

CCB Attends the ESG-themed Salon Held by China Association for Public Companies

On April 15, China Association for Public Companies (CAPCO) hosted an ESG-themed salon for listed companies, where more than 20 public companies as well as many ESG index rating agencies and consultancies such as MSCI and China Securities Index Co., Ltd. (CSI) were invited for themed exchanges. Secretary to the CCB Board Hu Changmiao attended the event as a guest and delivered a speech themed on “ESG Performance Promoted by New Finance”.

CCB has seen its MSCI ESG rating climbing by two consecutive levels to “A” in the past three years, becoming one of the highest-rated Chinese banks on the MSCI index. This great progress is credited to CCB’s in-depth implementation of the new development concept and launch of a “people-centered” New Finance initiative. To be specific, CCB has rolled out a series of strategic measures to spot new opportunities in serving the Chinese economy and society, and to achieve the close integration of social values and economic benefits. All of these steps are highly consistent with the ESG concept and the goal of sustainable development.

With respect to governance, CCB promoted the in-depth integration of Party leadership and corporate governance, established a corporate governance mechanism with Chinese characteristics, which featured clear duty division, coordinated operation, and effective checks and balances, and incorporated ESG into the corporate governance structure. At the same time, CCB continued to strengthen the ESG-related risk management and internal control mechanisms, effectively protected the rights and interests of financial consumers, built a broad career platform for employees, and strengthened investor communication and information disclosure. In doing so, it joined hands with customers, employees, shareholders, and people from all walks of life to attain sustainable development that would lead to harmony and win-win outcomes.

From the social point of view, CCB focused on the pain points and challenges facing the Chinese economy and society, vigorously promoted the strategy of inclusive finance, and leveraged the supporting role of financial technology (FinTech) and data analysis. CCB created a distinctive “Wuhuasanyi” service model (characterised by batch customer acquisition, precise profiling, automatic approval, intelligent risk control and comprehensive services –

achieving one-minute financing, one-stop services and transparent rates). Relying on this model, it led the industry by the development of inclusive finance, and effectively improved the availability of financial services. At the same time, CCB went all out to push forward the house rental strategy, leveraged its advantages in financial resource integration, and launched a series of innovative measures in platform promotion, housing availability, idle house storage mode, and other aspects, all of which effectively facilitated the rental house supply and market formation, and made the living environment more inclusive and sustainable. Furthermore, CCB vigorously pressed ahead with the FinTech strategy, and improved the technological innovation systems and mechanisms. Internally, it worked hard to build a smart finance system. Externally, it used FinTech to empower the economy, society and people's livelihood improvement. As a result, the reach of financial services was extended greatly. Moreover, FinTech played an important role in supporting the pandemic prevention and control as well as the resumption of work and production, and helped CCB to weather through the stress test of the pandemic. Some vivid examples of the actions CCB has taken to practice the New Finance include Workers' Harbour, CCB University, smart government business, and rural revitalization.

In environmental terms, CCB closely followed up with and responded to climate change. It continued to improve the green finance development systems, formulated special measures concerning policy guidance, resource allocation, appraisal and incentive, and other domains, and incorporated environmental and climate risks into the scope of comprehensive risk management. CCB actively supported many green and low-carbon industries such as rail transit, clean energy, and pollution prevention. Green loans grew in scale rapidly, and there formed a diversity of green financial services that consisted of green credit, green bond, green trust, and green leasing, among others. All of these endeavors vigorously promoted the green transformation of the Chinese economy and society. By the end of 2020, CCB's green credit balance stood at RMB1.34 trillion, growing at a rate significantly higher than the industry average.

CCB's sharing received a good response from attendees. Guests at the event also had in-depth discussions on ESG management and practice. For the next step, CCB will do the following: continuing to complete this blueprint, upholding the New Finance concept with people in the first place, promoting new financial measures such as the "Three Major Strategies" at greater depth, and integrating ESG concepts into the overall operation management and business development. By doing so, CCB will contribute its unique solutions to the

attainment of high-quality, the sustainable growth of Chinese economy, the realization of the goals to peak carbon emissions before 2030 and achieve carbon neutrality by 2060, and the satisfaction of financial needs raised by the Chinese people in their pursuit of a better life. At the same time, CCB will strengthen its communication and exchanges with industry associations like CAPCO, professional organizations and advisory bodies. In the process, it will actively align itself with the influential ESG rating systems in the international community, and learn from the best practice of peers at home and abroad, so as to constantly improve its ESG information disclosure standards, and communicate with the capital market and investors more efficiently. To sum up, CCB will strive to deliver better ESG performance, and win greater understanding and recognition from market players.