

China Construction Bank Corporation

# CSR

## China Construction Bank Corporation Corporate Social Responsibility Report 2022

Corporate Social Responsibility Report 2022

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# Introduction

China Construction Bank Corporation (hereinafter referred to as "the Bank") publishes CSR Report annually, which covers the period from 1 January to 31 December of each year. There are no significant changes in the method of obtaining and calculating the data for this annual report compared with the previous one. The financial data of the report is derived from the audited annual A-share financial report.

The Board and all directors of the Bank guarantee that there are no false records, misleading statements or major omissions in the contents of this report, and bear individual and joint responsibility for the truthfulness, accuracy and completeness of the contents.

## Guidelines of the Report

This report is compiled on the basis of the Stock Exchange of Hong Kong Limited's *Environmental, Social and Governance Reporting Guide* ("ESG Reporting Guide"), Shanghai Stock Exchange's *Guidelines for Self-discipline Regulation of Companies Listed on SSE No. 1-Standardized Operation and Guidelines for Preparing Corporate Social Responsibility Report*, refer to the *Sustainability Reporting Standards* published by the Global Reporting Initiative (GRI). In the meantime, the report is in line with requirements set out in the *Opinions on Strengthening the Social Responsibility of Banking Institutions* and the *Green Finance Guidelines for Banking and Insurance Industries* by China Banking and Insurance Regulatory Commission (CBIRC), the *Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2: Contents and Formats of Annual Reports* by China Securities Regulatory Commission, and the *Guidelines for Corporate Social Responsibilities of China's Banking Institutions* by China Banking Association.

## Assurance Method

Ernst & Young Hua Ming LLP conducted independent and limited assurance of this report prepared by the Bank in accordance with the ESG Reporting Guide, the SSE Guidelines and the GRI Sustainability Reporting Guidelines.

## How to Obtain

The printed version of the report can be found available at the Public Relations & Corporate Culture Department of the Bank. The electronic version can be downloaded from the Bank's website. The report is written in simplified Chinese with English and traditional Chinese versions. If there is any difference between the three versions, the simplified Chinese version shall prevail.

(<http://group1.ccb.com/cn/ccbtoday/common/include/report.html>)

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## More Information

For more ESG information on the Bank, please visit (<http://www3.ccb.com/cn/group/esg/index.html>).



# Chairman's Statement

The year 2022 was extremely important in the history of the Communist Party of China and our country, and it saw CCB continuing to act upon the new development philosophy, advance the New Finance initiative, and score fruitful achievements in serving the great cause of the new era. It saw the convening of the 20<sup>th</sup> National Congress of the Communist Party of China which drew up a grand blueprint for building a modern socialist country in all respects, and pointed out the direction for us to better serve Chinese modernization. We implemented New Finance initiative to enhance "Three Capabilities," developed the "second development curve" to contribute to the formation of the new development paradigm, continued to take solid steps on the path of high-quality development. Thanks to the remarkable results achieved by fully fulfilling corporate social responsibilities with New Finance, CCB was rated A by MSCI in ESG for the third consecutive year and awarded "Best Socially Responsible Bank" by many media outlets. These achievements and honors would not be possible without the support of shareholders, the trust of customers, the hard work of employees, and the attention of all walks of society. I would like to express my sincere gratitude to you all on behalf of the Board of Directors.

## Tian Guoli

Chairman of

China Construction Bank Corporation



**Putting the people first and reshaping the value of financial services.** Looking back at the five years of practice in New Finance since the 19<sup>th</sup> National CPC Congress, we have kept in mind our original aspiration, maintained strategic focus, and stayed committed to "serving the country, the people, and the common good with finance." We uphold the vision that New Finance is to serve the majority instead of the minority, and have been developing New Finance that is inclusive, technology-driven, sharing and green, making firm and confident strides to the goal of fulfilling corporate social responsibilities and making society better with New Finance. In the past five years, under the guidance of the New Finance concept, CCB has seen profound changes in its business logic, service boundary and mode, growth paradigm and value orientation. While continuing to develop the "first growth curve" of traditional business, CCB is stepping up its effort to develop the "second development curve", to broaden its prospects of and consolidate its foundation for sustainable development. It makes me proud that all the staff of CCB while engaging in the New Finance initiative to serve the general public, solve pain points of society and make life better, have found their new positions, value orientations and new stages in their career and gained a deepgoing understanding that finance contributes to the good of society.

**Striving to promote inclusive finance over the past five years.** We consider serving the real economy our primary mission and rise up to the global challenge of financing micro and small enterprises. In 2018, we made inclusive finance a bank-wide strategy, and upgraded financial infrastructure and develop digital inclusive finance with FinTech. After five years of hard work, financing micro and small enterprises has become a pillar of our business, and our supply capacity of inclusive finance is greatly enhanced. In its ESG rating, MSCI rated our inclusive financial services as world-leading. Over the past year, we released the version 3.0 of Huidongni APP, making it an infrastructure to provide ecosystem-based comprehensive services, with a loan balance

of more than RMB2.35 trillion, nearly 2.53 million borrowers, four times the loan balance and the number of borrowers at the end of 2018 for inclusive finance. We continued to provide relief and concessions to micro and small enterprises in need. In 2022, the interest rate of new loans was lowered by 16 BPs compared with the previous year, and we allowed 440,000 small and micro enterprises to defer principal repayment with the combined loan amounting to more than RMB260 billion.

**Serving rural revitalization and contributing to common prosperity.** Chinese modernization would not be possible without the modernization of agriculture and rural areas. Rural revitalization and common prosperity are not only the shared aspiration of more than 500 million farmers, but also the common responsibility of financial institutions like us. Over the past year, we shifted more focus to rural markets, increased the supply of financial services to rural areas, and strove to build an online-offline comprehensive service system for rural revitalization: access to "Yunong Quick Loan" is easier, "Yunong Circle of Friends" continuously expands, and more and more application scenarios are added to Yunongtong, channeling financial resources to nurture the vast rural fields. The balance of agriculture-related loans has exceeded RMB3 trillion, and the 440,000 Yunongtong service points covered more than 70% of townships and administrative villages across the country, serving more than 52 million rural households, and the app's registered users have exceeded 5 million. In the assessment by regulatory authorities, CCB was ranked excellent in financial services for rural revitalization.

**Consolidating the science and technology foundation and strengthening the empowering role of digital technology.** Technology is profoundly changing finance. We always stress the role of FinTech as strategic support across the bank, and have stepped up to build a team of tech specialists, enhance our ability of independent development and control of core technologies. We continue to develop the technology platform with comprehensive understanding of finance, strengthen the

digital infrastructure of New Finance, export corporate-level IT systems to our peers, reshape the financial service model and extend the boundary of financial services with the help of information and digital technologies. Over the past year, we vigorously moved infrastructure on to cloud, and was the first in the Chinese banking industry to launch our own cloud service brand (CCB Cloud): the server scale is 68 times that of five years ago, and the big data platform processes more than 55 billion entries of data in real time every day, effectively supporting the development of various core businesses and the New Finance ecosystems on the cloud. It is foreseeable that the two-way empowerment and integration of new finance and high technology will continue and evolve, and be translated into a powerful ability to serve customers and empower society.

**Promoting green development and serving China's Carbon Peaking and Carbon Neutrality Goals.** Protecting the Earth is the common responsibility of mankind. We conscientiously implement Xi Jinping Thought on Ecological Civilization, set the goal of building a world-leading sustainable development bank, fully implement the strategy of green finance, and promote the comprehensive green transition of economy and society. In 2022, we continued to make New Finance more eco-friendly, and by the end of 2022 the balance of green loans exceeded RMB2.7 trillion, 2.7 times that of the end of 2018. We are building a green product portfolio for all businesses. Environmental and climate risks are included into the enterprise risk management system, given the "one-vote veto" in the credit granting process. We are building an automated ESG evaluation system for corporate customers. Meanwhile, we orderly advanced climate transition risk stress testing in key areas, signed the *Global Joint Initiative on the Partnership of Biodiversity and Finance*, and were the first in the industry to publish environmental information disclosure reports. We advocate and practice green and low-carbon operations. We have set carbon footprint management goals, and been steadily advancing the "zero carbon" pilot project.

**Putting the people's interest first and benefiting numerous households.** We conscientiously act the political nature of finance and serve the people, and forge ahead on the journey of creating a better life for the people. In 2022, we continued to implement the house leasing strategy, built a closed-ended service loop covering "investment, lending, management and exit," and initiated the country's first house leasing fund to help more new urban residents find a home or improve their living environment. We took the initiative to empower government services with technology, and signed contracts with 29 provincial governments to build an e-government service platform which has handled 4 billion requests for government services. We have opened 14,000 outlets to all, to make them a "government affairs hall around you." We continue to implement "Workers' Harbor Plus" project, to increase public access to our elder-friendly, barrier-free, low-carbon and eco-friendly services and facilities. By the end of 2022, CCB's learning platform had attracted more than 1 billion visits, and the "Financial Literacy Promotion" project and the on-cloud classroom have removed the temporal and spatial barriers to knowledge. "CCB Lifestyle" brings lifestyle services to the fingertips of hundreds of millions. We actively give back to society, and donated RMB128 million in 2022. In addition, we run a number of long-term charitable projects, and spread the positive energy of philanthropy.

Finance contributes to the good of society – this is what we believe in and what we have always been doing. This year is the first year to fully implement the guiding principles of the 20<sup>th</sup> National Congress of the CPC, and a year full of hope. We will continue the New Finance initiative and serve high-quality development at a higher level and wider scope, and contribute to building China into a modern socialist country in all respects.



Zhang Jinliang, President of China Construction Bank Corporation



Wang Yongqing, Chairman of the Board of Supervisors of China Construction Bank Corporation



# Highlights in 2022

Sharing diversified value

CCB employed a workforce of

**350,000**

operated

**14,000**

institutions worldwide

CCB provided

**440**million

personal customers with high-quality mobile banking services

CCB had

**14,000**

outlets providing professional inclusive finance services

CCB set up

**13,800**

"Workers' Harbor" stations

that served

**225**million people

accumulatively

The "CCB Lifestyle" app had

**100**million

registered users

The "Financial Literacy Promotion" program offered a total of 64,000 training sessions to

**5.51**million

small and micro business owners and farmers

CCB took roots in the countryside where it built

**3,167**

"Yunong Schools"

The "CCB Learning" platform registered

**1.06**billion

visit counts

CCB started to build

**82**

innovation studios for model workers and craftsmen

CCB donated

**RMB 128**million

for public welfare

Employees provided

**481,800**hours

of volunteer service

Value of social contribution per share reached

**RMB 4.16**

Helping improve people's well-being

The balance of inclusive finance loans hit

**RMB 2.35**trillion

which served

**2.53**million

inclusive finance loan customers

The "CCB Huidongni" app

served more than

**17**million

personal customers

and over

**8.9**million

corporate customers

and extended credit lines of

**RMB 1.6**trillion

to

**2**million

customers

The balance of agriculture-related loans totaled

**RMB 3**trillion

and the balance of loans for the production and operation of farmers exceeded

**RMB 200**billion

650,000 farmers had loans

Statistically,

**440,000**

"Yunongtong" service stations covered the majority of villages in China

served more than 52 million farmers, and signed contracts with

**17.8**million

farmers

The "Yunongtong" app provided convenient services, such as smart village affairs services, e-commerce services, services for the convenience of the people, and basic financial services to

**5**million

farmers

The "CCB Home" platform served

**43**million

personal customers

by building and operating more than

**200**

long-term rental communities

The public rental housing management information system was promoted to

**330**cities

Government affairs services became available nearby through the outlet channel. Over

**14,000**

outlets allowed customers to handle, view, and make appointments for more than

**8,000**

government affairs services

Promoting green development

The Bank formulated the

**Strategic Plan for Green Finance Development (2022-2025)**

**Action Plan towards Carbon Peak and Neutrality**

**An automated ESG rating tool for full-scale corporate customers**

was developed and promoted across the Bank

The balance of green loans stood at

**RMB 2.75**trillion

a year-on-year increase of

**40.09%**

Green credit projects saved

**135.05**million tons

of standard coal

and reduced

**135.3**million tons

of carbon dioxide equivalent emissions

CCB issued the first sustainability-linked financial bond in the Chinese mainland, which had a size of

**RMB 10**billion

CCB underwrote

**87**

green and sustainability-linked bonds at home and abroad

which amounted to

**RMB 156,067**million



## Column:



### Learning, Practicing, and Acting for a Better Future

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CCB underwriting the sustainability-linked bonds that Huaneng Hydropower issued for the Xiaowan Hydropower Station



## Learning, Practicing, and Acting for a Better Future

### Column

As China embarks on a new journey towards a modern socialist country and the second centenary goal, CCB thoroughly implements the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully understands the theoretical and practical requirements for pursuing high-quality development, stays true to a path to financial development with Chinese characteristics, and unswervingly promotes the financial sector towards high-quality development.

CCB fully and faithfully applies the new development philosophy and takes concrete steps to change the development model and enhance value creation. CCB follows a path to intensive development that is capital-light and asset-light, to propel main businesses and core indicators towards steady, balanced, sustainable development.

Keenly aware of digital operations, CCB upgrades its management mode, service mode, and cultural building to make strides in digitalization. The Bank fully supports the real economy by offering professional financial solutions to the high-quality development of Chinese economy and society. Efficient and caring financial services are provided to lay a solid foundation for long-term high-quality development.

Upholding fundamental principles and breaking new ground, CCB accelerates its pace in converting its strategic strength into a competitive edge, especially in terms of efforts to better assure the quality and efficiency of strategy implementation and promote digital operation. Pursuing the problem-oriented and target-oriented approach, the Bank makes efforts to spot new drivers of business and profit growth, so as to ensure it can enter the right track towards high-quality sustained development.

Always committed to balancing development and security, the bottom-line thinking, and a holistic approach to national security, CCB effectively guards against and mitigates various risks and challenges, holds on to the bottom line of incurring no systemic financial risks, and achieves a dynamic balance between high-quality development and a high level of security.

## Resolutely promoting the Chinese economy towards steady development

Ensuring unimpeded flows in the national economy. Focused on key regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing Economic Circle, CCB continues to increase investment of resources with the new RMB loans of various types granted to these regions accounting for more than 58% of the Bank's total new loans as at the end of 2022. The Bank supports the coordinated development of Central China, Western China, Northeastern China, and other regions. With the intensified policy support in light of local conditions, the RMB loans granted to these regions recorded a year-on-year increase of RMB225.4 billion. CCB went all out to increase the credit supply in the field of infrastructure construction, grant loans to the projects invested in by the infrastructure fund, and support manufacturing development. The Bank opened up green channels for financial services, and intensified support for the key fields and weak links in the real economy, with a view to help stabilize the macro economy.

Enhancing international competitive-

ness. The "CCB Match Plus" platform served over 230,000 enterprises from 48 countries and regions all over the world. Meanwhile, it joined hands with government departments, investment and trade promotion agencies, business associations, and other organizations to hold more than 210 digital exhibitions and cross-border matchmaking activities. The platform greatly invigorated the international economic flows and helped stabilize the global industry chains and facilitate the unimpeded international trade and investment. The Bank promoted the integration of regional economies, through the high-quality, joint implementation of the Belt and Road Initiative (BRI) and the *Regional Comprehensive Economic Partnership (RCEP) Agreement*. The "EasyPay" business diversified the supply of products. It offered the Chinese enterprises going global over 140 cross-border payment services in minority currencies. As to RMB internationalization, CCB's RMB clearing bank in the UK registered a cumulative clearing volume of over RMB75 trillion, maintaining its position as the largest RMB clearing bank outside Asia.

Improving comprehensive risk management continuously. CCB continued to refine a comprehensive risk management system that could cover every element horizontally and longitudinally, strengthened the integrated risk control across the Group, consolidated the three lines of defense, that is, business operations, risk compliance, and auditing, and strengthen capabilities for major risk prevention, monitoring, and forestalling. All of these steps expanded and upgraded a smart risk control system. Relying on the superior FinTech to empower small and medium-sized financial institutions, the Bank built a risk prevention and control ecosystem with joint efforts. It made progress in business and conduct compliance, and firmly established a compliance culture advocating that all employees ensure compliance proactively and compliance can create value.

## Developing inclusive finance to accompany small and micro enterprises through their growth path

Since the implementation of the inclusive finance strategy, CCB has become the first bank whose balance of inclusive finance loans exceeded RMB2 trillion in China. The Bank rolled out the "CCB Huidongni" mobile inclusive financial service platform innovatively. As at the end of 2022, the "CCB Huidongni" app registered over 200 million visits, served more than 17 million personal customers and over 8.9 million corporate customers, and provided small and micro enterprises, self-employed individuals, farmers, and enterprises producing new and unique products using special and sophisticated technologies, among other customer groups, with one-stop comprehensive services with credit financing at the core.

As the Bank innovated the mode of digitalized inclusive finance, "Quick Loan

for Small and Micro Businesses", "Good Loan for Small and Micro Businesses", and other new products and service modes kept unleashing their potential, thus helping market players grow and invigorating the real economy. The balance of loan products adopting new modes, such as "Quick Loan for Small and Micro Businesses", exceeded RMB1.9 trillion. The number of loan customers surpassed 2.09 million. Cumulatively, the loans of more than 440,000 inclusive small and micro enterprises were extended.

CCB served over 8,200 "little giant" enterprises producing new and unique products using special and sophisticated technologies, and supported 277,000 high-tech enterprises through its credit rating system that was based on the flow of technology. "Shanxin Loan", a mid-to-long-term credit product, was

introduced, which extended credit lines worth over RMB10 billion to over 2,500 customers. The "CCB Startup Station" program had over 10,000 member enterprises, and helped national high-tech enterprises and high-tech SMEs by providing them with outstanding loans of nearly RMB900 billion.

CCB had 14,000 outlets launching inclusive finance business, accounting for 99% of total outlets, among which it built 2,510 featured inclusive finance outlets, staffed with nearly 20,000 dedicated employees. More than 70,000 employees handled inclusive finance business for customers. The relationship managers grew in practice.



## Contributing to common prosperity through the rural revitalization strategy

The “Yunongtong” app was created and promoted to build integrated and standardized service stations where the mode that business owners could commission others to handle business on their behalf and customers could access the self-service was upgraded. With over 5 million registered users, the app covered 31 provinces, municipalities, and autonomous regions. The “CCB Yunongtong” service stations numbered 440,000, covering much of the countryside. The “Yunongtong” online and offline integrated service network made 41 government affairs services and more than 100,000 bill payment services conveniently accessible in rural areas.

The “Yunong Quick Loan” online products were rolled out to provide rural households with more accessible financing at a lower cost. Four typical modes were developed, namely information filing, “Yunongtong” business owners, credit enhancement of agricultural insurance, and direct connec-

tion with featured industries. The “Yunongdai” offline products were launched, and typical modes were created, such as “Shandong Revitalization Loan” in Shandong Province and “Urban-rural Integrated Loan” in Jiangsu Province. A service mode that combined “rural service stations and e-commerce” was created and the “Yunong Selected Products” zone was set up to drive consumption upgrading in rural areas. Meanwhile, CCB took the lead in the industry in proposing and quickly creating a diversity of agriculture-related business scenarios, and preliminarily constructed six major industrial chains or supply chains of food security, dairy revitalization, cattle, fruits, vegetables, and flowers. Relying on “Shanfutong”, the Bank provided “e-commerce + finance” service solutions, covering payment and clearing, order management, and information sharing, for upstream and downstream agricultural business entities, which greatly alleviated the bottlenecks

facing offline transactions of agricultural products such as tedious communication and time-consuming payment verification.

Big data technology was fully exploited to profile rural customer groups precisely, a prerequisite for enhancing financing accessibility to rural customers and the adaptability of loans. The “Yunongtong” management cockpit was constructed to display the progress the Bank had made in serving the development of agriculture, rural areas, and farmers in a real-time, comprehensive, and visualized manner. A digitalized, intelligent, and visualized risk control system was created to realize integrated, full-lifecycle risk compliance management.

## Using technology to empower society-wide harmony and resource sharing

CCB reshaped its mode of financial services through technological innovation, continued to build a system of “technological + financial” services where technology and finance could deeply integrate and reinforce each other, and worked hard to meet the needs of the real economy for better financial products and financial services. “CCB Cloud” was launched along with 10 cloud service packages in three categories to provide the industry with one-stop solutions.

Being clear that “houses are for living in, not for speculation” and supportive of the policy that “encourages both housing purchase and renting”, CCB kept improving its system of housing rental-related financial services that covered investment, loan, management, and exit, forming a closed loop. CCB was dedicated to creating an open and shared housing rental service platform. The Bank took part in the first pilot REITs for government-subsidized rental housing in the capacity of custodian, consultant to sponsor, and strategic investor. It was approved to set up its first housing rental fund, which aimed to increase the supply of long-term rental housing and government-subsidized rental housing in the market, meeting the housing needs of new urban residents.

CCB endeavored to establish a grand wealth management mechanism that featured a vertical value chain covering wealth management, asset management, and investment banking, a horizontal chain of command from investment research through investment consulting to customer service. Meanwhile, the Bank built three wealth management teams in a systemic way, which were the team of investment research experts, the team of wealth advisers, and the team of professional and dedicated personal account managers. Relying on FinTech, it shaped the core competitive edge of wealth management business that combined “talent, digitalization, and professionalism”. Digitalized operations and wealth management were fully integrated to offer inclusive wealth management services through digital means and create a one-stop wealth management platform.

Pension finance was included in strategic priorities in the 14th five-year plan of the Bank, and a pension finance steering group was set up to implement the pension finance strategy in a coordinated way. As the first bank participating in the construction of the individual pension scheme as the third pillar of China's pension system, CCB launched one of the first individual pension funds, which provided customers with one-stop services covering all channels.

“Pleasant Enjoyment”, a pension service brand cast by CCB for personal customers, continued to advance the construction of an elderly care ecosystem through multiple channels. With respect to online channels, the “Mobile Banking” app and the “CCB Lifestyle” app were used as two pillars to ensure the ready availability of related services. Offline channels focused on building elderly-friendly outlets, which were at the center of a community-based elderly care ecosystem.

CCB assisted the government in creating the “Internet + government affairs service” and “Internet + regulation” platforms and application scenarios, allowing 240 million personal and corporate users to view, make appointments for, and handle government affairs. CCB relied on outlets to empower the availability of government affairs services nearby. Over 14,000 outlets allowed customers to handle, view, and make appointments for more than 8,000 government affairs services. Meanwhile, inter-provincial services covered 31 provinces, municipalities, and autonomous regions nationwide. As a result, more types of government affairs could be handled at a larger number of outlets.

## Developing green finance to facilitate green low-carbon transition

With the vision of “becoming a world-leading sustainable development bank”, CCB has established a steering group for carbon peak and neutrality to release the *Strategic Plan for Green Finance Development (2022-2025)* and the *Action Plan towards Carbon Peak and Neutrality*. With green concepts incorporated into its operations and management, the Bank built a product portfolio that covered green credit, green bonds, green funds, and green leasing, among other domains.

CCB formulated annual credit policies with green transition as the keystone, improved credit policies for various industries, and incorporated clean production, energy consumption, and carbon intensity into customer access criteria for some industries and projects. Meanwhile, the Bank made good use of carbon emissions reduction sup-

porting tools from the People's Bank of China (the PBOC) and the special loans to support the clean and efficient consumption of coal, clearly stating that it would place more loans in key areas such as clean energy, energy conservation and environmental protection, and advanced carbon emission reduction technologies, and conduct the work related to carbon peak and neutrality in an impactful, orderly, and efficient manner.

With further implementation of “inclusive, technology-enabled, green and sharing” new financial concept, key strategies such as green finance, inclusive finance, house leasing, and rural revitalization kept being integrated to produce a greater synergy. CCB innovated and launched China's first green sustainability-linked housing rental loan in Ganzhou City, Jiangxi Province,

promoting the establishment of a diversified service system under the “Green+” brand.

The Bank and the China Banking Association co-hosted a side event on the theme “Banks and Businesses' Natural and Climate Actions” during the second phase of the Fifteenth Meeting of the Conference of the Parties (COP-15) to the United Nations *Convention on Biological Diversity* (CBD), and signed the *Joint Action Plan for Banking Financial Institutions to Support Biodiversity Conservation*. CCB integrated biodiversity conservation into its overall strategy, strove to build a bank friendly to climate and ecology, and undertook to provide the green sectors with no less than RMB2 trillion in financial support over the period 2022-2025.

## Seeking sustained growth with employees

CCB continued to construct a full-cycle training system for employee career development, strengthen the overall planning of employee education and training, optimize the training system and working mechanism, and improve the policies related to staff training management. Meanwhile, the Bank developed and applied the digitalized training management system and tools, coordinated the allocation of training resources in a science-based manner, and built a more reasonable and efficient education and training framework across the board. Meanwhile, it worked hard to pool together high-quality training resources, helped employees establish the concept of lifelong learning, constantly update their knowledge reserve, and improve their professional skills, and cultivated new financial talent with innovative spirit, data thinking, and international perspectives. In short, CCB empowered high-quality development with high-standard personnel training.

Centered on a wide range of key fields such as FinTech, grand wealth management, risk compliance, digitalized operations, platform operations, green finance, rural revitalization, and treasury

operations, major talent programs and specialized talent programs were implemented to foster and introduce the badly needed professionals with intensified efforts. Focused on top-level design and systemic planning, CCB stepped up efforts to build senior managements for institutions at all levels, and identify, train, and select outstanding young talents at a faster pace. Progress was made towards building innovation studios for model workers and craftsmen. A total of 25 tier-1 branches started 82 studios.

Digital means were used to enhance productivity. A digital mindset ran through every teaching program. With spatial and temporal barriers removed, employees could pursue lifelong learning regardless of age, geographic location, and career. Aiming high and being down-to-earth, CCB built the “CCB Learning” platform into a cyberspace and spiritual home that would serve society, strategies, and employees. Hence, the new ground could be shared by employees, customers, partners, like-minded individuals, and any others who enjoy learning to pursue lifelong learning.

Progress was made towards building innovation studios for model workers and craftsmen. A total of

25  
tier-1

branches started

82  
studios



## Practices:



### Collaborating as One and Acting Responsibly

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- 20 ..... Giving the all-around impetus to the rural revitalization drive through the Yunong platform
- 24 ..... Coping with climate change to preserve the ecology
- 30 ..... Creating a happy and intelligent lifestyle for the people

Helping Lanciao Village in Ziyang County adopt better grain cropping techniques in an effort to improve the local environment



## Building an ecosystem of inclusive finance services from more dimensions

In 2022, CCB constantly enriched its supply of products and services, deepened customer operations, proposed new and improved existing service methods, enhanced service efficiency. Meanwhile, it promoted the incremental volume, expansion, and high-quality development of inclusive finance, further served the real economy, and supported employment and people's livelihood. Exclusive financial service solutions were tailored by focusing on the core needs and difficulties of small and micro enterprises, self-employed individuals, and other customer groups under inclusive finance. Additionally, digital inclusive modes were developed. External data, such as tax data, were used. Customers could access convenient financing via credit loans. "CCB Huidongni (Version 3.0)" was released, which marked it upgraded to an eco-friendly integrated service platform. Business flows were optimized to provide 26 functions and services covering the whole financing process for inclusive finance customer groups. Public services such as financial

management, logistics, and legal consulting were introduced. The "inclusive finance - prosperity index" was released to further channel resources and factors available in society towards the goal of serving and supporting the development of small and micro enterprises.

"Cross-border Quick Loan", a series of big data-enabled inclusive finance products that were innovated by CCB, could provide small and micro enterprises with online unsecured trade financing at low interest rates, helping medium, small and micro-sized foreign trade enterprises stabilize orders and expand market shares. As at the end of 2022, these products provided credit funds worth nearly RMB25 billion for more than 10,000 small and micro-sized foreign trade enterprises. They fully leveraged the role of insurance policies in cross-cycle regulation, and continued to expand the short-term insurance policy-based financing supply, with a view to benefiting more foreign trade enterprises.

### Column "CCB Huidongni (Version 3.0)", an eco-friendly integrated service platform

On November 15, the "CCB Huidongni" app (version 3.0) was launched officially. Relying on digital inclusive finance and platform-based operation as new methods, it provided small and micro enterprises, self-employed individuals, and other customer groups under inclusive finance with intelligent credit services of various types throughout their lifecycles, created a guided and one-stop wealth service experience, and incorporated the ecosystems of CCB and others to build a sustainable ecosystem of inclusive finance services. With these steps, the platform aims to grow together with its users.

#### Creating a more friendly credit service experience.

CCB provided a wide range of credit products such as "Quick Loan for Small and Micro Businesses", "Individual Business Quick Loan", "Yunong Quick Loan", "Good Loan for small and micro Businesses", "Transaction Quick Loan", and "Cross-border Quick Loan" to meet different financing needs of customer groups under inclusive finance, including small and micro enterprises, self-employed individuals, farmers, enterprises producing new and unique products using special and sophisticated technologies, high-tech enterprises, and foreign trade enterprises. At the same time, customer tags could be identified intelligently, a prerequisite for recommending more suitable loan products. After further expansions, a total of 26 services/functions became available, including online estimation of credit line, loan application, progress inquiry, credit line management, drawdown & repayment, loan renewal, and clearance certification. All of these steps brought a "fast, easy, simple, and convenient" service experience to customer groups under inclusive finance.



An account manager from Guizhou Branch helping a self-employed individual to apply for "Merchant Cloud Loan" through the "CCB Huidongni" app

### Serving the enterprises producing new and unique products using special and sophisticated technologies

Guangdong Branch pioneered a high-tech enterprise evaluation system and service model based on the "flow of technology", which helped micro, small and medium-sized high-tech enterprises have much easier and faster access to financing at lower cost. Guangdong Branch, together with the Department of Industry and Information Technology of Guangdong Province, issued the *Comprehensive Financial Services Program for Enterprises Producing New and Unique Products Using Special and Sophisticated Technologies*, to provide these enterprises with innovative "intelligent manufacturing" loans, optimize services and processes, and create featured service solutions for the enterprises' efforts to upgrade to "intelligent manufacturing" and stabilize supply chain networks..

Shanghai Branch launched a quality service campaign to serve the enterprises producing new and unique products using special and sophisticated technologies. Themed on four major initiatives, that is, carrying out special activities, innovating exclusive products, offering tailored services, and rolling out specific policies, the campaign effectively improved the quality and efficiency of services provided for these enterprises, enhanced the resilience of industry chains and supply chains, and kept building up the endogenous power of innovation and development.

Shandong Branch continuously optimized its product lineup. It launched a string of innovative inclusive credit products such as "Technology Compensation Loan" and "Shandong Loan for Enterprises Producing new and unique products using special and sophisticated technologies", with a view to covering more enterprises in terms of adaptability, convenience, flexibility, and security.



Shandong Ji'ning Branch rolling out innovative products and services to greatly support the construction of the first smart green factories in Shandong Province's pilot zone to replace the old growth drivers with new ones

#### Offering more convenient and professional financial services.

The wealth view function pioneered by CCB could provide a panoramic view covering "the business and customer ends, the asset and liability ends, and the income and expense ends", to meet customers' needs for dynamic and meticulous wealth management. Besides, many other functions such as account management, e-statement reconciliation, merchant collection, wealth management, funds, outlet service, and e-CNY, were added to render customers with more convenient guided services.

#### Building a comprehensive service ecosystem that was more open.

Open to integrating other ecosystems, CCB set up Internet-based scenarios in many fields such as business start-up, financial management, express & logistics, and legal services, with a view to providing customers with integrated solutions and more cost-efficient service packages. With respect to the construction of its own ecosystem, the Bank launched social services based on name cards of enterprises, made headway in forming a multi-dimensional enterprise community, and helped more than 8.9 million small and micro enterprises expand the market.



Growing with small and micro enterprises and prospering with the real economy - "CCB Huidongni" app (version 3.0) unveiled in Beijing



# Giving the all-around impetus to the rural revitalization drive through the Yunong platform

After continuous exploration and practice, CCB gave full play to its own characteristics and advantages, highlighted digital operation and ecosystem building, and constructed a “1-2-1-1” comprehensive service system for rural revitalization, namely, a “Yunongtong” comprehensive service platform, two agriculture-related credit product packages, a series of agricultural ecosystem scenarios, and a complete set of intelligent risk control systems for rural finance.

In the area of assistance by boosting the consumption of goods produced by rural areas, the “Yunongtong Selected Products” zone was created to take e-commerce as a starting point, so that the Bank could spot and meet financing needs in rural areas and channel financial resources towards enterprises, organizations, and farmers in need, thus promoting the two-way circulation of production factors in urban and rural areas, and helping farmers increase their income. One example of the efforts to promote training in rural areas was “Yunong Schools”. Working with primary and secondary schools in rural areas, rural medical stations, and “Yunongtong” service stations, “Yunong Schools” carried out thematic teaching activities on a regular basis, took roots in county and rural areas, and helped build the countryside into a lifelong learning community. As to social networking in the countryside, “Yunong Friends Circle” was devised,

through which the Bank could team up with local governments to provide rural residents, especially farmers, with a full package of exclusive beloved services, usually beginning with social networking. A typical effort in the area of rural goods circulation was “Yunong Market”. The “Yunong Market” comprehensive service platform was built at a faster pace, by focusing on 4,500 agricultural wholesale markets and 30,000 farmers’ markets nationwide, so as to provide financial and non-financial service solutions for various types of agriculture-related business entities in the market. With these steps, a “rural finance ecosystem” covering products, platforms, scenarios, and customers took shape over time, in which FinTech was used to promote the rapid development of county economies.

In the field of rural governance, CCB constructed three innovative platforms, that is, the “platform supervising the collective funds, assets, and resources in rural areas”, the “rural property rights trading service platform”, and the “smart village affairs service platform”, which aimed to create more primary-level governance scenarios under the digital village initiative, build up the comprehensive service capacity of township governments, and raise the digital and intelligent level of public services and social governance in rural areas.



## Column The “1-2-1-1” comprehensive service system for rural revitalization

### Forging the “Yunongtong” comprehensive service brand for rural revitalization

CCB formulated plans from four dimensions--“making financial services accessible for all rural residents, empowering the modernization of agriculture, facilitating public services in rural areas, and pushing forward rural development with digital means”, thus forming a complete set of agriculture-related services. After constructing the “Yunongtong” online and offline-integrated service system, the Bank improved the functions of the comprehensive service platform for rural revitalization, so that the platform could provide rural residents with financial and non-financial services such as small-amount cash withdrawals, bill payments, and social security and medical services in three major fields, that is, basic financial serv-

es, convenient services, and e-commerce.

Offline, CCB made strides in building the “Yunongtong” service stations. As at the end of 2022, 440,000 service stations were set up to serve 52 million people, which covered the majority of townships and administrative villages in China. Online, the Bank developed the “Yunongtong” app. As at the end of 2022, the app had over 5 million registered users, granted loans worth nearly RMB20 billion, and completed over 5 million bill payment transactions in total. Meanwhile, it advanced consumer protection in rural areas, and brought financial knowledge to the countryside to benefit more rural customer groups.

### Agriculture-related credit product packages

The “Yunong” series product package was mainly designed to meet the credit demands of farmers in their production and operation activities, imported multiple dimensions of agriculture-related big data to promote the sound growth of farmer loans in a large-scaled, digitalized, and module-based way. As at the end of 2022, the “Yunong Quick Loan” product series had a balance of RMB45.7 billion, up 115.56%, and the “Yunong Loan” product series had a balance of RMB63.9 billion, up 309.62%.

The “Rural Revitalization Loan” product package mainly satisfied the credit demand of agriculture-related corporate customers and mainly covered agriculture-related corporate customers, such as rural infrastructure projects, rural public service agencies, and leading enterprises in agriculture industrialization. Thirty-seven offline agriculture-related corporate credit products had been launched, such as high-standard field loans and agricultural facility loans.

### Agriculture-related ecosystem scenarios

CCB got actively involved in constructing many agriculture-related ecosystem scenarios nationwide, including the dairy industry revitalization scenario in Inner Mongolia, the jasmine ecological scenario in Guangxi, the vegetable industry scenario in Shouguang, Shandong, the sugar industry scenario in Guangxi, and the kiwifruit industry scenario in Guizhou. Centered on the agricultural industry chain, the Bank fully leveraged its advantages of integrated operation in financing, intelligence, FinTech, and other aspects to increase product and model innovation and provide comprehensive financial solutions.

Construing primary-level governance scenarios through digital means. A total of 814 platforms supervising the “collective funds, assets, and resources in rural areas” at the county (district) level were launched to meet the needs of collective economic organizations for income and expenditure management, financial management, contract management, statistical oversight, etc. At the same time, 160 rural property rights trading platforms at the county (district) level were put online to empower rural public services with digital technology, increase the IT adoption in rural asset management, and boost the efficient circulation of rural property rights as a type of resources.

### Addressing problems of rural governance

Relying on superior FinTech, CCB cooperated in the field of data with external entities such as government agencies, agriculture-related enterprises, and agricultural insurance institutions. In key areas such as county-level farmers’ markets, civility villages, and places home to local specialties and featured agriculture, the Bank vigorously collected and archived various types of rural production and operation data. In doing so, it tried to give its own solution to the problems of “who to collect”, “how to evaluate”, and “how to use”.



## Giving a boost to eco-friendly agriculture

Shandong Branch promoted the new model that combined "green finance and rural revitalization" through coordinated efforts by supporting the Pilot Project for Agricultural Modernization in Gaoqing County sponsored by Qingdao Haiqing Runfeng Ecological Agriculture Technology Co., Ltd. (Runfeng). The project introduced the intelligent management measures to the whole process of agricultural production, such as precision farming, automatic sensing, and large-scale operation, thus realizing three goals to increase agricultural output, raise farmers' income, and attain prosperity in rural areas.

Yunnan Dali Branch offered financial support to Dali Cang'er Liuxiang Agricultural Development Co., Ltd. (Cang'er Liuxiang) to help the company realize large-scale farming with rice as the main crop, supplemented by other food crops. The "Rice+" model of unified seeding, mechanical work, intertillage management, fertilization, and biological control of pests and diseases enabled Cang'er Liuxiang to build a green and organic rice planting base of about 666.6 hectares, which was centered around Gusheng Village and covered the entire Erhai Lake Basin.

Fujian Branch promoted the agrivoltaic farming in greenhouses, a practice of growing crops or farming livestock underneath solar panels. By doing so, it could sell 49.32 million kWh of electricity back to the grid each year, which is equivalent to reducing carbon emissions by about 41,400 tons. Meanwhile, the farming scene helped attract tourists to nearby villages, so more rural residents could increase their income without leaving their villages or compromising the ecology. Hence, there appeared a path to rural revitalization and common prosperity.



Spring sowing and plowing on high-standard farmlands in Taoyuan County, Changde



"Dancong Tea Loan", an innovative loan product rolled out by CCB to support local small and micro enterprises and self-employed individuals at Fenghuang Township, Chaozhou City in developing the tea industry



A rice farming base of Guizhou Haoyu Rice Industry Agricultural Product Development Co., Ltd.

## Creating the Ankang model in the assistance to rural revitalization

In the past 34 years, CCB made explorations in aiding top enterprises of agricultural industry chains, handling village affairs through digital means, setting up cultural and touring platforms in rural areas, and attracting the flow of talents back to the countryside. In the process, the Bank witnessed a shift in rural assistance from "giving a man a fish" to "teaching him how to fish", and came up with a complete set of region-wide, high-quality, and replicable measures for rural revitalization, which constituted the "Ankang model".

**Building the "one map" digital villages.** In the Vegetable Industry Park of Cailiang Community, digital technology was applied to the whole farming process from sowing through field management to harvesting. The "platform + app" combination realized the transition from rain-fed agriculture to smart agriculture.

**Focusing on the service mode in which digital means were used to improve people's livelihood.** In the Cailiang Community Hope Primary School, which was built with the funding of CCB, attendance and temperature screening machines were used to monitor school attendance, ensuring no dropout in the compulsory education stage. Water quality monitoring equipment and water level sensors were installed in the water plant, water cellar, and other community facilities to guarantee the sufficient supply of domestic water and clean drinking water.

**Eliminating the village governance bottlenecks.** AI-enabled image recognition technology and Internet of Things (IoT) technology were harnessed to issue early warnings about fires in the community, nipping fire hazards in the bud. Water level sensors were placed in the Huangyang River. Once the flood warning level is exceeded, people shall be evacuated immediately.

**Creating an industry chain-oriented assistance mechanism.** CCB International was invited to invest funds at the financing end, the national pharmaceutical sales network was introduced at the sales end, the industrial chain was extended to the countryside, and enterprises were encouraged to establish a gynostemma pentaphylla planting base and a tea packaging factory in the Cailiang Community, with the income used to develop villages in return.

**Boosting personnel training for rural revitalization.** CCB joined hands with Ankang Municipal Government and Ankang University to create the Rural Revitalization College as part of Ankang University, functioning as a facility for talent training and industrial development. Since 2021, the college has trained 18,200 students of all sorts. It funded the construction of 12 technology classrooms in Hanbin District, Hanyin County, Ziyang County and Langao County in Ankang City, Shaanxi (one district and three counties), with a view to promoting the sharing of high-quality online education resources. Meanwhile, it also facilitated the formation of a community of learning between local schools in Ankang and the High School Affiliated to Xi'an Jiaotong University to improve the overall quality of local teachers and support the economic and social development of the city.



Chinese bee breeding base in Cailiang Community, Hanbin District, Ankang City



Helping Lancao Village in Ziyang County adopt better grain cropping techniques in an effort to improve the local environment



## Coping with climate change to preserve the ecology

With the vision of “becoming a world-leading sustainable development bank”, CCB worked to make green finance a new pillar for high-quality development and a new competitive edge. The Bank released the *Strategic Plan for Green Finance Development (2022-2025)* and the *Action Plan for Carbon Peak and Neutrality*, greatly diversifying the lineup of carbon peak & neutrality (dual carbon) and investment banking products, and attracting the flow of private capital in the field of “dual carbon” investment and financing. It increased the allocation of green assets sharply, accelerated the coordinated implementation of such strategies as green finance, house leasing, inclusive finance, and rural revitalization, and became more capable of serving the green transformation of industrial structure. As per the green investment principles under the BRI, the Bank got actively involved in the formation of international standards for green finance and in the building of a carbon emissions market, in an effort to assume the responsibilities for global systemically important banks (G-SIBs).

The Bank continuously optimized environment-related credit management policies. It formulated and issued 75 industry credit policies, which covered key industries such as agriculture, electric power, forestry, mining, transportation, materials, and construction, and re-examined and updated such policies as needed. It made environmental and climate risk management of customers or projects an important part of such processes as customer selection and access, credit approval, and post-lending management, actively carried out risk control, and realized the full-process management of credit with environmental and climate risks.

CCB got actively involved in green credit recognition as well as system optimization development. The Bank thoroughly studied and implemented the regulatory requirements for recognizing green credit, standardized the procedures for recognizing green credit, and strictly prevented “green washing”.

An automated ESG rating tool for full-scale corporate customers was developed, promoted, and put into use across the Bank, so that the system could automatically generate ESG rating results. In this sense, the tool could support high-quality and sustainable development of the credit and investment business. To strengthen the management of investment and financing projects in energy-intensive and carbon-intensive industries, the Bank thoroughly assessed the ecological impact and economic feasibility of relevant projects, and considered energy efficiency levels and pollutant emissions in customer and project selection, credit approval, and post-lending management. In terms of customer access, it adopted a “one-vote veto” mechanism based on the level of environmental and climate risks of customers. In the process of loan review, a differentiated credit approval strategy was implemented according to the level of environmental and climate risks of customers. As to post-lending management, environmental and climate risks were covered by the post-lending inspection, and the early warnings about risks were verified, tracked, and managed in a timely manner, and verify the warning signals in a timely manner. For customers with severe environmental and climate risks, moves were taken to strictly control credit exposures and quicken risk mitigation.

For more information, please refer to “Finance Helps Energy Security and Low-carbon Transition” in *China Finance* (Issue 21, 2022). In November 2022, CCB issued the Research Report on Financial Transformation, the Establishment of the ESG Evaluation System of China Construction Bank, and the Green Paper on Green Capital Market (Project Summary), a publication prepared in cooperation with the Institute of Finance and Sustainability (IFS) in Beijing at the 2022 Annual Meeting of the Green Finance Committee, China Society of Finance and Banking. As one of the outcomes released at the meeting, the finalized Green Paper on Green Capital Market (Project Summary) would become officially available to the market.

### Column

#### Joining the SMI China Council

CCB joined the China Council of the Sustainable Markets Initiative (SMI) as a board member in August 2022, and became a member of the SMI Financial Service Taskforce in October of the same year. The SMI is an internationally influential multilateral non-governmental business mechanism proposed by the then prince and current king of the UK Charles III at the World Economic Forum in 2020. After joining the SMI China Council, the Bank actively performed its duties as a member and participated in exchanges and seminars on climate change, low-carbon transition, green finance, and other topics under the mechanism. Next, it would continue to deepen project cooperation, policy coordination, and resource sharing with Chinese and foreign enterprises under the mechanism, thus doing its part in promoting the world towards sustainable development.

### Column

#### Underwriting green bonds with great efforts

As a member of the Green Bond Standards Committee in China, CCB participated in the compilation and publication of the *China Green Bond Principles* (Version 1), which brought China's green bond market into a new stage of regulated, standardized, and international development; the Bank released the *2021 Operation Report of the CCB-Wind Green ESG Bond Issuance Index* to the market; and it held a forum on the “China-EU Green ESG Bond Market” to introduce CCB's diversified green capital market services to green investment and financing institutions at home and abroad.

In 2022, CCB underwrote 51 green bonds, which included the bonds worth RMB49,149 million underwritten or issued for 33 clients such as PipeChina and China Three Gorges Corporation, representing a year-on-year increase of 18.60%. The Bank landed the first green REIT for photovoltaic and wind power assets and the first “green + innovation”-labeled asset-backed notes in the market, facilitating the development of clean energy, the low-carbon industrial transition, and the innovative services for green development. It helped issue the first transition bonds in the market and underwrote the first triple-labeled bonds linked to green development, rural revitalization, and sustainable development in the market. The Bank assisted the Hungarian Ministry of Finance in issuing RMB2 billion of green sovereign Panda bonds, which raised funds for the green development of the sovereign institution.

which included the bonds worth

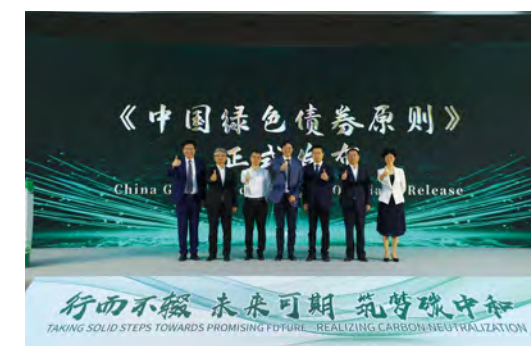
RMB **49,149** million

representing a year-on-year increase of

**18.60%**

The Bank assisted the Hungarian Ministry of Finance in issuing green sovereign Panda bonds

RMB **2** billion



The launch of the *China Green Bond Principles*



The launch of the *Operation Report on CCB-Wind Green ESG Bond Issuance Index*



## Column

### Green funds

CCB invested in National Green Development Fund Co., Ltd. (NGDF), by subscribing capital of RMB8 billion of the total fund size of RMB88.5 billion. The NGDF aims to channel private capital towards the fields of green development such as pollution control, ecological restoration and greening, energy conservation, and clean energy, carry out pollution abatement and ecological restoration in key fields/processes given actual market demand, and support the development of related green industries, thus providing systematic industrial support for the handling of ecological and environmental issues. As at the end of 2022, the Bank paid the subscribed funds worth RMB1.8 billion, held four exchanges about the development of green industries with the NGDF, shareholders, and subsidiaries, and promoted the innovative investment and financing model for green projects, helping the NGDF shape its unique competitive edge.

the total fund size of  
**RMB88.5 billion**

subscribing capital of  
**RMB8 billion**

### Industry funds

The Baowu Green Carbon Private Equity Fund, sponsored jointly by China Baowu Steel Group Corporation (China Baowu), CCB Investment, and National Green Development Fund Co., Ltd. (NGDF), saw its agreement signed in December 2021 and was officially launched in March 2022, making one of the largest carbon neutral funds in the Chinese market embark on a track of fast development. Of the first subscription worth RMB5,625 million, China Baowu contributed RMB2,999 million, CCB Investment contributed RMB1,124 million, and the NGDF contributed RMB999 million. CCB Investment and China Baowu's Huabao Equity jointly dealt with partnership matters. CCB joined hands with the leading steelmaker in China to set up the fund, extending the reach of green financial services. Spearheaded by the strategy for green finance, the fund invested in the carbon neutrality of the steel industry chain, which would be of great significance for the reduction of carbon emissions in the steel industry and even the entire country.

Of the first subscription  
worth  
**RMB5,625 million**



CCB facilitating the launch of the Baowu Green Carbon Fund. In the photo is the industrial heritage conservation and reuse project at China Baowu Steel Conference and Exhibition Center

## Column Developing an ESG rating tool for corporate customers

The ESG rating tool for corporate customers is designed to comprehensively evaluate and identify the ability of customers to attain green, low-carbon, sustainable development under the "dual carbon" goal from three dimensions, that is, environmental (E), social (S), and corporate governance (G). The tool was put online and became available across the Bank in December 2022. It has the following characteristics:

### First, a wide range of applicable customers.

The tool is applicable to full-scale corporate customers. At present, there are about 700,000 customers meeting the rating conditions. The base of qualified customers would be further expanded, as the ESG data disclosure requirements and standards are refined and the quality of ESG data is improved.

there are about  
**700,000**  
customers meeting the  
rating conditions

### Second, high degree of refinement.

From the two dimensions of industry and company size, 74 models are constructed to carry out differentiated evaluation for large and medium-sized enterprises and small and micro-sized enterprises, which are no longer limited to listed companies and debt-issuing enterprises, making ESG rating more refined.

### Third, the rating indicators take into account international standards and Chinese characteristics.

A complete set of rating indicators has been devised to combine international standards with Chinese characteristics by fully considering the experience of experts from external professional organizations as well as internal departments and branches of CCB, the basic national conditions and the "dual carbon" policies in China, and the unique ESG data in China.

The ESG rating tool can scientifically evaluate the sustainability of customers, providing a new perspective for the Bank's business management. In this sense, it is conducive to proactive customer selection and risk control, a prerequisite for bringing credit and investment business into a virtuous cycle of sound development.



A glance at the functions of the ESG rating tool for corporate customers



Issuing the first sustainability-linked financial bond in the Chinese mainland

On May 23, 2022, CCB issued its first sustainability-linked green financial bond worth RMB10 billion, with a fixed coupon rate of 2.60% for the first two years and the coupon rate for the third year linked to the completion of the preset key performance indicators (KPIs) and sustainability performance targets (SPTs). In other words, the coupon rate for the third year would remain unchanged, if CCB's green loan balance as a share of the total adjusted loans and advances issued is no lower than 11.50% by the end of 2024. The coupon rate will be increased by 25bps in the third year, if the Bank fails to achieve the aforesaid target. The introduction of KPIs and SPTs showed CCB's support for the green sectors, its commitment to serving the development of green economy, and confidence in achieving sustainable development for Chinese society and investors.

Underwriting the first triple-labeled bonds linked to green development, rural revitalization, and sustainable development in the market.

The 2022 Tranche I Green Medium-term Notes of Huaneng Lancang River Hydropower Inc. with CCB acting as the lead underwriter were issued in a size of RMB2 billion on July 5, with three labels of "Green Bond, Rural Revitalization, and Sustainability". The funds raised would be used for supporting carbon emission reduction, rural revitalization and other green projects.

The projects invested with the raised funds helped cut 499,000 tons of carbon dioxide emissions a year, save 299,000 tons of standard coal a year, and reduce 156.92 tons of sulfur dioxide emissions, 175.56 tons of nitrogen oxide emissions, and 31.38 tons of soot emission reduction a year. With respect to social benefits, they employed 137,400 local people and sponsored 1,011 teachers and 9,142 students in rural areas. At the same time, they invested in improving the infrastructure facilities and living conditions in the areas around the hydropower station, which included 132 rural primary/secondary schools and kindergartens (newly built or renovated), 27 village clinics, 140 village ecosystem improvement programs, and 43 drinking water supply facilities for people and livestock.



CCB underwriting the sustainability-linked bonds that Huaneng Hydropower issued for the Xiaowan Hydropower Station

issued in a size of

RMB **2** billion

employed local people

**137,400**

reduce carbon dioxide emissions a year

**499,000** tons

save standard coal a year

**299,000** tons

reduce sulfur dioxide emissions a year

**156.92** tons

reduce nitrogen oxide emissions a year

**175.56** tons

CCB's "Carbon Ledger"

In 2022, the "Carbon Ledger-based Personal Financial Service" submitted by CCB was included in the fourth list of cases of innovatively applying FinTech regulatory tools in Beijing.

It focused on constructing and operating the financial and non-financial "low-carbon lifestyle" scenarios, so that the Bank could identify green behaviors of users from these scenarios through terminals such as the "Mobile Banking" app and the "CCB Lifestyle" app, introduce authoritative carbon emission measurement rules and digital technologies such as big data and AI to generate data on the measurement of carbon emissions reduced based on the data middle office. The data would be shared across the Bank, and used to measure carbon emissions reduced, and produce individual "carbon ledgers", a great tool that could track consumers' personal carbon footprint.

On the premise of risk controllability, CCB provided customers with personal financial services such as credit card limit increase & installment plans and redemption of reward points given their carbon ledgers, thereby advocating a new low-carbon lifestyle and improving public involvement in green city building.

The financial vanguard to protect the ecology of a watertown in South China

Helping enterprises through their green and low-carbon transition

In 2022, Suzhou Branch and Wujiang District Government signed a strategic cooperation agreement, according to which the branch would provide industrial enterprises in the district with no less than RMB50 billion financing in the next five years in an effort to support the green and low-carbon transition/upgrading of the district. At the same time, Suzhou Branch and Wujiang District Industry Information Technology Department jointly compiled a comprehensive scheme to evaluate the green development of industrial enterprises in the district, created a "1+N" integrated service system, launched financial products such as "Green Development Loan" and "Green Smart Manufacturing Loan", and provided differentiated credit policies. With these steps, CCB came up with its own solution for the high-quality development of the real economy in Wujiang District.

Supporting enterprises in their green low-carbon energy transition

After fully investigating the operation mode of distributed solar photovoltaic (PV) power plants and the energy demand of enterprises, Suzhou Branch moved fast to devise an exclusive service plan for distributed PV power generation equipment and innovate the "Green Equipment Loan". Take the distributed PV power generation project of a company in Changshu as an example. The project could generate electricity of 1,604,600 kWh a year. It would have a total power generation capacity of 40,114,000 kWh, if calculated with a 25-year service life. In this sense, the project could bring considerable economic and social benefits to the enterprise.

Allowing green finance and environmental governance to empower each other

Suzhou Branch developed the "Green Finance GIS Management Platform 1.0" platform, which was designed with five open functional modules, that is, intelligent green credit management, AI-aided identification, monitoring of environmental risks associated with enterprises, monitoring of regional environment, and monitoring of carbon emission indicators, capable of supporting employees in different positions of front, middle and back offices with respect to acquisition of customers for green finance, green credit management, monitoring of and early warning about environmental and climate risks, etc.



Suzhou Branch supported the construction of Kunshan Bulky Waste Crushing Center, where the crushed scraps could be recycled through advanced technologies

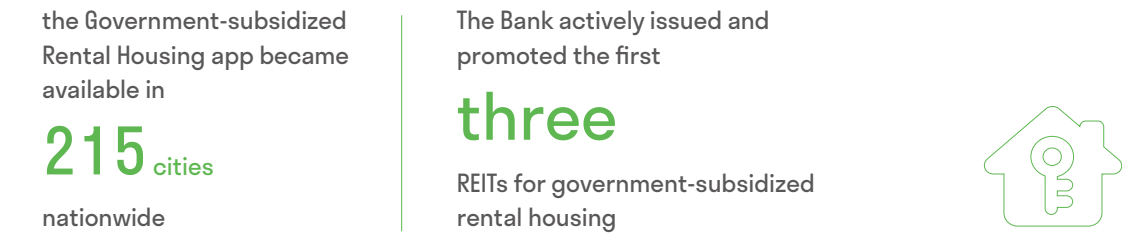


# Creating a happy and intelligent lifestyle for the people

## Housing rental

CCB has resolutely acted on the national policies that "houses are for living in, not for speculation" and that "equal importance is attached to both housing purchase and renting". In 2017, it defined housing rental as a bank-wide strategy to roll out innovative financial products and foster a housing rental market vigorously. As at the end of 2022, the Bank had outstanding housing rental loans worth over RMB230 billion; a professional housing service subsidiary was established to set up and operate more than 200 "CCB Home" long-term rental communities, managing more than 160,000 housing units. Meanwhile, it was dedicated to building a comprehensive housing rental service platform that was open and shared, with 16,000 corporate users and 43 million personal users. The public rental housing management information system was promoted to 330 cities, and the Government-subsidized Rental Housing

app became available in 215 cities nationwide. The practical experience that CCB had gained in exploring housing rental laid a solid foundation for the Bank to better serve the housing reform in the new era. In the new stage, CCB established a housing rental fund on a pilot basis. The Bank actively issued and promoted the first three REITs for government-subsidized rental housing in the capacity of custodian, consultant to sponsor, and strategic investor. While proceeding from actual conditions to mitigate financial risks effectively, CCB also used the funds from all sources to revitalize its existing assets, so as to bring a number of cost-effective and accurately-categorized rental housing to the market. By doing so, the Bank aimed to help improve the national housing security system in China, and meet the housing needs of different groups, especially new citizens.

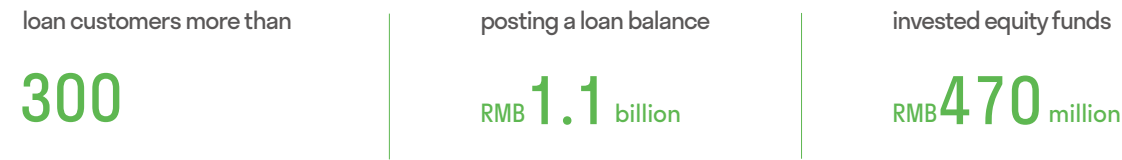


### Establishing the house rental fund

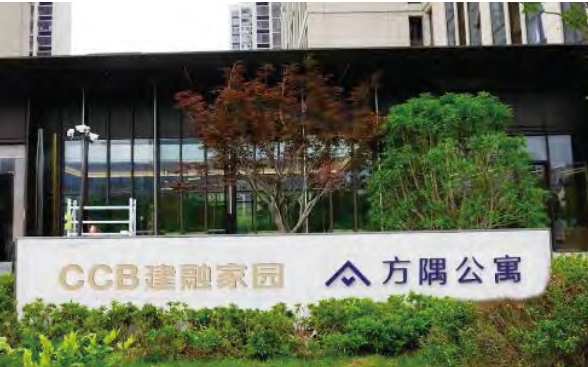
CCB established a house rental fund to implement its house rental strategy. The fund would invest in the existing assets of real estate enterprises through market-oriented, law-based, and professional operation, and strengthen collaboration with relevant parties to increase the supply of market-oriented long-term rental housing and government-subsidized rental housing. In this sense, it represented a fruitful attempt made by the Bank to explore new models of real estate development. While exploiting the Group's advantages, CCB will enable its housing finance business to transit to a new mode of development by covering both ends of rental and purchase and serving transformation and upgrading of the existing assets, forming a comprehensive service system for housing finance that integrates equity investment, asset M&A, credit support, leasing operation, and REIT issuance. In doing so, CCB could enhance its competitive edge in the field of housing finance continuously.

### Meeting housing needs of new citizens

CCB deepened its understanding of the industry to roll out innovative financing products and services. In Beijing, the Bank provided a loan of RMB24 million to finance the "Deliveryman Home" project at Liucun Village, Daxing District, Beijing. The housing rental project was targeted at young new citizens like deliverymen who worked to ensure the provision of public services in the city. While helping the target population meet their housing needs, it also participated in rural governance to enhance the living environment of the local community. In Shenzhen and other places, CCB explored establishing platforms in cooperation with large housing rental enterprises to support the development of small and medium-sized rental businesses. As at the end of 2022, the Bank had more than 300 loan customers, posting a loan balance of RMB1.1 billion. In Nanjing, CCB Investment, a subsidiary of the Group, invested RMB470 million of equity funds in obtaining more than 700 government-subsidized rental housing units, which could not only ease the housing shortage among new citizens, but also help enterprises alleviate the financial burden and improve the operational capacity.



"CCB Home - No.83 Zhongshan Fourth Road", a government-subsidized rental housing project that was converted from idle old residential area in Chongqing by CCB working in assistance with the local government



"CCB Home Fangyu Apartment", the first certified government-subsidized rental housing project in Suzhou, which could accommodate nearly 2,000 local residents such as new citizens and young people



Pension finance

CCB focused on the requirements for the key areas of pension finance set out in the 14th Five-Year Plan to promote the building of the third-pillar pension system. It moved faster to form a full lineup of pension products, covering pension savings, pension wealth management, pension insurance, pension target funds, and other types, in the hopes of meeting the diversified needs of the elderly. The Bank launched one of the first individual pension businesses in the industry, which provided older people with one-stop services such as account opening, bill payment/top-up, investment trading, and pension payment via various channels.

A complete set of individual pension services targeted at personal customers were launched faster by bearing their life-long demand

for elderly care in mind and focusing on the pension accumulation and use periods. During the period of pension accumulation, a wealth management chain was opened up, which consisted of "awareness-raising about pension investment, pension planning, allocation of pension assets, selection of appropriate pension products, and long-term companionship". In the period of pension use, moves were taken to unveil innovative pension-related financial products, continuously upgrade the "Pleasant Enjoyment" pension service zone, and provide comprehensive pension solutions through both online and offline channels. All of these efforts were intended to help the elderly cross what's known as the "digital divide".

A diversity of pension finance services

CCB Pension

CCB Asset Management and CCB Principal Asset Management

CCB Life

CCB Trust

CCB Housing

A professional pension management institution

Providers of capital appreciation services such as pension wealth management plans and pension target funds

A provider of pension annuity, medical insurance, critical illness insurance, and other insurance services

A provider of pension trust services

A provider of housing pension services

Carrying out the "Caring for Seniors: China in Action" awareness-raising campaign

CCB launched the "Caring for Seniors: China in Action" awareness-raising campaign in 10 cities, including Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Xi'an, Qingdao, Nanjing, Xiamen, and Changsha, along with more than 20 professional wealth management institutions to carry out roundtable forums, visits to communities, visits to enterprises, and other forms of pension-themed activities.

Experts present at these activities introduced individual pension policies and offered pension planning advice, guiding the public to make reasonable asset allocation and wealth management planning. The campaign started from these pilot cities to extend its reach nationwide, contributing to the formation of a multi-level and multi-pillar pension insurance system.



"Caring for Seniors: China in Action" awareness-raising campaign launched in ten cities

Launching pension savings products on a trial basis

Under regulatory guidance, CCB launched specific pension savings products in five cities of Hefei, Guangzhou, Chengdu, Xi'an and Qingdao, in late November 2022 on a pilot basis. In the process of product consultation, customers could consult the Bank about the products not only by visiting outlets, calling 95533, but also by reading print and video marketing materials. When buying products, they could use bank cards, passbooks, and certificates of deposit, a design fully considering elderly customers' preference of business methods that they could see and touch. In the process of product inquiry and withdrawal, multiple channels such as counter, mobile banking, online banking, and self-service terminals were offered. SMS messages could be sent to customers, reminding them to renew their deposits on time.

Rolling out innovative smart pension services with private banking knowhow

A comprehensive pension service system was established with the "Lead A Happy Life in Old Age" private banking pension plan at the core, where intelligent operation means were used to innovate private banking pension services and help build a pension ecosystem at the group level. CCB conducted a data analysis project on pension customers in cooperation with the Shanghai Big Data Intelligence Center, to gain deep insights into 25 types of private banking pension customers and construct a potential customer mining model. With the resources of the mobile banking ecosystem, CCB set up a special pension planning zone. By aggregating functions such as pension-based financial planning, panoramic view of personal pension, and pension-related financial products, the zone could assist customers in planning their retirement income reasonably on their own, and enable the Bank to improve its professional service capabilities, with the operational quality and efficiency further assured. Based on the "Prepare for Retirement" customer experience project, the "Defend your Wealth" series of sharing sessions about pension planning, CCB could build its comprehensive pension service capabilities in terms of asset allocation, product selection, and system/tool support.

Elderly-friendly facility construction

CCB formulated the *Guidelines for the Barrier-free Renovation of Business Outlets*, the first of its kind in the Chinese banking industry, to accelerate the elderly-friendly and barrier-free renovation of outlets. A total of 14,000 business outlets across the Bank have been equipped with service facilities such as courtesy seats, bifocals and magnifying glasses; 11,228 wheelchair ramps were built; and outlets with requisite conditions have been even equipped with additional facilities such as wheelchairs, vibrating buzzers, blood pressure meters, handwriting boards for communication, mobile form-filling desks, and sugar-free beverage. Sign language learning sessions have been provided for employees with an attendance of 500,000, to improve their communication skills with customers groups with special needs effectively. As of the end of 2022, 145 outlets of CCB have passed the certification initiated as per the *Requirements for Bank Outlets to Provide Elderly-friendly Services*.



Attentive services provided for silver-haired customers at the business department of Quanzhou Nan'an Sub-Branch, Fujian Province



# Consumer protection

In 2022, CCB upheld the customer-centric service tenet. It continuously introduced and improved the consumer protection policies, mechanisms, processes, and systems, and promoted the in-depth integration of consumer protection with business development and service management.

## Improving the consumer protection mechanism

CCB continuously improved the top-down management system for consumer protection, basically formed a matrix-type management model for consumer protection of full coverage, and integrated consumer protection into its business development strategy, corporate culture building, risk management, and other aspects of work. The Party Committee of the Head Office conducted special studies on consumer protection, and the Board of Directors, Board of Supervisors, and Senior Management continuously intensified the overall coordination and guidance for the work of consumer protection (including complaints management and product and service review). The Related Party Transaction, Social Responsibility and Consumer Protection Committee was established as part of the Board of Directors. As authorized by the Board of Directors, it actively performed the duties related to consumer protection, heard reports on the work done concerning consumer protection, consumer protection auditing, assessment, and appraisal by branches, complaints management, analysis of regulatory briefings, and personal customer satisfaction survey on a regular basis, deliberated on work plans for consumer protection, promoted the improvement of strategies, policies, and objectives regarding consumer protection, and monitored and evaluated how the work of consumer protection was done.

The Senior Management set up the Consumer Protection Committee to convene consumer protection meetings on a regular

basis and coordinate the planning and organization for the work of consumer protection. Bank leaders review the monthly reports on customer complaints and consumer protection every month, made arrangements for specific tasks related to consumer protection such as reducing the number of complaints, and implemented such arrangements in a systematic way and followed up on the progress achieved thereof. In 2022, taking into account the regulatory requirements and its actual conditions, the Bank formulated the *Consumer Protection Work Plan of China Construction Bank (2023-2025)* to further clarify the general principles and tasks for consumer protection in the next phase, thus pointing out the way forward.

In terms of organizational structure, both the Head Office and branches established consumer protection departments, responsible for taking the lead in various aspects of consumer protection, such as complaints management, consumer protection review, and awareness enhancing among consumers. Consumer protection departments at both the Head Office and branch levels set up consumer protection positions. Head Office departments closely related to consumer protection, such as product and service management departments, also designated consumer protection specialists to engage in related work. Besides, a pool of consumer protection experts was built along with the efforts to continuously improve the quality of consumer protection personnel.

## Strengthening the meticulous management of complaints

As to institutional development, CCB constantly improved a system of complaints management policies across the board. To implement the latest requirements of regulators, CCB revised and issued a number of policies and measures, including the measures for the management of consumer complaints, the measures for the management of personal customer issues and settlements, and the measures for the management of emergency response to significant consumer protection incidents and related contingency plan. Different business lines actively embedded the requirements for consumer protection, including complaints management, into their management rules. So far, there has formed a system of complaints management, which covers multiple dimensions including complaints management, major complaints, settlement, and diversified settlement. All of the aforesaid efforts made CCB institutionally positioned to carry out complaints management in a more scientific, targeted, and effective manner.

Improvements for the operating mechanism were made in the following five aspects. First, the principle that the first person taking a complaint shall follow it until the end shall be implemented strictly, and services were intensified at critical time points, so as to enhance customer experience and satisfaction. Second, unimpeded complaint channels were in place. The existing complaint response processes were streamlined, and brand-new complaint channels and response processes were created. The Bank displayed the latest information on complaint channels available online and offline. Efforts were made to improve the quality and efficiency of complaint response, and ensure "every case could be dealt with properly". Third, the Bank handled customer complaints through diversified means, while actively participating in and supporting the work of dispute mediation organiza-

tions in different localities. Fourth, continuous progress was made in improving a consumer protection management system. With big data and AI technologies introduced, the Bank developed a bank-wide enterprise-level consumer protection management system, kept optimizing the functions of the complaints management system, and created the innovative complaint information display and the consumer protection information dashboard, greatly empowering business development. Fifth, the Bank strengthened the problem backtracking and rectification, established a routine mechanism for complaint data monitoring, disclosure, and analysis, and supervised and assisted relevant departments and branches through targeted measures. With these steps, CCB improved its systems, products, and businesses from the source.

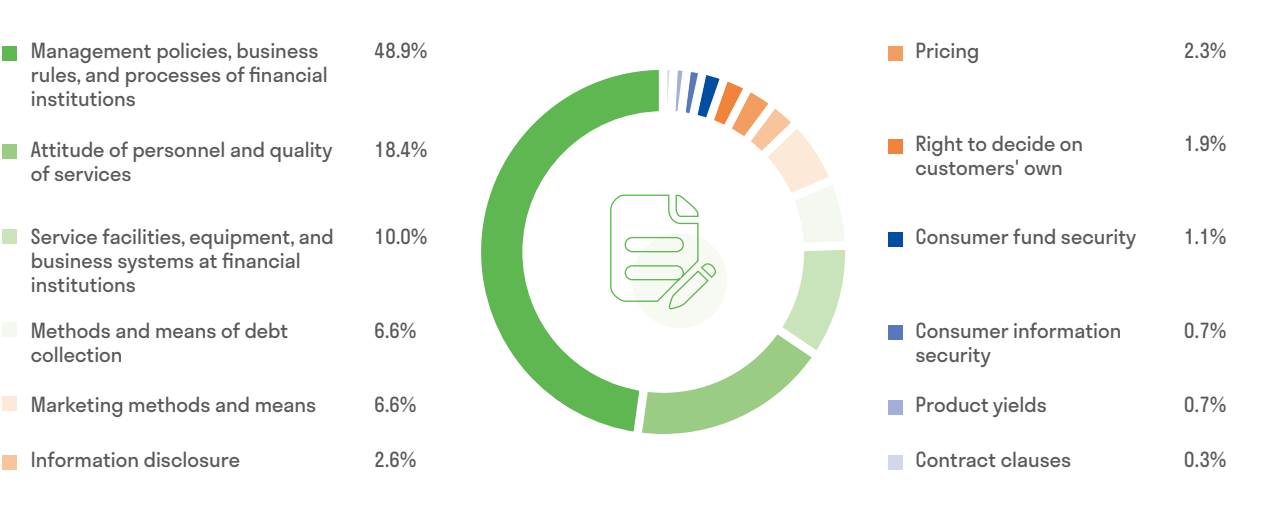
In terms of customer complaint response, the Bank established the remote intelligent banking center, and assigned full-time staff to timely respond to customer complaints. The first step of the response process is to conciliate the customer concerned and resolve the complaint through online explanation, proposed solution, or quick action to cooperate with internal institutions. If online settlement fails or the situation goes beyond the scope of authority, the remote intelligent banking center will record the customer's requests and related information through the unified customer service platform, generate a complaint ticket, and quickly forward the ticket to the complaint response institution for processing. If the customer calls again to ask about the progress or the complaint case becomes overdue, the center will urge the institution concerned to speed up the response process. Meanwhile, complaints forwarded by external institutions were also handled in a timely manner.

As for the distribution of complaints, the Bank received 224,224 consumer complaints in 2022, down 8.45% year on year; the incidence of complaints (number of complaints per million customers) decreased from 337 in 2021 to 303 in 2022, and the average number of complaints per outlet dropped from 17.2 in 2021 to 15.7. The business categories complained about mainly involved debit cards (64,462 cases, accounting for 28.75%), credit cards (58,676 cases, accounting for 26.17%), loans (21,064 cases, accounting for 9.39%), etc. The channels of businesses complained about were mainly middle- and back-office channels (89,169 cases, accounting for 39.77%), business premises (59,415 cases, accounting for 26.50%), electronic channels (55,297 cases, accounting for 24.66%), etc. By geography, complaints were mainly from areas including Western China (51,724 cases, accounting for 23.07%), Central China (47,310 cases, accounting for 21.10%), Hebei (10,523 cases, accounting for 4.69%), etc.

Complaints received by CCB in 2022 divided by business category



Complaints received by CCB in 2022 divided by complaint reason



Complaints received by CCB in 2022 divided by geographical location



<sup>1</sup> "Others" are bank agency businesses, other fee-based businesses, RMB savings, proprietary wealth management products, personal financial information, and other business categories.



Improving whole-process control over consumer protection reviews

First, the Bank continued to intensify consumer protection reviews. Products and services all underwent consumer production review before their launch. Management requirements for consumer protection were fulfilled throughout the whole process of plan formulation, pricing, contract signing, and marketing & publicity. In 2022, 94,951 consumer protection reviews were conducted to effectively safeguard business development and protect the rights and interests of consumers. Second, an online review system was developed to cover all branches of the Bank. The system provided a basic platform for the Bank to exercise the whole-process control over consumer protection reviews, making reviews more professional and digitalized. Third, a mechanism was established to manage and control consumer protection reviews. A feature to check whether consumer protection reviews are conducted or not was embedded in related policies and front-end business systems (like market-

ing), so as to ensure all reviews shall be conducted as required. A mechanism was established to connect the consumer protection review system with business systems, so that applications for consumer protection review could be initiated in business systems, thus accelerating the in-depth integration between consumer protection and business development. Fourth, CCB continued to carry out the "consumer protection whistleblower" campaign. The Bank encouraged employees to voice their recommendations for products and become consumer protection "whistleblowers" in 2022. Proceeding from the perspective of consumer protection, it focused on improving product functions, optimizing business processes, and enhancing customer experiences. With useful comments and suggestions collected, targeted studies and improvements could be made to further improve the quality of financial products supplied.

Intensifying consumer protection awareness-raising training

First, consumer protection training was incorporated into various aspects of business. Through special training on consumer protection, training embedded in business lines, daily training at outlets, and online training over CCB Learning Center, among other forms of training, consumer protection training could cover senior and middle management, primary-level business personnel, and new recruits. All employees in direct contact with customers shall attend consumer protection training at least once every year. The training involved many aspects of consumer protection, such as marketing regulation, personal information protection, complaints management, and consumer protection reviews. Second, a knowledge base that featured both standard and featured content was created. The "Consumer Protection Classroom" courses were exhibited on the "CCB Learning" platform, and consumer protection knowledge courses and typical cases of branches were released on the platform for employees to learn. A total of 367 well-selected and widely-beloved courses were available on the platform, which recorded an attendance of more than 3.64 million.

Consumer protection awareness-raising efforts were summarized as the following four aspects. First, routine financial literacy initiatives were carried out to shape CCB as a good image devoted to consumer protection. Some examples of these initiatives included the "March 15 Consumer Protection Awareness Week", "Protecting Your Pockets" and "Financial Literacy Month". More than 300,000 employees from 14,000 outlets across the Bank actively participated in these initiatives, in which 164,000 online and offline activities were rolled out to reach out to more than 1.13 billion customers in total. The Bank, therefore, was rated as the excellent organization in the "March 15 Consumer Protection Awareness Week" and the "Financial Literacy Improvement Campaign". Offline, outlets set up special zones for publicity and education in their business premises, and actively carried out awareness-raising activities by visiting campuses, communities, military camps, and villages. Online, original works on consumer protection were created and released through multiple channels such as WeChat, Weibo, official websites, short video platforms, news media, and regulatory platforms. Second, digitalized awareness-raising means were adopted to empower business development. A digital financial literacy zone was set up in the Bank's large-scale marketing activities such as "Season of Benefits for All", "Season of Hard Workers", and "Season of Wealth Management". In 2022, about 700 million customers visited the zone. The online "3D Digital Showroom of Consumer protection" was created using intelligent technologies "VR +

well-selected and widely-beloved courses were available

367

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3.64 million

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1.13 billion



Improving financial literacy through digital means

The "3D Digital Showroom of Consumer protection" designed by CCB using intelligent technologies "VR + AI + 3D" got rid of time and space limitations to create an interactive financial knowledge base, where both general and specialized financial content was available to enrich financial education and optimize customer experiences constantly. Ordinary people could enhance their financial literacy over their smart phones. The showrooms consisted of Head Office showrooms and featured branch showrooms. As at the end of 2022, 11 featured branch showrooms became operational. The showroom designed by Shanghai Branch offered an immersive experience, bringing financial knowledge "within reach". The "consumer protection session" organized by Shenzhen Branch through digital means allowed customers to access financial knowledge and purchase appropriate wealth management products online conveniently. The "consumer protection class for the elderly" organized by Guangdong Branch taught elderly customers the financial knowledge they would need in daily lives through cases and scenarios to help them bridge what's known as the "digital divide".

featured branch showrooms became operational

11



Longcheng Sub-branch of Shenzhen Branch entering Shenzhen Institute of Technology to carry out a consumer protection-themed activity called "Financial Knowledge Dissemination Month: Gaining Basic Financial Literacy and Trying to Be Rational Investors and Financial Netizens"



## Doing good to the society

CCB always adheres to the values of “putting people first and developing finance for the common good”, keeps in mind the corporate mission to fulfill CSRs, and practices the concept of “mobilizing the employees, customers and institutions for charity and integrating business with charity”, thus fostering a public welfare culture with its own characteristics that would advocate “helping others, opening up, and sharing”. The Bank has been giving back to society and promoting positive energy of public welfare through charity donations, public benefit projects, public-spirited activities, and public welfare promotions. In this process, the CCB Charity brand has better played its due role in caring for and helping the weak, educating and uniting employees, building a “helping others” culture, getting customers involved in public-spirited efforts, and integrating business development with charity.

### The 15th anniversary of CCB Sponsorship Program for High School Students

The year 2022 marked the 15th anniversary of the CCB Sponsorship Program for High School Students. As the public welfare project of the Bank with the largest one-time donation and the widest range of implementation, it generated an extensive social impact. In 2007, CCB donated RMB120 million to fund the “Building the Future - CCB Sponsorship Program for High School Students” project, aiming to finance academically excellent senior high school students from poor families through their education. Over the past 15 years, the project has input RMB166 million as donation funding, helping nearly 100,000 students finish their senior high schools, of whom about 80,000 were admitted to universities.

CCB donated

RMB **120** million

to fund the “Building the Future - CCB Sponsorship Program for High School Students” project

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**100,000**

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as donation funding

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**80,000**

### Continuing to carry out the “Children Are the Future” activity

CCB Asia launched the “Children Are the Future” program along with the Boys' & Girls' Clubs Association of Hong Kong in 2011. The program donates HKD180,000 every year to provide learning and growth opportunities for children and teenagers from families in different segments of society, especially those at the primary level. Meanwhile, CCB Asia's volunteer team is actively involved in related types of activities and services. In 2022, it held a series of activities for teenagers and children. One example of these was the “STEM Creative School for Children” innovative technology project, where teenagers and children could learn knowledge from activities, becoming interested in creation.



CCB and the All-China Federation of Trade Unions jointly held an activity to care for workers in new employment patterns at the “Workers' Harbor” of Beijing Chaoyang Sub-branch in September 2022. Representatives from enterprises and 30 outdoor workers, such as sanitation workers, landscaping workers, take-out deliverymen, and couriers, participated in the event.



A tree planting activity co-hosted by Singapore Branch and Garden City Fund, a registered charity of the National Parks Board of Singapore, on September 16, 2022. The activity took place on Tampines Street 1 in the east of Singapore. A total of 55 people, consisting of branch employees and the invited customer representatives, planted 50 saplings.



In 2022, Seoul Branch made its 7th donation to the Korean Red Cross with a cumulative amount of KRW120 million. The donation was earmarked to support small and micro businesses that encountered difficulties in business operation and to provide relief for the persons and families who were injured in severe disasters and accidents.



The SickKids public interest activity held by Toronto Branch



A desert environmental protection activity held by Dubai Branch



Donations made by the staff of Astana Branch to the Social Adaptation Center for the Homeless in Nursultan



## Performance:



## Our Achievements

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# Key Performance in 2022

## Economic Performance

Economic performance	2022	2021	2020
Total assets (RMB trillion)	34.60	30.25	28.13
Net profit (RMB100 million)	3,231.66	3,039.28	2,735.79
Return on average assets (%)	1.00	1.04	1.02
Weighted return on average equity (%)	12.27	12.55	12.12
Number of banking outlets worldwide	14,356	14,510	14,741
Tax payment (RMB100 million)	670.05	822.75	703.62
Social contribution per share (RMB)	4.16	3.80	3.41
Balance of agriculture-related loans (RMB100 million)	30,045.26	24,658.18	20,888.00
Balance of inclusive finance loans (RMB100 million)	23,513.58	18,736.83	14,523.55
Number of inclusive finance loan customers (10,000 accounts)	252.59	193.67	170.03
Balance of personal housing loans (RMB100 million)	64,796.08	63,865.83	58,308.59
Balance of real estate development loans for indemnificatory housing projects (RMB100 million)	1,700.11	1,361.43	1,421.96
Balance of shantytown renovation loan (RMB100 million)	1,064.21	1,174.64	1,276.90
Payment to suppliers (RMB100 million)	144.99	151.54	128.50
Expenditure on public welfare donation (RMB10,000)	12,776	11,958	44,888

Note: In accordance with the requirements of the Circular of the General Office of the China Banking and Insurance Regulatory Commission on Further Promoting the High-Quality Development of Financial Services for Small and Micro Enterprises in 2021, the Bank's reporting standard for inclusive finance indicators has been adjusted in statistical scope since 2021, excluding data relating to bill discounting and re-discounting business.

## Environmental Performance

Green credit	2022	2021	2020
Balance of green loans (RMB100 million)	27,501.04	19,631.29	13,427.07
Standard coal equivalent emission reduction (10,000 tons)	13,505.21	12,427.57	3,506.48
Carbon dioxide equivalent emission reduction (10,000 tons)	13,530.46	12,509.58	7,388.66
COD emission reduction (10,000 tons)	427.43	394.93	99.37
Ammonia and nitrogen reduction (10,000 tons)	67.07	59.39	4.80
Sulfur dioxide emission reduction (10,000 tons)	390.48	359.27	87.23
Nitric oxides emission reduction (10,000 tons)	485.51	457.03	90.22
Water saving (10,000 tons)	25,066.65	22,844.55	11,333.87

Note: In accordance with the Notice on the Relevant Work of the Green Finance Statistical System issued by China Banking and Insurance Regulatory Commission, the Bank has updated the statistical scope for green loan-related indicators since 2021.



Greenhouse gas emissions	2022	2021	2020
Greenhouse gas emissions (Scope 1 & 2) (tons of carbon dioxide)	1,682,812.20	1,643,454.48	1,481,223.32
Greenhouse gas emissions per employee (Scope 1 & 2) (tons of carbon dioxide per person)	4.729	4.927	4.491
Direct emissions (Scope 1) (tons of carbon dioxide)	69,497.11	127,378.31	88,906.10
Natural gas (tons of carbon dioxide)	31,768.07	38,424.62	34,176.31
LPG (tons of carbon dioxide)	593.48	2,838.74	1,107.37
Coal (tons of carbon dioxide)	170.00	64.73	192.66
Gasoline (tons of carbon dioxide)	32,604.30	75,394.47	46,901.34
Diesel (tons of carbon dioxide)	4,151.00	7,312.93	6,318.13
Others (tons of carbon dioxide)	210.26	3,342.82	210.29
Indirect emissions (Scope 2) (tons of carbon dioxide)	1,613,315.09	1,516,076.17	1,392,317.22
External power purchase (tons of carbon dioxide)	1,613,315.09	1,516,076.17	1,392,317.22

Notes: 1. CCB established a work group for carbon footprint management in 2021 and engaged external professional institutions to inspect the energy and resources consumption of the whole bank from 2016 to 2021. An external professional agency was engaged in 2023 to comprehensively investigate CCB's energy and resource consumption in 2022.

2. The statistical scope in 2022 includes the Head Office, all institutions under the jurisdiction of 37 domestic branches, Northeastern China College and Eastern China College of CCB Learning Center, Beijing Production Park, and Wuhan Production Park. The statistical scope in 2020 and 2021 includes the Head Office, all institutions under the jurisdiction of 35 domestic branches, Northeastern China College and Eastern China College of CCB Training Center, Beijing Production Park, and Wuhan Production Park.

3. Based on the Group's business nature, greenhouse gas emissions were mainly from purchased electricity and burning of fossil fuel. The calculation of greenhouse gas emission was in compliance with the requirements for the activity level data and emission factors in the *Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions of the Operating Unit (Company) of Public Buildings (Trial)*, the *ISO14064-1 Greenhouse Gases-Part 1: Specification and Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emission and Removal*, and the *2011 and 2012 Average CO2 Emission Factor for Regional Power Grids in China*.

4. Others include ethanol, fuel oil, and other fuel.

Energy and water consumption	2022	2021	2020
Energy consumption (tons of standard coal)	325,657.59	335,950.96	299,247.57
Energy consumption (MWh)	2,346,668.60	2,734,978.95	2,436,176.42
Direct energy consumption (tons of standard coal)	37,252.05	63,187.73	47,526.92
Natural gas (tons of standard coal)	19,104.16	19,050.57	17,573.99
LPG (tons of standard coal)	347.96	4,789.10	4,810.93
Coal (tons of standard coal)	58.00	24.55	70.78
Diesel (tons of standard coal)	1,924.45	2,964.15	7,877.05
Gasoline (tons of standard coal)	15,719.03	36,333.98	17,072.79
Others (tons of standard coal)	98.45	25.38	121.39
Indirect energy consumption (tons of standard coal)	288,405.54	272,763.23	251,720.65
External power purchase (tons of standard coal)	288,405.54	272,763.23	251,720.65
Annual energy consumption per employee (tons of standard coal per person)	0.915	1.007	0.907
Water consumption (tons)	18,246,296.32	20,600,497.71	23,171,202.67
Annual water consumption per employee (tons per person)	51.271	61.760	70.260

Notes: 1. The main sources of energy consumption of the Group were natural gas, LPG, coal, diesel, gasoline and purchased electricity.

2. The energy consumption was calculated based on power and fuel consumption and relevant conversion factors provided in the Chinese national standard called the *General Rules for Calculation of Comprehensive Energy Consumption (GB/T2589-2020)*.

3. The statistical scope of diesel consumption included diesel consumption by motor vehicles and stationary sources.

4. The statistical scope of the main water consumption of the Group included municipal water supply, reclaimed water, and drinking water.

5. Other energy includes ethanol, fuel oil, and other fuel.



Paper consumption	2022	2021	2020
Office paper consumption (tons)	8,841.62	11,172.33	12,635.51
Annual paper consumption per employee (tons per person)	0.025	0.033	0.038

Note: The statistical scope of office paper consumption only included A3 and A4 copying paper.

Waste	2022	2021	2020
Harmless waste (tons)	713.33	272.17	689.65
Discarded electronic information products (tons)	229.47	167.26	445.03
Scrapped vehicles (tons)	457.35	79.19	229.83
Waste batteries (tons)	10.62	10.06	4.35
Discarded office supplies (tons)	15.89	15.66	10.44
Annual total harmless waste consumption per employee (tons per person)	0.008	0.003	0.007
Hazardous waste (tons)	37.09	37.46	36.06
Discarded toner cartridges (tons)	37.09	37.46	36.06
Annual total amount of hazardous waste consumption per employee (tons per person)	0.0004	0.0004	0.0004

Notes: 1. The statistical scope includes Head Office workplaces, business institutions under the jurisdiction of 10 city branches (Beijing, Tianjin, Shanghai, Chongqing, Dalian, Ningbo, Qingdao, Xiamen, Shenzhen and Suzhou), and workplaces of headquarters of 27 provincial and regional branches.

2. The non-hazardous waste involved in the operations of the Group mainly included discarded electronic information products, discarded office supplies, waste batteries and scrapped vehicles.

3. Discarded electronic information products mainly included microcomputer hosts, displays, laptops, printers and servers.

4. Waste batteries only included dry batteries and did not include storage batteries.

5. Discarded office supplies only included sign pens, paper clips and staples.

Low carbon operation	2022	2021	2020
Proportion of off-counter account transactions (%)	99.64	99.58	99.51
Financial transaction migration rate via electronic channels (%)	97.87	97.34	96.57

## Social Performance

Employees	2022	2021	2020
Total number of employees (persons)	352,588	351,252	349,671
By gender			
Male (persons)	162,139	161,715	160,030
Female (persons)	190,449	189,537	189,641
By age			
30 and under (persons)	78,594	73,709	73,949
31 to 40 (persons)	104,401	104,509	100,037
41 to 50 (persons)	82,283	92,238	105,665
51 to 59 (persons)	87,006	80,591	69,859
60 and above (persons)	304	205	161
By region			
Yangtze River Delta (persons)	52,619	52,183	52,083
Pearl River Delta (persons)	45,147	45,269	44,833
Bohai Rim (persons)	58,009	57,450	57,346
Central China (persons)	72,056	78,951	78,228
Western China (persons)	75,140	67,605	67,348
Northeastern China (persons)	33,843	34,305	34,650
Head Office (persons)	14,429	14,146	13,842
Overseas (persons)	1,345	1,343	1,341
By employment type			
Additional labor contractors (persons)	3,384	3,470	3,556
Other			
Ethnic minority employees (persons)	21,669	20,928	20,382
Foreign employees (persons)	1,043	1,033	1,034
New employees (persons)	17,591	16,462	16,397
Proportion of males employed through campus recruitment (%)	42.3	44.3	43.4
Proportion of females employed through campus recruitment (%)	57.7	55.7	56.6



Employee turnover	2022	2021	2020
Overall turnover rate (%)	1.7	1.9	1.6
By gender			
Male (%)	1.6	1.9	1.5
Female (%)	1.8	2.0	1.7
By age			
25 and under (%)	5.2	6.7	5.5
26 to 35 (%)	3.1	3.4	2.9
36 to 45 (%)	0.9	1.0	0.8
46 to 54 (%)	0.2	0.3	0.3
55 and above (%)	0.2	0.2	0.2
By region			
Yangtze River Delta (%)	2.9	3.3	2.8
Pearl River Delta (%)	2.0	2.2	1.5
Bohai Rim (%)	1.2	1.5	1.3
Central China (%)	1.3	1.4	1.2
Western China (%)	1.5	1.9	1.5
Northeastern China (%)	1.1	1.1	1.0
Head office (%)	2.5	3.3	2.6
Overseas (%)	13.0	10.1	9.0

Notes: 1. The Head Office included headquarters, Credit Card Center, Customer Service Center, centers directly under the Head Office, and Training Center.  
2. The statistics of overall turnover rate, turnover rate by gender, and turnover rate by age didn't include overseas employees.

Employment injury	2022	2021	2020
Death toll on business (persons)	10	10	8
Business death ratio (%)	0.003	0.003	0.002
Working days affected as a result of employment injuries (days)	15,877	18,350	21,093

Employee training	2022	2021
Percentage of male employees attending training (%)	99.81	99.42
Percentage of female employees attending training (%)	99.91	99.98
Percentage of training attending employees at the tier-1 branch level and Head Office department level and above (%)	100	100
Percentage of training attending employees at the tier-2 branch level, tier-1 branch department level, and Head Office division level (%)	100	100
Percentage of training attending employees at the business manager level and below (%)	99.85	99.64
Average training hours of male employees (hours)	157.63	99.85
Average training hours of female employees (hours)	191.68	112.60
Average training hours of employees at the tier-1 branch level and Head Office department level and above (hours)	101.75	161.39
Average training hours of employees at the tier-2 branch level, tier-1 branch department level, and Head Office division level (hours)	156.28	152.30
Average training hours of employees at the business manager level and below (hours)	185.30	104.80



Social Recognition

Supply chain management	2022	2021	2020
Number of suppliers in the Yangtze River Delta	13,268	10,047	6,584
Number of suppliers in the Pearl River Delta	7,889	6,372	4,874
Number of suppliers in the Bohai Rim	8,025	6,346	4,366
Number of suppliers in Central China	6,885	5,457	3,544
Number of suppliers in Western China	9,388	7,320	5,088
Number of suppliers in Northeastern China	4,849	3,878	2,533
Local supplier procurement expenditure as a percentage of the total (%)	99.56	99.66	99.63
Contract fulfillment rate (%)	100	100	100
External expert participation rate (%)	9.66	9.41	6.68
Number of social responsibility training sessions for suppliers (including interviews and business exchanges)	22	35	32

Development of service channels	2022	2021	2020
Number of online banking users (10,000)	41,713	40,332	38,167
Number of personal mobile banking users (10,000)	43,997	41,711	38,794
Number of users that connect bank accounts with WeChat (10,000)	13,116	11,343	9,441
Number of phone banking customers (10,000)	46,546	44,681	41,964
Number of self-service bank branches	21,558	23,679	25,529
Number of ATMs	56,943	69,030	79,144
Number of smart teller machines (STMs)	48,595	49,495	49,816
Number of smart banks	63	63	63
Number of outlets with a wheelchair access ramp	11,228	11,027	10,904
Number of outlets with "Courtesy Window"	13,873	14,008	14,145
Number of outlets with "Workers' Harbour"	13,875	14,040	14,163

Evaluating/Awarding Organization	Evaluation Results/Title of Recognition
MSCI	ESG rating was maintained at A in 2022
FTSE Russell	H-shares as a constituent of FTSE4Good Index Series
CSI ESG rating	Getting the CSI ESG rating of AAA
Hang Seng Index (HSI)	Included in the Hang Seng Corporate Sustainability Benchmark Index (A-share)
The Central Committee of the Communist Youth League of China	The "Financial Literacy Promotion - Rural Revitalization" project: 10,000 college students taking summer internships in the countryside was rated the "Outstanding Brand Award under Social Practice".
Ministry of Education	The "CCB Classes for All to Build a Better Community" project was included in the first exemplary practice innovation projects for community education under the "Letting Those Who Know Teach" initiative.
Ministry of Industry and Information Technology	The "Yugong Entrepreneur Classroom" program won the "Best Brand Award" in the selection of the "Leading Personnel Training Programs for SME Operation and Management".
CBIRC	Rated the Excellent Organization of the "March 15 Consumer Protection Awareness Week" campaign Rated the Excellent Organization of the "Financial Literacy Month" campaign
China Banking Association	Organization of Special Contribution Excellent Organization in the Green Bank Evaluation
International Finance Forum (IFF)	Global Green Finance Practices and Green Innovation of the IFF Global Green Finance Award
Asia Money magazine	Best Bank for CSR in China
The Asian Banker magazine	Best Retail Bank in Asia Pacific Best Retail Bank in China Best Large-Scale Retail Bank in China
2022 Corporate ESG Development Forum by xinhuanet.com	Best Practice Case in Social Responsibilities
Xinhuanet.com and Shanghai Institution for Finance & Development	Model Financial Enterprise of the Year: Excellent Case Award for Social Responsibility
The 18th China Corporate Social Responsibility Forum by China News Service	Responsible Enterprise of the Year
The Banker magazine	Top 10 Innovations in Green Finance Top 10 Innovations in Digital Wealth Management
China Banking and Insurance News	Top 10 CSR Reports in the Chinese Financial Sector (2022) "Workers' Harbours" was rated one of the exemplary social responsibility projects in the year. Annual Service Innovation Cases in China's Banking and Insurance Industries: Typical Cases for Financial Consumer Protection
Internal Expert Committee for Global Business Cases for Sustainability	ESG cases included in the Global Business cases for Sustainability
2022 Summit for High-quality Financial Development by China Business Journal	Financial Institutions with Outstanding Competitiveness in Social Responsibility
National Business Daily	Most Socially Responsible Listed Enterprise
China ESG Golden Awards 2022 by finance.sina.com.cn	Sustainable Enterprise of the Year Best Environmental Responsibility Award Best Bank for Responsible Investment
IFENG.COM Public Welfare Ceremony for 2022	Award for Outstanding Contribution
The 14th Annual Conference on Social Responsibility of Chinese Enterprises by Southern Weekly	Outstanding Responsible Enterprise of the Year in the Banking Industry Outstanding Responsible Enterprise of the Year Exemplary Responsible Enterprise of the Year Responsibility Governance Award of the Year



# ESG Disclosure<sup>2</sup>

## Governance

### Governance structure

#### Statement of the Board of Directors

CCB has created a complete ESG governance structure with clear layers and a long-acting mechanism for ESG governance featuring efficient collaboration and full involvement to keep improving the high-quality sustainable development system.

The Board of Directors of the Bank assumes ultimate responsibility for the formulation and implementation of the Group's ESG strategy, specifies strategic objectives, key tasks, and management priorities in relation to ESG, monitors and evaluates the effectiveness of ESG strategy, strengthens ESG risk identification and assessment, and reviews relevant objectives and their completion on a regular basis. The Board of Directors is briefed on the management process of ESG-related matters by its special committees and the Management and provides guidance for the disclosure of relevant information.

The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors drafts guidelines and strategies for ESG management and supervised and guides CCB's fulfillment of corporate social responsibilities, green finance, inclusive finance, rural revitalization finance, house rental, consumer rights protection, and related-party transactions. The Strategy Development Committee of the Board of Directors supports the Board of Directors to formulate ESG strategic objectives while fully considering ESG-related elements. The Risk Management Committee of the Board of Directors actively guides the management of ESG risks, supervises the implementation of risk reporting mechanisms, gives guidance for stress testing on climate transition risk, strengthens risk prevention and control in key areas, and gets ESG factors deeply integrated into the comprehensive risk management system. The Nomination and Remuneration Committee of the Board of Directors constantly followed up on the growth and development of employees as well as their salary and benefits, regularly listened to reports, and guided the relevant work. The Audit Committee of the Board of Directors is regularly briefed on audit, supervises and evaluates internal control, urges the audit line to fully function as the third line of defense, pushes forward the rectification of ESG-related problems, and makes the internal control system sounder and more effective.

In 2022, CCB strengthened the communication and exchange with stakeholders, and identified and assessed important ESG topics and submitted them to the Board of Directors and its special committees

for research and review. The Board of Directors reviewed the objectives of green operations formulated by the Management, and regularly supervised and reviewed the Management's implementation and progress of ESG-related objectives.

The Board of Supervisors of the Bank earnestly performs its supervisory duties, monitoring the performance of ESG duties by the Board of Directors and the Management. Additionally, it constantly monitors the implementation and promotion of ESG strategies, organizes special research on ESG progress, and exerts more efforts to give supervisory suggestions for top-level design, consolidation of basic management, and capacity improvement.

The Management of the Bank actively executes the ESG-related work, supervises relevant departments, domestic and overseas branches, and subsidiaries in their implementation of specific work, and improves ESG management on all fronts. The Environmental, Social and Governance Promotion Committee was established to promote the Bank's ESG strategic planning, deployment, and coordination as a whole. With the President as the chairman of the committee, the committee covers 34 member departments (institutions) and three task forces for the environment, social responsibilities, as well as information disclosure and investor relations. Based on a clear division of responsibilities and close cooperation, it effectively drives the performance of all ESG responsibilities.

CCB attaches great importance to and constantly intensifies its ESG capacity, and offers regular training in ESG strategies, management, and disclosure to all employees, which covers consumer rights protection, inclusive finance, green finance, anti-corruption efforts and honesty, human resources, rural revitalization, complaint management, risk management, and data security, so as to raise employees' understanding and awareness of ESG and relevant work abilities.

the committee covers  
**34**  
member departments  
(institutions)



The Report was passed on March 29, 2023, upon review by the Board of Directors. For more information on corporate governance, please refer to the section of "Environmental, Social and Governance" of the *Annual Report 2022 of China Construction Bank Corporation*.

<sup>2</sup> This part is prepared in accordance with the following requirements of the *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Limited on December 18, 2019.

### Corporate culture

In 2022, CCB issued the *Guiding Opinion on Strengthening Corporate Culture Building in the 14th Five-Year Plan Period*, which sets out the overall requirements, key tasks, implementation paths, and safeguards for the Bank's building its corporate culture in the 14th Five-Year Plan period, in an effort to better play the role of corporate culture in value creation and strategic stability. The document lists six major tasks such as cultivating a culture of integrity, fostering a culture of consumer protection, stepping up awareness enhancement efforts, and engaging in brand building, while introducing six safeguards, namely, leadership responsibility, organization and division of labor, incentives and disincentives, resource availability, team building, and implementation.

### Principles of the Report

This report follows the principles of materiality, quantitative measurement, balance and consistency.

**Materiality:** The Bank assesses the materiality in line with the *ESG Reporting Guide* with stakeholders' concerns in consideration. Such work includes identifying ESG topics, evaluating the materiality of such topics, reviewing and confirming the evaluation process and results by the Board of Directors. For details, please refer to the section "Materiality Analysis".

**Quantitative measurement:** By referring to applicable quantitative criteria and practices, this report measures and discloses KPIs in quantitative approaches. For details, please refer to the notes to "Key Performance in 2022".

**Consistency:** This report is prepared in the same way as previous ones and ensures quantitative data is consistent and comparable. When disclosure of extended data brings changes in the statistical method for disclosure, related explanations will be reported along with the data disclosure of the period.

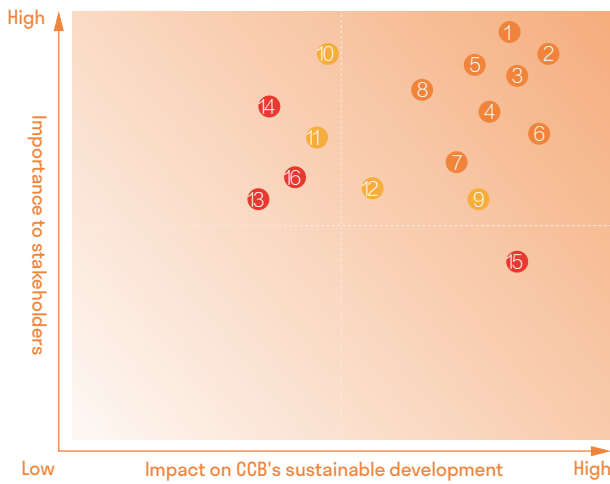
### Coverage of the Report

Unless otherwise stated, the scope of this report covers the ESG performance of the entire CCB Group, including the Head Office and its affiliated branches/subsidiaries at home and abroad.

### Materiality Analysis

In 2022, the Bank paid close attention to the environmental, social, and governance concerns of various parties at home and abroad, maintained communication with governments, regulatory authorities, industry associations, peer banks, investors, international sustainability-related initiatives and organizations, and professional institutions of in sustainability at home and abroad by means of meetings, questionnaires,

training, research, and information collection. Meanwhile, with a continuously improved internal ESG governance framework (covering the Board of Directors and its special committees, Senior Management, working groups, and professional lines), the Bank further strengthened the coordinated analysis and decision-making on ESG matters, so as to continuously enhance the quality of its disclosure on substantive issues.



Order	Topics	Order	Topics
1	Inclusive finance	9	Operational continuity
2	Green finance	10	Continuous value creation
3	Rural revitalization	11	Information disclosure
4	Fin Tech	12	Maintaining stability of external financial markets
5	Customer privacy and data security	13	Community dedication
6	Employee sustainable development capability	14	Green and low-carbon operation
7	Compliant operation	15	Employee diversity
8	Innovation in financial products	16	Responsible procurement



Environmental

Serial A1: Emissions

CCB made a great stride in green office, green travel, and green operations and continuously practiced paperless office and kept reducing office costs. Meanwhile, it weeded out and disposed of official cars with high oil consumption and gave priority to the purchase of eco-friendly and new energy vehicles. Additionally, it strengthened the energy conservation of electric equipment. For instance, it gradually weeded out equipment with high energy consumption, reasonably adjusted the run time of equipment, and integrated low carbon, eco-protection, efficiency, and office to shape green and low-carbon office.

CCB actively improved a number of policies on monitoring and diagnosis, energy auditing, maintenance, etc., and created a categorized ledger to make statistics of and analyze energy consumption data, a prerequisite for digging deeper into energy-saving potential. The Bank made steady progress in waste management and properly handled all kinds of hazardous and non-hazardous waste. To spread and practice green concepts,

it launched an energy saving week campaign aiming to raise the awareness of energy conservation and emission reduction among employees. Meanwhile, it kept introducing energy-saving technologies, procured energy-efficient and eco-friendly equipment, developed a carbon emission management system, formed a monthly reporting mechanism from the bottom up, examined consumption of energy and other resources across the Bank in 2022, and discussed with carbon emission experts on optimizing the standards for energy consumption statistics.

In 2022, the Head Office was awarded four stars in the selection of Model Units in Promoting Green Office in Beijing, and became one of the first units that built green office in Beijing. Five domestic branches were awarded the "Carbon Neutral Certificates". Four overseas branches/institutions of the Bank, namely Sydney Branch, Zurich Branch, CCB New Zealand, and Frankfurt Branch, were officially certified as a carbon neutral business.

Serial A2 and A3: Use of resources and environment and natural resources

Integrated with bus, metro, and shared bikes, among other low-carbon scenarios, the "CCB Lifestyle" app allowed users to redeem the green energy they accumulated, developing a low-carbon lifestyle. In 2022, the low-carbon lifestyle section was promoted to 74 cities, with more than 560,000 users reducing over 2,000 tons of carbon emissions in total. At the same time, the section was connected with the official low-carbon platforms of local governments, such as the Beijing Mobility as A Service (MAAS) platform, so that the green energy generated by local customers through low-carbon traveling could be traded in the government-recognized carbon trading market in exchange for privileges. Alternatively, they could convert the green energy generated through their low-carbon behaviors into trees planted in real life.

A research team was recruited to analyze and survey the construction of professional green data centers. The implementation of the smart server room system project improved management efficiency great-

ly. Precision operation and maintenance measures were adopted to reduce energy consumption, including cold aisle containment (CAC), near-end cooling, and optimized lighting strategies.

Online electronic contracts covered the whole processes of more than 20 business scenarios, such as Longjicai, Quick Loan for Small and Micro Businesses, legal texts, electronic letters of guarantee, and Smart Trusteeship. Take the Smart Trusteeship platform as an example. Online electronic contracts were available throughout the whole process, which consisted of seal application, contract preparation, contract validation, and contract signing with seal affixed. This significantly reduced the cost of paper contract printing and mailing, cut the time of business handling, and improved business efficiency, enabling a business transition towards green operation.

CCB's products have no wrappers.

the low-carbon lifestyle section was promoted to

74 cities

users more than

560,000

reducing carbon emissions over

2,000 tons

To further promote green operation management, CCB has set the following goals:

Emission reduction goal



- ◆ The Bank will carry out low-carbon publicity activities every year together with World Environment Day, World Water Day and the week-long national campaign to promote energy conservation, carry out professional training on carbon peaking and carbon neutrality, and enhance employees' awareness of living a low-carbon and energy conservation life.
- ◆ From 2022 to 2026, it will conduct energy audit across the Bank. Based on the results of the energy audit, it will gradually carry out energy-saving renovation projects. Harmless LED fixtures will be preferred when it adds or replaces lighting fixtures.
- ◆ The Bank will continuously carry out the construction of "green outlets", and from 2022 to 2026, the percentage of recyclable materials used in renovated or new outlets will reach more than 60%.
- ◆ Priority will be given to new energy models when updating official vehicles, and the proportion of new energy official vehicles in the Bank from 2022 to 2026 will be increased year by year to promote green commuting.
- ◆ From 2022 to 2026, the PUE (Power Usage Effectiveness) value of the data centers will be gradually reduced.

Energy conservation goal



- ◆ From 2022 to 2026, the energy consumption and carbon emission intensity across the Bank will be on a decreasing trend.
- ◆ The Bank will strengthen its low-carbon capacity building, establish a bank-wide "carbon emission management platform", consolidate the energy consumption data base, and improve the statistical, analytical and application capabilities of energy and resource consumption data of institutions at all levels.

Waste reduction goal



- ◆ From 2022 to 2026, 100% of CCB's waste IT assets will be delivered for green and eco-friendly treatment to enterprises qualified for disposing electronic waste and registered on the website of the government's environmental protection department
- ◆ From 2022 to 2026, 100% of CCB's discarded self-service devices such as ATMs will be recycled by suppliers with qualification every year.
- ◆ The Bank will promote a paperless office, improve the reusing rate of office supplies, reduce office supplies waste, and lower the per capita amount of office paper used in the Head Office by 5% from 2022 to 2026.

Water conservation goal



- ◆ From 2022 to 2026, water-saving appliances will be selected for new and replaced water-using equipment, so as to gradually increase the share of water-saving appliances, and water-saving publicity activities will be held across the Bank.
- ◆ From 2022 to 2026, the Bank will carry out water conservation promotion activities at least once a year at the Head Office of the Bank.
- ◆ From 2022 to 2026, it will promote pilot projects on recycled water recycling in branches with appropriate conditions.

In 2022, the Bank promoted every aspect of energy conservation and emission reduction as schedule, which were supervised by the Board of Directors. See the section of "Key Performance in 2022" of the Report for the specific implementation of green operational objectives for 2022.



Serial A4: Climate change

Risks and opportunities

The Risk Management Committee of the Board of Directors regularly reviews the environmental and climate risk management of the Bank and supervises how the work is done in related areas. In 2022, the committee reviewed work reports including the *Environmental and Climate Risk Analysis Report* and the *2021 Work Report on the Qualification of Risks Associated with ESG Factors*, heard the reports by the Senior Management on the progress made in the management of environmental and climate risks, major measures adopted, and main problems identified in 2021, and voiced opinions and suggestions for work priorities and reporting arrangements in the next step. It reviewed the environmental and climate risk appetite setting of the Bank, and included biodiversity risk factors in the setting. It heard in detail of the progress made in environmental and climate risk stress tests as well as the customer rating, forewarning, monitoring, and management in relation to ESG factors. In addition, the committee was briefed on the measures CCB had adopted to address climate change and further communicated with relevant departments after meetings on specific issues such as environmental and

climate risk stress tests and green bonds.

The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors reviewed the *Report on the Progress of Green Finance*, to follow up on the Senior Management's progress in climate risk management capabilities, integration of environmental and climate risk management into the whole business process, improvement of risk measurement tools and methodologies, and quality enhancement of environmental information disclosure.

CCB identified the climate change risks facing itself. Physical risks consist of acute risks (those caused by extreme weather events, such as droughts and hurricanes) and chronic risks (referring to long-term shifts in climate patterns that may cause sea level rise or chronic heat waves such as sustained higher temperatures). Transition risks refer to the extensive changes in policy, legal, technology, and market for transition to a low-carbon economy to meet mitigation and adaptation requirements related to climate change.

Type	Climate-related risks	
Transition risks	Policy and legal risks	Technology risks
	Increased pricing of GHG emissions	Substitution of existing products and services with lower emissions options
	Enhanced emissions-reporting obligations	
	Mandates on and regulation of existing products and services	Unsuccessful investment in new technologies
	Exposure to litigation	Costs to transition to lower emissions technology
	Market risks	Reputation risks
	Changes in customer behavior	Shifts in consumer preferences
Physical risks	Uncertainty in market signals	Industry stigmatization
	Increased cost of raw materials	Increased stakeholder concern or negative stakeholder feedback
	Acute risks	Chronic risks
	Increased severity of extreme weather events such as cyclones and floods	Changes in precipitation patterns and extreme variability in weather patterns
		Rising mean temperatures
		Rising sea levels

Stress testing

In 2020, CCB started climate transition risk stress tests to assess such stress of the thermal power industry. In 2021, the Bank further expanded the scope of testing to include the iron & steel, cement, and aviation industries. In 2022, the Bank again expanded the scope of testing, carrying out pressure measures on eight carbon-intensive industries, such as electric power, iron & steel, building materials, petrochemical engineering,

chemical engineering, paper-making, civil aviation, and non-ferrous metal smelting industries. Meanwhile, as one of the three pilot banks, CCB participated in the PBOC's climate risk stress test program on a pilot basis in 2021 and 2022, and also participated in the formulation of universal climate risk stress test templates of the banking industry for industries, such as thermal power, petrochemical, and aviation industries.

Progress made in climate transition risk stress testing:

First, through research on industries and enterprises and communication with professional institutions, the Bank gained a deep understanding of the current conditions and development trends of relevant industries and enterprises, formulated climate transition risk measurement plans for thermal power, aviation, airport, petrochemical engineering, and other industries, and submitted these plans to the PBC as templates for industry measurement, thus underpinning the advancement of climate risk sensitivity stress testing in the Banking industry.

Second, in light of its own actual conditions, the Bank explored and established a climate transition risk stress test methodology system for carbon-intensive industries such as thermal power, iron and steel, cement, aviation, construction materials, and chemical engineering industries, expanding the depth and breadth of stress testing and gaining experience for carrying out climate risk stress testing in a science-based, systematic, and intelligent manner.

Third, the Bank quantified the climate transition risk tolerance of the Bank's customers in carbon-intensive industries one by one through the bottom-up stress testing approach, as well as its own risk tolerance in the face of climate change-induced credit risks, thus supporting the formulation of credit policies and coordinated risk prevention & control measures.

Fourth, the Bank deepened its systematic understanding of environmental and climate issues. While conducting climate transition risk stress tests, it collected data from branches and conveyed the concept of climate risk management to them, a move that laid a solid foundation for enhancing the capabilities of the risk management line for controlling climate risks in a forward-looking manner.

Moreover, through independent research, CCB has preliminarily cultivated a group of professional elites and created a method system that is leading in the industry and can be used to conduct quantitative analysis and stress tests of multiple industries with high carbon emissions.

Climate risk stress tests for eight carbon-intensive industries

Mainstream methods in the international community are adopted by the Bank to test customers one by one and quantitatively assess the impact of climate transition risks on their financial costs and credit ratings. The Bank collects data of customers one by one, and estimates their carbon emissions in certain methods. Assuming that an enterprise is required to pay a certain amount of carbon emissions cost during the test period, and continues to operate at its current technical level with no bargaining power to either upstream or the downstream companies, the possible impact on its repayment ability will be examined, which is reflected in changes in default probability and credit rating. The test has devised three types of stress scenarios (mild, moderate, and severe) by referring to the carbon price changes in the domestic carbon allowance trading market and the carbon price scenarios set by the NGFS.

According to the testing results, under the stress scenarios, CCB's customers from the eight carbon-intensive industries experience decline in repayment ability to varying extents. As a result, default probability rises, credit rating downgrades follow, but risks are generally under control. Among the eight industries, thermal power, aviation, non-ferrous metal smelting, and chemical engineering industries are hit hard. Under the three stress scenarios (mild, moderate, and severe), by 2030, CCB's CAR would fall by 1.58, 1.62, and 1.65 percentage points. After the decline, its CAR still meets the regulatory requirement.

Social

Serial B1 and B4: Employment and labor standards

The Bank recruits employees through open and just selection in accordance with the law, prohibiting the setting of discriminatory conditions such as gender, ethnicity, region and religion. Actively acting on the national policy for stabilizing and ensuring employment and making scientific planning in light of business development needs, it continuously expands the recruitment of college graduates, and helps them get employed. Nearly 17,000 people were employed through the 2022 campus recruitment.

In strict accordance with the pertinent laws and regulations, CCB puts in place a labor contract system that covers all employees, continuously optimizes and improves its internal rules and policies in relation to Labor and employment, makes sure labor contracts are signed in compliance with the law, protects the legitimate rights and interests of employees, and completely avoids child labor and forced labor. The Bank provides employees with various types of leave such as annual leave, family visit leave, leave for wedding and funeral, maternity and lactational

leave, sick leave and work-related injury leave, and optimizes or adjusts the systems and policies for maternity leave, paternity leave for male employees, parental leave for couples to fully protect employees' rights to rest and leave. Meanwhile, the Bank attaches great importance to the protection of female employees, by taking measures to ensure their fair employment right and right to development and help them achieve greater success.

CCB works to protect the benefits of employees in accordance with the law, by buying them basic social insurance such as basic pension, basic medical care, unemployment, work-related injury, and maternity insurance, establishing employee benefit schemes covering housing provident fund, enterprise annuity, supplementary medical insurance, and building a unified platform for internal purchase of insurance to construct a third pillar of staff benefits in an orderly manner, a prerequisite for forming a more sophisticated benefit package.

Serial B2: Health and safety

The Bank attaches great importance to the employees' safety during work. The Head Office held the meeting of the Production Safety Committee and the production safety conference to study and deploy relevant work, by further specifying the division of duties and tasks at all levels for efficient implementation. The Bank actively implemented the *Fire Safety Management Measures of China Construction Bank* (Version 2019), and developed the *Fire Safety Management Measures for High-Rise Buildings of China Construction Bank* (Version 2022), according to which at least one comprehensive fire drill and one standalone drill should be conducted annually. As to extreme weather conditions and natural disasters, the Bank intensified drills of disaster response plans to prepare employees for responding properly and saving themselves and others during disasters. The "Month for Safety Promotion" campaign was carried out to raise employees' awareness of self-protection and capability for risk identification.

Continuously taking good care of employees. To celebrate the New Year and Spring Festival of 2022, a bank-wide caring campaign was launched, where visits were paid to 11,328 institutions/outlets and 13,116 families of employees in need (including employees under difficult living conditions, single-parent female employees, and model workers in difficulty) along with supplies and allowances worth RMB40,772,900. In the year, the Bank provided employees in difficulty with living assistance for 6,451 person-times, medical assistance for 4,402 person-times, and cultural services for 200,619 person-times. The "One Heart" comprehensive employee health program was continuously advanced at the primary-level institutions. The three-tier mutual aid mechanism was fully leveraged to provide emergency assistance for employees in difficulty. A higher level of support was offered to prevent "employees back to poverty due to illness". What the Bank did effectively helped employees weather difficult times.

CCB built employee service facilities across the Board. It supported branches to set up 200 multi-functional rooms for staff in primary-level areas, especially the historic revolutionary areas, areas with large amount of ethnic minority populations, border areas, and impoverished areas, every year. Considering the interests and actual needs of employees, labor unions at all levels carried out various forms of cultural and sports activities, involving table tennis, badminton, dance, soccer, basketball, flower art, calligraphy and painting, yoga, and walking, to build a platform for employees to show their talent.

The *Highlights of the 2022 Campaign to Care for Primary-level Outlet Employees of China Construction Bank* was drafted, proposing 23 key initiatives such as empowering employees, career growth, and physical and mental health. A primary-level outlet employee satisfaction survey was conducted in 2022, covering all 135,000 employees in all outlets. The average score of satisfaction was 4.48 out of 5, representing an increase of 0.15 points over 2021. Employee satisfaction was improved for three consecutive years. The results of employee satisfaction surveys was summarized and analyzed, and programs caring for employees at community-level outlets for 2023 were studied and formulated so as to strengthen satisfaction of such employees

visits institutions/ outlets	visits families of employees in need
11,328	13,116

The most popular initiatives to care for employees

CCB selected the most popular initiatives for caring employees to promote institutions at all levels to take better care of their employees and build a career development platform for staff. Employees voted 30 such initiatives, which were divided into five categories, namely, comprehensive mechanism, mental care, empowerment and workload reduction, career growth, and support. The selection received positive responses from all levels of institutions and all employees across the Bank. 150,000 employees from 114 institutions participated in the selection with more than 700,000 votes and more than 5,000 messages via offline channels, showing their recognition of a series of employee care measures launched by the Head Office and branches. As they were quoted, these beloved initiatives were effective, innovative, and unique. At the same time, they also voiced expectations and suggestions for taking better care of employees across the Bank.

Protecting rights and interests of female employees

The Bank pays close attention to protecting the rights and interests of women employees, such as salary distribution, rest and leave, education and training, growth and development, protection during the "four stages" of menstruation, pregnancy, childbirth, and lactation, maternity insurance, gynecological checkups, and staff benefits. Meanwhile, it made progress in signing collective contracts that could give special protection to female employees. As at the end of 2022, the Bank had 3,890 lactation rooms for female employees.

the Bank had lactation rooms for female employees

3,890

Serial B3: Development and training

CCB is keenly aware of the strategic priorities during the 14th Five-Year Plan period and the needs of team building. By improving training mechanisms, rolling out innovative training methods, and enriching training resources, the Bank has used training data analysis and management tools to make the training work more scientific, institutionalized, and standardized, and kept building a science-based talent classification system

for precise training, which lays a solid intellectual foundation for achieving high-quality development. As at the end of 2022, 28,000 on-site training sessions of all sorts were organized and benefited 1,377,000 attendees, which amounted to 24,407,000 hours, as well as online training sessions (including learning sessions via online platforms) to 370,000 attendees, which totaled 40,654,000 hours.

on-site training sessions of all sorts were organized	benefited attendees
28,000	1,377,000



Serving the society

A variety of online and offline learning activities were rolled out to enhance financial literacy of the public, facilitate the rural revitalization drive, serve medium, small and micro enterprises, support science, technology and innovation, promote bank-government cooperation, and align classroom education with industrial needs. As of the end of 2022, the "Financial Literacy Promotion" project, offered a total of 64,000 training sessions to 5.51 million people. At the same time, 3,167 "Yunong Schools" were built in villages with over 1,200 online and offline courses launched on such topics as "Yunongtong" service, consumer protection, agricultural technology & knowledge, and asset management.

CCB jointly organized the "Seminar on Lifelong Education to Empower Personnel Training" with Tsinghua University, building a learning community for central enterprises; it participated in a high-level forum on "Financial Technology and Digital Economy

Development" with Beijing Normal University; together with the University of Chinese Academy of Sciences, it attended an online seminar on "Innovation and Green Finance" organized by Austrian institutions, sharing CCB's solutions with top universities and industry organizations.

The Industry-Education Integration Alliance for New Financial Talents has been pushing forward its work orderly to extend its service reach. As of the end of 2022, the alliance had 75 member units and six overseas observer units. Participants jointly explored new ways to integrate new finance talent training with national strategies, improved the bank-university collaboration to develop related disciplines, 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 turn out and pool together more technical and application-oriented talents.

As of the end of 2022

the "Financial Literacy Promotion" project, offered training sessions a total of **64,000** training people **5.51** million

the alliance had member units **75** overseas observer units **6**

Serving strategies

Centered on its holistic strategies, CCB held a seminar of "New Stage, New Concept, New Pattern: Future-oriented Commercial Banks". It held seven lectures on topics such as digitalized operation, smart government affairs, inclusive finance and rural revitalization, housing finance, fee-based business, risk management, and group-wide mega asset management. More than 260,000 people watched these lectures on the "CCB Learning" platform. The Bank continued to advance the "CCB FinTech Elite Program", a joint training program with Xi'an Jiaotong University with academic degrees conferred; cooperated with the Hong Kong University of Science and Technology to promote the FinTech Master's Program; and teamed up with South China University of Technology (SCUT) and South China Normal University (SCNU) to launch the "CCB-SCUT FinTech Elite Class" program and

the "CCB-SCNU FinTech Class" program, respectively.

Focusing on the key priorities of "green development", CCB delivered green development lectures and invited experts to introduce green finance products. A series of lectures on smart government affairs strategy were held to promote smart government affairs services. At the same time, an array of learning activities was carried out to increase the diversity of personnel training, which included the Group-wide Asset Management Forum, International Relations Learning Program, "Thinking from New Perspectives" learning program, climate risk management and green finance lecture, and "Financial Wisdom" financial accounting management lecture. The innovation-themed exchanges were hosted to promote the sharing and application of innovative results and cooperative research in related fields.

lectures on topics **7** watched these lectures on the "CCB Learning" platform more than **260,000**

Serving employees

CCB works to build a broad platform through which employees could reach their full potential following a philosophy of "one center, two mindsets, three phases, and four levels". Specifically, it puts employees at the center, is committed to thinking from the perspectives of business and product, and endeavors to promote the building of a whole-cycle training system for employees to boost their career development, which covers four domains: training operations, capacity enhancement, talent fostering, and corporate strategy in three stages, that is, product, system and ecosystem-based operations.

Constant efforts were exerted to develop the system of leadership core courses so as to enhance the cultivation and training of management personnel. Thirty-four core courses were launched for primary, intermediate, and advanced leadership development. Meanwhile, a learning program designated to improve the ability of the middle management of tier-1 branches was launched. A special column of online learning was created for cadres at the division level, which offered multiple learning resources were available, such as leadership, economic trends, team management, innovative thinking, and humanistic care and attracted more than 60,000 participants. The leadership channel was added to the "CCB Learning" platform, thus bringing quality learning resources within the reach of employees.

Career development paths for employees got unimpeded. A simple and clear hierarchy of posts/positions along with dual sequences of management positions and professional & technical positions were created, so that all employees could attain career development within or across sequences. The sequence of maker positions was integrated into the sequence of professional & technical positions, 144,000 makers were appointed to professional & technical positions, with a view to continuously motivating employees to build up professional abilities and keep growing. The rules of employee promotion were improved to put more emphasis on primary-level positions, practice, and merit-based selection.

The reserve of talents was intensified. The action plan for cultivating and selecting outstanding young cadres was implemented to improve the whole chain of personnel selection, training, manage-

ment, and use. CCB improved the personnel evaluation and incentive mechanism, continued to optimize professional and technical post management, and put in place a sound recruitment system combining examination and evaluation. Certification exams covering professional and technical post holders of all levels were set up to motivate employees to keep learning and honing their professional skills. In 2022, qualification examinations for professional and technical posts recorded an attendance of 168,000 people throughout the year. The Bank reviewed applications for senior titles independently, to play the crucial role of titles in evaluating the academic and technical competence of professional and technical personnel. In 2022, senior titles were conferred on 339 persons.

Employees were encouraged and supported to obtain academic degrees and certificates. CCB encouraged staff to pursue continuing education after work and obtain widely recognized professional qualifications. Employees who have attended and passed professional qualifications and training programs such as Certified Public Accountants (CPA), Chartered Financial Analysts (CFA), and Financial Risk Managers (FRM) would be given priority for appointment to professional and technical positions under the same conditions. The proportion of staff with bachelor's degree or above across the Bank has continued to increase, up by 6.48 percentage points in the recent three years.

Excellent staff were honored and awarded for others to follow suit. In 2022, 20,565 employees and 7,301 groups won awards at the Head Office and branch levels. Besides, the staff honor management system was developed to display the awards of employees through a panoramic view to enhance their sense of honor and belonging.

In 2022, qualification examinations for professional and technical posts recorded an attendance of people throughout the year

**168,000**

Capacity building

In terms of teaching, the Bank developed a lineup of learning products, a production delivery system, and a teaching operation management framework, to support staff training from demand generation, resource availability to product supply and offer more professional training to employees. An enterprise-level learning products pool was built to contain 410 learning programs in total. The bank-wide library of textbooks was put under intensive management, with 187 textbooks in 89 sets in use. Full-time, part-time, and external lecturers constituted a faculty with more than 6,015 members.

With respect to international development, the Bank endeavored to train more professionals and talents with international perspectives, capable of creating greater values. It rolled out the "Digitalization+" integrated learning program called "Customer

Operations in the Digital Era", held the "Financial Sanctions and Operational Compliance" international learning program, the "Online Training Camp for Case Studying", and the "CCB-Harvard Joint Training Camp for Digitally Literate Personnel", and carried out the foreign language learning program for all employees at home and abroad.

As to digitalization, the "CCB Learning" platform continued to improve its functions, enrich its learning resources, and build up its digitalized learning service capacity. The online training camp was launched to instill the awareness of digital literacy in all employees of the Bank. Progress was made towards building a digital library to offer basic services as needed by e-learning. As at the end of 2022, the "CCB Learning" platform saw its visit counts exceeding 1.06 billion.

The Leading Personnel Training Program for SME Operation and Management

Since 2020, the CCB Training Center has been included in the first list of leading personnel training agencies established by central enterprises as a representative of the Chinese financial sector. Relying on the East China Training Institute, South China Training Institute, and other professional facilities, the Bank organized the leading personnel training program to empower SME development with financial strength for three consecutive years. Under the program, a number of modules such as "Innovation-enabled Development", "Strategic Integration", "Financial Empowerment", and "Common Growth" were designed to select and train more than 100 outstanding SME entrepreneurs and senior managers from Inner Mongolia, Gansu, Shaanxi, Chongqing, Shenzhen, Shanghai, Xinjiang, and Guangdong, among other places, thus helping SMEs modernize their operation and become more competitive. In a sense, the project represented an attempt to explore a long-term mechanism in which SMEs attained innovative development through financial strength.

The Program for Training 1,000 Young Financial Talents to Help Rural Development

The Bank launched the "Program for Training 1,000 Young Financial Talents to Help Rural Development". The initiative was mainly intended to provide a series of financial literary training sessions for young backbone personnel and primary-level officials who could play an important role in rural revitalization and modern rural governance, such as college graduates recruited as village officials and "deputy village chiefs in charge of financial affairs". These young financial talents would extend the reach of financial services to villages, build transaction scenarios in villages, and bring villagers training courses, so that financial expertise could empower the development of agriculture, farmers, and rural areas. In 2022, a total of 41 training sessions were organized at 12 branches in Inner Mongolia, Qingdao, and other places with an attendance of 1,787, providing intellectual support for rural revitalization.

training sessions were organized at 12 branches

41

attendance

1,787

The "Meet the Future" fit-in program for new employees

The Bank further iterated and extended the "Meet the Future" learning brand to launch the fit-in program for new employees. Targeted at about 20,000 young primary-level employees joining the Bank for less than two years, the program aimed to help these new hires quickly get rid of their career confusion and enhance their sense of belonging to the Bank through follow-up training. The program unfolded around two key positions of outlet account managers and cash counter clerks, both of which are wide in coverage and highly targeted. With the methods of the Learning Paths International (LPI), the key tasks and competency standards for the two positions were sorted out based on "what to do, how to do, what to learn, and how to learn", and five learning modes were designed, which included classroom training, in-service practice, reading and self-learning, coaching, and review & sharing. There formed a follow-up training scheme for new employees, which could "align courses with job requirements and teaching with production process". In 2022, the Bank trained 1,670 new employees, 101 part-time lecturers, and 488 instructors, who posted 940,000 visits to the special zone for online learning.

the Bank trained new employees

1,670

part-time lecturers

101

instructors

488

special zone for online learning

940,000

CCB Summer Internship Program

Since its launch in 2019, the CCB Summer Internship Program has attracted nearly 30,000 college students to take an internship at CCB, helping the Bank create a good employer image and significantly enhance its attractiveness in the job market. The program is open to all students from domestic and overseas universities, regardless of their majors. By helping attendees better understand the Bank's FinTech strength and related posts, it could increase the reserve of high-potential talents in the FinTech field more effectively.

attracted college students to take an internship at CCB nearly

30,000

Special training for posts at community-level outlets

CCB gave special support to help the heads, account managers, and customer service managers of outlets better adapt to their jobs. Its training fully covered all posts of community-level outlets. The training program for outlet heads in 2022 focused on three core tasks, namely team management, objective management, and performance management. Accordingly, 13 quality courses were developed. More than 500 new outlet heads were cultivated. In terms of the training program for account managers of outlets, an online training camp of part-time lecturers was organized. A total of 100 account managers not only had their service capabilities improved, but also gave lecturers to empower others. With respect to the training project for customer service managers, a series of livestreams for improving key competency in counter business operation in 2022 was conducted. The digital training reached more than 100,000 counter business personnel and relevant management personnel, and its participants cumulatively amounted to 1.23 million.

new outlet heads were cultivated more than

500

The digital training reached counter business personnel and relevant management personnel more than

100,000

participants cumulatively amounted to

1.23 million

Optimizing and enriching the functions and resources of the "CCB Learning" platform

The "CCB Learning" platform is a large-scaled digital learning platform that integrates "staff learning, teaching management, intelligent operation, knowledge reserve, and public service". Open to all employees of the Group and the public, it could enable employee growth, support business development, and serve the society, among other spheres. The platform has set up a digital learning zone for employees, where an abundance of training resources for career development is accessible to staff in support of their active learning and lifelong learning. Besides, the "Serving Society" section on the platform is designed to provide entrepreneurs, college students, and community residents with a variety of learning resources, such as consumer protection, inclusive finance, FinTech, economic development, humanistic psychology, and family education.



Serial B5: Supplier management

CCB took multiple measures to promote green procurement. First, the Bank consolidated the foundation of green procurement management. It formulated and issued to all employees the *Catalogue of Commodities under Green Procurement of China Construction Bank*, putting forward the green procurement requirements for different institutions. Second, green procurement ran through the whole procurement process. Green evaluation indicators were added in the step of selection and testing. In the step of candidate review, extra attention was paid to the green qualifications of suppliers and commodities. Where qualifications were equal, suppliers with green qualifications were given priority. The weight of green indicators was increased in the step of actual procurement. In 2022, the Bank purchased desktop computers, printing equipment, furniture, and other commodities in accordance with green procurement

requirements. Third, actions were taken to raise the awareness of green procurement. The Bank published the *Green Procurement Briefing* and the news on green procurement in the "Green Procurement" section of the homepage on the corporate intranet to share and promote green procurement concepts and methods. Fourth, the Bank made steady progress in recycling used products, and procured end-of-life services for computers and other equipment, which involved 53 categories of products such as servers, network devices, and security equipment. Fifth, the Bank vigorously promoted digitalized procurement. On the premise of risk controllability, it sought to migrate business negotiation, contract signing, and other aspects of work online. This move also helped to improve the quality and efficiency of green procurement.

Serial B6: Product responsibility

The Risk Management Committee of the Board of Directors heard a report on personal information protection and data security risk management, conducted specialized research on CCB's work with respect to personal information protection and data security, and paid attention to the scheduling of the tasks set out in the *Plan for the Implementation of Data Security Management*. The committee reviewed the report on IT risk management to gain a full picture of the Bank's IT risk management system, including basic information, identification and assessment, control and mitigation, current situation and problems faced, and work plan for the next step. It heard the cybersecurity risk report semiannually to get the details of cybersecurity governance, cybersecurity risk situation analysis, cybersecurity risk management, and measures for the next stage at CCB. In addition, the committee also reviewed the main risk assessment reports to understand the internal audit of the main IT risks therein.

CCB assesses and reviews the risks associated with new products, and imposes strict provisions on the pre-launch review requirements for new products. The Board of Directors shall review and finalize product innovation and development strategies and corresponding risk management policies, supervise the implementation of related strategies and policies, and hear reports on product innovation on a regular basis to get informed of the progress, operation, and market conditions concerning product innovation. Before the launch of new products, the product R&D departments shall assess and review the risks associated with such products, and the risk, compliance, legal, and other relevant departments shall review whether the products could meet launch criteria. The provision that any new product failing to pass the review could by no means be launched aims to ensure that new products are in compliance with the relevant internal rules of the Bank and the pertinent regulations in the industry. The *Advertising Management Measures of China Construction Bank* and related operational rules were formulated in strict accordance with the advertising laws and regulations. Professional departments thoroughly reviewed advertising content, accurately expressed product development and risk considerations, and helped customers understand their financial needs and make appropriate decisions.

CCB intensified the protection of personal information and privacy. With reference to the *Personal Information Protection Law* and the *Data Security Law*, CCB formulated the *Work Plan for the Protection of Personal Customer Information in 2022* to rapidly promote system optimization in four main aspects of work, that is, channels, products and services, data control, and basic technology. The

Bank reviewed the rules and policies related to personal information protection, and formulated and revised 49 rules and policies, which covered many areas such as management of personal customers' information, employee conduct management, and data analysis management. In accordance with the pertinent laws and regulations, it continued to revise the personal information protection policies, privacy authorization agreements, and other contractual texts of channels, products, and services, while streamlining the "notification-authorization" business process.

To fully protect the rights of personal customers as the owners of their information, the Bank further implemented the requirements on information processing, notification and consent, separate authorization, and protection of minors' information in the product and service processes, ensuring that customer authorization is obtained prior to the use of personal information. CCB revised the *E-banking Personal Customer Service Agreement of China Construction Bank* and the *Personal Information Protection Policy* for online finance, and added the *Biometric Authentication Authorization Agreement* and the *Rules for Children's Personal Information Protection*. Meanwhile, it optimized the "notification - consent" process for mobile banking, WeChat official account and applet, websites, and online banking, to support obtaining customer consent, revoking consent, regaining consent, and other separate authorizations.

CCB actively carries out national policies on protection of intellectual property (IP) rights and pays attention to IP creation, application, protection and management. According to CCB's rules and regulations on IP management, the Bank applies for IP rights, including patents, trademarks, etc. in time to protect the legitimate rights and interests derived from innovations of the Bank. It is also committed to fully respecting the IP rights of others and preventing risks of IP infringement. No major IP infringement incident occurred during the year.

The Bank's operation and management activities didn't involve "the percentage of total products sold or shipped subject to recalls for safety and health reasons" or "quality assurance process and recall procedures".

revised rules and policies

49

Safeguarding customers' right to control their personal information

CCB is committed to protecting customers' personal information as per the principles of "rights commensurate with obligations, clear purpose, informed consent, necessity, safety assurance, openness and transparency, integrity, and information quality", and undertakes to take appropriate safety measures to protect personal information in accordance with the law. The *Personal Information Protection Policy of China Construction Bank Corporation* ("the Policy") has been formulated to explain to customers in detail the Bank's policies on the collection and use of personal information, the use of cookies and similar technologies, the sharing, transfer and public disclosure of customers' personal information, the storage and protection of customers' personal information, the granting of the right to control personal information, and the processing of minors' information.

Details of the *Personal Information Protection Policy of China Construction Bank Corporation* can be seen as follows:

PC browser: [http://www.ccb.com/cn/OtherResource/agreement/20211102\\_1635852920.html](http://www.ccb.com/cn/OtherResource/agreement/20211102_1635852920.html)

Mobile browser: [http://m.ccb.com/cn/OtherResource/agreement/mobile/20211102\\_1635852920.html](http://m.ccb.com/cn/OtherResource/agreement/mobile/20211102_1635852920.html)

Serial B7: Anti-corruption

Building a clean financial culture

CCB actively cooperated with the reform of the disciplinary inspection and supervision team dispatched by the central government. It improved the accountability mechanism as per a triple-pillar strategy of "improving the organizational structure, strengthening the procedure guarantee, and optimizing the entity standards for accountability", and punished persons committing violations pursuant to the principles of "seriousness, strictness, rigor, and moderation". Precise and effective accountability could facilitate and guarantee the implementation of various policies, and create

a clean and upright business environment at the Bank.

The Risk Management Committee heard reports on compliance risk management, case prevention and control across the Bank, and other aspects of work. It supervised and provided guidance on intensifying employee conduct management, accountability, and operational risk management, learned in detail about the management of case prevention, and pointed out that case accountability and employee conduct management should be strengthened.

Employee conduct management

CCB regularly conducts compliance awareness education and training related to business ethics, covering the Board of Directors, Board of Supervisors, Senior Management, and all employees. Compliance education for all employees unfolds with the focus on the *Employee Compliance Manual*, the *Employee Violations Handling Measures*, and other policies. Compliance education for employees is intensified for key business lines and areas prone to violations such as credit. Serious violations such as illegal crimes are compiled into a collection of cases and forwarded to all employees through the employee conduct management system as a deterrent to them.

In strict accordance with the *Letter-or-visit Work Rules*, CCB formu-

lated letter-or-visit management policies to protect complainants effectively and require institutions at all levels should open up letter-or-visit channels, treat letter-or-visit matters seriously, and improves the quality and efficiency of the letter-or-visit work. The *Employee Violations Handling Measures* was formulated to seriously punish the acts of preventing others from whistle-blowing or providing evidentiary information in accordance with the pertinent rules and regulations. The *Measures for Rewarding the Acts of Intercepting, Resisting, and Reporting Violations* was developed to encourage active reporting of violation clues, and keep the personal information of the informants confidential throughout the process.

Anti-money laundering (AML)

The Bank strictly implemented all regulatory requirements on AML and financial sanctions, thoroughly implemented the "risk-based" management approach, continued to fulfill core AML obligations more efficiently by refining the AML management framework, reconstructing the money laundering risk self-assessment mechanism, and improving the AML system. As a result, the constantly enhanced money laundering risk management standards ensured business development could remain on the right track.

Carrying out compliance audits

The Bank conducts operational risk audits and AML audits every year. It dynamically determines the form and scope of coverage of audits for operational risks associated with employee conduct, AML, etc. in conjunction with the risk assessment results of different business units.

In 2022, the Bank conducted a dynamic audit of operational risks associated with domestic tier-1 branches, which focused on the effectiveness of employee conduct management. In addition, an AML audit was carried out on domestic tier-1 branches, which gave priority to customer identification, transaction reporting, money laundering risk assessment, and sanctions compliance manage-

The Bank well balanced development and security, constantly built a comprehensive sanctions compliance system, strengthened ex-ante meticulous prevention, in-process multi-dimensional control, and ex-post retrospective management, fully implemented foreign sanctions countermeasures, forestalled sanctions compliance risks, and protected the legitimate rights and interests of customers.

ment. The AML-related issues drew particular attention in the audit of the operations and management of the main business of overseas institutions and subsidiaries.

For more information on the number of corruption cases and litigation outcome and so on, please go to the official website of the Central Commission for Discipline Inspection of the CPC and the National Supervisory Commission.

Serial B8: Community investment

In 2022, the Bank donated a total of RMB128 million for public welfare, which primarily went to poverty alleviation consolidation, rural revitalization, and long-term charitable projects. Specifically, it donated RMB87.6 million to consolidate the results of poverty alleviation and rural revitalization, and donated RMB5 million to implement the "Build a Good Home" solar-powered street lighting project, as part of the efforts to help build green villages and support pedestrian safety at night in remote mountain villages. Meanwhile, it donated RMB1 million to launch an ecological conservation project at the sources of the Yangtze, Yellow and Lancang rivers, which prioritized supporting the construction of eco-villages in the protected areas to protect the intact ecosystem of China's water tower. CCB Youth Volunteer Association, along with its 48 branches and 76,500 youth volunteers from all over the Bank, provided 481,800 hours of volunteer service to 6,665,800 people in total.

The Top 10 Public Welfare Brands, Top 10 Public-spirited People, and Top 10 Public Welfare Ideas were selected and commended by CCB for the second consecutive year, to raise the awareness of engaging in the public welfare cause and giving back to society among all employees. Following these examples, the Bank would continue its public welfare undertakings to show its socially responsible image.

CCB made continuous progress in building the "Workers' Harbour +" ecosystem. Taking into account the actual conditions of different regions and customer needs, the Bank took roots in communities, where it transformed and upgraded the service model towards characteristic and differentiated operation, continuously diversifying the services available in the areas of elderly-friendly renovation, rural revitalization, green and low-carbon development, education aid, and barrier-free services. In cooperation with the All-China Fed-

eration of Trade Unions, China Worker Development Foundation, and other departments, the Bank kept pushing forward the "Workers' Stations (Harbours)" public welfare initiative. Like a magnet, it has drawn more liked-mind people to join CCB in its efforts to take care of workers and let them benefit from urban development. As at the end of 2022, 13,800 "Workers' Harbours" cumulatively served over 225 million people.

donated for public welfare

RMB128million

As at the end of 2022, 13,800 "Workers' Harbours" cumulatively served over

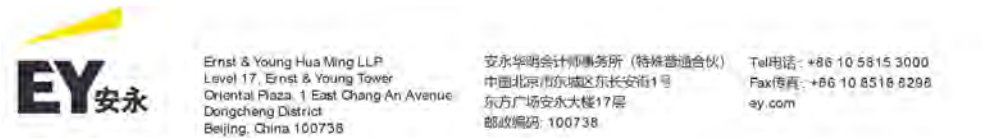
225million people

Implementation Results of Major Public Welfare Programs

Program	Partner	Amount of total donation	Timescale	By the end of 2022
Building the Future – CCB Sponsorship Program for High School Students	China Education Development Foundation	RMB166 million	2007-Now	Donated RMB166 million and funded 98,900 high school students.
CCB Sponsorship Program of "Mother Health Express"	China Women's Development Foundation	RMB77 million	2011-Now	Purchased 512 Mother Health Expresses and put them into use in 24 townships and counties in Xinjiang, Tibet, Gansu, Qinghai and other provinces and regions.
Support CCB Hope Primary School	China Youth Development Foundation	RMB19.06 million	1996-Now	Supported the construction of 46 Hope Primary Schools, equipped these schools with 60 music, art, PE, technology, and moral education rooms, funded the training for over 800 teachers, and organized 250 teachers and students to participate in the Beijing Summer Camp Program.
Love in Tibet – CCB and JIC Scholarship (Grant)	China Foundation for Poverty Alleviation	RMB3.5 million	2007-Now	Donated RMB3.45 million and funded 780 students in Tibet.
"Build a Good Home" Rural Revitalization Public Welfare Project	China Charity Federation	RMB10 million	2021-Now	Carried out the plan to light up green rural solar street lights and the training of rural revitalization 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 Center	RMB10.26 million	2012-Now	Made donations 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 Center of the Central Committee of the Communist Youth League of China.
"Do Good, Be Wise" Caring Student Action	CCB Youth Volunteers Association, local league committees of branches	RMB6 million	2016-Now	Donated funds and goods to over 16,000 teachers and students in underdeveloped areas, and organized over 150 teachers and students to participate in summer (winter) camp activities.
Sanjiangyuan Ecological Protection Project	The Sanjiangyuan Ecological Protection Foundation	RMB1 million	2022-Now	Established the ecological value of harmony between humanity and nature for the development of ecological demonstration villages at the Three-river-source National Park.



# Independent Assurance Report



### Independent accountant's assurance report

安永华明（2023）专字第60438537\_A02号  
China Construction Bank Corporation Co., Ltd.

To the Board of Directors of China Construction Bank Corporation Company Co., Ltd.

**Scope**  
We have been engaged by China Construction Bank Corporation Company Co., Ltd. (the "China Construction Bank") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on China Construction Bank 's identified subject matter in the 2022 Social Responsibility Report (the "Subject Matter") as of 31 December 2022 and for the year ended 31 December 2022.

#### Subject matter

- |  |  |
|--|--|
| ● Number of banking outlets worldwide  | ● Carbon dioxide equivalent emission reduction (10,000 tons)             |
| ● Social contribution per share (RMB)  | ● COD emission reduction (10,000 tons)                                   |
| ● Balance of agriculture-related loans (RMB100 million)  | ● Ammonia and nitrogen reduction (10,000 tons)                           |
| ● Balance of inclusive finance loans (RMB100 million)  | ● Sulfur dioxide emission reduction (10,000 tons)                        |
| ● Number of inclusive finance loan customers (10,000 accounts)                                   | ● Nitric oxides emission reduction (10,000 tons)                         |
| ● Balance of personal housing loans (RMB100 million)   | ● Water saving (10,000 tons)   |
| ● Balance of real estate development loans for indemnificatory housing projects (RMB100 million) | ● Harmless waste (tons)  |
| ● Balance of shantytown renovation loans (RMB100 million)  | ● Discarded electronic information products (tons)                       |
| ● Payment to suppliers (RMB100 million)  | ● Scrapped vehicles (tons)   |
| ● Expenditure on public welfare donation (RMB 10,000)  | ● Waste batteries (tons)   |
|  | ● Discarded office supplies (tons)                                       |
|  | ● Annual total harmless waste consumption per employee (tons per person) |
| ● Balance of green loans (RMB100 million)  | ● Hazardous waste (tons)   |
| ● Standard coal equivalent emission reduction (10,000 tons)                                      | ● Discarded toner cartridges (tons)                                      |

A member firm of Ernst & Young Global Limited



### Independent accountant's assurance report

安永华明（2023）专字第60438537\_A02号  
China Construction Bank Corporation Co., Ltd.

- |  |   |
|--|---|
| ● Annual total amount of hazardous waste consumed per employee (tons per person) | ● Percentage of male employees from campus recruitment (%)        |
| ● Proportion of off-counter account transactions (%)                             | ● Percentage of female employees from campus recruitment (%)      |
| ● Financial transaction migration rate via electronic channels (%)               | ● Overall turnover rate (%)                                       |
| ● Total number of employees (persons)  | By gender   |
| By gender  | ● Male (%)  |
| ● Male (persons)   | ● Female (%)  |
| ● Female (persons)   | By age  |
| By age   | ● 25 and under (%)  |
| ● 30 and under (persons)   | ● 26 to 35 (%)  |
| ● 31 to 40 (persons)   | ● 36 to 45 (%)  |
| ● 41 to 50 (persons)   | ● 46 to 54 (%)  |
| ● 51 to 59 (persons)   | ● 55 and above (%)  |
| ● 60 and above (persons)   | By region   |
| By region  | ● Yangtze River Delta (%)   |
| ● Yangtze River Delta (persons)  | ● Pearl River Delta (%)   |
| ● Pearl River Delta (persons)  | ● Bohai Rim (%)   |
| ● Bohai Rim (persons)  | ● Central China (%)   |
| ● Central China (persons)  | ● Western China (%)   |
| ● Western China (persons)  | ● Northeastern China (%)  |
| ● Northeastern China (persons)   | ● Head Office (%)   |
| ● Head Office (persons)  | ● Overseas (%)  |
| ● Overseas (persons)   |   |
| By employment type   | ● Death toll on business (persons)                                |
| ● Additional labor contractors (persons)   | ● Business death ratio (%)  |
| Other  | ● Working days affected as a result of employment injuries (days) |
| ● Ethnic minority employees (persons)  |   |
| ● New employees (persons)  | ● Percentage of male employees attending training (%)             |
| ● Foreign employees (persons)  | ● Percentage of female employees attending training (%)           |

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- Percentage of training attending employees at the tier-1 branch level and Head Office department level and above (%)
  - Percentage of training attending employees at the tier-2 branch level, tier-1 branch department level, and Head Office division level (%)
  - Percentage of training attending employees at the business manager level and below (%)
  - Average training hours of male employees (hours)
  - Average training hours of female employees (hours)
  - Average training hours of employees at the tier-1 branch level and Head Office department level and above (hours)
  - Average training hours of employees at the tier-2 branch level, tier-1 branch department level, and Head Office division level (hours)
  - Average training hours of employees at the business manager level and below (hours)
  - Number of suppliers in the Yangtze River Delta
  - Number of suppliers in the Pearl River Delta
  - Number of suppliers in the Bohai Rim
- Number of suppliers in Central China
  - Number of suppliers in Western China
  - Number of suppliers in Northeastern China
  - Local supplier procurement expenditure as a percentage of the total (%)
  - Contract fulfillment rate (%)
  - External expert participation rate (%)
  - Number of social responsibility training sessions for suppliers (including interviews and business exchanges)
  - Number of online banking users (10,000)
  - Number of personal mobile banking users (10,000)
  - Number of users that connect bank accounts with WeChat (10,000)
  - Number of phone banking customers (10,000)
  - Number of self-service bank branches
  - Number of ATMs
  - Number of STMs
  - Number of smart banks
  - Number of outlets with wheelchair access ramp
  - Number of outlets with "Courtesy Window"
  - Number of outlets with "Workers' Harbour"



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Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the 2022 Social Responsibility Report, and accordingly, we do not express a conclusion on this information.

*Criteria applied by China Construction Bank*  
In preparing the Subject Matter, China Construction Bank applied the criteria which is set out in the "Guidelines of the Report" within the "Introduction" and "Basis of Key Data Compilation" of 2022 Social Responsibility Report.

*China Construction Bank's responsibilities*  
China Construction Bank's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

*EY's responsibilities*  
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board and the terms of reference for this engagement as agreed with China Construction Bank's responsibilities. The standard require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

*Our Independence and Quality Control*  
We have maintained our independence and confirm that we have met the requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics







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Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- 1) Interviews with management and personnel in the departments involved in providing information for inclusion in the Social Responsibility Report in relation to the selected data,
- 2) Analytical procedures,
- 3) Examination, on a test basis, of documentary evidence,
- 4) Recalculation.

We also performed such other procedures as we considered necessary in the circumstances.

