new county-level outlets, accounting for 85% of the total number of new outlets. Meanwhile, the Bank lowered the profitability evaluation requirements for new county-level outlets in some provinces to further improve financial services accessibility in counties. As at the end of June 2023, the Bank had a total of more than 14,000 outlets, of which 4,238 are based in county-level, accounting for 30% of the total. The Bank had 1,034 outlets within the 832 counties that used to identify as national-level-poverty-stricken-counties. Through these outlets, the Bank continued to expand the breadth and depth of financial services and strengthen the capability to serve rural revitalisation.

### Strengthening construction of characteristic outlets

The Bank established various characteristic outlets, such as inclusive finance, housing rental, and auto finance, to accelerate the transformation and upgrade of the outlet service function to a scenario-based ecological service function that combines both comprehensive services and featured services across financial and non-financial sectors. Leveraging the advantages of outlets, the Bank integrates efficient and quick online support with high-quality, warm offline services. As at the end of June 2023, 14,000 outlets were able to provide inclusive financial services, accounting for 99% of the total number of outlets. The Bank allocated 19,000 inclusive finance client managers and 57,000 employees that provided inclusive financial services to customers. The Bank also established 246 inclusive financial service centres and 2,509 featured inclusive finance outlets.

14,000

Number of outlets that provide inclusive financial services

99%

Percentage of total number of outlets

11

Number of newly established county-level based outlets

85%

Percentage of total newly established outlets

4,238

Number of county-level based outlets

30%

Percentage of county-level based outlets

### Expanding "Workers' Harbour+" services

The Bank actively serves the society, opening 13,898 "Workers' Harbours" to the society, and transforming and upgrading to specialised and differentiated services. The Bank continues to deepen the "Workers' Harbour+" model, and cooperates with 2,530 institutions such as the Party and government organisations at all levels, trade unions, China Disabled Persons' Federation, and charitable organisations to expand the service scope in fields such as elderly-friendly and caring services, integrated government affairs services, rural revitalisation, green and low carbon transformation, educational aid, legal aid and popularisation, and barrier-free services. In 2022, a total of 77 outlets of the Bank were awarded the "Most beautiful outdoor worker service station" by the All-China Federation of Trade Unions, consistently holding the first place in the national financial system.



### Elderly-friendly and barrier-free renovations

The Bank implemented a number of elderly-friendly and barrier-free renovations and continued to push for the implementation of the *Outlets Barrier-free Service Capacity Enhancement Implementation Plan*. The Bank launched the industry's first *Special Guideline of Barrier-free Construction for Outlets* and continued to refine it. As at the end of June 2023, more than 14,000 outlets of the Bank were fully equipped with service facilities such as courtesy seating, reading glasses and magnifying glasses, along with a total of 11,240 wheelchair ramps. Additional equipment was provided at suitable outlets, including wheelchairs, vibrating pager, blood pressure monitors, handwriting boards for communication, mobile tables for filling forms, and sugar-free drink supplies. 145 outlets were certified by the group standard certification of *Requirements for Elderly Services for Bank Outlets* of the Financial Technology Certification Centre (Beijing), maintaining the industry's leading position in terms of quantity. Moreover, the Bank established a number of "barrier-free service exemplary outlets" in Beijing and Shanghai, further refining barrier-free facilities such as barrier-free entrance, customer assistance hotline, wheelchairs, guide dog-friendly signs, lobby guide services, sign language services and door-to-door services to meet the needs of the disabled and demographic groups that seek special care.



13,898

Number of "Workers' Harbours" opened to the society

77

Number of outlets awarded the "Most beautiful trade union outdoor worker service station" by the All-China Federation of Trade Unions, consistently holding the first place in the national financial system

over 14,000

outlets are fully equipped with service facilities such as courtesy seating, reading glasses and magnifying glasses

145

outlets are certified by the group standard certification of *Requirements for Elderly Services for Bank Outlets*, maintaining the industry's leading position in terms of quantity



Innovating Mobile and Online Channels

The Bank actively improves financial service channels, innovates mobile and online business distribution models, accelerates the accessibility of products and services, and takes solid steps to practice the connotation of inclusive finance.

Mobile banking

The Bank continuously optimises the operation process of mobile banking and improves financial services accessibility. The Bank also improves the registration and login process of mobile banking, allowing users to quickly register and open a mobile banking account online through their mobile phone number, and conduct financial and convenient government services through binding accounts from other banks. The Bank continuously optimises the interactive process of investment and financial services such as wealth management, funds, insurance, cross-border finance, and physical gold redemption, shortens the operational steps through information prompts, and present clients with a more comfortable, convenient, and smooth financial service experience. The Bank continues to improve the elderly-friendly function of mobile banking, and launches a suitable version of mobile banking, which visually displays functions and simplifies operation processes through functions such as "larger fonts" and "simplified pages", to further optimise the user experience of elderly customers. The Bank connects with national and provincial-level government services to create a mobile banking government service centre. The mobile banking homepage and life channel provide centralised display of convenient government services such as local provident fund, pension, social security, medical insurance, traffic tickets and tax payments, allowing users to conduct financial and convenient government services in one-stop through mobile banking. By continuously enriching and optimising the functions of mobile banking, the Bank improves the convenience of various client groups to obtain the financial services they need, and further expands the coverage of financial services.

CCB Lifestyle

The "CCB Lifestyle" APP, positioned as a "Guide to a Better Life" platform, offers one-stop services for spending, saving, borrowing, and making money. Leveraging internet and big data capability, the APP enables financial resources to reach underserved areas with difficulty in accessing financial services in the past. The APP currently has more than 110 million registered users, with about 3 million DAUs. It has attracted 360,000 high-quality merchants and helped distribute more than RMB1.1 billion worth of consumption vouchers for local governments of over 168 cities, driving consumption to nearly RMB4 billion.

Remote intelligent banking

The Bank continuously provides high-quality and remote comprehensive financial services to clients through multimedia interconnection, multi-scene penetration, and multi-functional outreach. The intelligent applications have been deeply expanded into multiple fields, such as voice navigation, consultation services, bill payment reminders, and marketing assistance. Telephone voice navigation serves nearly 550,000 clients per day on average, and our intelligent consultation services serve over 630,000 clients per day on average. Intelligent payment reminders cover 9 business scenarios, including credit cards, personal loans, small and micro business loans, and agricultural loans, while the intelligent marketing assistance has reached more than 4.7 million clients. As of June 2023, 234 million client inquiries were handled and achieved a client satisfaction rate of over 98%. The Bank committed to advancing intelligent services, and added convenient service features such as "smart prediction" and "cloud delivery". The Bank also innovatively launched its official account on WeChat and TikTok named "CCB customer service" with over 26.5 million followers and serving more than 360,000 users on a daily average. Meanwhile, the Bank launched remote consultation services for areas and demographic groups with scarce access to financial services such as counties and rural areas. By building a three-level response service capability of "AI client service +live agent+ outlet employee", the Bank instantly identifies client needs and provides immediate answers to frequently asked questions.

over 110 million  
Number of registered users

234 million  
Number of client inquiries handled

over 98%  
Client satisfaction rate

"CCB Doorstep Service" financial service

The Bank has launched the "CCB Doorstep Service" financial service, which focuses on building a contactless service model, expanding outlets service channels, fully integrating online and offline channels, coordinating the Bank's delivery capabilities and third-party logistics companies, and extending outlet services by directly delivering products or services involving physical delivery to clients. The Bank provides a quality financial service experience without clients leaving their homes, enabling clients with limited mobility to access convenient financial services. As of June 2023, the "CCB Doorstep Service" financial service has supported 30 "at-home" products including personal credit certification and bank inquiry letter delivery services and provided over 23 million home services to more than 9 million clients. It greatly expanded the radius of financial services and enabled citizens in underserved regions to access convenient financial services.

over 9 million  
Number of clients received home services  
over 23 million  
Number of home services provided

"CCB banking centre"

Through the WeChat official account "CCB banking centre" online service capacity, the Bank moves "service with temperature" from outlets to online channels, offering clients professional financial services such as channel navigation, appointment booking, consulting interactions, allowing clients to enjoy the same services and experience as visiting an outlet through their mobile phones. As of June 2023, "CCB banking centre" provided financial services including reservation, form-filling and "CCB Doorstep Service" to 17.33 million clients.

17.33 million  
Number of clients received financial services from "CCB banking centre"

"Longyixing" mobile intelligent terminals

The Bank's outlets are equipped with 19,000 "Longyixing" mobile intelligent terminals, including 5,414 in county areas, providing clients with 154 mobile financial services in eleven major categories, such as account opening, credit card application, and mobile banking sign-up. For disabled and elderly people, urban migrant workers, and residents of villages in high-altitude or remote areas where financial services are scarce, employees of outlets provide door-to-door service by carrying the "Longyixing" mobile intelligent terminal. As of June 2023, the Bank conducted approximately 311,000 external expansion services using "Longyixing" (including 35,000 targeted services in county areas), with transaction amounts exceeding RMB950 million and transactions volume reaching 19.317 million, with a year-on-year increase of 12%.

311,000  
Number of external expansion services conducted  
35,000  
Number of external expansion services conducted in county areas  
over RMB 950 million  
Total transaction amounts of external expansion services

19.317 million  
Transactions volume of external expansion services  
12%  
Year-on-year increase of external expansion services





Charity

The Bank upholds the public welfare culture of "helping others, openness and sharing" and adheres to the "Three Leadings and One Integration" public welfare concept of "leading employees to participate in public welfare, leading clients to participate in public welfare, leading institutions to participate in public welfare, and integrating business with public welfare". The Bank carries out diverse charity and volunteer activities, fully promotes the value of developing finance for the common good, strives to give back to the society, and stays committed to practising social responsibility.

While continuing to make external donations and building a long-term public welfare project brand, in 2023 the Bank launched the "Charity Together" online public welfare campaign facing the public. With the support of the "Binary star", namely CCB mobile banking and CCB Lifestyle, the Bank developed a new charity ecosystem and a new pattern of integration of business and charity that enabled millions of CCB clients (users) to become charity initiators, supporters, and disseminators.

The Bank attaches great importance to fostering a "helping others" culture and actively organises employees to participate in volunteer activities. The Bank set up the youth volunteer association with 48 branches worldwide. As of June 2023, the Bank had a total of 96,000 registered youth volunteers, who provided 112,100 hours of volunteer services to 884,200 people.



The Bank actively takes social responsibility and performs its duties as a large bank. As at the end of June 2023, the Bank mainly implemented the following public welfare projects:

Programme	Partner	Timescale	Progress
Building the Future - CCB Sponsorship Programme for High School Students	China Education Development Foundation	2007-Present	Donated RMB166 million and funded 98,900 high school students.
CCB Sponsorship Programme of "Mother's Health Express"	China Women's Development Foundation	2011-Present	Purchased 512 Mother's Health Expresses and put them into use in medical institutions of 24 townships and counties in Xinjiang, Tibet, Gansu, Qinghai and other provinces and regions.

Programme	Partner	Timescale	Progress
Support CCB Hope Primary School	China Youth Development Foundation	1996-Present	Supported the construction of 50 Hope Primary Schools, equipped these schools with 60 music, art, PE, technology, and moral education rooms, funded the training for over 800 teachers, and organised 250 teachers and students to participate in the CCB Summer Camp Programme.
Love in Tibet - CCB and JIC Scholarship (Grant)	China Foundation for Rural Development	2007-Present	Donated RMB3.45 million and funded 1,780 students in Tibet.
"Build a Good Home" Rural Revitalisation Public Welfare Project	China Charity Federation	2021-Present	Carried out the plan to light up solar streetlights in rural areas and the training of rural revitalisation leaders in 10 provinces and autonomous regions in the central and western regions.
"Donation of Bonus Points to Make Dream Come True · Micro-Charity"	China Youth Development Foundation, China Literature and Art Foundation, China Youth Volunteer Association, League Central Committee Young Volunteer's Guidance Centre	2012-Present	Donated RMB10,261,200 for the construction of 164 "Happy Music Classrooms", trained rural music teachers, and built the "Home for Youth" of the Chinese Young Volunteers Association and the Youth Volunteers' Guidance Centre of the League Central Committee.
"Do Good, Be Wise" Caring Student Action	CCB Youth Volunteers Association, local league committees of branches	2016-Present	Donated RMB8,733,500 and goods to over 28,000 teachers and students in underdeveloped areas and organised over 1,900 teachers and students to participate in summer (winter) camp activities.
Sanjiangyuan Ecological Protection Project	The Sanjiangyuan Ecological Protection Foundation	2022-Present	Established the ecological value of harmony between humanity and nature for the development of ecological demonstration villages at the Three-river-source National Park.
"Workers' Stations (Harbours)" public welfare programme	China Worker Development Foundation	2021-Present	Launched the "Workers' Stations (Harbours)" public welfare initiative with the China Worker Development Foundation and opened the "Donation of Bonus Points to Make Dream Come True · Workers' Stations (Harbours)" platform at the same time. Charitable groups can participate in public welfare activities and make donations by donating their "Long" credit card bonus points. As at the end of June 2023, the platform obtained RMB960,000 worth bonus point donations.





CCB Website: [www.ccb.cn](http://www.ccb.cn)  
[www.ccb.com](http://www.ccb.com)

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