

# CSR

## Corporate Social Responsibility Report 2023

China Construction Bank Corporation

Corporate Social Responsibility Report 2023



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# Builds a better future

The 70th anniversary of China Construction Bank



## Introduction

China Construction Bank Corporation (hereinafter referred to as "CCB" or "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-Standardised Operation and Guidelines for Preparing Corporate Social Responsibility Report*. 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 the National Administration of Financial Regulation (NAFR), 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 and the disclosure requirements of the SSE 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>



### Contact

Address: Public Relations & Corporate Culture Department, China Construction Bank Corporation, No. 25, Financial Street, Xicheng District, Beijing, 100033, the PRC. Fax: 86-10-66212659



### More Information

For more ESG information on the Bank, please visit <http://www1.ccb.com/cn/group/esg/index.html>.



### Video Report

Please scan the QR code and watch the video of this report.



## Chairman's Statement



### Comprehensively Practicing Social Responsibilities and Developing Five Sectors of Finance<sup>1</sup>



The year 2023 was the first for fully implementing the guiding principles from the Chinese Communist Party's 20th National Congress. With Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our guide, CCB thoroughly implemented the core requirements of the Central Financial Work Conference and worked to uphold the notion of serving China and its people with financial services for the common good. We vigorously developed technology finance, green finance, inclusive finance, pension finance, and digital finance, embarked on a new journey to accelerate the transformation of China into a financial powerhouse and promote the high-quality development of the Chinese economy and society, and lived up to the expectations of society in general as a socially responsible state-owned bank. Over the year, CCB blazed a new path of earning profits while fulfilling our social responsibilities, which is not only worthy of the pride of everyone at CCB but has also achieved extensive recognition from people of all walks of life. In 2023, CCB won more than 30 CSR awards at home and abroad, including the Best Socially Responsible Bank award, and saw its MSCI ESG rating upgraded to AA.



Chairman

**Zhang Jinliang**

China Construction Bank Co., Ltd.

**Gathering new momentum for the development of technology finance.** We focused on solving the financing problems faced by sci-tech enterprises, systematically upgraded the credit evaluation system that prioritises tangible assets over intangible ones, like patents, and built the innovative "VALUE" service system for technology finance, thus allowing technology and finance to interact and achieve joint development. By continuously improving our Tech Company-oriented Financing Chain and utilising our Scientific and Technological Innovation Evaluation System, we provided a diversity of full-chain and whole-life-cycle financial services to innovative and promising high-tech companies, especially those that have made critical technological breakthroughs. With our ever-improving service system of technology finance, the balance of loans we extended to high-tech enterprises and strategic emerging industries respectively exceeded RMB1.5 trillion and RMB2.2 trillion, providing a financial impetus for the progress of technological innovation and the development of high-tech enterprises in China. In this way, we supported the nation's move toward greater self-reliance and enhanced strength in science and technology.

**Creating a new future for green finance.** We integrated green concepts into our development strategy, operations, management, and corporate culture and built a diversified service system that includes green credits, green bonds, green funds, and green investments, all of which highlight the green and eco-friendly nature. We also used a "green balance sheet", accelerated the creation of carbon finance infrastructure, rolled out a larger number of innovative products and services, and promoted the coordinated development of green infrastructure, inclusive finance, and rural revitalisation. As we explored ways to turn China's lucid waters and lush mountains into invaluable assets,

the balance of our green loans exceeded RMB3.88 trillion, which helped reduce a CO<sub>2</sub>-equivalent in emissions of more than 173 million tons, greatly supporting the implementation of the dual-carbon strategy in China.

**Expanding the new essence of inclusive finance.** We focused on the problems in inclusive finance services and our development concept of "digitalisation, platform, ecosystem, and empowerment" to continuously upgrade the "CCB Huidongni" app (version 4.0) as a service ecosystem. This helped us shift from supply-oriented thinking to demand-oriented thinking to further the high-quality development of inclusive finance. The balance of inclusive loans exceeded RMB3 trillion, making CCB the largest supplier of inclusive finance in the market. The Village Chain Project was carried out to connect countless townships and villages and financial services in economically strong counties were strengthened to benefit rural areas with shared inclusive finance services. By digitally integrating inclusive finance with rural revitalisation, we made concerted efforts to solve the problems faced by small and micro enterprises, private enterprises, and agriculture, rural areas, and farmers in accessing affordable financing. We deepened our advantages in housing finance and actively responded to the public's rigid housing demand and demand for housing improvement, promoted the steady development of the real estate market to serve people's livelihood with better housing services.

**Playing a new role in pension finance.** We propelled the building of the pension finance service system, and forged the "Jian Yang An" pension finance brand to better meet their increasingly diversified demands to ensure they can happily live out their golden years. In combining services for the elderly with urban

renewal and with enterprise development, we provided reverse mortgages. A one-stop solution was devised to propel the social security card project and expand sources of funds for personal pension accounts as an innovative third pillar supporting the old-age pension system in China. We also kept making our online and offline channels more user-friendly for the elderly, opened outlets specializing in pension finance, and launched the "caring mode" and "senior mode" services online to help seniors gain a stronger sense of fulfillment and satisfaction.

**Achieving new breakthroughs in digital finance.** We accelerated digital transformation, reshaped our service modes, and applied innovative research results to commercial operations with the quality and efficiency better assured, allowing us to offer more convenient products and services for the real economy. Digital means were used to provide inclusive finance customers with personalised service solutions and create a set of products distributed in tiers, which enabled us to constantly meet the financial service needs of people while ensuring the privacy and security of their data. Pursuing a business-empowering approach, we continued to promote the transformation of technology-enabled products, platforms, and services, accelerated the integration of industries with digital and technical means, and boosted our ability to provide digital products and services while connecting to related ecosystems, enhancing the efficiency of our digital operations. The CCB Cloud platform was created as an ecosystem that empowers both inside and outside the Bank. The Ark Programme expedited the progress of AI projects so as to empower the real economy, prevent and resolve various risks with the help of information technology.

**Displaying a new people-first culture.** With our focus on the well-being of the public, we brought finance back to its roots by giving back to society. The "CCB Lifestyle" app was used to connect the supply and demand ends of consumption, and with our "Mobile Banking" app, the two formed our "binary star" platform, ensuring the general public can benefit from modern finance. The Workers' Harbour+ stations provided convenient, attentive services to the public. The Financial Literacy Promotion project and cloud classrooms were carried out to impart financial knowledge. To do what we can for society, we continuously implemented long-term public welfare projects, carried out innovative online public benefit events, and provided extensive volunteer services, donating a total of RMB133 million throughout the year.

**The future is to remain bright as long as we keep along this path.** As CCB celebrates its 70th anniversary in 2024, we will unite more closely with the CPC Central Committee headed by President Xi Jinping, shoulder the mission of promoting high-quality economic and social development, and continue to embed CSR strategies and ESG concepts into our own development strategies, operations, management, customer services, and product innovation. We will unwaveringly follow the path to financial development with Chinese characteristics, continuously enhance the "three capabilities" and the "five sectors of finance", and consciously play a positive role in serving the real economy and maintaining financial stability. With the wind at our back, we will sail steadily into the future while serving society and making outstanding achievements in celebration of the 75th birthday of the People's Republic of China!

## Highlights in 2023

### Sharing diversified value

CCB employed a workforce of **370,000** and operated **14,000** institutions worldwide.

CCB provided **463 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' Harbour" stations that served **278 million** people cumulatively.

The "CCB Lifestyle" app had **128 million** registered users.

CCB took roots in the countryside where it built **3,416** "Yunong Schools".

The "Financial Literacy Promotion" programme offered a total of **75,000** training sessions to **6.56 million** small and micro business owners and farmers, etc.

The "CCB Learning" platform registered **1.39 billion** visit counts.

CCB started to build **82** innovation studios for model workers and craftsmen.

CCB donated **RMB133 million** for public welfare for the year.

Employees provided **177,700 hours** of volunteer service for the year.

Value of social contribution per share reached **RMB4.60** for the year.

### Promoting low-carbon transition

CCB will continue to integrate climate change response into the whole process of its operation and management activities. To set a model as a climate-friendly bank, it will contribute more to a climate-resilient, **zero-carbon future**.

The number of personal carbon account users exceeded **5.4 million**.

The balance of green loans stood at **RMB3.88 trillion**, a year-on-year increase of **41.19%**.

Green credit projects saved **166.75 million tons** of standard coal, and reduced **172.54 million tons** of carbon dioxide equivalent emissions.

CCB underwrote **76** green and sustainability-linked bonds at home and abroad, which amounted to **RMB40,976million**. It supported the issuers to realize a financing scale of totalling **RMB219,978 million**.

### Helping improve people's well-being

CCB forged its unique "growth engine" driving high-quality development of retail business, upgraded its retail business mode, and tempered its retail service capacity. In addition, its efforts were made to improve customer experience in all aspects, strengthen consumer protection for people, and provide high-quality finance service for customers.

The balance of inclusive finance loans hit **RMB3.04 trillion**, which served **3.17 million** inclusive finance loan customers.

The "CCB Huidongni" app served more than **22 million** personal customers and over **12 million** corporate customers.

The "CCB Startup Station" programme had **41,000** member enterprises.

The balance of agriculture-related loans totalled **RMB3.82 trillion**, and the balance of loans for the production and operation of farmers exceeded **RMB380 billion**.

Statistically, nearly **350,000** "Yunongtong" service stations covered the majority of towns and villages in China.

The "Yunongtong" app provided convenient financial services for nearly **14 million** farmers.

The "CCB Joy Life" platform carried out **27.303 million** bill payment transactions totalling **RMB967 million** for **927,000** county and village customers through the "Yunongtong" app, "Jinongtong" app, business/service stations, and other channels.

The "CCB Lifestyle" app was utilised in a total of **217** cities to issue and accept government consumption vouchers. It issued government consumption vouchers totalling **RMB2.1 billion**, which boosted consumption transactions of **RMB6.2 billion**.

The "CCB Home" platform served **51 million** personal customers by building and operating over **280** long-term rental communities.

The "Government-subsidised Rental Housing" app was rolled out to **273** cities and the public version of the app was introduced to **181** cities.

The lowered interest rates on existing mortgages benefited nearly **10 million** mortgage customers of CCB, effectively lightening their repayment burden.

Government affairs services became available nearby through the outlet channel. Over **14,000** outlets are available for customers to handle, inquire, and make appointments for **more than 9,000** government affairs services.

## CCB's 70-Year Journey of Forging Ahead

As a bank that has been dedicated to allocating funds for and supervising national infrastructure investments since its establishment in 1954, CCB is about to celebrate its 70th anniversary. Its development history of "Born for construction and thriving on construction" highly coincides with China's development course from the 1st Five-Year Plan to the 14th Five-Year Plan. After seven decades of hard work and persistent development, CCB has pinpointed its position to attain growth and realise value amid reform, transformation and upgrading, thus blazing a trail of prosperity unique to a modern large state-owned bank.

### Controlling budgets to limit expenditures ..... 1954-1978

During the 25 years from 1954 to 1978, CCB handled all kinds of infrastructure investments worth more than RMB560 billion, completed more than 4,000 large and medium-sized construction projects, and helped more than 60 large-scale backbone projects come into operation ahead of schedule. Through the moves such as reviewing project budgets and stopping unreasonable expenditures, the Bank managed to save RMB10.78 billion for the country. In this sense, CCB really assumed the duty of "controlling budgets to limit expenditures" assigned by the country.

CCB handled all kinds of infrastructure investments worth more than

RMB **560** billion

Through the moves such as reviewing project budgets and stopping unreasonable expenditures, the Bank managed to save for the country

RMB **10.78** billion

completed large and medium-sized construction projects more than

**4,000**

helped large-scale backbone projects come into operation ahead of schedule more than

**60**

1979-1993

1994-2007

In recent years

### Developing into a full-fledged bank ..... 1979-1993

The 15-year period from 1979 to 1993 witnessed that CCB seized the opportunities presented by the reform and opening up to grow larger and stronger into a well-integrated and fully-functioning bank.

### Advancing the commercialisation reform

In 1994, CCB ended its history as a national specialised bank with dual functions of finance and banking, and commenced the process of commercialisation reform. The shareholding reform of China Construction Bank Corporation was completed in September 2004. In October 2005, CCB became the first of the four major state-owned banks in China (Big Four banks) to be listed on the stock exchange of Hong Kong, which not just further replenished its capital, but also significantly improved its international competitiveness. The Bank went public successfully on the A-share market in 2007.

### Taking steps towards building the "three capacities".....

In recent years, CCB has followed the requirement put forth by General Secretary Xi Jinping for building "three capabilities". With serving the real economy and national development as the starting point and immutable goal of its efforts, CCB assisted in the supply-side structural reform, resolutely implemented the "three major strategies" of rental housing, inclusive finance, and financial technology (FinTech), and actively carried out New Finance initiatives to incorporate the new development philosophy into its operations. The Bank has expanded the accessibility of financial services beyond bank outlets to various scenarios such as business operations, innovation and entrepreneurship, financial education, and social governance. This shift in focus from "passive services" to "active integration" aligns with the essence and original intention of financial services.

The Central Financial Work Conference 2023 proposed for the first time to accelerate the building of China into a financial powerhouse, which set new goals and pointed new directions for the financial work in China. CCB, as a state-owned large-scale commercial bank in China, will continue to enhance its sense of responsibility and mission, and develop the New Finance vision to serve the majority of the people. The Bank will strive to meet the country's needs and the people's aspirations amidst challenging times, as it celebrates its 70th anniversary with excellent results and remarkable achievements!

# Strategy Chapter

## Taking up the Mission of Modernisation and Assuming Responsibilities to Develop New Finance

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CCB account managers learning about the planting situation in the tea garden in Anji, Zhejiang Province

## Taking up the Mission of Modernisation and Assuming Responsibilities to Develop New Finance

### Developing technology finance to gather innovation drivers

Taking supporting self-reliance and strength in science and technology as one of its service priorities, CCB gave full play to the Group's advantages, and built an enterprise-level service system for technology finance. Focusing on key areas and customer groups, the Bank relied on internal and external evaluation results such as the "scientific and technological innovation evaluation" system and the mechanism for evaluating scientific and technological results to make the digital profiling of high-tech enterprises a more three-dimensional and accurate process. Keenly aware of the different industrial chain nodes or development stages at which high-tech enterprises were located, it continued to roll out innovative technology finance products and services covering the whole industrial chain and the whole life cycle of customers. Meanwhile, CCB intensified the efficient coordination between the parent company and subsidiaries, moved faster to improve the network of technology finance service institutions, and continuously built the specialised, comprehensive, and characteristic service

capability in the field of technology finance.

Defining the development of technology finance services as one of the Group's important strategies and focusing on the innovation development rules and characteristics of high-tech enterprises, CCB continued to optimise the supply of technology finance, concentrated on guiding the investment of financial resources in the real economy and innovation, proactively promoted the virtuous circle of "technology-industry-finance", and effectively improved the quality and efficiency of services provided for high-tech enterprises. By the end of 2023, the balance of CCB's loans for high-tech enterprises exceeded RMB1.5 trillion, representing a growth rate of more than 24%, and the balance of loans for strategic emerging industries went beyond RMB2.2 trillion, with a growth rate of more than 50%, providing a strong financial impetus for the progress of technological innovation and the development of high-tech enterprises in China.

### Developing green finance to explore a green future

With the vision of "striving to become a world-leading sustainable development bank", CCB supported the green and low-carbon transformation, made every effort to develop green finance, and facilitated the realisation of the national goal of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060 ("30-60 Goal" or "Carbon Peaking and Neutrality goal"). In December 2023, the Bank co-hosted the COP28 China Corner's Side Event called "Green Finance and Climate Change Solutions: The Role and Opportunities of Chinese Banking Sector", and stated that "CCB will continue to integrate climate change response into the whole process of its operation and management activities. To set a model as a climate-friendly bank, it will contribute more to a climate-resilient, zero-carbon future."

Guided by strategic designs such as the Strategic Plan for Green Finance Development (2022-2025) and the Action Plan for Carbon Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy, CCB continued to increase the supply of green credits, raised the green asset ratio and quality, and pushed forward the integration of green finance with key areas such as rural revitalisation and inclusive finance.

The Bank would provide no less than RMB2 trillion in financial support to the green sectors over the period 2022-2025. Meanwhile, it made good use of carbon-reduction supporting tools and the special loans to support the clean and efficient consumption of coal, focused on supporting various industries in reducing pollution, saving energy, and cutting carbon emissions, increased support for the areas of renewable energy and biodiversity conservation, and resolutely stopped the blind development of energy-intensive projects with high emissions and backward production capacity.

CCB has attached great importance to environmental, social, and governance (ESG) risks derived from investment and financing business, and continuously strengthened ESG risk assessments of customers. In 2023, the Bank formulated a top-level policy for ESG risk management in investment and financing business, in which three management requirements, namely "full coverage of the Group", "full coverage of investment and financing business", and "full coverage of business processes", were put forward for the first time. As a result, ESG risk management was fully integrated into business processes.

### Developing inclusive finance to improve people's well-being

CCB has established an inclusive finance service system in which data is the key production factor, technology is the core production tool, and the platform ecosystem is the main production mode, effectively combining the credit supply with the reasonable financial needs of market players to increase the total supply of inclusive finance steadily. In 2023, the balance of inclusive finance loans exceeded RMB3 trillion, making CCB the largest commercial bank in the Chinese market by the total supply of inclusive finance loans.

CCB has unveiled the upgraded "CCB Huidongni" app (version 4.0) as a comprehensive service platform, and followed three main lines of "financing, growth, and ecosystem" to empower small and micro enterprises. By the end of 2023, the "CCB Huidongni" platform had over 300 million visit counts, served over 22 million personal users and over 12 million corporate users, and contracted loans of over RMB2.4 trillion. The Bank innovated the mode of digitalised inclusive finance to meet the diversified needs of customers. By the end of 2023, the "Quick Loan for Small and Micro Businesses" provided loans of RMB12.80 trillion to 4.72 million inclusive finance customers.

In response to the fast-growing market players, the Bank channelled services down to primary-level areas, focused on the needs of small and micro enterprises, self-employed individuals, agriculture-related customers, upstream and downstream customers in the supply chain, and high-tech enterprises of micro, small, and medium sizes, thus increasing financial support for the inclusive finance groups. CCB had more than 14,000 outlets launching inclusive finance business, accounting for 99% of total outlets. It built more than 2,700 featured inclusive finance outlets, staffed with over 19,000 dedicated employees. There were nearly 70,000 employees who provided inclusive finance services for customers.

Using FinTech to its advantage, CCB has built the "Yunongtong" comprehensive service platform for rural revitalisation. Aimed at moving the focus of services down to the countryside, the platform ensures extensive coverage and equal accessibility of financial resources in rural areas. Offline, in cooperation with village committees, supply and marketing cooperatives, health clinics and other third-party entities, the Bank has built about 350,000 "Yunongtong" service stations, which have cumulatively served more than 62 million rural households. In 2023 alone, these stations carried out more than 300 million transactions of various types, effectively closing the "last mile" gap in access to financial services for rural revitalisation. Online, the "Yunongtong" app was launched to meet the practical needs of the countryside. With more than 100 scenario-based functions

such as loans, village affairs, and bill payments, the app provides farmers with a comprehensive service solution integrating financial services, intelligent village affairs, affairs for the convenience of the public, and e-commerce. Farmers were provided with nearly RMB100 billion of credit support, making mobile phones their "new farming tools".

To alleviate the difficulties faced by farmers in accessing affordable financing, CCB relied on its advantages in FinTech to launch "Yunong Loan". Three typical products under it are "Benfu Loan" in Zhejiang, "Jianye Loan" in Ningxia, and "Urban and Rural Integration Loan" in Jiangsu. The Bank created a mode combining Yunongtong with e-commerce services and set up a special zone for "Yunong Excellent Products", to promote the upgrading of rural consumption. To implement the 14th Five-Year Plan for Developing Cold Chain Logistics of the State Council, it innovated the "Cold Chain Logistics Loan for Agricultural Products", which aimed to support the high-quality development of the cold chain logistics industry for agricultural products. With continuous progress made toward the construction of ecological scenarios in the agricultural industry chain and toward the building of financial service capacity for key scenarios in the agricultural industry, the "Yunong Industry" unified platform and service brand were created to facilitate the integrated development of the primary, secondary, and tertiary industries in rural areas.

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 created to visually display the Bank's real-time and comprehensive progress in serving the development of agriculture, rural areas, and farmers. A digital, intelligent, and visualised risk control system was developed to manage risk compliance throughout the entire life cycle in an integrated manner.

CCB has supported three major projects including urban village renovation, helped build a new mode of real estate development, and strove to create a new system of housing services that formed a closed loop of "investment, financing, management, and exit". To fully exploit the advantages of the Bank in the field of housing finance, a host of moves such as setting up a rental housing fund, increasing financing support, and promoting the public offering of REITs of the CCB Group's self-holding subsidised rental housing projects were adopted to increase the supply of market-based long-term rental housing and government-subsidised rental housing to better meet the housing needs of the public.

Strategy Chapter

## Taking up the Mission of Modernisation and Assuming Responsibilities to Develop New Finance

### Developing pension finance to help customers live well in their old age

CCB has put forward the "1314" development strategy for pension finance. Under the strategy, "1" means a goal of building a "professional bank for pension finance", "3" means giving full play to the three major advantages in "customers, assets, and technology", "1" means highlighting a characteristic of "providing professional, prudent, and one-stop services", and "4" means building a pension finance service system that integrates four parts, that is, "pension finance, elderly care industry finance, elderly care service finance, and pension finance ecosystem". By the end of 2023, annuity assets under the management of the Bank exceeded RMB500 billion for the first time, and annuity assets under the custodianship of the Bank reached RMB913 billion.

Among the first banks in the industry to successfully launch personal pension business, CCB provides full-lifecycle account services from personal pension account opening to account cancellation as well as full-chain funding functions such as contribution/top-up, investment transactions, and pension claiming. The Bank actively introduced personal pension investment products at various levels, covering four major types of investment products, i.e. savings, funds, wealth management plans, and insurance. During the accumulation and claiming of pension funds, 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". On the basis of accurately calculating how much money customers would need at their old age, CCB could help them make pension planning, provide asset allocation services, and offer after-sale support.

To provide diverse forms of investor education for personal pension customers, CCB joined hands with high-quality wealth management agencies in the market to create a series of investor education columns called "CCB Talks about Pension Service". An investor education programme called "Experience Bonus" was created to accompany customers to grow from "entry-level investors" to "wealth management investors" and eventually to "long-term investors". At the same time, an alliance for pension investment educators was established to carry out the "Caring for Seniors: China in Action" campaign in 10 cities, in which roundtable forums, community visits, enterprise visits, and other forms of activities were organised to educate on pension investment, old age lives, and fraud prevention for the elderly. Additionally, online courses for the elderly were developed as an innovative means of promoting financial literacy. These courses are designed specifically for the elderly to share high-quality content by connecting people to digital technology.

Online and offline channels have been transformed for the convenience of the elderly. CCB has built outlets that specialize in pension finance. A pilot programme was launched to provide pension finance services at 60 outlets that have a broad elderly customer base and a full range of age-friendly facilities. Additional resources were allocated to these pilot outlets. The success of the pilot outlets will be used to establish a network of offline outlets that offer pension finance services. At the same time, online channels became more accessible to the elderly with the introduction of caring mode and elder mode, which provide more considerate services. This helps the elderly consumers better adapt to digital life, gain a stronger sense of fulfilment, and appreciate the caring services provided by the Bank.

for the first time, annuity assets under the management of the Bank exceeded

RMB **500** billion

annuity assets under the custodianship of the Bank reached

RMB **913** billion

a wealth management chain was opened up



### Developing digital finance to consolidate service advantages

CCB has advanced digital transformation on all fronts. The Bank moved toward the digital transformation goal of "agile response, comprehensive reach, and good experience" through upgrades in three major aspects, i.e. management mode, service mode, and culture building. Focusing on key areas to promote the deep integration of digital technology and the real economy, it provided comprehensive financial services to promote the development of the real economy, including the new forms of digital economy.

The "Mobile Banking" app and the "CCB Lifestyle" app were created as "binary star" platforms where financial and non-financial businesses could promote each other towards integrated development, thus generating a continuously growing traffic volume. The online platforms such as "binary star" had 543 million personal customers. The "CCB Lifestyle" app had 128 million registered users.

As the Bank continued to solidify the digital infrastructure, "CCB Cloud" infrastructure, which features three data centres in two locations, has been accredited with an A rating for the computer room power systems of information systems in the financial

sector and for the data centre infrastructures in the financial sector. The enterprise-level intelligent recommendation engine of the artificial intelligence (AI) platform deeply empowered the "binary star" businesses, helping to increase the click-through rate of financial content in "Wealth Season" by 120%. With the quality and efficiency of the R&D efforts further assured, the Group's comprehensive investment and financing management system was built to provide a unified view of the Group's comprehensive financing management, which enables online management of comprehensive financing activities carried out by customers across the Group.

CCB made headway in providing smart government affairs services. Taking "empowering the government, benefiting the public, and revitalising enterprises" as an innovative way to serve the practice of developing a digital government, the Bank established contractual partnerships with 29 provincial governments, assisted 14 provincial governments in increasing the adoption of digital means, and served 270 million registered users of related platforms, thus facilitating the modernisation of the governance system and capacity, as well as the digital transformation of local governments.

The online platforms such as "binary star" had personal customers

**543** million

The "CCB Lifestyle" app had registered users

**128** million

the Bank established contractual partnerships with provincial governments

**29**

in increasing the adoption of digital means assisted

**14** provincial governments

registered users of related platforms served

**270** million

## Taking up the Mission of Modernisation and Assuming Responsibilities to Develop New Finance

### Focusing on key areas to serve the economic recovery

Focusing 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 continued to increase investment of resources in these regions. By the end of 2023, the new RMB and foreign currency corporate loans granted to these regions accounted for more than 62% of the Bank's total new loans. The Bank supported the coordinated development of Central China, Western China, Northeastern China, and other regions. With the intensified policy support tailored to local conditions, the RMB and foreign currency loans granted to these regions recorded a year-on-year increase of RMB17.7 billion. CCB went all out to increase the credit supply in the field of infrastructure construction, granted loans to the projects invested in by the infrastructure fund, supported manufacturing development, and further increased support for high-tech industries. The Bank opened up green passages for financial services, intensified support for the key fields and weak links in the real economy, and developed five major types of finance to serve the real economy, with a view to helping stabilise the macro economy.

Over the past ten years since the Belt and Road Initiative (BRI) was proposed, CCB has continuously improved its cross-border comprehensive financial service capacity with the objectives of "reaching high standards, attaining sustainability, and enhancing people's well-being". A total of 14 overseas institutions were set up in the countries implementing the BRI with joint efforts, which provided credit support to 31 sovereign institutions and more than 100 financial institutions in 18 countries, and offered financial support of more than USD55 billion to over 400 projects in 62 countries/regions. The "Sanjianke" series products provided accumulatively USD2,495 million of finance support to 143 projects in 49 "Belt and Road"

countries, which greatly enhanced local economy, created more local job opportunities, and bettered local residents' life.

The "CCB Match Plus" platform served over 240,000 registered users from 51 countries/regions all over the world. Meanwhile, it joined hands with government departments, investment and trade promotion agencies, business associations, and other organisations to hold more than 300 digital exhibitions and cross-border matchmaking activities. The platform helped stabilise the global industry chains and facilitated international trade and investment. The "EasyPay" business diversified the supply of products. It offered cross-border payment services in over 140 minority currencies. As to RMB internationalisation, the RMB Clearing Bank in the UK registered a cumulative clearing volume of over RMB87 trillion, maintaining its position as the largest RMB clearing bank outside Asia.

CCB focused on both pursuing development and safeguarding security. It balanced capital, risk, and financial institutions, integrated risk management into sound operation and innovative development, and continuously improved the comprehensive, proactive, and intelligent risk management regime. Adhering to a prudent risk categorisation approach, the Bank connected risk exposure with the disposal of non-performing assets in an orderly manner to navigate the cycle of economic fluctuations. A prudent liquidity management strategy was adopted to ensure money market interest rates could remain steady. Compliance management was tightened continuously to make sure the red line of high-quality development was not crossed. The Bank kept building the basic capability of preventing and resolving financial risks, to ensure no systemic financial risks arise.

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### Empowering employees to create a talent training base

Over the past five years since its establishment, CCB Learning Centre has redefined the corporate learning institution and extended its presence from the financial field of serving the country, people's well-being, and business to the field of education and research. In the process, it has become a researcher, explorer, and pioneer in advancing the industry-education integration, pushing the boundaries of learning services, creating a new type of think-tanks, and constructing a lifelong learning ecosystem.

Combining education and training with business challenges, research programmes with strategic frontiers, and innovative insights with useful experience, CCB actively explored ways to formulate, interpret, carry over, and implement strategies, thus helping start the "Second Curve" for development and open up a new financial landscape.

Continuous progress was made in building a training system based on the entire employee life cycle, in which customised learning programmes are developed. A learning map covering all business segments of the Bank was charted by relying on the professional and technical qualification examination system to enhance learning and working efficiency and professional competence of employees.

Gathering alliances, building bridges, assisting scientific research, and sending taskforces to the countryside, CCB pushed the boundaries of personnel training from industry-education integration to entrepreneurship & innovation, and from vocational education to financial literacy promotion, truly running "a university without walls", creating a new learning ecosystem, and shaping a life-long learning atmosphere.

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## Practice Chapter

### Deepening New Finance Initiative to Promote High-quality Development

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CCB account managers introducing financial services for rural revitalisation in Dongzhenguan Village, Weifang City, Shandong Province



## Creating Innovation Engines to Help Build China into a Leading Country in Science and Technology

CCB vigorously develops technology finance services as one of the important strategies of the Group. Focusing on the challenges and difficulties high-tech enterprises face in their pursuit of innovative development, the Bank has accurately channeled financial resources into key areas and weak links of economic and social development. By comprehensively improving the quality and efficiency of technology finance services, it has been active in promoting the deep integration of the innovation chain, industrial chain, capital chain, and policy chain, so as to fully support the attainment of greater self-reliance and strength in science and technology.



### Column: the "VALUE" service system of technology finance

CCB has participated in the pilot projects for the reform of evaluating sci-tech results, and developed and launched a series of specialised assessment and evaluation methods, systemic platform tools, exclusive products and services, and dedicated support management policies, which altogether constitute an innovative technology finance service system called "VALUE". The system uses data and information technology to broaden the vision (V) of technology finance services, takes appraisal (A) at the core, gets underpinned by lending (L), relies on debt-equity connected products (EqUity) (U) to enhance the service capacity, and constructs an ecosystem (E) of technology finance to boost technological innovations.



the "VALUE" service system of technology finance

CCB created the "Sci-tech Innovation Radar" system platform. Capable of identifying, evaluating, and serving high-tech enterprises, the platform formed a unified view of sci-tech innovations, integrated enterprise sci-tech innovation scores, "investment flow" evaluation, innovative talents and other information, and supported a variety of service tools, so as to help the operation and management personnel of institutions at all levels thoroughly understand the sci-tech market and serve sci-tech enterprises.

CCB innovated standardised evaluation methods and tools. Six innovative evaluation methods were devised with enterprise credit evaluation as the core and asset assessment and behavioural evaluation as a supplement. The Bank developed the innovative "STAR" evaluation tool exclusive to non-retail sci-tech enterprises and the credit risk scorecard for retail and sci-tech small and micro enterprises, which could evaluate a full range of sci-tech enterprises on all fronts and be applied to core business processes such as credit rating (scoring) and credit approval. Innovative evaluation methods for "investment flow" evaluation and R&D team stability were created to further enrich the evaluation system for sci-tech enterprises from the perspectives of investor behaviour and R&D team behaviour. Relying on the *Patent Evaluation Guidelines* and the data issued by the National Intellectual Property Administration (CNIPA) as the underlying support, CCB innovated internal evaluation methods for intellectual property right (IPR) pledged financing and was approved as the first bank to carry out pilot projects.

CCB explored innovative debt-equity connected services. Based on the "investment flow" evaluation methods, branches developed a series of innovative debt-equity connected products in light of regional characteristics and business realities, and used the results of the "investment flow" evaluation as a reference for credit customer access, quota setting, etc. Combining "credit supply" with "equity investment" by internal and external institutions of the Group, the Bank could provide investment and lending integrated services for enterprises. Currently, CCB has provided life-cycle investment and financing services integrating "equity and debt", "investment and lending", and "investment banking and commercial banking" for sci-tech enterprises in Shandong, Sichuan, Suzhou, Guangdong, and other regions.

An ecosystem of technology finance services was constructed. Connecting resources of government departments, industrial parks, colleges and universities, venture capital institutions, etc., CCB has built exclusive financial service platforms such as "Sci-tech Innovation Harbour", "CCB Startup Station", and "Investors' Alliance" to provide a full package of comprehensive services such as policy support, industry-education integration, credit financing, and venture capital investment. At present, the "CCB Startup Station" programme has been extended to 26 branches, with more than 400 operating venues of various types, which have provided credit support of RMB59 billion to 41,000 member enterprises.

CCB will work harder to promote the "VALUE" technology finance service system, by integrating it into the production line and deepening its application in the whole business process (opportunity identification, marketing services, credit evaluation, collateral assessment, credit approval, risk management, etc.). With the system continuously optimised and iterated in practice, the Bank will enhance the professional service capability of technology finance and promote the quality development of the real economy with premium financial services.

"Shanke Loan" was provided to fund sci-tech enterprises precisely

Focusing on the "talent, technology, capital, and market" factors of sci-tech enterprises, CCB has constructed an innovative, diversified, quantitative loan model based on the operation of enterprises to create "Shanke Loan", a credit product exclusive to sci-tech enterprises of small and micro sizes. With the help of this product, sci-tech enterprises of small and micro sizes can obtain credit financing by virtue of their key personnel, innovation capability, government accreditation, market recognition, etc., turning "IPRs" into "assets" as a solution for the problems of insufficient credit information and inadequate access to financing. With the growth of sci-tech enterprises and the continuous enrichment of sci-tech factors, the loan caps can be dynamically added and flexibly arranged through both

online and offline modes. The product was provided on a pilot basis by 18 branches in Beijing, Shanghai, Zhejiang, and Shandong, among other places, which furnished more than 7,700 sci-tech enterprises with credit support worth RMB10.2 billion. Following the innovative ideas and concepts behind "Shanke Loan", branches rolled out innovative products with technological attributes unique to their local regions. For example, Hubei Branch, in cooperation with the Department of Science and Technology of Hubei Province, developed "Eke Loan", an online credit loan product exclusive to sci-tech enterprises of small and micro sizes. Beijing Branch innovated "Sci-tech Innovation Talent Loan", to meet the demand for equity allocation of scientific and technological personnel.

New solutions for financing enterprises that use special and sophisticated technologies to produce novel and unique products

Fujian Branch continued to optimise its technology finance services, providing quality financial services to partner with enterprises that use special and sophisticated technologies to produce novel and unique products and promote the agglomerative development of sci-tech enterprises. After learning about the financial needs of Fujian MetAl-new Aluminium Tech. Co., Ltd., a national "little giant enterprises" that use special and sophisticated technologies to produce novel and unique products, Chengdong Sub-branch in Fuzhou, Fujian filed the application for including the company in the white list of advanced manufacturing enterprises,

explored comprehensively assessing the customer through the sci-tech innovation evaluation system, and determined the credit line to be granted to the customer through multiple dimensions such as orders, tax payments, and collateral value. Finally, the sub-branch extended a sci-tech start-up loan of RMB50 million, which helped the company to easily obtain low-cost funds. With the support of such a loan by the sub-branch, the company industrialised new products as scheduled, and these products were well received by the market after their launch.



"Sci-tech Start-up Loan" supporting MetAl-new Aluminium in developing the country's first green melting demonstration production line for aluminium alloys

Empowering the industry chain and supply chain

In accordance with the industrial chain service mode that combines the "digital platform, management pattern, and product shelf", Gansu Branch built the Lantian Potato digital agricultural industry chain platform, which brought the whole process of online acquisition, sale, and regulatory monitoring online, effectively solving the problems of loose industry chain operation and low management efficiency of leading enterprises. There formed a closed loop of government supervision and monitoring, operation and management of core enterprises, and financial services for upstream and downstream customers, creating an ecological model for financial services targeted at the regional agricultural industry chain.



Data control cabin of the Lantian potato ecosystem platform

Jilin Branch tailored the "e-Goods Financing" supply chain financial service programme for FAW Group's core main engine plants. Relying on the supply chain-oriented "data credit", the programme could realise "issuer credit", which could extend supply chain loans without exceedingly depending on core enterprises. On the basis of acquiring industrial chain customers in bulk, closed-loop service and fund solutions were created to help more enterprises in the upstream and downstream sections of the supply chain lower the threshold of accessing financial services. At the same time, financial services are senselessly embedded in the production and operation scenarios of enterprises, realising the deep integration of production and financing.

Platform building through "E" solutions

Based on fintech, Shenzhen Branch optimised and reconstructed the credit business procedure, launched the "E Loan Platform", and realised "online-based procedure", "standardised business" and "semi-intelligent approval", thereby providing high-quality medium-sized enterprises with exclusive online conduits, lightening the "burdens" on relationship managers, and "accelerating" the service of medium-sized sci-tech enterprises. Meanwhile, the branch customised the exclusive product of "Sci-tech E Loan" for medium-sized sci-tech enterprises, and shortened the process from approval to loan granting to ten days at its fastest for high-quality medium-sized sci-tech enterprises as a whole, which effectively resolved the difficulty of medium-sized enterprises in financing. Within merely half a year since the launch of "E Loan Platform", a total of 10,089 customers registered their accounts on the platform, 5,833 of whom succeeded in measurement. A total of RMB9,444 million was involved in the measurement; a total of RMB5,510 million was disbursed; the balance of loans was RMB4,231 million.

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## Serving Small and Micro Enterprises to Boost Vitality of Development

With the inclusive finance strategy continuously deepened, CCB has constantly improved the coverage, accessibility, and convenience of inclusive finance services, enhanced the quantity, coverage, and quality of financial services for small and micro enterprises, supported the recovery and development of market players, and facilitated the smooth flow of economic and social activity.

In terms of the digital inclusive finance mode, the Bank continued to optimise various scenarios, data, modelling tools, and business processes to enhance the efficiency of supply-demand matchmaking activities. In terms of developing the product mix, it followed up on the changes in the market and customer needs to optimise and upgrade its flagship products such as "Mortgage Quick Loans" and "Credit Quick Loan" and innovate supporting products such as "Advanced Loan after Business Commencement

(Park Occupancy)", thus forming a diverse product lineup. In terms of services for sci-tech enterprises of small and micro sizes, CCB promoted featured products such as "Shanke Loan", and continued to push forward the "CCB Startup Station" programme, in a bid to continuously improve the service capacity for sci-tech enterprises. In terms of comprehensive services, the Bank upgraded the "CCB Huidongni" integrated service platform (version 4.0) and established the "Union of Benefiting Enterprises", which realised comprehensive service capacity enhancement and ecosystem upgrading. In terms of cross-border collaboration among industries, universities, and research institutes, the first digital and inclusive finance standard in China, a document compiled under the leadership of CCB - "inclusive finance - prosperity index", was released to further channel social resources and factors to serve and support the development of small and micro enterprises.

### Column: "CCB Huidongni" app (version 4.0) offers more considerate services

In December 2023, CCB released the "CCB Huidongni" app (version 4.0), which could bring customers a new experience that is more convenient, friendly, and comprehensive by transforming six aspects, namely, journey reinvention, experience enhancement, integrated finance, scenario/ecosystem construction, customer service, and user system. After more than five years of development since the Bank launched it ahead of other peer banks in September 2018, the app continued to optimise its core credit services and has been iteratively upgraded into a comprehensive eco-service platform.

Relying on the "CCB Huidongni" app, CCB provided logistics, tax, financial management, and other services to tens of millions of users, further enriching the ecological scenarios and service supply and helping private enterprises develop with ease and peace of mind. For example, with the support of Ningbo Branch, an electronics company in Zhejiang applied for "Cloud Port Loan" through the "CCB Huidongni" app to receive efficient and convenient services. Using the data of the "Ningbo e-Connect" platform, the branch could draw accurate portraits of enterprises from multiple dimensions and integrate the portraying results with the Bank's big data credit evaluation tools to precisely restore sales and operations of enterprises, thus effectively enhancing the accessibility and convenience of financing for small and micro enterprises.



Launch event of "CCB Huidongni" 4.0/opening ceremony of "Benefiting Businesses Festival" taking place in Beijing



Account managers of Ningbo Branch inspecting the production site of a company to understand its product production

### Column: Supporting the development of private enterprises

CCB released the *Action Programme for Supporting the Development and Growth of the Private Economy*, which focused on nine key areas such as expanding the coverage of market players. According to the programme, the Bank provided a full range of financial services to private enterprises by integrating and coordinating the resources available across the Group, so as to effectively enhance the sense of fulfilment among private enterprises.

CCB and the All-China Federation of Industry and Commerce (CFIC) jointly formulated and released the *Working Mechanism for Empowering Private Enterprises in a Normalised and All-round Way*, proposing that, on the basis of the strategic cooperation between the two sides, the Bank would further bring into play the organisational strengths of the CFIC and the professional service capabilities of CCB, and strive to become a bank that knows best private enterprises and the CFIC, empowering the high-quality development of private enterprises.

As one of the first five branches of CCB to provide on a pilot basis supply chain loans without exceedingly depending on core enterprises, Suzhou Branch focused on improving the resilience of the industrial chain and supply chain. It innovated the "e-Collection Connect" and "e-Sale Connect" product scenarios, to serve and benefit more private enterprises of micro, small, and medium sizes in the industrial chain.

Zhejiang Branch effectively complemented leasing business with credit products. In its close cooperation with enterprises, it converted the dormant rooftop solar photovoltaic panels into the current funds, a move that not only directly reduced the financing costs of the enterprise, but also brought more than RMB1,000 income to each rural household that installed such panels per year.

Guangdong Branch actively teamed up with bank branches/institutions in production bases to form a syndicate and open up the green passage, extending fixed asset loans of more than RMB100 million to the ceramic enterprises and groups in support of their production base construction and production expansion and upgrading initiatives.



A modern, intelligent ceramic production lineup grade supported by CCB to enterprises

## Building Beautiful Villages to Achieve Common Prosperity

CCB always keeps the top priorities of the country in its mind. Based on the unique resource endowments of rural areas, the Bank has accelerated mode innovation, product innovation, and service innovation to build a rural finance ecosystem, channelling financial resources into the vast countryside precisely.

### In boosting the construction of a rural circulation system

"Yunong Market" has been built as a specialised ecosystem in which national-level wholesale farmers' markets and specialised markets below the county level were integrated to establish the "Yunong Market" comprehensive service platform, develop exclusive credit products, and provide financial and non-financial services covering full scenarios and the entire industry chain for a variety of business entities such as market managers, merchants, and upstream farmers.

### In empowerment of specialised farm cooperatives

The "Yunong Cooperation" service mode has been promoted. A full package of comprehensive services such as credit, payment and settlement, and assistance in the sale of agricultural products were provided to strongly support the production and operation of farm cooperatives. The "Yunong Cooperation" comprehensive service platform was developed and launched to innovate credit products exclusive to specialised farm cooperatives, thus exploring a unique mode of financial services for specialised farm cooperatives.

### Regarding the development of commercial services for agriculture

CCB made progress in constructing the "Yunong Custodian" ecological scenarios, innovated the "Agricultural Production Custodian Loan", and continuously increased the proportions of first-time loans and credit loans constantly. Branches were encouraged to innovate online custodian loans and accelerate the construction and promotion of the Head Office's land custodian platform.

### In terms of rural training

"Yunong Schools" were set up. In cooperation with rural primary and secondary schools, rural medical stations, and "Yunongtong" service stations, they carried out themed teaching activities on a regular basis. They took root in counties and other primary-level areas, to facilitate the formation of lifelong learning communities in rural areas. "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 thoughtful services.

CCB continued to vigorously implement consumer assistance to stimulate the endogenous development momentum of poverty-stricken areas and people. Besides, it supported the development of regional characteristic industries, increased the consumption assistance of characteristic products and tourism services in poverty-stricken areas such as "Xizang Autonomous Region, Tibetan areas in Qinghai, Sichuan, Gansu, and Yunnan provinces, Hotan, Aksu, Kashgar, Kizilsu Kirghiz Autonomous Prefecture in southern Xinjiang Province, Liangshan Prefecture in Sichuan Province, Nujiang Prefecture in Yunnan Province, Linxia Prefecture in Gansu Province" and Ankang, carried out online special activities based on platforms such as "Rongshan Commerce", built special assistance areas, conducted special marketing activities and broadened sales channels. It carried out credit card preferential activities to encourage CCB employees to travel to poverty-stricken areas. During the activity, it helped to sell RMB12,435,100 of products in "Xizang Autonomous Region, Tibetan areas in Qinghai, Sichuan, Gansu, and Yunnan provinces, Hotan, Aksu, Kashgar, Kizilsu Kirghiz Autonomous Prefecture in southern Xinjiang Province, Liangshan Prefecture in Sichuan Province, Nujiang Prefecture in Yunnan Province, Linxia Prefecture in Gansu Province", and helped to sell RMB91,104,000 of products in other poverty-stricken areas. "Rongshan Commerce" helped to realize RMB683 million of transaction in that year.

### Helping to upgrade a wholesale farmers' market

Handan Branch in Hebei formulated the "Yunong Market" comprehensive service programme, and developed a tailor-made "Intelligent Wholesale System of Agricultural Products" for the market. Large agricultural vehicles could be automatically weighed and self-service bill payments are supported, significantly improving the settlement efficiency, reducing the queuing time, and alleviating the voucher forgery. Meanwhile, the system could also automatically collect information such as daily vegetable prices and commodity quality inspection results, to establish a refined market management regime and a platform for vegetable farmers and merchants to operate in good faith. Since the launch of the "Yunong Market" ecosystem, CCB has provided credit services worth over RMB22 billion to market managers, merchants, and farmers, handled the acquiring business for nearly 30,000 new merchants, and formed a close partnership with major farmers' markets across the country.



Intelligent Wholesale System of Agricultural Products

### "Yuexing Loan" turned Bananas into a profitable agricultural product



Bananas became a profitable agricultural product

After visiting the local banana association, Machong Sub-branch in Dongguan recommended and issued the "Yuexing Loan" to enterprises at a preferential interest rate. The product helped Dongguan Weiyao Banana Co., Ltd. to get funds to further expand production and planting areas. The company's banana plantation could produce 2.6 million kilograms of bananas every year, and own three market-leading intelligent ripening and centralised monitoring warehouses (QECW), realising the whole-process automated management and systematic coverage of ripening operation. Thanks to the combination of ancient planting techniques with modern industrial ideas, the banana industry of Machong has bright development prospects, and bananas produced there will become an agricultural product with Lingnan characteristics.

### Village-wide credit programmes facilitated rural revitalisation

Guangxi Branch took Yizhou District of Hechi City as a pilot zone to build a financial service mode for rural revitalisation, channelling financial services into Guangxi to support rural revitalisation. In April 2023, Hechi Branch cooperated with the governments of Yizhou at three levels of districts, townships, and villages to select credit villages and credit households, and collected information by going into villages and households to carry out the village-wide credit programme on a pilot basis based on the evaluation results of the "five-in-one" rural credit system in Hechi City. After that, Guangxi Branch started to grant village-wide credit in Du'an, Huanjiang, and Nandan, and other counties of Hechi, accumulating valuable experience for the full implementation of the pilot programme in the whole autonomous region. By the end of 2023, the branch's several rural revitalisation businesses achieved record-high results. Specifically, loans for production and operation of farmers grew by 322% and the number of farmers receiving such loans farm went up by 213%.



Hechi Branch holding a village-wide loan disbursement ceremony for Jiulong Village in Du'an Yao Autonomous County

The "Intelligent Countryside" system helped to stabilise production and increase income

The "Intelligent Countryside" comprehensive service system launched by Heilongjiang Branch has continuously explored ways to quantify and realise credit, making the concept that "approval of loan applications is up to creditworthiness" embraced by the people. Now "having good credit" has become a common practice in the villages covered by the "Intelligent Countryside" system. The branch launched a mechanism to guarantee the income of grain farmers. Since its business development in 2018, it has accumulatively provided more than 2,200 rural business entities with options on corn, which involved more than 75,000 tons of corn, effectively helping grain farmers avoid market price risks, stabilise production, and increase income.



"Intelligent Countryside" helping a farmer in Chaoyang Village, Raohe County, Shuangyashan City, increase corn production for higher income

Green ecology initiative "lights up" the road to rural revitalisation

Linwu Sub-branch in Chenzhou City, Hunan Province provided a loan worth RMB1.98 million for the Fumin Specialised Plantation Economy Cooperative in Sichong Village, Fenshi Township, Linwu County in support of the construction of a solar photovoltaic (PV) power generation project. Cutting-edge technical means were used to monitor in a real-time manner the solar power generation income, equipment operation, and energy conservation and emission reduction. Such a design not only provided comprehensive and analysable data for the post-lending management of the Bank, but also enabled the village collective to monitor the operation of the PV equipment and power generation income in a timely manner and handle the electricity billing procedures in a regular manner, thus ensuring convenient and efficient fund flows. By the end of 2023, Sichong Village generated a cumulative of 290,500 kWh of solar power, reducing carbon dioxide emissions by 289.6 tons and saving 116.19 tons of standard coal in total.



Distributed solar PV panels in the Sichong Village complex, Fenshi Township, Linwu County

"Legal-compliance+finance" model supported rural ecological revitalisation

Guizhou Branch took the opportunity of the development of Guizhou Wanfeng Lake rural revitalisation ecological model, cooperated with procuratorial organs and local governments to strengthen financial service support around the lake area, and promoted the business development of enterprises around the lake area and increase farmers' income. By the end of 2023, RMB499 million of loans for large and medium-sized enterprises, RMB281 million of inclusive loans and RMB329 million of farmers' loans for production and operation had been extended to Wanfeng Lake basin.

RMB **499** million

of loans for large and medium-sized enterprises

RMB **281** million

of inclusive loans

RMB **329** million

of farmers' loans for production and operation

Enterprise-Bank cooperation built "Yunongtong" platform

Anhui Branch has seized the opportunity presented by the lack of a systematic agricultural platform in the province. It has proactively engaged with the Department of Agriculture and Rural Affairs of Anhui Province and other relevant government authorities. They have gradually explored a path for the construction of the "Yunongtong" online platform, characterized by "high-level promotion, close collaboration, and comprehensive coverage" between the government and the banking sector. Currently, they have established a platform architecture consisting of six major government information systems, the "Yunongtong" app for farmers, a dashboard, and an agricultural data warehouse. They have localised the "Yunongtong" app to create a comprehensive rural financial service platform for the entire province, actively collaborating with the Department of Agriculture and Rural Affairs of Anhui Province, and gradually expanding the brand influence of the "Yunongtong" platform online and offline throughout the province. By the end of 2023, the number of registered users of the "Yunongtong" app in Anhui Branch reached 1.07 million, providing a total of over RMB16 billion in agriculture-related credit support.



Anhui Branch and the Department of Agriculture and Rural Affairs of Anhui Province jointly holding the ceremony to announce the breakthrough of over one million registered users on the "Yunongtong (Anhui)" app at the Anhui Agricultural Expo in 2023

The combination of "Yunongtong" and "Smart Social Security" empowered rural residents with "one-stop" services

Guangdong Branch has focused on developing the distinctive scenarios of "Yunongtong+" and has created the "Yunongtong + Smart Social Security" project. This project integrates 42 Guangdong social security services such as inquiries and authentication, as well as 57 Guangdong taxation functions such as tax declaration and social security payments, into the "Yunongtong" smart terminal. This breakthrough overcomes the barriers of the non-tax payment model for "social security payments" in Guangdong Province and integrates the social security services and tax payment collection, enabling the realisation of a "full-process", "village-level", and "one-stop" social security service for rural residents. By the end of 2023, a total of over 3.2 million social security-related services, including inquiries, authentication, and payments, have been provided to rural households. Among them, there were 14,000 transactions for the payment of urban and rural residents' medical insurance, with a total amount of approximately 5.32 million yuan.



Villagers Experiencing the "Yunongtong + Smart Social Security" service

## Striding Forward on the Low-carbon Path to Cope with Climate Change

CCB has seized strategic opportunities presented by the development of green finance, served green development better with the New Finance initiative, and implemented the strategy of green finance efficiently. The Bank kept rolling out innovative green finance products and services, strongly supported the low-carbon transformation in key areas such as energy conservation & environmental protection and clean energy, and low-carbon transition of traditional enterprises, practiced the concept of "green balance sheet", accelerated the construction of carbon financial infrastructure, and facilitated the realisation of the carbon peaking and carbon neutrality goals of the country.

CCB has continuously optimised environment-related credit management policies. It set out the objectives and strategic orientation of green finance business in its annual credit policy, explicitly proposing to support energy conservation and carbon reduction in the iron and steel, non-ferrous metals, petrochemicals, chemical engineering, building materials, and other industries, and to promote the coordinated pollution reduction and carbon reduction in the fields of industrial, transportation, urban and rural construction, and agricultural fields. While increasing support for the renewable energy sector, the Bank resolutely curbed the blind development of energy-intensive, carbon-intensive, and low-level projects. It stepped up financial support in the areas of biodiversity protection, went all out to finance major projects for the protection and restoration of important ecosystems, and refrained from investing in projects that could endanger State-protected wild animals or plants and their habitats.

Financial innovation has been intensified to propel sustainable social development with a wider range of financial services. Zhejiang Branch formulated a biodiversity risk management implementation plan relying on the Quzhou Green Finance Reform Pilot Zone, which turned out to be an important institutional exploration in the field of biodiversity risk management. Guangdong Branch actively responded to climate change, made headway

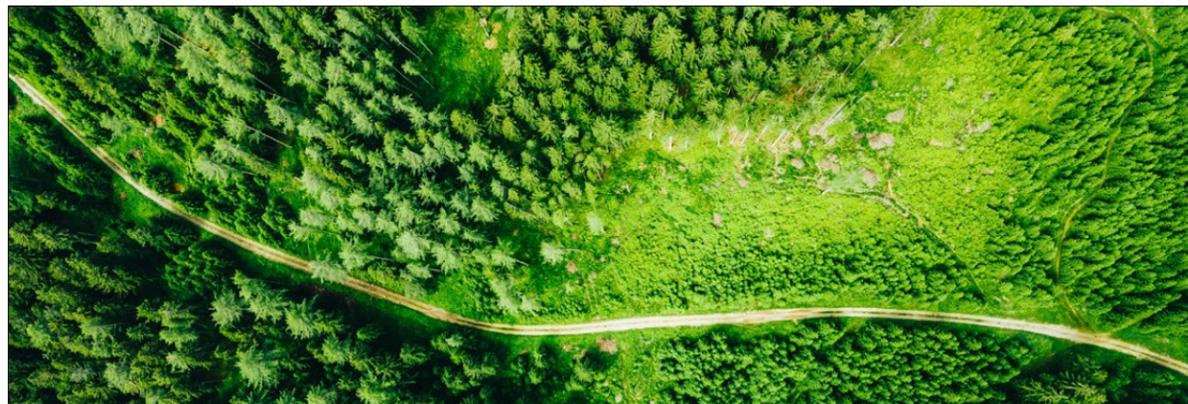
in implementing the national Nansha Climate Investment and Financing Programme on a pilot basis, and launched the innovative "Green Climate Loan" to further enrich the green finance toolbox. In addition, the branch also unveiled a variety of environmental financing tools based on carbon emission rights, pollution discharge rights, and bamboo forest carbon sinks.

CCB issued ESG risk management measures for investment and financing businesses, established a risk categorisation system with "four colours and five categories", and gradually integrated ESG risk management into the business management regime and the entire process of investment and lending.

After making ESG rating tools available online across the Bank, CCB actively explored the in-depth application of ESG elements in credit ratings, completed the bank-wide commissioning and application of the customer credit rating system in which ESG had been included, and promoted the full integration of ESG elements into various aspects of work such as customer access, credit policy formulation, credit approval, risk-based categorisation of credit assets, and performance appraisal, so as to serve the high-quality development of green finance vigorously.

FinTech has been used to enhance the refined management of green finance. Relying on enterprise-level platforms such as the "Mobile Banking" app and the "CCB Lifestyle" app, as well as the application of the "Typical Low-carbon Lifestyle" personal carbon account, by the end of 2023, personal carbon account users exceeded 5.4 million.

CCB has attached great importance to the building of a green finance team. In 2023, the implementation programme for the training of green finance talents was formulated, proposing that during the "14th Five-Year Plan" period, a professional team would be recruited to meet the demands for high-quality development of green finance.



## Significant progress

### Helping to build a green capital market

#### ● Establishing a complete set of green capital market standards.

CCB participated in the entire process of building China's green bond market. As a member of the Green Bond Standards Committee in China, the Bank took part in the compilation and publication of the *China Green Bond Principles*. As a guide for China's green bond market, the document marked that the green bond standards in China had been unified across the country and aligned with the international community, and that China's green bonds had entered a mature stage. To fully leverage its professional advantages in the green fields, CCB released the first *Green Paper on Green Capital Market* in China in collaboration with the Beijing-based Institute of Finance and Sustainability, contributing its own wisdom to the realisation of the carbon peaking and carbon neutrality goals. In terms of the price discovery mechanism for green bonds, the CCB-Wind Green ESG Bond Index and Yield Curve was co-issued by the Bank along with the International Institute of Green Finance, the Central University of Finance and Economics and Wind as the first green bond index integrating the concepts of ESG and carbon neutrality in the Chinese market to provide information on interest rate trends and pricing references for issuers and investors of green bonds. Listed on the Luxembourg Stock Exchange simultaneously, the index has released operation reports consecutively, directing the flow of domestic and foreign capital to green projects in line with China's national conditions and enhancing the ability of the Bank to participate in international competition.

#### ● Developing green standardised debt financing tools with concrete efforts.

In 2023, CCB got involved in underwriting 76 tranches of domestic and overseas green bonds, with an issuance volume equivalent to RMB219,978 million. Specifically, the Bank underwrote 36 tranches of green non-financial corporate debt financing tools worth RMB29,143 million. To promote the "Green+" mode, the Bank landed a number of first projects in the interbank market, including but not limited to the country's first "green and innovative" double-labelled perpetual medium-sized notes, to help enterprises reduce carbon dioxide emissions by over 200,000 tons per year averagely. Besides, it landed the first triple-labelled bond linked to "green development, rural revitalisation, and sustainability" in the interbank market. Meanwhile, the Bank adopted the sustainability performance target (SPT) linked design for the first time to guide issuers to proactively realise the carbon peaking and carbon neutrality goals. Moreover, it underwrote the green development and rural revitalisation-themed Panda bonds for an overseas issuer, setting a benchmark for green innovation in the cross-border bond market.

#### ● Developing specialised and innovative green asset securitisation tools.

As the power, energy, and other infrastructure industries face pressure from both expanding investment and reducing liabilities, CCB has explored innovative tools for asset securitisation to provide enterprises with exclusive solutions and innovative approaches to revitalising their idle assets and achieve the purposes of debt reduction and efficiency enhancement. As the only large state-owned bank that operated REIT products on a pilot basis, CCB tailored the transaction structure and terms of REITs, landed the first "green and innovative" REIT project in the interbank market, and pioneered the first consolidated equity-based REIT product in the interbank market. Since 2021, the Bank has underwritten seven green REITs with an issuance volume of RMB9.4 billion, whose underlying assets were distributed in gas turbines, wind power, solar PV power generation, and other industries. These REIT projects contributed to the progressive realisation of the carbon peaking and carbon neutrality goals and the continuous expansion of the green asset securitisation market.

#### ● Vigorously investing in the green equity investment fund over the long run.

CCB contributed RMB80 billion to the National Green Development Fund (NGDF). Through investing in sub-funds, the Bank aimed to direct medium- and long-term non-governmental capital to the green and low-carbon sectors, in an effort to fuel the sustainable development of the economy. By the end of 2023, the NGDF invested more than RMB15 billion in nearly 40 green entities of various types, which leveraged nearly RMB120 billion of other non-governmental capital to invest in the green industries, realising a multiplier effect of nearly eight times. The Bank's contribution to the NGDF filled the gap in China's green equity market and further enriched the green connotation of new finance.

### Landing the first triple-labelled general medium-term notes linked to green development, rural revitalisation, and sustainability in China

On 26 July 2023, the 2023 Tranche 13 Green Medium-term Notes of Huaneng Lancang River Hydropower Inc. were issued successfully, with CCB acting as the lead underwriter and Agricultural Bank of China (ABC) as a co-underwriter, which proved to be the first triple-labelled general medium-term notes linked to green development, rural revitalisation, and sustainability in China. These medium-term notes had an issuance amount of RMB2 billion and a maturity of three years, and the funds raised would be used for supporting carbon emission reduction, rural revitalisation, and other green projects. Estimated proportionally, the projects invested with the raised funds of RMB2 billion could help cut 489,200 tonnes of carbon dioxide emissions a year, save 289,800 tonnes of standard coal a year, and reduce 97.09 tonnes of sulfur dioxide emissions, 146.11 tonnes of nitrogen oxide emissions, and 21.15 tonnes of soot emissions a year.

These medium-term notes had an issuance amount of

RMB **2** billion

cut tonnes of carbon dioxide emissions a year

**489,200**

save tonnes of standard coal a year

**289,800**

reduce tonnes of sulfur dioxide emissions

**97.09**

tonnes of nitrogen oxide emissions

**146.11**

tonnes of soot emissions a year

**21.15**

### Issuing the market's first green and innovative perpetual medium-term notes

On 15 September 2023, CCB solely underwrote the 2023 Tranche 16 Green Medium-term Notes (for Sci-tech Innovation), which was the first green and innovative perpetual medium-term note in the Chinese market. These medium-term notes had an issuance amount of RMB1 billion, and the funds raised would be used to support Huaneng Lancang River Hydropower Inc. in its sci-tech innovations. As calculated by the proportion of the raised funds already used to the total investment of the invested projects, the 47 projects invested with the raised funds of these medium-term notes would help cut 205,000 tonnes of carbon dioxide emissions a year, save 93,900 tonnes of standard coal a year, and reduce 25.92 tonnes of sulfur dioxide emissions, 41.53 tonnes of nitrogen oxide emissions, and 5.31 tonnes of soot emissions a year.

These medium-term notes had an issuance amount of

RMB **1** billion

invested with the raised funds of these medium-term notes

**47** projects

### Introducing the policy on biodiversity risk management

Zhejiang Branch formulated the Implementation Plan of CCB Quzhou Branch for Biodiversity Risk Management (the "Implementation Plan"), which was closely aligned with the Biodiversity Risk Management Guidelines for the Banking Sector released by Quzhou City. According to the standards put forth in the Implementation Plan, the branch selected 21 highly sensitive industries and set out the criteria to divide biodiversity risk management projects into four categories (A, B, C, and D) from two dimensions, namely, regional sensitivity and industry sensitivity. While embedding the biodiversity risk categorisation management into the whole credit process, it established a normalised risk information enquiry mechanism, and strengthened the dynamic assessment and re-examination of biodiversity risk categorisation results. By incorporating biodiversity risks into the risk management and investment decision-making processes, the branch directed the flow of funds to biodiversity-friendly projects in a bid to ensure greater harmony between biodiversity conservation and local economic development.



CCB supported the Shuangjiantu fishery complementary photovoltaic (FPV) power generation project in Changtu Island, Changtu Town, Daishan County, Zhoushan, Zhejiang Province

### Helping environmental service companies to maintain water quality

Shiyan Branch in Hubei set up a team to serve key projects related to the construction of the Shiyan Green and Low-carbon Development Demonstration Zone. It supported more than 20 key enterprises and major projects, such as the lithium iron phosphate battery project of Hubei Haoshuo New Energy Technology Co., Ltd., the rooftop solar power generation project of Shiyan Yidakang New Energy Co., Ltd., and water resource projects under the South-to-North Water Diversion Project, which involved a wide range of fields in the city, including energy conservation and environmental protection, clean energy, upgrading to green infrastructure, and ecological environment. The branch leveraged its financial strength to help build Shiyan into a scenic and livable city.

## Putting the People First and Helping Them Lead a Better Life

CCB has persisted in its implementation of the new development philosophy, adhered to the "customer-centric" business concept, and been dedicated to becoming the "warmest and cosiest commercial bank". It forged CCB-specific "growth engine" driving high-quality development of retail business, upgraded its retail business mode, and tempered its retail service capacity. In addition, its efforts were made to improve customer experience in all aspects, strengthen consumer protection for people, and provide high-quality finance service for customers.

### Housing

CCB has firmly implemented the decisions and plans for attaching equal importance to housing rental and purchase, and undertaken the mission and responsibility of meeting the housing needs of the people. With housing rental made a holistic strategy in 2017, the Bank tapped deep into the advantageous areas of housing finance, and actively promoted the sustained and steady development of the housing rental market, with a view to helping meet the housing needs of the public. By the end of 2023, the balance of housing rental-related loans at the Bank exceeded RMB325 billion, which supported more than 1,600 housing rental enterprises. CCB built a comprehensive housing rental service platform to serve more than 51 million personal users and 18,000 corporate users. The Government-subsidised Rental Housing app was promoted to 273 cities, and the public version of the app became available in 181 cities. In order to revitalise idle housing, CCB Housing Rental managed more than 150,000 housing units and operated more than 280 "CCB Home" long-term rental communities.

The CCB Housing Rental Fund contracted 25 projects, with a total asset size of RMB11,889 million.

CCB actively supported rigid and upgrading housing demands and enhanced its online service capabilities through innovative products, services, and streamlined procedures. It increased loan investment to help people achieve their housing dreams. By the end of 2023, CCB's balance of personal housing loans and amount of credit extension for the year led its peers. To implement the *Notice by the PBC and the NAFR on Matters Related to Reducing Interest Rates of Existing Mortgages for First-home Owners*, CCB worked to cut interest rates on existing commercial personal housing loans for first-time home owners in an orderly and lawful fashion. This move has benefited nearly ten million of mortgage customers at the Bank, demonstrating the role of finance in supporting consumption restoration and expansion, safeguarding and improving people's well-being, and alleviating the burden of home loan borrowers.

the balance of housing rental-related loans at the Bank exceeded

RMB **325** billion

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**1,600**

CCB Housing Rental managed housing units more than

**150,000**

operated "CCB Home" long-term rental communities more than

**280**

The CCB Housing Rental Fund contracted projects

**25**

with a total asset size of

RMB **11,889** million

### Forgoing benefits to enhance the people's well-being and promote economic development as a responsible large bank

Linyi Branch in Shandong cut interest rates on existing mortgage loans for first-home owners, which brought tangible benefits to housing loan customers. For example, Mr. Wang who had applied for a housing loan at the business department of Linyi Branch said, "Thanks to the interest rate cut, the total interest I'll pay decreases by RMB160,300. I'm really excited about this favourable policy." After the interest rate cut, he will pay RMB1,500 less in monthly mortgage payment, which means a considerable benefit for his family. He plans to use the saved money to travel with his family during holidays, and purchase a new work computer and home furnishings during the November 11 shopping festival.

### Meeting housing needs of new urban residents

In Beijing, CCB built the CCB Home Starlight Media Horizon project, utilising collective land to construct dormitory-style government-subsidised rental housing and meet the housing demands of new urban residents and young people. The project is located in Starlight Media Horizon Park, Daxing District, Beijing, in close proximity to three major business districts. It offers a complete range of living facilities and can provide 288 government-subsidised rental housing units, including 207 dormitory-style units, accounting for over 70%. The project primarily serves migrant workers, frontline urban workers, and other similar groups, aiming to build a multi-level rental housing supply system with the concept of "one bed, one room, and one apartment" so as to further promote the work-life balance in the surrounding industrial and industry parks and strive to make frontline workers feel the warmth of home.



The Starlight Media Horizon project before and after renovation

Shenzhen Branch granted a loan of RMB99.52 million to the urban village renovation project in Yuanfen New Village, supporting the upgrading and renovation of 3,300 housing units, which are divided into one-roomed apartments, apartments with one-bedroom and one-living-room, and apartments with two bedrooms and one-living-room. These housing units are fully equipped so tenants only need to bring their personal belongings. In addition, the community also provides fitness facilities, reading rooms, and other spaces. The rejuvenated Yuanfen New Village became a clean and tidy new community of youth, effectively enhancing urban village governance and meeting the reasonable rental housing needs of new urban residents and young people.



Yuanfen New Village before and after the urban renewal project

## Pension Finance

CCB leverages its financial expertise to advance the formation of the "1314" pension finance system, develop the four-pronged service capability of "wealth reserve, industry fostering, service supply, and ecosystem construction", and provide solutions for pension financial innovation. A comprehensive range of pension services for individual customers was launched with a focus on their lifelong need for elderly care, as well as the accumulation and use of their pension funds. 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 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".

CCB launched a three-year social security card project, established a collaborative annuity marketing mechanism between the parent company and subsidiaries, strengthened inter-segment coordination to increase credit supply in the pension industry, innovated credit products and business modes, and helped address the problems of excessively relying on intangible assets and lacking collateral in the pension industry. As the pension customer groups supported by the Bank grew well, the pension industry and ecosystem started to take shape.

In the future, CCB will press ahead with the supply-side structural reform on pension finance, improving the convenience and customer experience of pension finance business. By leveraging the CCB Group's strengths in capacity building, ecosystem construction, and product innovation, the Bank will develop a comprehensive solution for elderly care known as the "CCB solution", which will integrate pension wealth reserve, industry fostering, service supply, and ecosystem construction, thereby enhancing the all-round service capacity.

### Setting up China's first rating platform for elderly care institution

Hunan Branch established a senior care service platform with local characteristics. The platform is equipped with a pioneering "online rating" function that enables intelligent, secure, and convenient data management. This greatly supports the rating of elderly care institutions, reducing the workload of civil affairs authorities and experts, and alleviating the burden of these institutions. With standardised operation and reduced risks, these institutions are better geared up to take good care of senior citizens.



CCB outlet staff helping Changsha citizens get their social security accounts verified online through the "Happy Old Age" platform

### "Financial Literacy among the Elderly" (pension finance activities)

CCB launched a series of activities on pension finance called "Financial Literacy among the Elderly". It went into colleges and universities, enterprises, streets, and communities to carry out pension finance publicity and investor education activities, and provide comprehensive pension finance solutions, so as to help the elderly people better manage their pensions. In these activities, CCB Principal Asset Management, CCB Life, CCB Wealth Management, and other subsidiaries of the Group mobilised local branches and primary-level outlets to form a joint team. While providing pension planning services to customers of varying ages, income levels, and risk preferences, the team introduced a range of pension products, including pension target funds, commercial pension insurance, and pension wealth management plans. They also highlighted CCB Group's comprehensive service capacity in pension finance, which helped raise public awareness of pension wealth saving.

### Actively exploring a new mode that combines pension with finance

Anhui Branch actively explored a new mode that would combine pension with finance, and joined hands with the local government to create a wider range of elderly-friendly payment and settlement scenarios. Luyang Sub-branch and Luyang Civil Affairs Bureau in Hefei, Anhui jointly built the "CCB-Luyang District Civil Affairs" intelligent pension platform, expanding the existing dining options for senior citizens. Specifically, CCB Long Payment (via face scanning) was added so elderly customers can dine out without carrying cash or mobile phone, further enhancing the management capabilities for elderly dining services and optimising the reconciliation and disbursement processes of meal allowances. In doing so, the branch delivered caring financial services to the society with practical actions.



Anhui Branch building a platform to provide elderly dining services

## Consumer Protection

Guided by the people-centred values and the pertinent regulatory requirements, CCB continuously performed consumer protection with digital and intelligent means of management and application and promoted in-depth integration of consumer protection with business development and service management.

### Enhancing the integrated management capabilities of consumer protection

CCB attaches great importance to the work of consumer rights protection and has specially developed the Consumer Protection Plan of China Construction Bank (2023-2025), which defines the development vision of "highlighting social responsibility, improving management system, and building a benchmark for the consumer protection in the financial field" and proposes medium- and long-term work objectives to plan the blueprint for the development of consumer protection work. CCB incorporates consumer protection requirements into its "14th Five-Year Plan" for Development and comprehensive risk management, explicitly designating the special culture of consumer protection as a key task in building the corporate culture during the "14th Five-Year Plan" period. Bank leaders at all levels take the lead in learning about consumer protection, forming a good atmosphere in which "everyone knows about consumer protection and proactively promotes consumer protection". CCB has implemented regulatory policy requirements, and developed a special programme to solve major problems in complaints to promote the resolution of 15 priority issues, thereby resolving customer problems with dedication, empathy, and effort.

CCB has consistently placed the greatest emphasis on complaint management to promote consumer protection, solving the most pressing difficulties and problems that are of great concern to the people. The Board of Directors, the Board of Supervisors, and the Senior Management of the Bank strengthen their guidance and monitoring of complaint management, The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors listen to the report on complaint management on a regular basis, and the Senior Management has repeatedly communicated the requirements for complaint management through bank-wide meetings. CCB requires all institutions to assume their entity responsibilities of complaint handling and management, ensures smooth complaint acceptance channels, and strictly implements the primary responsibility mechanism and the chief manager responsibility mechanism for major complaints, with chief managers of branches of all tiers participating in solving the major complaint issues. The Bank closely monitors key areas and critical processes of complaints, implementing comprehensive measures to strengthen the source governance, and effectively safeguarding the legitimate rights and interests of consumers.

### Carrying out customer complaints management in a more refined fashion

CCB is dedicated to consistently refining the complaint management mechanism. It continues to improve the complaint management policy system and has formed a series of management measures such as measures for complaint management, diversified mediation approaches, and emergency plans for major consumer protection incidents. The Bank has established a complaint management framework, defining the division of responsibilities for complaint management among various institutions at all levels. Each level and line has dedicated professionals assigned to handle customer complaints. It has established a talent pool of consumer rights protection experts drawn from across CCB and initiated the exploration of an expert consultation mechanism, making full use of the complaint management personnel in the talent pool to jointly study and resolve difficult complaint issues through expert consultations.

CCB has always kept complaint acceptance channels unimpeded. The "Customer Complaint Channels and Handling Procedures" has been publicised on various online channels, including CCB's official website, personal and corporate mobile banking, the "China Construction Bank" WeChat official account, the "CCB Customer Service" applet, the "CCB Huidongni" app, as well as CCB outlets and offline channels. Additionally, the complaint channel information is disclosed in agreements on products and services. The "CCB Lifestyle" app launched a customer service centre containing guides to frequently asked questions, robot customer service, online human customer service, phone customer service, complaint guidelines, and contact information for third-party service providers, providing customers with clear, convenient, and smooth complaint channel services.

CCB has established a remote intelligent banking centre staffed with dedicated complaint handling personnel. Various channels were utilised, including the 95533 customer service hotline, "CCB Customer Service" WeChat official account, mobile and website platforms, and SMS platform, using voice, text, video, and other multimedia to provide customers with enterprise-level, intensive, intelligent, multifunctional, multilingual, round-the-clock service in a combination of human and AI methods to promptly respond to feedback and complaints. After customers lodge complaints online, the customer service representatives handle them through online explanations, proposing solutions, or transferring them to branches for further processing. The Bank also conducts regular satisfaction sampling surveys through the remote intelligent banking centre to assess the satisfaction level of complaint handling and provide feedback to the responsible complaint management institutions.

CCB is committed to preventing and resolving problems at the front end. In terms of the front-end approach, the responsibility of the acceptance channel was defined, so that consumers can timely and effectively reflect their demands through CCB's own channels. Moreover, the Bank strictly implemented the primary responsibility mechanism. The institutions responsible for customer complaints are required to respond to customer demands at the first time and in the first place. All institutions shall handle complaints within the prescribed time limit in accordance with regulatory requirements and CCB's policies and regulations and make fair and impartial decisions based on laws, regulations, and contractual agreements. For consumer complaints with clear facts and simple disputes, a decision on the handling of the complaint shall be made and communicated to the complainant within 15 days from the date of receiving the complaint, thereby enhancing the quality and efficiency of resolving customer problems. A fast-track mechanism has been established for addressing urgent

problems reported by customers to enhance the coordination between customer service personnel and relevant institutions, promptly engage the relevant institutions to handle complaints and closely monitor the handling results.

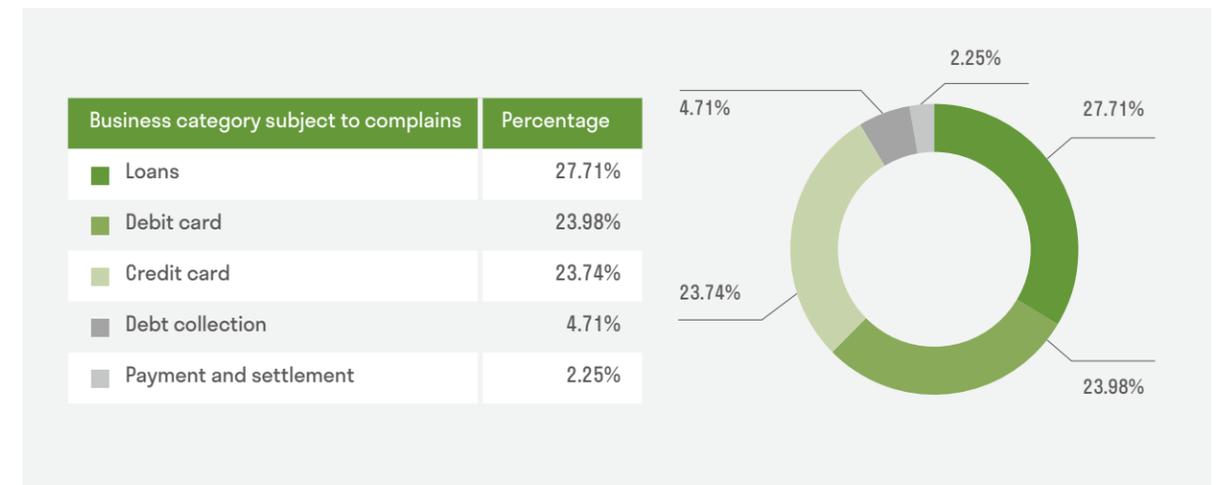
From the back-end perspective, CCB has built and optimised the monitoring mechanism for consumer protection and public opinion to focus on key business areas and regions, monitor and prevent potential public opinion risks at the front end, early detection, early warning, and early disposal, and embed effective public opinion prevention and control into all aspects of CCB's operation and business development, safeguarding the bottom line of risk prevention and control. The Bank consistently conducts monitoring and analysis of complaint data, clarifies the objectives of complaint management, and carries out special inspections into repetitive complaints, challenging complaints, and escalated complaints. It drives cross-line collaboration to thoroughly explore the causes of complaints identified, apply lessons learned to promote fundamental resolutions and facilitate product optimisation and service improvement.

CCB has developed a robust special supervision and inspection mechanism for complaint management to conduct re-inspections of complaint handling progress on a regular basis and supervise and guide relevant institutions in improving the quality and effectiveness of complaint handling. With respect to upgraded handling, the Bank has established a complaint supervision hotline at the Head Office. If customers are dissatisfied with the results of calling the customer service hotline, they can report to the complaint supervision hotline at the Head Office. If customers are dissatisfied with the handling results of the complaint handling institution, they can apply to the superior institution for inspection. In terms of special inspections, the relevant departments of the Head Office and branches shall be organised to carry out special inspection and handling for issues raised by customers but not satisfactorily resolved. Alongside informing customers of the complaint handling decisions, CCB provides consumers the available avenues for recourse such as application for review, mediation, arbitration, and litigation. Regarding diversified dispute resolution, in the case where reaching a mutual agreement with the customer is not possible, CCB fully utilises third-party mediation organisations to facilitate issue resolution and diversify the resolution of customer disputes. As for supervision and management, the Bank includes the quality and effectiveness of complaint handling by various levels of institutions in the assessment scope and regularly conducts special inspections of complaint handling and management at branches to ensure that customer demands receive timely responses, proper handling, and effective supervision.

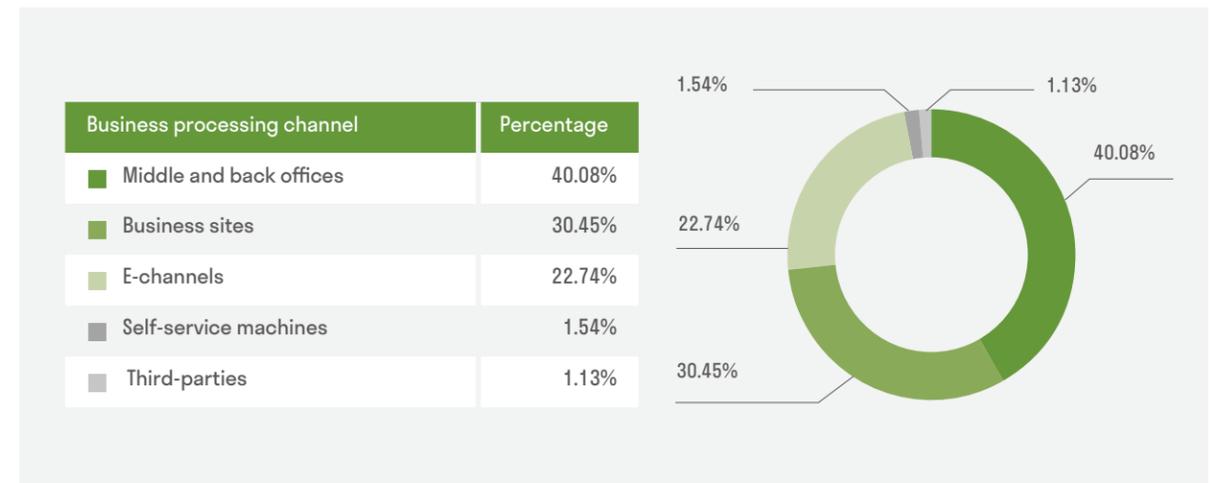
CCB constantly improves the consumer protection management system and refines the special module of complaint management, realising the online whole-procedure management of complaint handling through the system. It optimises and promotes six-dimensional complaint labelling systems, transforms unstructured complaint information into statistically and analytically structured data, and precisely identifies product and service problems. Moreover, the Bank has established a consumer protection dashboard monitoring system, built a big data platform for complaint management, and created intelligent complaint alert systems and big data analysis tools to provide management institutions at all levels with multidimensional display boards, enabling problems to be monitored and traced accurately. All institutions are supported in empowering business development and service management through complaint management data.

In terms of distribution of complaints data in 2023, a total of 135,317 consumer complaints were received. The complaint occurrence rate (number of complaints per million customers) was 179, and the number of complaints per outlet was 9.6. The main categories of complaints were related to loans (37,501 cases, accounting for 27.71%), debit cards (32,454 cases, accounting for 23.98%), credit cards (32,122 cases, accounting for 23.74%), etc. The main channels of complaints were back-office channels (54,230 cases, accounting for 40.08%), outlet offices (41,207 cases, accounting for 30.45%), electronic channels (30,773 cases, accounting for 22.74%), etc. The complaints were mainly distributed in West China (28,083 cases, 20.75%) and Central China (27,977 cases, 20.68%).

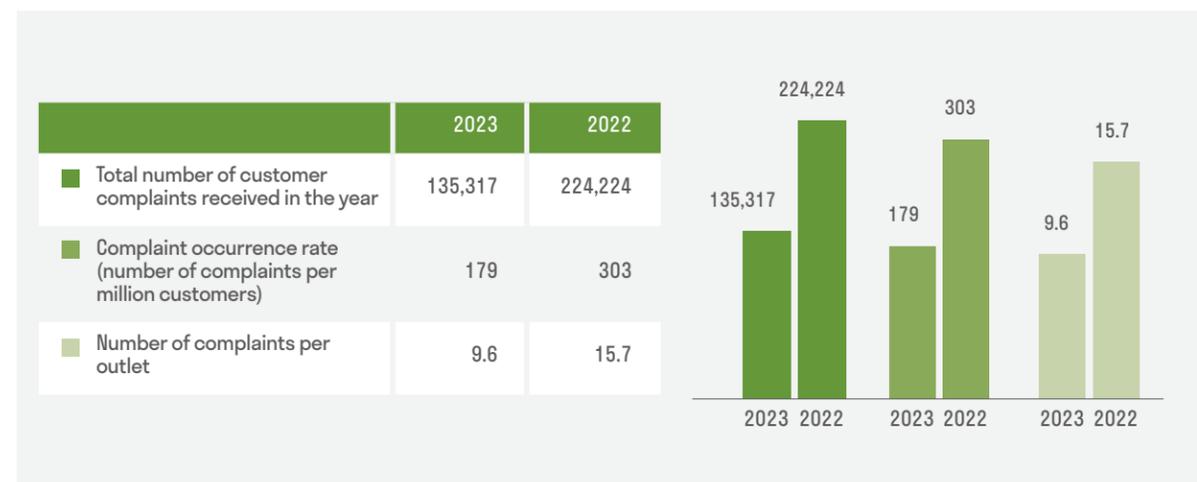
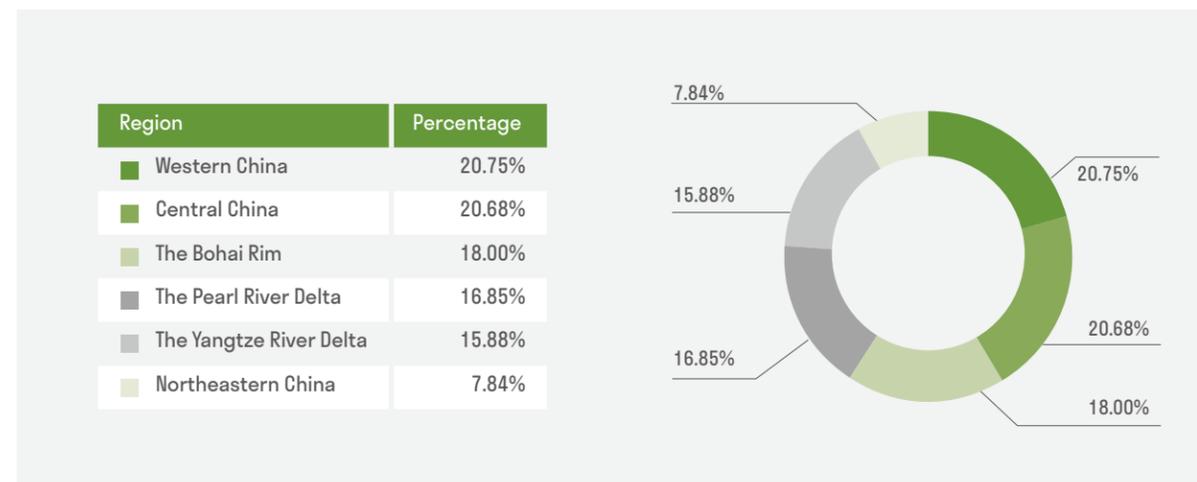
### Distribution of Major Business Categories of CB Subject to Complaints in 2023



### Distribution of Major Business Processing Channels for CCB's Receipt of Complaints in 2023



### Distribution of Regions where CCB Received Complaints in 2023



### Improving full-process control over consumer protection reviews

First, concrete efforts were made to conduct consumer protection reviews and get them deeply integrated with business development at CCB. As a key initiative to facilitate full-process control, consumer protection reviews were performed on the products and services provided to consumers throughout their whole lifecycle, including design and development, pricing management, agreement formulation, marketing and publicity, etc. In 2023, CCB completed 219,300 consumer protection reviews, effectively preventing the potential infringements of consumer rights and interests effectively. Second, a digital and intelligent consumer protection review platform was established. The AI-enabled consumer protection review function was launched, through which intelligent information identification and processing

technology was used to produce AI-based review results to help related personnel perform consumer protection reviews in a more efficient, standardised, and professional manner. Third, selecting consumer protection "whistleblowers" who voiced their recommendations for products conducted. By soliciting suggestions from various branches, we improved product functions, implemented the latest regulatory requirements, and addressed the difficulties and challenges encountered in the process of business handling, as well as the pressing concerns of our customers. This has enhanced the quality and level of financial product supply and effectively safeguarded the legitimate rights and interests of consumers.

### Strengthening consumer protection training among employees

Standardisation of consumer protection training systems. CCB regulates the form, training content, job responsibilities, and precautions of internal training for employees on the protection of consumer rights and interests in the *Management Measures of CCB for the Education and Publicity of Consumer Protection*. Each level of branches shall conduct at least one special training on consumer rights protection within their jurisdiction each year, with participants including senior and middle management, primary-level business personnel, and new recruits. The frequency of training for business positions with high volumes of financial consumer complaints and higher risks shall be appropriately increased. Moreover, CCB prioritises staff training on consumer protection as a crucial aspect of compliance inspection and appraisal in 2023.

Integration of consumer protection training and business development. The Bank provided comprehensive training on the protection of consumers' rights and interests through various means, covering all customer-related personnel at all levels of the Bank. The content

of consumer protection training mainly included national laws and regulations related to consumer rights protection, internal institutional documents, as well as the status and management methods of consumer protection business. It covered complaint management, consumer protection review, consumer education and publicity, assessment and evaluation of consumer protection, customer information security, norms for marketing and advertising behaviour, suitability management, information disclosure, traceability of sales behaviour, debt collection, etc.

Creation of a consumer protection curriculum system. The "Consumer Protection Classroom" courses were exhibited on the "CCB Learning" platform, including consumer protection knowledge courses and typical cases of branches for employees to learn, to further refine the consumer protection curriculum system that featured both standard and featured content. Over 400 high-quality courses were produced, with more than 4.23 million repeated studies.

high-quality courses were produced over

400

repeated studies more than

4.23 million

### Popularising financial knowledge among the public

Great importance attached to the popularisation of financial knowledge among the public. CCB strives to bring financial knowledge to campuses, communities, business districts, and military bases, covering both rural and urban areas. This effort aims to enhance consumers' financial literacy and risk prevention awareness.

Steady promotion of regular financial education and publicity activities. CCB strictly implements the regulatory requirements in multiple financial knowledge publicity activities, in which more than 190,000 online and offline sessions were organised to reach out to more than 1.57 billion customers in total.

Upgrading and digitalising financial literacy through more dimensions. CCB continuously builds a special zone for digital financial education of consumer protection that combines knowledge, functionality, and interactivity, with financial knowledge education covering various scenarios of customers' lives. Over 590 million customers visited the zone cumulatively. The upgraded "consumer protection 3D digital exhibition hall" function was added to the homepage of the Mobile Banking APP, which allows customers to immerse themselves in a virtual environment and learn financial knowledge.

Organising featured activities for key customer groups. CCB actively conducted featured financial education activities for key customer groups, including the elderly, teenagers, ethnic minorities, and new urban residents, aiming to deliver positive financial messages. Calligraphy, painting, Taichi, and other competitions were organised for the elderly, the "Golden Bee" campus consumer protection campaign

for teenagers, and financial education activities with the theme of "Serving New Citizens: CCB in Action" for new citizens. Additionally, CCB organised "Colourful Consumer Protection: Brilliant China" video exhibitions specifically for ethnic minority customers, provided warm-hearted financial education services tailored to customers with disabilities and extended financial knowledge classes to rural areas for rural customers.

Actively cooperating with education agencies. CCB's 37 tier-one branches cooperated with local education agencies to carry out financial literacy activities. For example, Hubei Branch co-built a financial education base with Zhongnan University of Economics and Law, to organise a series of education and publicity activities such as the President's Lecture Hall and the First Financial Lesson for College Students and Secondary School Students. Jilin Branch visited Jilin University and Changchun University to conduct an in-depth analysis of typical fraud cases that students often encounter, working in partnership with secondary schools, primary schools, universities for the elderly and other education agencies. Qingdao Branch collaborated with the Elderly Life University to conduct a variety of financial knowledge popularisation campaigns. Shandong Branch carried out featured activities called "Promoting Financial Knowledge in Elementary School Classrooms", 128 times in total. Ningxia Branch organized special activities called "Teaching Financial Knowledge at Campus: Safeguarding Youth and Facilitating Growth" for students in vocational colleges and universities.

### Spreading financial knowledge in different places

CCB attaches great importance to the promotion of financial literacy. In accordance with the requirements of the regulatory bodies, the Bank carried out a series of financial literacy activities by visiting rural areas, communities, campuses, enterprises, and business districts.

To promote financial literacy in rural areas, CCB reached out to rural areas and conduct a wide range of financial literacy initiatives aimed at the rural population. The Bank regularly organised the activities in Shaanxi to teach rural households professional skills and provide knowledge sessions on preventing illegal fundraising for left-behind elderly individuals and children of migrant workers. Regarding community-based financial literacy, a designated assistance mechanisms between branches and communities was organised to regularly conduct financial literacy promotion. In Shanxi, CCB collaborated with local public security organs to carry out the "Anti-Fraud in Communities" campaign, aiming to help residents protect themselves from telecommunications fraud. In terms of campus-based financial literacy, the "CCB Smart Campus Application" platform provided convenient access to financial consumer protection knowledge for 400 colleges and universities and 2.8 million students and faculty members nationwide. With regards to the enterprise-based financial literacy, the Bank integrated financial service solutions, fostered positive interactions with their employees, and provided customised financial literacy promotion. Staff of the Bank visited the Shine Hills business district to popularise financial knowledge among commercial tenants and deliver much-needed financial services in Beijing.



Guoluo Prefecture Sub-branch in Qinghai Province carrying out financial literacy activities in Sailaitang Township, Banma County

## Digital Finance

Adhering to strategic guidance, CCB takes the New Finance initiatives as the values and methodology to promote digital transformation in a systematic and step-by-step manner. The Bank has coordinated the bank-wide digital transformation through the Fintech and Digitalisation Promotion Committee, and established senior management committees and organisational modules to further adapt to the organisational structure requirements for agile response and opening collaboration during digital transformation. It made progress in implementing the *Plan for Building a Digital CCB (2022-2035)* and the *FinTech Strategic Plan (2021-2025)*, and strengthened the two-way drive of business and data, so as to continuously improve the effectiveness of digital operations.

As per the principles of agile response and resources sharing, CCB has relied on infrastructure construction to empower high-quality development. Regarding technological infrastructure construction, "CCB Cloud" possesses the industry-leading computing power and service capacity. The self-developed and strong digital technology innovation system has been continuously improved, and the principal role of scientific and technological innovation has been strengthened through the promotion of distributed transformation and IT innovation. CCB continued to build an enterprise demand coordination mechanism, established demand standards and specifications, and explored piloting the system of IT product managers. With respect to data infrastructure, data governance efforts were made to enhance the coordination capability of the full-chain system constantly, with the data process more closely integrated with business and technology. The data security policies were further improved to fully implement regulatory requirements, standardise data processing activities across the Bank, and balance the relationship between data application and data security.

As per the principle of co-existence and shared prosperity, CCB relied on ecosystem-based operations to create a new mode of digital economy. In the field of retail business, the "Mobile Banking" app and the "CCB Lifestyle" app were created as a "binary star" platform where financial and non-financial businesses could promote each other towards integrated development, thus generating a continuously growing traffic volume. In the field of corporate business, the comprehensive financial service capability embedded in the ecosystem kept improving. There formed an online service system with corporate online banking and corporate mobile banking at the core. As a result, the ecological infrastructures in the sector of corporate business were consolidated constantly. Focusing on industries and fields and connecting to the G side, and empowering the B side, CCB tapped deep into inclusive finance, rural revitalisation, and other vertical fields to establish an ecosystem of corporate business that encompassed "CCB Huidongni", "Yunongtong", supply chain finance, and a mega asset management platform, among others, which effectively promoted the development of principal business.

As per the principle of "finance for the people", CCB relied on digital finance to promote its deep integration with the real economy. The Bank continuously implemented the *Plan for the Overall Layout of Building a Digital China* in tandem with its digital transformation, exerted the Group's effect and strengthened the parent company-subsidiary coordination, and actively kept innovating products, services, processes, and modes. By supporting the digital transformation of traditional industries as well as the development of key areas such as new infrastructure, core industries of the digital economy, and supply chain finance, it substantially promoted the deep integration of the digital economy and the real economy to boost the comprehensive financial service capacity continuously.

CCB was attentive to the needs of groups, such as the elderly, the disabled, foreigners in China, and ethnic minorities. Specifically, it enhanced the availability and convenience of online financial platforms, and expanded the coverage of accessible services. It optimised the large-character version of mobile banking, provided common financial services such as account inquiry, transfer and remittance, living payment, and launched a push-to-talk function for the elderly; it assisted Bank Association of Beijing Municipality in issuing the first national service standard for visually impaired consumers in the banking industry, and optimised barrier-free functions, so that common services such as account inquiry, and transfer and remittance could be smoothly processed; it improved the convenience of financial services for foreigners in China, provided English mode of mobile banking, and ensured smooth online financial services through elaborate financial functions; a Tibetan version of mobile banking was developed for ethnic minorities and published in Xizang, Sichuan, Qinghai and other places.

As per the principle of "firmly defending the bottom line", CCB strengthened comprehensive risk management with intelligent risk control means. The Bank continued to promote the construction of an enterprise-level risk management platform. Focusing on the "3R" (RSD, RMD, and RAD), Blue Chip, and other key projects of intelligent risk control, it enhanced digital intelligent risk control management in the areas of credit approval, credit management, asset preservation, and financial market, and made progress in embedding risk control capabilities into the processes, scenarios, and ecosystems from end to end, in a bid to prevent various risks in a more automatic and intelligent way.

## Creating smart parks

The innovative Smart Park platform created by Hebei Branch was recently launched in Hebei Junding Science and Technology Park on a pilot basis, which could significantly enhance comprehensive management capability and affairs processing efficiency of the park. In the future, the platform will be promoted to other parks under the jurisdiction of Hebei Province, with a view of bringing them a new intelligent experience. For the next step, the branch will provide parks on the platform with a package of comprehensive services such as bank financing, system support, investment invitation, policy support, and equity investment to propel the high-quality development of relevant parks.



The blueprint of Junding Smart Park in Hebei

## Letting data serve customers

"CCB's SWIFT AMH global cash management service allows us to access global resources at any point of contact, while automatically sending information reports to the headquarters every month. It makes our daily operation more efficient and convenient, so I really appreciate it."

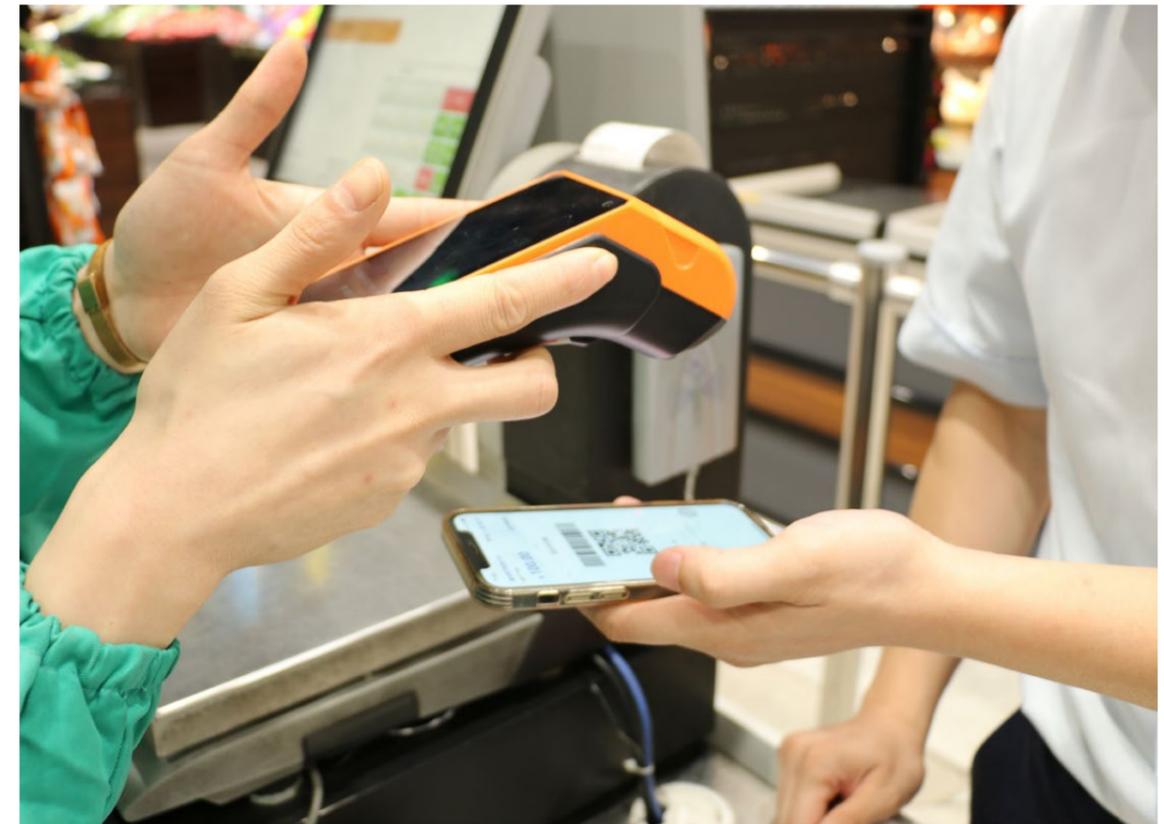
Dalian Branch launched the SWIFT direct connection project for ZKW Lighting Systems (Dalian) Co., Ltd., which effectively solved the problems facing the enterprise in the globalised fund management system. CCB's SWIFT AMH service can be easily and quickly accessed by enterprises at a low cost, which will reduce the development and maintenance workload of customers.

To empower customers with digital transformation, Dalian Branch provided export enterprises in the field of cross-border e-commerce with the "Cross-border e-Remittance" product. Letting data run errands for users, it helped them save time. Besides, the fast free collection in the original currency, a feature of the product, meets the diversified and personalised financial needs of cross-border e-commerce enterprises.

## Helping to build digital villages

Under the guidance of the local offices of the PBC, National Development and Reform Commission (NDRC), and other authorities, Suzhou Branch actively explored constructing a rural credit system, which was implemented in Yonglian Village, Zhangjiagang. The main service mode of the system involved such processes as pooling data together, focusing on credit, and loading e-CNY. In the case of Yonglian Village, the branch built the innovative "Yonglian Data Middle Office", which created a unified view of data assets, effectively addressing the problem of information silos. Meanwhile, it also created the "Yonglian Credit System". Aware of the actual needs of Yonglian Village in terms of village governance and services concerning people's well-being, the branch followed the top-level design idea of the rural household credit rating system, i.e. "1 credit evaluation model, 3 sets of digital systems, and multiple equity scenarios". Integrated with

the data middle office, the credit rating system produced three major types of scoring factors, i.e. civic score, financial score, and basic score. A credit model for farmers was established to generate the "Yonglian Scores", and farmers were divided into different levels based on their scores and assigned appropriate privileges. Thus, the rural credit rating system was made into a closed loop of mechanisms, tools, and applications. In addition, the innovative "Yonglian Digital Lifestyle" project relied on new e-CNY settlement tools and cooperation between the Head Office and branches to set up the first full-coverage scenario of applying e-CNY in rural areas across China, creatively promoting the online and offline application of the "Yonglian Digital Lifestyle" project. The project was highly recognised by 26,000 residents, 55 village enterprises, and 200 merchants in Yonglian Village.



Yonglian Village residents experiencing e-CNY payment at Tiantianxian Supermarket

## Doing good to the society

In 2023, CCB continued to fulfil corporate social responsibilities (CSRs) resolutely, and built a public welfare culture that advocated "helping others, opening up, and sharing". The Bank explored public welfare innovations that could combine charity with finance, carried out a diversity of public interest and volunteer activities, and did good to the country and people.

### "CCB Charity" online public benefit campaign

In 2023, the "CCB Charity" online public benefit campaign was launched by the Bank to explore a new mode of public welfare. The "CCB Charity-Beautiful Life" programme was launched with four public welfare organisations to collect donation needs of public welfare projects nationwide, and invited customers to vote through the platform of CCB Mobile Banking app and CCB Lifestyle app. At the same time, CCB also unveiled a public welfare incubation campaign, under which branches were encouraged to make innovative planning with public interest units and organisations for selecting a number of potential public welfare projects to be incubated. According to statistics, the webpage of the campaign registered 10.06 million visit counts in total, with 1,550,000 votes cast, 870,000 public benefit points obtained, and more than 4,500 messages left. During the campaign, every participant helped to spread the concept of public welfare and inspire the public to care.

### CCB's "Mother Health Express" programme turned 12 years old

The year 2023 marked the 12th anniversary of the "Mother Health Express" public benefit project, an outcome of cooperation between CCB and the China Women's Development Foundation (CWDF). On 26 December 2023, CCB and the CWDF co-held a donation and launching ceremony for the "Mother Health Express" medical service vehicles. A fleet of 50 vehicles loaded with love and blessings departed for primary-level health centres in 16 provinces (autonomous regions and municipalities) to close the "last mile" gap in access to health assistance. Up to now, CCB has donated RMB85 million to the "Mother Health Express" project, which was used to purchase 562 medical service vehicles. These vehicles were sent to primary-level medical institutions in 24 provinces (autonomous regions and municipalities), benefiting nearly 6.1 million people. These "life-saving vehicles" travelled to the countryside, bringing free and quality medical services to rural residents in need.



Departing "Mother Health Express" vehicles donated by CCB

### "Build a Good Home" public benefit project in support of rural revitalisation

In November 2023, the launching ceremony of the "Build a Good Home" public benefit project, jointly initiated by CCB and China Charity Federation, was held in Guyuan City, Ningxia Hui Autonomous Region. The project consisted of two parts, i.e. the plan for illuminating rural communities with solar streetlights and the training programme of rural revitalisation leaders. The project has so far donated RMB10 million, 1,820 solar streetlights involved in which have been installed and tested in 38 villages of ten provinces across China, providing a lot of safety and convenience for local villagers travelling at night. A total of 100 rural revitalisation leaders trained in the project of "Build a Good Home" have taken the path towards common prosperity with other villagers.

### Powering dreams with technology

On 28 July 2023, the closing ceremony of "Powering Dreams with Technology: CCB Hope Summer Camp 2023" was held in Beijing. Present at the ceremony were more than 120 people, including teacher and student representatives from 18 CCB Hope Primary Schools and schools in villages receiving targeted assistance across the country, volunteers of CCB, and volunteers of China Youth Development Foundation. The technology-themed summer camp provided a captivating journey for attendees to explore the mysteries of science and technology, the charm of culture, and the dream of the future. Over the past 27 years, CCB continued to increase its input in Hope Primary Schools, and the funds were used not only to build classrooms, upgrade playgrounds and other physical facilities, but also to improve teaching skills and broaden students' horizons.



Students and teachers at a summer camp visiting the China Science and Technology Museum

### The inclusive finance "Alashan Desert Afforestation" project

On 28 November 2023, CCB inclusive finance held the inclusive finance donation ceremony for the "Alashan Desert Afforestation" project on the site of "2023 SMEs Using Special and Sophisticated Technologies to Produce Novel and Unique Products/Green and High-quality Development Forum". At the ceremony, CCB donated RMB300,000 to the "Donating RMB10 to Greening Alashan" project of the China Green Foundation on behalf of the 12,000 small and micro enterprises to which the Bank granted green credit. The funds would be used for planting Haloxylon forests in the desertified areas of Alashan, Inner Mongolia, in order to support local ecological governance and economic and social development.

### "CCB Charitable Deeds" trademark with responsibility

CCB applied to register "CCB Charitable Deeds" as a trademark, which became the first financial charity service brand in the banking industry, blessing customers with the growing wealth through responsible actions. The Bank launched charitable wealth management, charitable trust, charitable foundation, and other products and services for private banking customers, donating nearly RMB55 million in total. It organised hundreds of public benefit activities in support of poverty alleviation, care for people with disabilities, rural revitalisation, medical assistance, youth development, etc. For instance, CCB bought cochlear implants for nearly 100 children from impoverished families to help them hear the world around them, provided care and assistance to many medical workers during the COVID-19 response, and arranged free medical checkups and medical services for more than 600 people from "one district and three counties" of Ankang City.

Warn CCB forging ahead with love

"Advance of Hearing, CCB and Love Side by Side" was a public benefit project initiated by Zhangjiajie Branch in Hunan in joint efforts with Zhangjiajie Municipal Committee of the Communist Youth Leagues, district federation of disabled people and the organisation of charity association volunteers in the city, which was held to convey warmth to the society with a method featuring "charity + finance". On 1 June 2023, the staff of Zhangjiajie Branch stepped into Zhangjiajie Kanglaixing Aural and Lingual Rehabilitation Centre for Disabled Children, a rehabilitation institution for children suffering from hearing disorders, donated teaching tools and daily necessities to the rehabilitation centre, and celebrated Children's Day with the kids here. In December 2023, CCB donated RMB200,000 to this project, which was spent on life relief, care, student grant and psychological counselling for disabled children and poverty-stricken children in rural areas. Up to now, the project has successfully carried out more than 20 public benefit activities like "Tangible Great Love from CCB's Aids for Children with Hearing Disorders", which helped more than 40 children suffering from hearing disorders, left-behind children and other special adolescents to learn about the world.



CCB volunteers stepping into the rehabilitation institution for children suffering from hearing disorders, and presenting gifts to them

Public benefit + low carbon to release green power

Three-River-Source National Park is the first national park and an important ecological protection area in China. On 20 September 2023, the implementation and delivery ceremony for ecological protection project donated by CCB to Three-River-Source National Park was held in Zhajia Village, Maduo Town, Qumalai County, and the fund donated in the project would be used in development of the expansion and enhancement project for waste sorting stations of Zhajia Village and Moqu Village located in the park of the Yangtze River Source. In recent years, Qinghai Branch has taken the initiatives in interacting with the Administration of Three-River-Source National Park and the Sanjiangyuan Ecological Protection Foundation to facilitate their ecological protection projects and help to build demonstration villages of ecological protection. Since 2022, CCB has donated a total of RMB3 million to Sanjiangyuan Ecological Protection Foundation to facilitate the improvement of local environmental quality and protect native eco-environmental system in the area, thus contributing its financial power to the sustainable development of this precious ecological zone.

Kind-hearted CCB provided a home to universal love

On 8 November 2023, the activity "Home to universal love -- realisation of micro expectations at the home of sanitation workers in Guangzhou" kicked off in a lively atmosphere. During the activity, 200 sanitation workers' micro expectations came true successively: "health consultants" provided the "urban beauticians" with customized diagnosis for free, 500 persons united at a "benevolence-themed reunion dinner"... With an array of colourful activities, the trickle flowing towards the sanitation workers warmed their hearts continuously, enabling the "urban beauticians" to feel care and warmth. Since 2019 when the project of public benefit brand "home of sanitation workers" was implemented to realize their dreams for stable life, Guangdong Branch has continued to launch an array of public benefit activities to pool social strength and help the "urban beauticians" have a decent life thanks to the favours given by CCB.



Sanitation workers in Guangzhou watching the face-changing performance of Sichuan Opera during the reunion dinner

Public benefit activities organised by overseas institutions



Employees of Tokyo Branch being organised to participate in the "volunteer activity for improvement of environmental sanitation in communities" sponsored by the government of Chiyoda City and to carry out "social public benefit activity to improve the environment of barren mountains and river banks"



CCB Malaysia leading the kids from Malaysia-based "Home to Dayglow" Foster Centre to visit The Acre Farm



Singapore Branch collaborating with the Board of Directors for Development of Southwestern Community in Singapore to hold a celebration activity on Mother's Day, and donating charity fund to the Commission of Development and Welfare Foundation in Bukit Gombak Community, Singapore during the activity



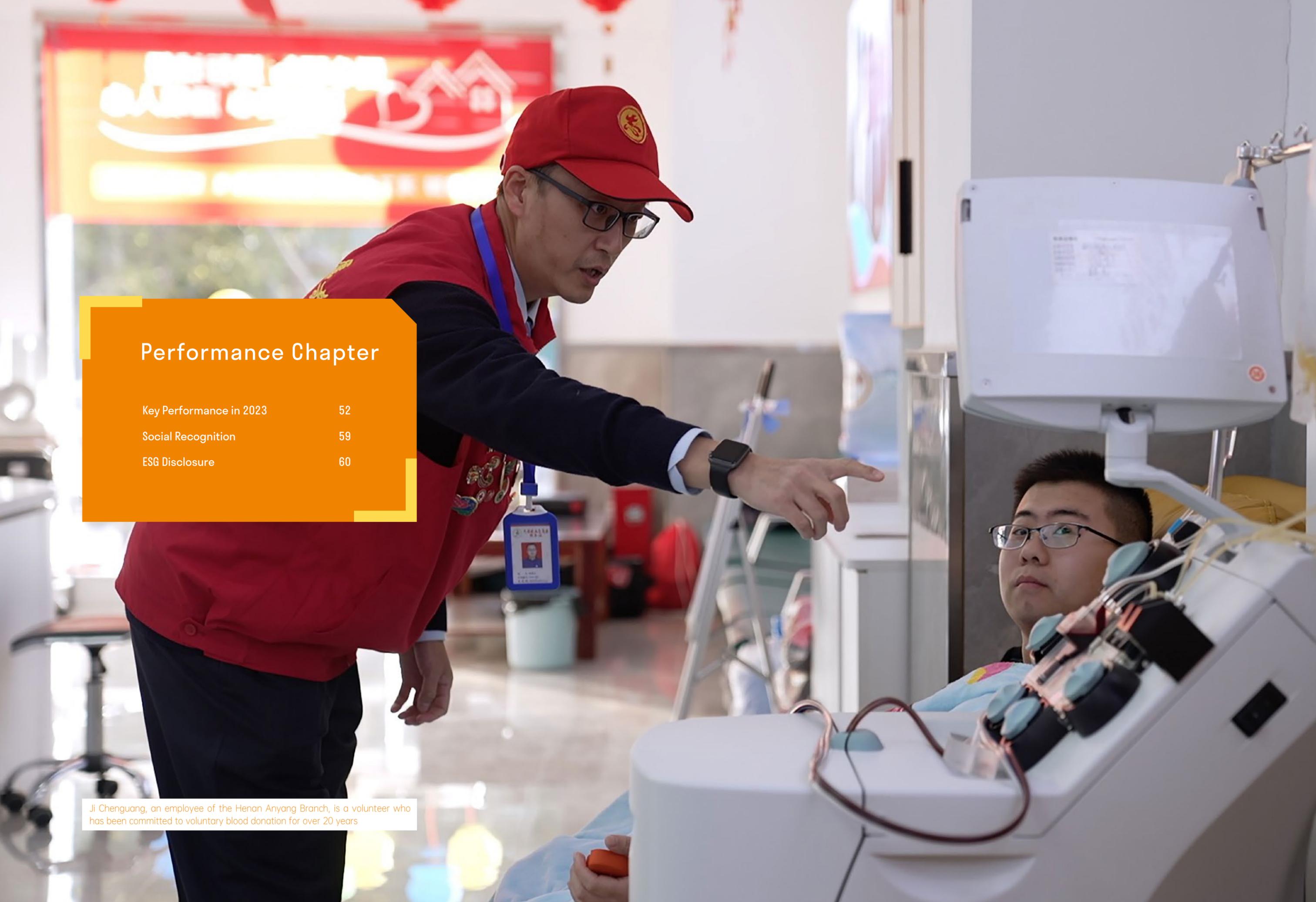
Seoul Branch's 8th donation to the Red Cross Society of the Republic of Korea for its "Windmill of Hope - the Project of Emergent Aids to Vulnerable Families"



London Branch supporting urban donation day - static bicycle race



Hungary Branch donating HUF20 million to the Chinese-Hungarian Bilingual School to support its improvement of teaching facilities, financially help its students to visit China, and consequently promote China-Hungary exchanges and communications among people from two countries



## Performance Chapter

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Ji Chenguang, an employee of the Henan Anyang Branch, is a volunteer who has been committed to voluntary blood donation for over 20 years

## Key Performance in 2023

### Economic Performance

Economic performance	2023	2022	2021
Total assets (RMB trillion)	38.33	34.60	30.25
Net profit (RMB100 million)	3,323.21	3,231.66	3,039.28
Return on average assets (%)	0.91	1.00	1.04
Weighted return on average equity (%)	11.55	12.27	12.55
Tax payment (RMB100 million)	653.93	670.05	822.75
Social contribution per share (RMB)	4.60	4.16	3.80
Balance of agriculture-related loans (RMB100 million)	38,190.24	30,045.26	24,658.18
Balance of inclusive finance loans (RMB100 million)	30,425.88	23,513.58	18,736.83
Number of inclusive finance loan customers (10,000 accounts)	317.33	252.59	193.67
Balance of personal housing loans (RMB100 million)	63,865.25	64,796.08	63,865.83
Balance of real estate development loans for indemnificatory housing projects (RMB100 million)	1,922.15	1,700.11	1,361.43
Balance of shantytown renovation loan (RMB100 million)	927.24	1,064.21	1,174.64
Payment to suppliers (RMB100 million)	157.61	144.99	151.54
Expenditure on public welfare donation (RMB10,000)	13,313	12,776	11,958

### Environmental Performance

Green credit	2023	2022	2021
Balance of green loans (RMB100 million)	38,829.36	27,501.04	19,631.29
Standard coal equivalent emission reduction (10,000 tons)	16,675.25	13,505.21	12,427.57
Carbon dioxide equivalent emission reduction (10,000 tons)	17,253.83	13,530.46	12,509.58
COD emission reduction (10,000 tons)	497.67	427.43	394.93
Ammonia and nitrogen reduction (10,000 tons)	83.13	67.07	59.39
Sulfur dioxide emission reduction (10,000 tons)	493.62	390.48	359.27
Nitric oxides emission reduction (10,000 tons)	588.92	485.51	457.03
Water saving (10,000 tons)	32,311.05	25,066.65	22,844.55

Greenhouse gas emissions	2023	2022	2021
Greenhouse gas emissions (Scope 1 & 2) (tons of carbon dioxide)	1,648,050.85	1,682,812.20	1,643,454.48
Greenhouse gas emissions per employee (Scope 1 & 2) (tons of carbon dioxide per person)	4.49	4.729	4.927
Direct emissions (Scope 1) (tons of carbon dioxide)	63,928.61	69,497.11	127,378.31
Natural gas (tons of carbon dioxide)	30,498.02	31,768.07	38,424.62
LPG (tons of carbon dioxide)	449.55	593.48	2,838.74
Coal (tons of carbon dioxide)	129.05	170.00	64.73
Gasoline (tons of carbon dioxide)	29,178.45	32,604.30	75,394.47
Diesel (tons of carbon dioxide)	3,462.69	4,151.00	7,312.93
Others (tons of carbon dioxide)	210.85	210.26	3,342.82
Indirect emissions (Scope 2) (tons of carbon dioxide)	1,584,122.24	1,613,315.09	1,516,076.17
External power purchase (tons of carbon dioxide)	1,584,122.24	1,613,315.09	1,516,076.17

#### Notes:

<sup>1</sup> The statistical scope in 2023 and 2022 includes the Head Office, all institutions under the jurisdiction of 37 domestic branches, Northeastern China College and Eastern China College of CCB Learning Centre, Beijing Production Park, and Wuhan Production Park. The statistical scope in 2021 includes the Head Office, all institutions under the jurisdiction of 35 domestic branches, Northeastern China College and Eastern China College of CCB Training Centre, Beijing Production Park, and Wuhan Production Park.

<sup>2</sup> 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 *ISO 14064-1 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 CO<sub>2</sub> Emission Factor for Regional Power Grids in China*.

<sup>3</sup> Others include ethanol, fuel oil, and other fuel.

Energy and water consumption	2023	2022	2021
Energy consumption (tons of standard coal)	317,579.85	325,657.59	335,950.96
Energy consumption (MWh)	2,300,828.73	2,346,668.60	2,734,978.95
Direct energy consumption (tons of standard coal)	34,818.58	37,252.05	63,187.73
Natural gas (tons of standard coal)	18,695.21	19,104.16	19,050.57
LPG (tons of standard coal)	263.59	347.96	4,789.10
Coal (tons of standard coal)	44.75	58.00	24.55
Diesel (tons of standard coal)	1,605.36	1,924.45	2,964.15
Gasoline (tons of standard coal)	14,110.88	15,719.03	36,333.98
Others (tons of standard coal)	98.79	98.45	25.38
Indirect energy consumption (tons of standard coal)	282,761.27	288,405.54	272,763.23
External power purchase (tons of standard coal)	282,761.27	288,405.54	272,763.23
Annual energy consumption per employee (tons of standard coal per person)	0.87	0.915	1.007
Water consumption (tons)	16,977,313.26	18,246,296.32	20,600,497.71
Annual water consumption per employee (tons per person)	46.27	51.271	61.760

## Notes:

- <sup>1</sup> The main sources of energy consumption of the Group were natural gas, LPG, coal, diesel, gasoline and purchased electricity.
- <sup>2</sup> 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)*.
- <sup>3</sup> The statistical scope of diesel consumption included diesel consumption by motor vehicles and stationary sources.
- <sup>4</sup> The statistical scope of the main water consumption of the Group included municipal water supply, reclaimed water, and drinking water.
- <sup>5</sup> Other energy includes ethanol, fuel oil, and other fuel.

Scope 3 (purchased goods and services)			
Paper consumption	2023	2022	2021
Office paper consumption (tons)	6,802.61	8,841.62	11,172.33
Annual paper consumption per employee (tons per person)	0.02	0.03	0.033
Emission from office paper consumption (tons of carbon dioxide)	17,602.43	22,878.53	28,909.47
Annual emission from paper consumption per employee (tons of carbon dioxide)	0.05	0.06	0.09

Note: The carbon emissions from office paper consumption are calculated using emission factors, activity data from the Coinvent database version 3 based on the *GHG Protocol Corporate Accounting and Reporting Standard* and the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, as well as relevant requirements.

Waste	2023	2022	2021
Harmless waste (tons)	370.09	713.33	272.17
Discarded electronic information products (tons)	213.43	229.47	167.26
Scrapped vehicles (tons)	141.93	457.35	79.19
Waste batteries (tons)	4.61	10.62	10.06
Discarded office supplies (tons)	10.12	15.89	15.66
Annual total harmless waste consumption per employee (tons per person)	0.004	0.008	0.003
Hazardous waste (tons)	34.36	37.09	37.46
Discarded toner cartridges (tons)	34.36	37.09	37.46
Annual total amount of hazardous waste consumption per employee (tons per person)	0.0004	0.0004	0.0004

Low carbon operation	2023	2022	2021
Proportion of off-counter account transactions (%)	99.65	99.64	99.58
Financial transaction migration rate via electronic channels (%)	98.28	97.87	97.34

## Notes:

- <sup>1</sup> The statistical scope includes Head Office workplaces, business institutions under the jurisdiction of ten city branches (Beijing, Tianjin, Shanghai, Chongqing, Dalian, Ningbo, Qingdao, Xiamen, Shenzhen and Suzhou), and workplaces of headquarters of 27 provincial and regional branches.
- <sup>2</sup> 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.
- <sup>3</sup> Discarded electronic information products mainly included microcomputer hosts, displays, laptops, printers and servers.
- <sup>4</sup> Waste batteries only included dry batteries and did not include storage batteries.
- <sup>5</sup> Discarded office supplies only included sign pens, paper clips and staples.

## Social Performance

Employees	2023	2022	2021
Total number of employees (persons)	376,871	376,682	351,252
<b>By gender</b>			
Male (persons)	175,696	162,139	161,715
Female (persons)	201,175	190,449	189,537
<b>By age</b>			
30 and under (persons)	92,188	78,594	73,709
31 to 40 (persons)	113,350	104,401	104,509
41 to 50 (persons)	80,700	82,283	92,238
51 to 59 (persons)	90,270	87,006	80,591
60 and above (persons)	363	304	205
<b>By region</b>			
Yangtze River Delta (persons)	53,411	52,619	52,183
Pearl River Delta (persons)	45,172	45,147	45,269
Bohai Rim (persons)	58,337	58,009	57,450
Central China (persons)	71,514	72,056	78,951
Western China (persons)	75,696	75,140	67,605
Northeastern China (persons)	33,242	33,843	34,305
Head Office (persons)	14,787	14,429	14,146
Overseas (persons)	1,365	1,345	1,343
Affiliated companies (persons)	23,347	24,094	-
Including: Domestic (persons)	18,252	19,107	-
Overseas (persons)	5,095	4,987	-
<b>By employment type</b>			
Additional labour contractors (persons)	3,624	3,682	3,470
<b>Other</b>			
Ethnic minority employees (persons)	22,256	21,669	20,928
Foreign employees (persons)	5,925	5,779	1,033
New employees (persons)	20,278	17,591	16,462
Proportion of males employed through campus recruitment (%)	43.65	42.3	44.3
Proportion of females employed through campus recruitment (%)	56.35	57.7	55.7

Notes: There is a change in the scope of employee statistics in 2023 compared with 2022, i.e., employees (both at home and abroad) of subsidiaries were included in 2023. As a result, the total number of employees, the numbers of employees by region and by employment type and the number of foreign employees in 2022 are adjusted, and the numbers of employees by gender and by age, the number of ethnic minority employees and the number of new employees in 2022 are not adjusted. Employee statistics in 2021 do not cover employees of subsidiaries, so the corresponding employee statistics are not adjusted.

Employee turnover	2023	2022	2021
Overall turnover rate (%)	1.48	1.7	1.9
<b>By gender</b>			
Male (%)	1.41	1.6	1.9
Female (%)	1.54	1.8	2.0
<b>By age</b>			
25 and under (%)	4.45	5.2	6.7
26 to 35 (%)	2.68	3.1	3.4
36 to 45 (%)	0.78	0.9	1.0
46 to 54 (%)	0.20	0.2	0.3
55 and above (%)	0.11	0.2	0.2
<b>By region</b>			
Yangtze River Delta (%)	2.30	2.9	3.3
Pearl River Delta (%)	1.73	2.0	2.2
Bohai Rim (%)	1.10	1.2	1.5
Central China (%)	1.13	1.3	1.4
Western China (%)	1.42	1.5	1.9
Northeastern China (%)	0.96	1.1	1.1
Head office (%)	2.70	2.5	3.3
Overseas (%)	8.55	13.0	10.1

Employment injury	2023	2022	2021
Death toll on business (persons)	9	10	10
Business death ratio (%)	0.003	0.003	0.003
Working days affected as a result of employment injuries (days)	24,748	15,877	18,350

Notes:

<sup>1</sup> The Head Office included headquarters, Credit Card Centre, Customer Service Centre, centres directly under the Head Office, and Training Centre.

<sup>2</sup> The statistics of overall turnover rate, turnover rate by gender, and turnover rate by age didn't include overseas employees.

Employee training	2023	2022	2021
Percentage of male employees attending training (%)	98.25	99.81	99.42
Percentage of female employees attending training (%)	98.39	99.91	99.98
Percentage of training attending employees at the tier-1 branch level and Head Office department level and above (%)	100	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	100
Percentage of training attending employees at the business manager level and below (%)	98.22	99.85	99.64
Average training hours of male employees (hours)	166.04	157.63	99.85
Average training hours of female employees (hours)	179.88	191.68	112.60
Average training hours of employees at the tier-1 branch level and Head Office department level and above (hours)	162.59	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)	203.30	156.28	152.30
Average training hours of employees at the business manager level and below (hours)	173.50	185.30	104.80
Supply chain management	2023	2022	2021
Number of suppliers in the Yangtze River Delta	15,019	13,268	10,047
Number of suppliers in the Pearl River Delta	8,957	7,889	6,372
Number of suppliers in the Bohai Rim	9,178	8,025	6,346
Number of suppliers in Central China	7,778	6,885	5,457
Number of suppliers in Western China	10,652	9,388	7,320
Number of suppliers in Northeastern China	5,541	4,849	3,878
Local supplier procurement expenditure as a percentage of the total (%)	99.41	99.56	99.66
Contract fulfilment rate (%)	100	100	100
External expert participation rate (%)	10.96	9.66	9.41
Number of social responsibility training sessions for suppliers (including interviews and business exchanges)	22	22	35
Development of service channels	2023	2022	2021
Number of banking outlets worldwide	14,289	14,356	14,510
Number of online banking users (10,000)	43,027	41,713	40,332
Number of personal mobile banking users (10,000)	46,269	43,997	41,711
Number of users that connect bank accounts with WeChat (10,000)	14,951	13,116	11,343
Number of phone banking customers (10,000)	48,069	46,546	44,681
Number of self-service bank branches	19,533	21,558	23,679
Number of ATMs	48,133	56,943	69,030
Number of smart teller machines (STMs)	43,434	48,595	49,495
Number of smart banks	63	63	63
Number of outlets with a wheelchair access ramp	11,410	11,228	11,027
Number of outlets with "Courtesy Window"	13,873	13,873	14,008
Number of outlets with "Workers' Harbour"	13,845	13,875	14,040

## Social Recognition

Evaluating/Awarding Organisation	Evaluation Results/Title of Recognition
MSCI	ESG rating was upgraded to AA
<i>Global Finance</i>	Most Socially Responsible Bank in China
International Financial Form (IFF)	IFF Global Green Finance Award
Odyssey, a UK-based international film festival	The corporate film produced by CCB won the Sustainable Corporate Culture Film Award
Centre of Science and Technology Industrial Development of the Ministry of Housing and Urban-Rural Development and Barrier-Free Environment Construction Promotion Office of China Disabled Persons' Federation	The <i>Special Guidelines for Constructing Barrier-free Business Outlets</i> of CCB and the Barrier-free Environment Construction Project were named the "Typical Cases of Barrier-free Environment Construction in 2023".
People.cn	Enterprise of the Year at the 18th People's Enterprise Social Responsibility Awards
Xinhuanet.com	Outstanding ESG Cases of Enterprises in 2023 and Outstanding Social Responsibility Practice Cases Award (ESG): "CCB Charity" Online Public Benefit Campaign
<i>China Newsweek</i> of China News Service	Responsible Enterprise of the Year 2023 and CSR Case of the Year 2023: "CCB Charity" Online Public Benefit Campaign
<i>China Banking and Insurance News</i>	Top 10 Socially Responsible Financial Institutions, Top 10 CSR Cases: "Senior High School Student Development Programme" and 2023 Typical Cases of Innovation in China's Banking and Insurance Industries
<i>China Securities Journal</i>	Golden Bull Awards: Social Responsibility, Golden Bull Awards: Green Finance and Rural Revitalisation Top 20
China Association for Public Companies	Typical Cases in Digitalisation
China Banking Association	Typical Cases for Inclusive Finance in China
Red Cross Society of China	Medal of Devotion from Red Cross Society of China
China Charity Federation	The Zhang Fuqing Charitable Foundation for Honouring Teachers and Valuing Education was named the 2022 China Charity Brand of the Year, Nanjing Branch in Jiangsu was awarded the Benevolent Enterprise of the Year 2022, and Lin Daojun of Yulin Branch in Guangxi was recognised as the Charitable Person of the Year 2022.
jrj.com	Outstanding Practice Awards in Financial Consumer Protection
<i>China Philanthropy Times</i>	Annual Philanthropic Enterprise
The 10 <sup>th</sup> Forum on Financial Businesses' Social Responsibilities	2023 Outstanding Cases of Financial Businesses' Social Responsibilities: A Green Chapter Drafted in China Construction Bank, Little Potatoes Empowered to Boost a "Major Industry", and Harbour to Labourers: Improvement of People's Livelihood with an Open and Sharing Concept
IFENG.COM	Special Contribution Award Dissemination Awards for Innovative Public Welfare Cases: "CCB Charity" Online Public Benefit Campaign
<i>Southern Weekly</i>	Special Contribution Awards for the 20 Years of CSR in China, Outstanding Responsible Enterprises of the Year, Outstanding Responsible Enterprises of the Year in the Banking Sector, and Excellent CSR Reports of the Year
The 2023 China Philanthropy Festival/ESG Influence Summit	2023 Model Enterprises in Sustainable Development
2023 Boao Forum for Entrepreneurs	Excellent Cases in Serving Digital Government Building
2023 China Enterprise Learning Platforms	CCB Learning Centre (International Institute) won the first place in the category of "Best Value Creation Practices"

## ESG Disclosure

The "Environment" and "Society" sections of this Chapter is prepared in accordance with the indicators listed in the *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Limited (HKEX) on December 18, 2019. For details on the indicators listed in the HKEX's Environmental, Social and Governance Reporting Guidance, please click here <https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/May-2019-Review-of-ESG-Guide/Conclusions>

## Governance

### Statement of the Board of Directors

#### ESG governance

CCB has created a top-down and well-structured ESG governance framework covering all layers of the Board of Directors, the Board of Supervisors and the Senior Management, which is intended to keep optimizing the long-acting mechanism for ESG governance, roll out ESG management in an orderly manner, and promote the high-quality sustainable development of CCB as a whole.

The Board of Directors of the Bank assumes ultimate responsibility for the formulation and implementation of the Group's ESG strategies related to strategy and climate, specifies strategic objectives, key tasks, and management priorities in relation to ESG, establishes climate-related governance framework, reviews and determines innovative product development strategies and corresponding risk management policies, monitors and evaluates the effectiveness of ESG strategies, guides ESG risk identification and assessment, reviews ESG-related objectives and their completion on a regular basis, listens to reports from its special committees and the Senior Management on the management of ESG and climate-related matters, and provides guidance on the disclosure of relevant information. In 2023, the Board of Directors of the Bank deliberated and approved the *Environmental, Social and Governance Work Plan (2023-2025)* in order to analyse CCB's status quo of ESG work and the key points and difficulties confronted by it, study and determine the trend of external development in the future, and make clear of the overall working ideas and critical tasks.

The Related Party Transaction, Social Responsibility and Consumer Protection Committee of the Board of Directors is responsible for the overall ESG work of the Bank, studies and formulates strategies, policies and targets related to ESG (including climate change), social responsibilities, green finance, inclusive finance, rural revitalisation finance, house rental, consumer rights protection (hereinafter referred to as "consumer protection"), related-party transactions and others, and supervises and evaluates implementation of relevant tasks; supervises and instructs product and service review, supervises and reinforces customer

privacy and information protection, and drives the improvement in the quality and efficiency of consumer protection; tracks the complaint management on a quarterly basis, and effectively supervises and instructs the orderly operation of consumer protection; organises and convenes special seminars on ESG risk management, setting of environmental objectives and ESG information disclosure, analyses and determines the trend of ESG development and the status of CCB's work, and puts forward constructive opinions.

The Risk Management Committee under the Board of Directors of CCB supervises and instructs ESG-related risk management, including climate change risk, drives stress testing of climate transformation risk, follows up on the risk quantification of ESG-related factors, and instructs and optimises credit policies for the industry. Meanwhile, it supervises information technology and cybersecurity risk control, constantly strengthens the disaster recovery of information systems; hears the reports on the review of product and service innovation as well as tasks related to risk prevention and control. The committee, in 2023, urged the Management to enhance forward-looking management of environmental and climate risks, and incorporated environmental, climate, and biodiversity risks as well as information technology risk into the Group's risk appetite. It also heard and discussed the reports on environmental and climate risk analysis and risk quantification of ESG-related factors, analysed the difficulties in environmental and climate risk control and the next measures, and promoted the building of the corporate customer ESG rating system and climate risk stress testing. Additionally, it reviewed and approved the two management measures for information technology risk and information technology outsourcing risk, and further consolidated the information security management policy system.

The Strategy Development Committee, the Audit Committee, and the Nomination and Remuneration Committee under the Board of Directors, based on their duties, supervise and instruct CCB's

ESG promotion. Specifically, the Strategy Development Committee assists the Board of Directors in setting up ESG strategic objectives, and fully considers ESG-related factors in all strategic objectives. The Audit Committee urges the audit to give full play to the role of the third line of defence, pushes forward the remediation of ESG-related issues, hears the work plan for the preparation of regular reports, and urges and collaborates ESG-related disclosure. The Nomination and Remuneration Committee continuously tracks employee growth and remuneration welfare, and hears reports on the occupational development of CCB's female employees, the latest work progress of the CCB Learning Centre, and the influences of ESG promotion and digital transformation on human resources and employee policies.

The Board of Supervisors pays close attention to the development and operation of the ESG governance regime, and the scope of supervision includes ESG management, corporate governance, green finance, and consumer protection. It supervises the ESG performance of the Board of Directors and the Senior Management, continuously follows up on the implementation of ESG strategies and key aspects of work, and gives supervisory advice on strengthening top-level design, consolidating basic management, tightening risk control, enhancing capacity building, etc. In 2023, the Board of Supervisors of CCB has conducted special studies on the New Finance initiatives to gain an all-round understanding of the work done in primary-level areas around key domains such as inclusive finance, housing rental, FinTech, intelligent government affairs services, and rural revitalisation, and has put forward constructive supervisory recommendations. Meanwhile, it followed up on the ESG rating and the key initiatives, and gained a comprehensive understanding of changes in the scores of key indicators of CCB ratings and the key tasks. Furthermore, it heard special reports on green finance and consumer rights protection, reviewed the annual corporate social responsibility report, paid constant attention to serving small- and micro-sized enterprises, supporting people's dream of living in happiness, driving pension finance, and participating in social welfare, and oversaw CCB to fully fulfil its social responsibilities.

The Senior Management actively executes the strategic deployments made by the Board of Directors, formulates ESG objectives and key tasks for relevant departments of the Head Office, domestic and overseas branches, and subsidiaries and urges them to implement such objectives and tasks. In the meantime, 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. In 2023, the annual work meeting of the committee was held to systematically conclude the effect

of ESG work promotion in the year, study and analyse ESG and climate risks as well as key points and difficulties in opportunity management, and deploy key tasks in the next phase.

In terms of environmental protection, the Leading Group for Carbon Peaking and Carbon Neutrality was established. The Chairman of the Board of Directors serves as the leader, while the President works as the deputy group leader. The group aims to support the realisation of carbon peaking and carbon neutrality goals based on the New Finance initiatives. The Green Finance Committee was set up, led by the President, to coordinate CCB's green finance development, study and decide material issues to promote green finance business, and plan and arrange the key directions and measures of green finance development. The committee, in 2023, held an annual work conference to convey the major policies and key points of meetings related to green finance of the CPC Central Committee and the State Council, and make forward-looking arrangements for the key tasks in green finance in the next phase.

In terms of social governance, CCB set up the Inclusive Financial Development Committee to coordinate the strategic development of inclusive finance, and review major operation and management matters related to inclusive finance. The Fintech and Digitalisation Promotion Committee was set up to make overall planning for the promotion, coordination, and decision-making of the Group's FinTech and digitalisation, and study CCB's strategies and development direction of fintech and digitalisation. The Consumer Rights Protection Committee was established to plan, arrange, promote, and urge the work on consumer rights protection in an overall manner and systematically organise and promote and constantly implement such plans and arrangements. The Risk and Internal Control Management Committee was established to incorporate ESG-related risks, such as environmental and climate risks, compliance risk, operational risk, and reputational risk, into the comprehensive risk management system, regularly hold meetings to follow up on work progress, and arrangement important matters.

For more information on corporate governance, please refer to the "Environmental, Social and Governance" section in *Annual Report 2023 of China Construction Bank Corporation*.

## 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* and based on stakeholders' concerns. Such work includes identifying ESG topics, and evaluating the materiality of such topics. For details, please refer to the section of "Materiality Analysis".

**Quantitative measurement:** By referring to applicable quantitative criteria and practices, this report measures and discloses KPIs using quantitative approaches. For details, please refer to the notes to "Key Performance in 2023".

**Balance:** This report objectively and neutrally discloses the qualitative and quantitative information of the Bank on important ESG issues, and provides extended information based on specific issues for readers' reference and decision-making.

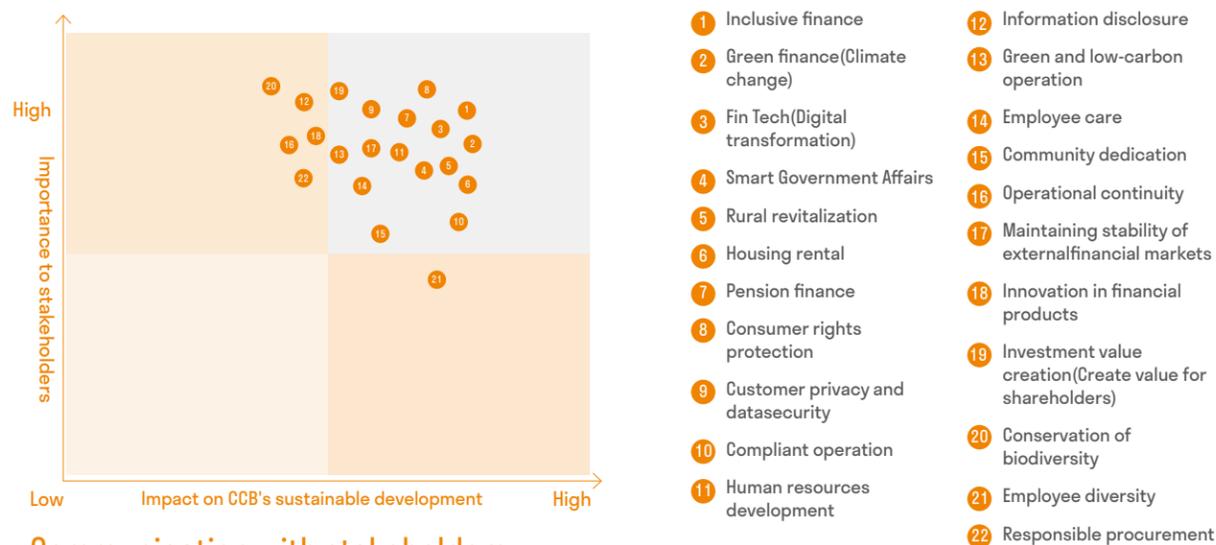
**Consistency:** This report is prepared in the same way as previous ones and ensures quantitative data is consistent and comparable. When disclosure of extended data brings changes in the statistical method for disclosure, related explanations will be reported along with the data disclosure of the period.

## 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 2023, the Bank identified a total of 22 substantive issues of importance to stakeholders and the Bank by following national policies and regulatory requirements, referring to sustainable development initiatives and standards available at home and abroad, and taking into account its own sustainable developments, stakeholders' concerns, and the characteristics of the financial sector. Stakeholders were invited to assess the importance of social responsibility issues in the form of a questionnaire. Based on the assessment results, the issues were ranked so as to clearly define the disclosure priority of this report and continuously improve the disclosure quality of material issues.



## Communication with stakeholders

To better enhance communication with stakeholders, CCB has simultaneously produced and released video reports that are synchronous with the paper ones. The video of Corporate Social Responsibility Report 2022 was granted the Best Production Award in the Sustainable Corporate Culture Film unit of Odyssey Film Festival sponsored by UCFC. Scan the QR code and watch the video.



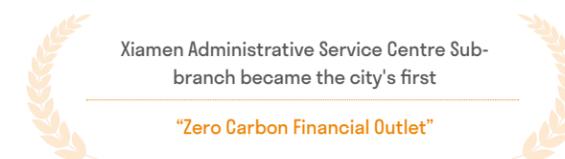
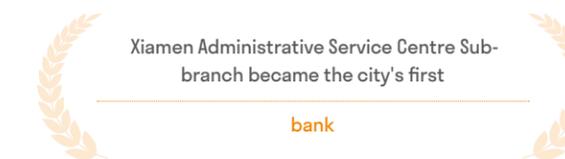
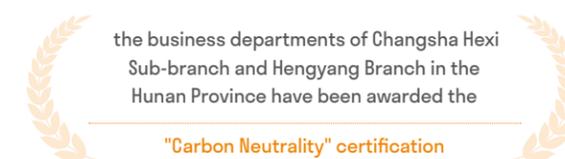
## Environmental

### Serial A1: Emissions

CCB revolves around the national strategy of "carbon peak and carbon neutrality" and adheres to the principle that "lucid waters and lush mountains are invaluable assets." The Bank strictly complies with the *Energy Conservation Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, and implements green operation strategies. CCB has been actively advancing the bank-wide energy audit work to achieve carbon peak and carbon neutrality. This involves conducting comprehensive diagnostics and evaluations of energy usage efficiency, and energy consumption levels, and identifying potential energy-saving opportunities. A well-structured carbon emissions management organisation and a robust system for carbon emission management and green office practices have been established. The Bank strives to enhance its refined management, continuously improve energy-efficient infrastructure, and promote the construction of green and energy-saving facilities. It deploys new, green and low-carbon digital equipment to facilitate the upgrade and transformation of energy-consuming devices such as office lighting, solar water heaters, and air conditioning systems and explore the reuse of waste heat resources in data centres. CCB has been actively promoting green office practices by optimising business processes, advocating for paperless operations, and encouraging the adoption of paperless conference systems. The Bank advocates for energy conservation, optimises the operation mode of office elevators, and eliminates "daytime lights, everlasting lights, and unmanned lights". It strengthens water management, regularly inspects

the water supply system, and stops "long water flowing, running, dripping, and leaking". Furthermore, CCB encourages employees to travel green and low-carbon, strengthens the management of official vehicle use, and prioritises the use of new energy vehicles for official vehicles. The Bank actively practises green procurement, promotes the use of energy-saving products and technologies, and fully plays a leading role in the demonstration.

In order to create a green, low-carbon, and environmentally friendly atmosphere, CCB carried out a series of energy-saving promotion activities to popularise low-carbon environmental protection knowledge and improve employees' awareness of energy conservation, environmental protection, and ecological civilisation. It further promoted the building of green and low-carbon banks. For example, Beijing Branch selected the Financial Street West District Sub-branch as a green demonstration site. Similarly, Wuchang Sub-branch and Yiling Sub-branch under Three Gorges Branch in Hubei Province have initiated green outlet construction projects. In addition, CCB launched pilot outlets for carbon neutrality, and the business departments of Changsha Hexi Sub-branch and Hengyang Branch in the Hunan Province have been awarded the "Carbon Neutrality" certification for their efforts. Xiamen Branch became the first "carbon neutral" bank in Xiamen and Xiamen Administrative Service Centre Sub-branch became the city's first "Zero Carbon Financial Outlet". The Head Office and Beijing Branch were recognised as "Green Creation Activity Promotion Units".



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

CCB has continued to implement various energy conservation and emission reduction initiatives, endeavoured to realise the carbon peaking and carbon neutrality goals, strengthened green management of its own operations, pushed forward and achieved positive outcomes regarding various environmental objectives in 2023.

#### 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 result 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 share 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 centres will be gradually reduced.

In 2023, the GHG emissions dropped by 34,761 tons, and the figure per employee fell by 0.24 tons.

#### 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 database, and improve the statistical, analytical and application capabilities of energy and resource consumption data of institutions at all levels.

In 2023, the energy consumption declined by 8.078 tons of standard coal, and the figure per employee went down by 0.05 tons of standard coal.

#### Waste reduction goal

- From 2022 to 2026, 100% of CCB's waste IT assets will be delivered for green and ecofriendly 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.

In 2023, the office paper consumption decreased by 2.039 tons, and the figure per employee fell by 0.01 tons.

#### 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 where conditions allow.

In 2023, the water consumption decreased by 1.27 million tons, and the figure per employee fell by 5 tons.

### Serial A4: Climate change

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 2023, the Committee reviewed the *Environmental and Climate Risk Analysis Report* and the *Report on Risk Quantification of ESG-related Factors in 2022*.

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, legislation, 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 Enhanced emissions-reporting obligations Mandates on and regulation of existing products and services Exposure to litigation	Substitution of existing products and services with lower emissions options Unsuccessful investment in new technologies Costs to transition to lower emissions technology
	Market risks	Reputation risks
 Physical risks	Changes in customer behaviour Uncertainty in market signals Increased cost of raw materials	Shifts in consumer preferences Industry stigmatisation 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

In recent years, CCB has actively responded to the arrangements made by the regulatory authorities and participated in climate transition risk sensitivity stress testing, with the covered industries currently expanded to eight carbon-intensive industries, including thermal power, iron and steel, building materials, petrochemicals, chemical engineering, papermaking, civil aviation, and non-ferrous metal smelting. Specifically, the testing and measurement plans for three major industries, that is, thermal power, aviation, and petrochemicals have been adopted as generic measurement templates for these industries. In 2023, the Bank completed the pilot macro scenario stress tests for climate risk, independently building a climate risk stress test system framework that would be aligned with China's national conditions and the Bank's actual situation. The framework could continuously help the Bank boost the scientificity, systematisation and practicability of quantitative analysis of climate risks.

01

First, climate risk stress test scenarios complying with China's national conditions were formulated. These scenarios meet China's actual situation and fully align with the Network for Greening the Financial System (NGFS) integrating a variety of factors such as Chinese economy, energy and carbon emissions, climate and environmental policies, and global climate governance and unifiedly covering transition risk and physical risk. These four scenarios include the current scenarios, the "30-60" goal scenarios, and the 2°C and 1.5°C scenarios. In particular, the "30-60" goal scenarios are the first in the industry, which are close to China's actual situation and integrate the "1+N" policy system and other related policies under the carbon peaking and neutrality goal, forming a set of quantitative index system that is expected to provide decision-making reference for the Bank's climate risk management and response.

02

Second, the transition risk stress test methods were improved to cover a wider range of industries continuously. On the basis of the price of carbon emission rights, the transition risk drivers fully incorporate multiple factors such as output, price, raw material costs, energy, fixed asset investment and stranded assets under different paths to carbon reduction, clarify the transmission path of transition stress from the policy side to the enterprise side and its financial statement measurement rules, and expand the test scope to the carbon-intensive upstream and downstream industries.

03

Third, CCB conducted the physical risk stress test for the first time. The Bank constructed disaster loss curves by types of disaster and types of hazard-affected bodies for three major meteorological disasters in China, namely typhoons, floods, and droughts with the meteorological observation data, disaster loss data, and coupled model inter-comparison project phase 6 (CMIP6) data in China, and analysed the impact on the value of real estate collateral and agricultural production in different regions under varying scenarios.

04

Fourth, CCB continued to work with the PBC, international institutions and advanced peers to share, learn and research climate risk research and practice results. In 2023, the Bank received the PBC, the World Bank, IMF, the National Bank of Georgia, and ICBC to exchange its practical results in climate risk quantitative analysis and ESG customer rating. At the same time, CCB was invited to participate in the meeting of the climate risk stress testing projects organised by the PBC and the Haikou Municipal People's Government to share with the World Bank to share the "30-60" goal scenarios.

05

Fifth, CCB cultivated a group of professional backbones in quantitative assessment of climate risks and continuously deepened bank-wide systematic understanding of environmental and climate issues through exploration and practice.

## New practices around climate risk stress testing

CCB further optimised the climate stress scenario design, transition risk transmission paths, and enterprise financial transmission rules to construct a more realistic quantitative assessment method for transition risk. On one hand, the construction of scenarios is in line with China's actual situation. In line with the internationally universal NGFS scenario, four scenarios were constructed, that is, the existing policy, the "30-60 carbon peaking and carbon neutrality goals", the 2°C and the 1.5°C scenarios. On the other hand, transition risk measurement methods have been optimised. The production, operation and carbon emission data of each customer in the base period are collected, and the financial status of an enterprise under each scenario is measured using the key indicators such as future product output and product prices calculated based on the scenario design. Then, the internal rating model is used to calculate the probability of default and credit rating of each customer, and finally, the bank's capital adequacy ratio is calculated.

The results of the transition risk test show that if effective measures are not taken to actively respond to climate change, the repayment ability of customers in ten carbon-intensive industries will decrease to varying degrees under various stress scenarios, the probability of default will increase, and the

rating will be downgraded, among which thermal power, steel, petrochemical and aviation industries will be greatly affected. In the long run, the capital adequacy ratio has declined under various pressures, with the 1.5°C, the 2°C, and "30-60 carbon peaking and carbon neutrality goals" scenarios and the existing policy scenarios falling by 5.21, 5.03, 4.93 and 3.44 percentage points, respectively, in 2060 compared with the base period. In the medium term, the 1.5°C, the 2°C, and "30-60 carbon peaking and carbon neutrality goals" scenarios and the existing policy scenarios will decrease by 4.15, 3.11, 1.65 and 1.61 percentage points, respectively, in 2030 compared with the base period. Among them, the capital adequacy ratio under the "30-60 carbon peaking and carbon neutrality goals" scenarios will show a significant downward trend after 2033 due to the significant increase in policy pressure.

In addition, CCB conducted its first climate physical risk stress test, constructed disaster loss curves by types of disaster, types of regions, and types of hazard-affected bodies, and designed physical risk stress scenarios associated with transition risk stress scenarios, which analysed the impact of two disasters, typhoons and floods, on the value of the Bank's real estate collateral, as well as the impact of three disasters, typhoons, floods, and droughts, on the Bank's agricultural customer loans.



### The physical risk stress test results of real estate collateral show

Under the existing policy scenario and the "30-60 carbon peaking and carbon neutrality goals" scenario, the coverage ratio of CCB's real estate collateral to financing exposure has decreased by 7.91 and 6.78 percentage points compared to the base period, respectively. However, the final impact on capital adequacy ratio is minimal through the conversion of RWA. From the perspective of disaster types, compared to typhoons, flood disasters have a more significant adverse impact on the value of real estate collateral.



### The results of the physical risk stress test of agricultural loans indicate

Due to the combined impact of floods, droughts and typhoons, the repayment ability of the Bank's agricultural customers has decreased to varying degrees under the existing policy scenarios and the "30-60 carbon peaking and carbon neutrality goals" scenario, and the probability of default has increased, and the ratings have been lowered by an average of 1.70 and 1.67 compared with the base period, but the impact on the capital adequacy ratio is very limited due to the small risk exposure of the relevant risks. In terms of disaster types, drought is the most important disaster type that leads to the reduction of agricultural customer production and the downgrade of rating.

## Social

### Serial B1 and B4: Employment and labour standards

CCB conducts open recruitment in accordance with laws and regulations and as per the principles of openness, equality, competition, and merit-based selection. It expands the scope of employment, and actively promotes equality in employment, prohibiting the setting of discriminatory conditions, for reasons such as gender, ethnicity, region, and religion. Over the past six years, the Bank has continuously expanded its hiring and provided more job opportunities to help improve the employment environment. At the same time, it has continued to optimise its employment services, carry out refined management, stabilise employment expectations, and provide employment facilitation, resolutely serving the overall situation of stabilising employment in the country.

CCB has kept broadening its recruitment channels to provide diversified employment opportunities for people from different regions, institutions, and professional areas. Meanwhile, the Bank has constantly increased the introduction of talents in key fields, especially digitalisation personnel, green finance personnel, and personnel with a science or engineering background, and kept optimising the employee profession structure to provide diverse personnel support for the New Finance initiatives. In 2023, the Bank organised the "specialised hiring for rural revitalisation", in which a total of 21 tier-one branches hired rural revitalisation personnel for their county-level institutions, as a move to constantly enrich the financial service in rural areas and improve the accessibility of financial services there.

CCB complies with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the

*Provisions on the Prohibition of Child Labour of the State Council*, and other pertinent laws and regulations. It firmly prohibits any employment of child labour and any form of forced labour, performs labour contract management for all employees, keeps refining employment related rules and policies, and safeguards legitimate rights and interests of employees effectively.

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, and 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.

In 2023, CCB conducted a satisfaction survey for all employees of domestic institutions across the Group. The Bank issued questionnaires on issues of general concern to employees, such as career development, staff training, remuneration and benefits, strategic identity, corporate culture, direct superiors, and working environment, with more than 220,000 valid questionnaires collected. The survey results showed that the satisfaction rate of all employees across the Bank reached 95.33%, of which the satisfaction rate in staff training, strategic identity, corporate culture, working environment, and other aspects exceeded 95%.

2023

valid questionnaires collected  
more than

# 220,000

of which the satisfaction rate in staff training, strategic identity, corporate culture, working environment, and other  
aspects exceeded

# 95%

the satisfaction rate of all employees across the Bank  
reached

# 95.33%

### Serial B2: Health and safety

CCB has firmly established the concept of safe development and strengthened the bottom-line thinking and limit thinking. In accordance with the requirements of the "three controls and three musts", the Bank has assigned concrete responsibilities to the "three lines of defence", comprehensively strengthened the organisational leadership, and optimised or perfected the operational mechanisms. It has focused on carrying out fire safety management properly, performed in-depth screenings of hidden hazards, and dealt with emergencies in a prudent manner. While pushing forward scientific and technological innovations, the Bank has achieved a series of results, including the firmer concept of safety at work, the increasingly solidified foundation of work safety, the effectively enhanced safety management, the significantly boosted emergency response capacity, and the gradually deepened integration between work safety and business development, which ensured the secure and steady operations of the Bank.

CCB attaches great importance to employees' physical health and urges them to have health check-ups regularly. The Bank provides health check-up benefits for all employees (including labour workers) every year and pays heatstroke prevention subsidy to all employees (including labour workers) every summer. Attaching great importance to mental health management of employees, the Bank conducted questionnaire surveys to fully learn about employees' physical and mental health and care needs. Meanwhile, it offered seminars on mental health, covering topics such as positive attitude, stress management, intimate relationship maintenance, and investment psychology to continuously ensure employees' mental health. In 2023, with the support of professional institutions, the Bank trained 53 mental health liaisons for the Head Office, providing 284 person-time psychological counselling that lasted 291 hours in total.

CCB pays ongoing attention to female employees' benefits, constantly deepens special care for female employees, and actively solves the problems of equal employment, salary distribution, rest and vacation, education and training, employee growth, "protection during menstrual, pregnancy, perinatal, and lactation periods", maternity insurance, gynaecological physical examination, and other issues of concern to female employees. The Bank has contacted social security institutions to provide childbirth allowance application service for female employees and carried out the joint construction of the female employee care room to create a female employee care harbour for breastfeeding, stress

reduction, learning, and communication. In 2023, it continued to build care rooms for female employees with joint efforts. The labour union of the Head Office invested RMB1,695,000 to build 143 care rooms in cooperation with primary-level units, which not only set a role model for others to follow, but also was highly recognised by all female workers across the Bank.

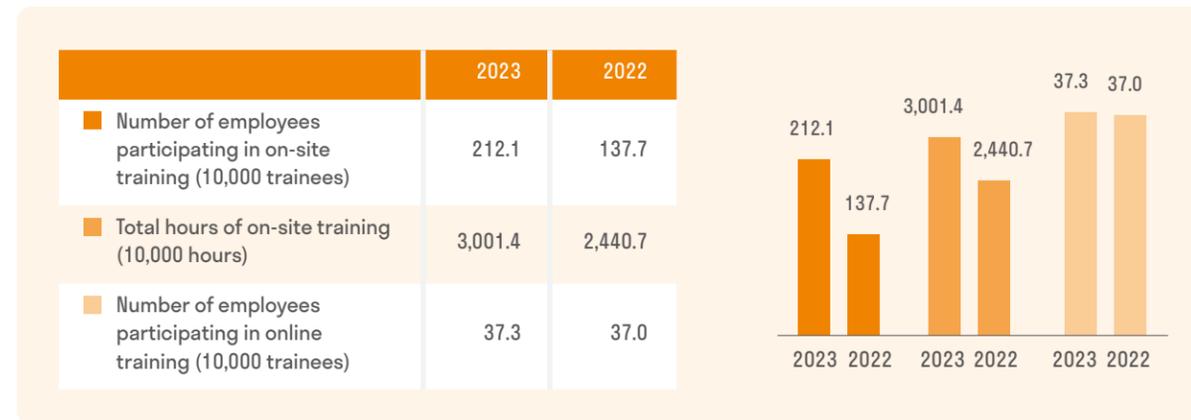
CCB formulated and launched the "One Heart Plan", a comprehensive health protection plan for employees, effectively playing the role of "backup" protection and preventing employees from "returning to poverty due to illness". The Bank established the "three-level mutual aid" mechanism for the Head Office,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

CCB attaches great importance to taking care of employees in primary-level outlets. The *Key Points of the 2023 Employee Care Project for Primary-level Outlets of China Construction Bank* was formulated and issued to put forward key initiatives in five areas. A series of "Outlet Employee Appreciation Day" activities were organised throughout the Bank in forms of recognition and rewards, visits, and employee activities, thus enabling outlet employees to truly feel respected and valued. In 2023, the average satisfaction score of outlet employees across the Bank was 4.55 out of 5, up 0.07 point from the beginning of the year, representing an increase for four consecutive years.

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

## Serial B3: Development and training

CCB formulates annual education and training plans around the practical needs of promoting strategy implementation and business development, implementing the requirements of regulatory agencies and other superior authorities, and recruiting professional personnel, etc. Bearing in mind the job characteristics and requirements for duty performance and following the principle of joint construction, sharing, and precise training covering all employees, the Bank carries out categorised and graded training sessions through multiple channels and methods, ensures the implementation of staff training plans with a scientific and efficient training operation structure, and helps employees establish the awareness of lifelong learning, improve professional skills, and build up the ability to cope with new businesses and challenges. By the end of 2023, 41,955 on-site training sessions of various types were held across the Bank throughout the year, which registered an attendance of 2,121,000 people and added up to 30,014,000 credit hours. Of which, online training (including online platform learning) was attended by 373,000 persons and lasted 36,091,000 credit hours in total.



## Serving the implementation of strategies

Focusing on the Bank's top strategies, CCB has hosted the high-quality development learning programme called "Taking the Big Picture and Doing Practical Work". Setting eyes on the overall efforts made to attain high-quality development, the programme is another learning project of the Bank, which takes a global, forward-looking, systematic perspective to have in-depth discussions about the major opportunities, key areas, critical links, and difficulties and challenges encountered in the course of reform and development. Open to all employees at the Group, it invites leaders of the Head Office, departmental heads, branch heads, and other persons to give lectures on top-level design and strategic plans, and share business practices. In 2023, the programme held four activities. Specifically, the digitalisation training camp had nearly 10,000 registered participants and recorded a total attendance of over 322,000. It also introduced offline training courses, where attendees could learn and discuss together.

Focusing on key aspects of work related to green development. Guided by the design idea of "building a good learning platform, organising high-quality training programmes, extracting knowledge from extensive practices, and telling a green story well", CCB promotes a set of projects to organise green development training and build a learning platform. The Bank has continued to establish and make good use of the Green Finance Learning Channel, build a mobile learning platform integrating policies and regulations,

training courses, expert views, quality cases, etc., and create a new ecosystem of green finance learning that is shared, coordinated, and efficient. It has launched the "Green Development Lecture" learning project, the "Carbon Peaking and Carbon Neutrality: The Biomedical Industry" lecture hall, the written Q&A sessions for the "Expert Lecture Hall for Green Finance Products", and the online micro-courses on the theme of green development.

Focusing on the strategy of rural revitalisation. CCB rolled out the "CCB Mass Finance: Financial Services for Rural Revitalisation at the Grassroots Level" through the mode of "4+1+5+N", i.e. "four training sessions, an online training camp, five advocacy groups, and several rounds of rotation training for branches". The Bank organised the Head Office teaching team, Head Office advocacy group, special zone for online business, rotation training classes for branches, and grassroots-level lectures, and disseminated financial knowledge on rural revitalisation in the countryside. It focused on training a teaching team that could establish good business practices and have rich hands-on experience in promoting rural revitalisation with financial services, worked to better understand, support, guarantee, and expand the rural revitalisation finance across the Bank, and made headway in constructing a rural financial ecosystem to better serve the national strategies of rural revitalisation and building up strength in agriculture.

## Empowering employees

During the initial stage of staff career

a three-pillar training mode has been created for young employees called "Your Future with CCB".

The Bank has shaped the "Your Future with CCB" training brand, with three main pillars of "orientation training, integration programme, and management trainee development", to accompany the growth of young employees.

Orientation training: Under the theme of "Fulfilling Your Ambition at CCB", the Group-wide orientation programme for new employees has been launched, where department heads from the Head Office and experts in related fields are invited to conduct online training. The course content covers corporate culture, products and services, leadership building, mental health, etc. The trainees include more than 19,000 new recruits of the Head Office, tier-one branches, institutions directly under or managed by the Head Office, domestic subsidiaries and overseas institutions. This effectively ensured the standardised and consistent training for new employee across the Group. The online zone has accumulated a total of 2 million visits for learning.

Integration programme: The programme is intended to track the growth of primary-level young employees and provide them with follow-up training. It is provided to selected personnel from two key positions, that is, outlet account manager and counter teller. Following the guidelines of "what to do, what to learn, and how to

learn", the programme provides a systematic analysis of the key tasks and competency criteria of each position, builds learning roadmaps, and designs five learning models, namely training courses, on-the-job practice, reading and self-study, coaching, and summary & analysis, to help new employees strengthen on-the-job training, improve themselves through tasks, quickly adapt to their teams and achieve rapid growth. In 2023, the Bank conducted a pilot programme to cultivate approximately 4,000 young employees, with 327 part-time lecturers and mentoring teachers. The online zone has accumulated a total of 1.27 million visits for learning.

Management trainee programme: The Bank embraces "design thinking" as the methodology and "research topics" as the means to guide management trainees in establishing a problem-solving mindset and building innovation and breakthrough capabilities from the user perspective. The purpose of the programme is to train versatile talents. The programme has "a set of competence models, a growth path, an online zone, and a set of workbooks". It offers an interactive learning classroom for employees who wish to learn a foreign language, and provides online courses in small groups to help attendees enhance oral language competence in business scenarios. The online zone has accumulated a total of 14,000 visits for learning.

During the stage of staff growth

a sound traineeship system has been established for three positions at primary-level outlets.

The Bank has continuously upgraded or optimised the "Together with the Best" programme for outlet heads, the "Be Better with You" programme for outlet account managers, and the "Integrity and Professional Competence" programme for outlet customer service managers, to comprehensively improve the post competency of primary-level outlet staff.

The "Together with the Best" programme for outlet heads focuses on building the reserve of outlet heads. It organises curriculum development workshops and case development workshops to create a core curriculum system for building the reserve of outlet heads. In 2023, a total of 20 training courses were conducted to cultivate 1,200 outlet managers and reserve talents.

The "Be Better with You" programme for outlet account managers is dedicated to creating a pool of part-time teachers for the three wealth management taskforces and training highly-qualified part-time teachers, so as to facilitate the building of a part-time teacher

team for the "Be Better with You" programme. In 2023, there were a total of two on-site training sessions, with a cumulative training of 108 part-time instructors. The online zone has accumulated a total of 860,000 visits for learning.

The "Integrity and Professional Competence" programme for outlet customer service managers has a four-stage learning scheme of "micro-courses for self-study, offline intensive studies, pre-test coaching, and live learning of key content". To achieve this goal, it has created a variety of systematic training products. The "Integrity and Professional Competence" online learning zone has been developed to cultivate a digital learning ecosystem, which could meet a diversity of learning needs of outlet customer service managers such as examination, certification, skills enhancement, and communication. In 2023, a total of 20 on-site training sessions were conducted to train 1,200 outlet customer service managers. The online platform has accumulated a total of 2.84 million visits for learning.

#### During the stage of success

three-tier advanced traineeship system for managerial leadership has been put in place.

Resources have been increased to form a three-tier advanced leadership traineeship system that covers "outlet heads, county sub-branch heads, and tier-two branch heads".

#### Learning programme for competence enhancement of outlet heads:

- From the perspective of mutual empowerment between organisations and individuals, the programme constructs a diversified learning ecosystem to help employees enhance their post competency and their ability to perform their jobs, and to facilitate the formation of a pool of outlet heads. It has constructed a competency model for newly appointed outlet heads, and customised or developed core courses and know-how manuals to help them gain a basic knowledge about their positions, and quickly access information about their daily work. For senior outlet heads, senior lecturer workshops and case development workshops have been organised, and the courses and cases derived the reform are applied to offline training and online live learning activities, so as to share good experience across the Bank.

#### Learning programme for competence enhancement of county sub-branch heads:

- The county sub-branch heads play an important leading role in the business development of county institutions. Around the actual work of county sub-branch heads, two modules, that is, "knowledge and know-how" and "business practices", have been designed to help county sub-branch heads better perform their duties in risk control, compliant operation, etc.

#### Learning programme for competence enhancement of tier-two branch heads:

- Tier-two branch heads represent the core force on which CCB relies in the process of strategic implementation and business development. Taking "talent profiling and themed research" as the starting point, the programme engages in blended learning design combining multiple learning forms, both online and offline. With this programme, tier-two branch heads will do better in integrating Party building with business development, seeking specialised operation and management, and implementing various strategies.

#### Professional and technical qualification examinations across the Bank:

- CCB has built a four-in-one professional knowledge repository of "teaching materials, a question bank, exams, and training courses". In 2023, two professional and technical post-level examinations were organised, which covered all business lines and employees at home and abroad. These examinations registered an attendance of over 310,000.

## Doing good to the society

CCB has been actively engaging in public policy research. Focusing on the macro economy, international situation, financial market, industrial trends, green development, bank competitiveness, and other issues and challenges related to the national development and CCB strategies, the Bank conducted forward-looking and in-depth research to provide useful inputs for decision-making and support for business development.

Rated as one of the first 63 Chinese enterprises promoting industry-education integration on the national level, a list assembled by the NDRC and the Ministry of Education of China, CCB pushed forward the pilot project for building enterprises engaged in industry-education integration, prioritised accomplishing a host of tasks, including talent training system, platform and carrier construction, optimisation of resource allocation, and institutional innovation. Its pilot project for promoting industry-education integration was selected as one of the first typical cases in cooperation between businesses and education institutions for industry-education integration announced by the Ministry of Education.

CCB has expanded dimensions of cooperation on industry-education integration to set up a tiered training system for New Finance personnel. The Bank focused on the needs of the financial sector for training cutting-edge talents, took high-quality products of thought as the core, and planned the construction of a post-doctoral research centre in the long run. Since its independent enrollment and training qualification was approved by the Ministry of Human Resources and Social Security of China in 2022, the CCB Postdoctoral Workstation has set up a brand-new steering committee of experts, strengthened the cooperation mechanism between research departments and business departments, established a two-pronged platform to support the growth of postdoctoral fellows in terms of both research and business, and actively guided postdoctoral fellows to keep abreast with business needs on the front line, enhance their academic research capabilities, and promote the integrated development of industries, universities, and research institutes, thus voicing professional opinions and useful advice on the possible directions and trends of future business development.

Institutions at all levels are encouraged to share resources available across the Bank, and cooperate with local governments, colleges and universities, and enterprises to build demonstration training bases for industry-education integration, and establish a financial practice platform for university students that integrates comprehensive services, financial experience, financial practice, and interactive exchanges.

By the end of 2023, the "Financial Literacy Promotion" project offered a total of 75,000 onsite training sessions to 6.56 million people. At the same time, 3,416 "Yunong Schools" were built in villages, and over 1,300 online and offline courses were launched on such topics as "Yunongtong" service, consumer protection, agricultural technology & knowledge, and asset management. To implement the requirements for serving the real economy with financial services, CCB imparted knowledge on inclusive finance to empower micro, small, and medium enterprises with multiple measures. As a representative of banking institutions, the Bank was selected as one of the enterprises that piloted the First-class Personnel Training Programme for SMEs of the Ministry of Industry and Information Technology (MIIT). It has conducted the "Empowering SME Development with Financial Strength" training programme for four consecutive years, which was recognized as an excellent training scheme in celebration of the 10th anniversary of the MIIT programme. The training programme of the Bank has long empowered private enterprises to digitalise their learning activities, continued to drive their cooperation with the Bank, and helped them to overcome difficulties and attain high-quality development.

In 2023, with the theme of "going deep into the countryside and visiting thousands of households", more than 10,000 university students formed 2,684 teaching teams to disseminate knowledge on New Finance extensively. Branches/institutions at all levels worked with governmental organs, colleges and universities, enterprises, etc., to provide services in the urban-rural integration, rural finance, and common prosperity and to connect different regions by offering comprehensive financial services.

By the end of 2023

2023

the "Financial Literacy Promotion" project offered onsite training sessions a total of

75,000

people

6.56 million

more than 10,000 university students formed teaching teams

2,684

"Yunong Schools" were built in villages

3,416



## 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 reserve of learning products was built, and full-time, part-time, and external lecturers constituted a three-pronged faculty.

**With respect to research management**, the Bank strictly controlled the approval of research project proposals, focused on process management, strengthened institutional development, supported the operation of related projects, and emphasised the quality of research results. With such efforts, the Bank has achieved a significant academic progress, and effectively promoted the innovative development of various businesses effectively.

**As to international development**, the Bank endeavoured to train more professionals and talents with international perspectives, capable of creating greater value. It collaborated with the HKU Business School to host the "Certified Data Analyst Training Programme", and joined hands with overseas experts and professors to hold the "International Online Lecture", which provided foreign language learning courses for all domestic and overseas employees of the Bank.

**Regarding digitalisation**, the "CCB Learning" platform continued to improve its functions, enrich its learning resources, and build up its digitalised learning service capacity.

**When it comes to external recognition**, at the awarding ceremony of the "2023 China Enterprise Learning Platforms" (the former "Rankings of China's Best Enterprise Universities"), CCB won the first place in the category of "Best Value Creation Practices" and four awards for special projects. In the "Innovation-driven Rise of High-tech Enterprises": Leading Entrepreneurs Business Thinking Tour Week held by the MIIT Talent Exchange Centre, the Bank was granted the "Outstanding Organisation Awards" for the Leading Personnel Training Programme for SME Operation and Management in the year 2022-2023.

### CCB Training Camp makes training easier

Taking all-employee education and training as the starting point, CCB has independently developed the "CCB Training Camp" digital learning products, built a closed-loop management system for the whole process of training, and reshaped the educational concepts, modes, and organisational forms of the traditional teaching and learning processes. By customising the learning journey nodes, mixing and matching various types of learning resources and interactive methods within these nodes, and realising the closed full-cycle management of trainees, the training camp not only makes it possible to create an all-round online learning experience integrating "teaching, learning, practicing, testing, and sharing", but also provides a good training management tool for learning project managers.

### Creating an integrated learning channel for green finance

CCB has implemented a set of projects to organise green development training and build a learning platform. Taking the platform construction as the starting point, it has created the Green Finance Learning Channel integrating policies and regulations, training courses, expert views, quality cases, etc. By the end of 2023, "situation analysis, policy interpretation, industry research, products and services, and risk management" formed into a system.

### CUIFP facilitates staff growth

Since the launch of the "China Construction Bank Financial Planner" (CUIFP) programme in 2021, CCB has certified CUIFP professional across the bank every year. By the end of 2023, there were more than 113,500 certified financial planners across the Bank. In addition to the extensive certification and training efforts, the centre innovatively expanded the connotation and denotation of related systems to assist the growth of professionals from multiple dimensions. It actively promoted the construction of an online management platform covering the whole process of qualification certification, which would gradually realise the functions of employee qualification/certification, continuous competence enhancement, comprehensive talent profiling, knowledge sharing and community learning, forming an ecosystem in which employees would keep learning and growing.

## Serial B5: Supplier management

CCB vigorously promotes digitalized procurement. On the premise of risk controllability, the Bank has kept advancing digitalisation, brought the entire procurement process online, and endeavoured to enhance the quality and efficiency of green procurement.

For the procurement of products included in the *Green Procurement Product Catalogue of CCB*, green procurement requirements are met throughout the whole process. Green evaluation indicators are added to the step of selection and testing. In the step of candidate review, where other conditions are equal, suppliers who are better qualified for green operations or more sustainable are given priority. The weight of green indicators is increased in the step of actual procurement.

CCB has continued to expand the application of the recycling mechanism. The Bank became the first to introduce the recycling mechanism to the UPS procurement project. It regulated

the recycling requirements and prices for used batteries in accordance with the national policies and regulations on the recycling of used batteries. To date, the recycling mechanism has been introduced to the recycling of such commodities as cash recycling machines (CRMs), smart teller machines (STMs), upgraded automatic teller machines (ATMs), and teller machines. At the same time, the Bank has procured scrapping services for computer equipment, involving servers, networks, security equipment, and other categories of equipment, which aims to close the "last-mile" gap in full-life-cycle management of IT assets, greatly enhancing the value of renewable resources and reducing environmental pollution.

CCB is active in raising the awareness of green procurement. The Bank publishes the *Green Procurement Briefing* in a dynamic manner to share and promote green procurement concepts and methods and implement green procurement across the Bank.

## Serial B6: Product responsibility

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

CCB continuously refines its fair marketing policy strictly according to the *Advertising Law of the People's Republic of China* and other relevant laws and regulations. The Bank requires strict incorporation of consumer protection into the full process of marketing campaign design. It has formulated and issued the *Measures for Advertising Management*, which is applicable to advertisements relating to all the financial products and services provided by the Bank. In 2023, according to the pertinent laws and regulations and its internal policies such as the *Measures for the Management of Marketing Efforts Targeted at Personal Users and*

*Customers*, the Bank formed the *Personal Customer Marketing Policy Overview of China Construction Bank* and disclosed it on public official channels, aiming to strengthen management of personal user/customer marketing across the Bank, carry out relevant work in a normative, systematic, and professional manner, improve marketing effects, and effectively protect consumers' rights and interests.

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 various 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".

## Privacy and data security protection

Establishing a data security management regime. CCB has put in place an organisational structure of data security management, which can be divided into three layers, that is, management, execution, and supervision. To improve the data security management policies, the Bank formulated a basic data security management document titled "the Data Security Management Measures of China Construction Bank", along with two supporting documents, that is, the *Implementation Rules of China Construction Bank on Categorized and Graded Data Protection* and the *Data Security Contingency Plan of China Construction Bank*. The data security assessment mechanism, categorised and graded data identification mechanism, data security emergency response mechanism, and data security training mechanism were established to deal with data security management matters in an orderly way. In terms of data security assessment, the Bank in 2023 organised a Group-wide data security risk self-assessment, produced an assessment report, and provided directions for subsequent rectification and improvement based on the assessment results. In respect of data categorisation and grading, the Bank optimised categorisation and grading labelling tools, organised data security grading labelling of enterprise-level data dictionaries, and completed manual reviews of preliminary labelling results. As to data security emergency response management, the Bank clearly defined the processes of incident grading, handling, and reporting, and created the list of the Group's data security emergency contact persons. On the front of data security training, CCB released through such channels as the "CCB Learning" platform and the CCB enterprise WeChat account the course of Introduction to Data Security Management Policies, the video course on data security assessment, the financial standards training course, and related posts, and established a data security knowledge repository. Courses on the "CCB Learning" platform were accessed more than 130,000 times cumulatively. Besides, the Bank carried out activities at the branch level such as collective learning sessions and intra-departmental seminars to explain financial standards on data security, and embedded the concept of "learning standards, complying with standards, and using standards" in the day-to-day work.

Strengthening information technology (IT) risk prevention and control. CCB continuously optimised the FinTech system, re-examined and improved the framework of the FinTech system, and formulated (revised) over ten policies and specifications to cover coordinated technology management, R&D and delivery, operation and disaster recovery, risk control, and other fields. Under the routine risk assessment mechanism, the Bank tested/evaluated cyber security and password security. It carried out IT risk assessment for 2023, with business/technology lines and domestic subsidiaries included in the scope of IT risk assessment. CCB implemented the testing requirements of the State for graded network security and password application security, hired qualified third-party companies to carry out the evaluation, and the evaluation results were excellent. CCB conducted FinTech audits, analysed and corrected the problems identified thoroughly, worked with third-party auditors to conduct financial statement audits, and issued ISAE3402 assurance report for IT services provided by the Head Office to overseas institutions.

Continuously strengthening the information privacy protection of personal customers. First, CCB issued the *Measures of China Construction Bank for the Protection of Personal Customer Information (Version 2023)*, which clarified the whole-life-cycle management of

protecting the information of personal customers, covering the phases of "customer notification and consent, collection, transmission, use, cross-border provision, right to portability, deletion, and destruction of information, management of third-party cooperation, and impact assessment", and formulated and issued the *Key Points of Policies on Personal Information Protection of China Construction Bank*<sup>1</sup>. Second, the Bank issued the *Plan for Further Strengthening the Protection of Personal Customer Information (Version 2023)*, which ensured the minimum collection and retention of personal information of customers, and fully guarantee the legitimate exercise of the right of access, maintenance and deletion of personal information by customers. Third, the Bank strictly implemented the requirement for acquiring the authorisation of personal customers before the processing of their information, tightened the control over the collection and use of personal customer information within the scope of authorisation, and took necessary measures to properly store and keep personal customer information. It also standardised compliance requirements for key scenarios such as the use of sensitive information, use of external data, automated decision-making, and provision of information to external parties. Fourth, to strengthen internal supervision and guidance, on-site inspections and self-inspections of institutions were combined. In 2023, two special inspections were organised for 37 tier-one branches and 11 domestic subsidiaries, incorporating the "third-party cooperation management" into the scope of inspection. Fifth, the Bank continued to deepen the publicity and training on the protection of personal customer information. Special training courses on the protection of personal customer information were organised to relevant personnel across CCB and its subsidiaries. CCB produced 11 sets of relevant courseware, developed six courses for the protection of personal customer information and set up a permanent column called "Personal Customer Information Protection". It organised employee (including regular staff, temporary workers, etc.) training and learning activities across the Bank and subsidiaries on a regular basis.

Pressing ahead with data security management in IT outsourcing activities. First, the *IT Outsourcing Work Plan of China Construction Bank (2023-2025)* and the *IT Outsourcing Management Measures of China Construction Bank (Version 2023)* were issued to regulate and guide the IT outsourcing activities carried out across the Bank, and to guard against data security and cybersecurity risks derived from the outsourcing process. Second, CCB strengthened the management of IT outsourcing activities involving important data of the Bank or personal information of customers. Service providers across the Bank were evaluated and inspected on a daily basis to identify potential problems in a timely manner. Third, risk screening was conducted against the third-party cooperation services involving the personal information of customers across the Bank for 2023 to identify and rectify problems, clearly indicate the data security duties in the agreements, continuously improve the emergency response management mechanism, and strengthen the cybersecurity and data security management of IT outsourcing and cooperation activities. Fourth, IT outsourcing service providers were required to provide "security and confidentiality" training for their personnel serving the Bank, and related training covered all service providers, to continuously enhance the information security awareness of outsourcing personnel.

CCB has put in place a data security technical protection system that is structured around "prevention of external attacks and theft, prevention

of internal data leakage, and comprehensive security monitoring". The enterprise-level "security-as-a-service (SaaS)" security architecture was constructed to include nine major security components such as identity authentication, password service, data security, and security monitoring, which could be flexibly combined into more than 860 security services. An integrated security operation regime of the Group was established to prevent the risks of cyber attack and data theft. CCB achieved good results in the national cybersecurity attack and defence exercise, and held the sixth "FinTech Cup" cybersecurity attack and defence competition. The Bank boosted the IT-enabled security prevention and control capabilities, prevented the risk of internal information breach, and made progress in improving and promoting the functions of the data sharing and security computing platform. It enhanced the centralised and unified control of application data, increased the application of the data access control technology framework in the data use scenarios such as data query, data use in batch, and data interface call, realised the automated desensitisation of the extracted production data, and optimised the function of checking whether sensitive information was contained in production data. Meanwhile, CCB did better in analysing data leakage behaviour of employees and assessing related risks, and improved the digital watermarking function used when printing watermarks and detecting sensitive content.

CCB comprehensively monitors and analyses data leaks, verifies the effectiveness of a technology-enabled data security protection system, and uses sensitive information anti-leak products to monitor at real time the leaking of sensitive information available in the Bank via email, the internet, etc., and promptly intercept relevant communications. The Bank proactively monitors and deals with information leaks by third parties via the Internet. Once a customer's information is found to be leaked externally, the Bank automatically includes the customer's bank card number in the grey list of the risk control system for protection. The Bank proactively monitors and shuts down phishing sites and apps that masquerade as the Bank, analyses the information of customers deceived by the phishing sites, includes them in the risk protection list, and triggers fund protection and risk alerts. The Bank carries out Internet system penetration testing on a regular basis, comprehensively covers cybersecurity and data security, and works harder to discover and handle data leaks, ultra vires application, and other key data security issues. The Bank holds CISP (certified IT security professional) skills training courses, security attack and defence practical training courses, and security research and technology training, and other information security training courses to cover all employees and raise their awareness of information security.

To strengthen information system continuity management and

strictly implement regulatory requirements, CCB revised and issued the *Information System Continuity Management Procedures of China Construction Bank (Version 2023)*, which was intended to intensify organisational management and set out requirements for risk prevention, planning, and rehearsal management. With respect to standardising the emergency response management process, the Bank compiled and revised the *Operating Procedures for Information System Emergency Response of China Construction Bank (Version 2023)*, in which emergency response activities of all sorts were regulated, the division of duties was made clear for various roles in the emergency response organisational structure, and relevant experience was summed up to form a systematic emergency response management mechanism enabling "ex-ante prevention, in-process quick response, and ex-post review and improvement". To thoroughly identify and crack down on FinTech risks, it organised all units in the FinTech line to discover and eliminate information system and cybersecurity risks, with the screening and corrective efforts focused on the risks of server room infrastructure, cybersecurity, data security, application security, terminal security, and cooperative ecosystem security, as well as on the single-point failures of high-availability and holistic infrastructure. The risks found were included in the list to be eliminated immediately and completely, which may include cancelation of relevant accounts.

Courses on the "CCB Learning" platform were accessed more than

**130,000** times

cumulatively.

The enterprise-level "security-as-a-service (SaaS)" security architecture was constructed to include

**9**

major security components such as identity authentication, password service

which could be flexibly combined into more than

**860** security services.

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)

<sup>1</sup> For details about *Key Points of Policies on Personal Information Protection of China Construction Bank*, please see [http://www3.ccb.com/cn/group/regime/20230727\\_1690438417.html](http://www3.ccb.com/cn/group/regime/20230727_1690438417.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 organisational 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.

### Employee behaviour management

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

While continuously increasing the frequency of employee compliance education, the Bank organises online quizzes, knowledge competitions, and other interactive learning activities to reinforce the effectiveness of the learning process. By utilising the employee behaviour management system, the Bank delivers compliance education content through

### Anti-money laundering (AML)

Guided by the "risk-based" management philosophy, the Bank continuously improved the money laundering risk management system to fully capitalise on the role of AML in preventing and withstanding risks. The Bank revised and improved relevant policies and documents to promote the effective fulfilment of AML obligations across the Bank, and made the internal control mechanisms and systems more compliant, integrated, and effective. It upgraded the dynamic monitoring system of the Group for money laundering risk, and strengthened risk control across institutions, departments, and

### Carrying out compliance audits

In 2023, the Bank developed the internal audit plan for the year. The plan included conducting dynamic audits on key operational risk events for 37 domestic tier-one branches, focusing on areas, such as case prevention and control management, employee behaviour management, and significant violations. AML audits were conducted for 13 domestic tier-one branches, with emphasis on customer identification, transaction reporting, money-laundering risk assessment, sanctions compliance management, and rectification of problems identified. At the same time, the Bank covered AML related matters of other domestic branches through the audit of the main

In 2023, CCB successively issued the *Warning Education on Bribe-taking Offences* and the *Warning Education on Bribe-giving Offences* through the employee behaviour management system, which sorted out the bribery-relevant laws and regulations and judicial interpretations, selected typical cases of using credit resources to take bribes and taking advantage of positions to give bribes for personal gains, and set out the manifestations of offences, the minimum criteria for criminal prosecution, and the sentencing criteria, with a view of helping employees think and act lawfully.

various forms, such as videos, audios, articles, messages, etc., to support online interactions between grid personnel. By the end of 2023, the Bank utilised the employee behaviour management system to publish various compliance education content, covering a total of 2.39 million participants, enabling the precise delivery of warning education materials and effectively reaching the intended audience.

In recent years, in accordance with the internal policies and rules, the Bank reviewed and revised the business ethical standards, including the *Measures for Handling Employee Violations*, the *Management Measures for Employee Behaviour*, and the *Employee Code of Conduct*. The review and revision content included expanding the scope of business ethics management, enriching the application scenarios of relevant provisions, and enhancing the examination process for matters related to business ethics. These efforts aimed at regulating employee behaviour, strengthening internal management, and establishing a solid institutional foundation to elevate standards for business ethics.

fields on the premise of legal compliance. It solidly pushed forward the building of independently developed systems to continuously enhance the level of intelligence in AML management. At the same time, the Bank increased basic safeguard measures such as performance appraisal & award-winner selection and notification & accountability, so as to lay a solid foundation for AML compliance. It continued to carry out proper confidentiality management, effectively guarding the bottom line of information security.

business operation and management of secondary institutions, and covered the 15 overseas institutions and six subsidiaries through audits on the main business operations and management or special audits, and continuously improved the audit supervision of business compliance across the board.

For more information on the number of corruption cases, litigation outcomes, 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<sup>2</sup>

CCB deeply fulfilled the public benefit concept of "mobilizing the employees, customers and institutions for charity and integrating business with charity", adhered to its original aspiration of public benefit and constantly helped the ones in the most desperate need of help. In 2023, CCB donated a total of RMB133 million externally, focusing on supporting poverty alleviation achievements, rural revitalisation, long-term public benefit projects, relief of sudden natural disasters, and innovative public benefit activities. By the end of 2023, there were 96,000 registered young volunteers in the Bank, and the total volunteer service hours were 177,700, covering nearly 1 million people.

CCB carried out numerous public benefit activities in an innovative manner to create an active and philanthropic atmosphere. First, CCB, for its first time, relied on the platform "binary star"<sup>3</sup> to conduct the online public benefit activity themed by "Good Builder, Benefit Provider", which solicited active participation by a great number of customers and provided a total of 64 public benefit projects with donation. Second, the fourth "Embrace Technology, Fly Dreams" - CCB Hope Summer Camp was organised, during which 72 teachers and students from 18 CCB Hope Primary Schools and schools of designated assistance villages were invited to Beijing to feel the glamour of culture, science and technology. Third, meticulous efforts were made to organise public benefit visits and carry out public benefit activities where employees as volunteers participated in volunteer activities, promoted financial knowledge, and made contributions to the society.

Branch institutions of the Bank actively practiced social welfare, gave play to the leading role of CCB "Three Top 10s" (Top 10 Public Welfare Brands, Top 10 Public Welfare Ideas, and Top 10 Public Welfare Figures), and drove the staff volunteers to take the initiative to go to communities, schools, villages and welfare institutions to carry out public welfare activities. The volunteers of "Liu Yan Express" of Beijing Branch and the new power volunteer team of CCB Asia went into the community to care for the elderly. The volunteers of "Smurfs" of Nanjing Branch and the volunteers of "Wenqian Public Welfare" of Guizhou Branch cared for the disabled for a long time. The Zhang Fuqing respecting teachers and valuing education fund of Hubei Branch carried out rural school assistance activities. The volunteers of "Charity to the Party" of Xinjiang Branch went to the first CCB Hope Primary School in Pamirs to carry out student assistance activities. The volunteers of Sydney Branch continued to enter the community to carry out green public welfare activities. Top 10 Public Welfare Figures Ji Chengguang of Anyang Branch of Henan Province, Zhang Qingjun of Dezhou Branch of Shandong Province, Zhang Yan of Mianyang Branch of Sichuan Province and Lin Daojun of Yulin Branch of Guangxi Province took the lead in participating in and practicing public welfare, which showed good public welfare spirit and style of CCB people.

The implementation of major public benefit projects by the end of 2023 is detailed as follows:

Project	Partner	Amount of total donation	Timescale	By the end of 2023
Building the Future - CCB Sponsorship Programme for High School Students	China Education Development Foundation	RMB174 million	2007-Present	Donated RMB174 million and funded 101,600 senior high school students.
CCB Sponsorship Programme of "Mother Health Express"	China Women's Development Foundation	RMB85 million	2011-Present	Purchased 562 Mother Health Express vehicles and put them into use in 24 under-developed townships and counties in Xinjiang, Xizang, Gansu, Qinghai and other provinces and regions.
CCB Hope Primary Schools	China Youth Development Foundation	RMB23.06 million	1996-Present	Supported the construction of 50 Hope Primary Schools, equipped these schools with 93 music, art, PE, technology, and moral education rooms, funded the training for over 800 teachers, and organised 320 teachers and students to participate in the Summer Camp Programme.

<sup>2</sup> For more information, please refer to the chapter of "Doing Good to the Society"

<sup>3</sup> Binary star: CCB Mobile Banking app and CCB Lifestyle app

Project	Partner	Amount of total donation	Timescale	By the end of 2023
Love in Xizang – CCB and JIC Scholarship (Grant)	China Foundation for Rural Development	RMB3.5 million	2007-Present	Donated RMB3.68 million and funded 1,760 students in Tibet.
"Build a Good Home" Rural Revitalisation Public Welfare Project	China Charity Federation	RMB10 million	2021-Present	Carried out the plan to light up green rural solar street lights and the training of rural revitalisation leaders in ten provinces and autonomous regions in the central and western regions.
Sanjiangyuan Ecological Protection Project	The Sanjiangyuan Ecological Protection Foundation	RMB3 million	2022-Present	Established the ecological values of harmony between humanity and nature for the development of ecological demonstration villages at the Sanjiangyuan National Park.
"Do Good, Be Wise" Caring Student Action	CCB Youth Volunteers Association, local league committees of branches	RMB8.73 million	2016-Present	Donated funds and goods to over 28,000 teachers and students in under-developed areas, and organised over 1,900 teachers and students to participate in summer (winter) camp activities.
"Donation of Bonus Points to Make Dream Come True • Micro-Charity"	China Youth Development Foundation, China Literature and Art Foundation, China Youth Volunteer Association, League Central Committee Young Volunteer's Guidance Centre	RMB10.26 million	2012-Present	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 Centre of the Central Committee of the Communist Youth League of China.
"Workers' Stations (Harbours)" Public Benefit Programme	China Worker Development Foundation	RMB5.96 million	2021-Present	Opened the "Donation of Bonus Points to Make Dream Come True Workers' Stations (Harbours)" platform at the same time. Charitable groups can participate in public welfare activities by donating their long credit card bonus points.

## Assurance Report



Ernst & Young Hua Ming LLP  
Level 17, Ernst & Young Tower  
Oriental Plaza, 1 East Chang An Avenue  
Dongcheng District  
Beijing, China 100738

安永华明会计师事务所(特殊普通合伙)  
中国北京市东城区东长安街1号  
东方广场安永大楼17层  
邮政编码: 100738  
Tel 电话: +86 10 5815 3000  
Fax 传真: +86 10 8518 8298  
ey.com

### Independent accountant's assurance report

安永华明(2024)专字第70008881\_A05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 2023 Social Responsibility Report (the "Subject Matter") as of 31 December 2023 and for the year ended 31 December 2023.

#### Subject matter

The subject matter in the Social Responsibility Report of China Construction Bank for 2023 that is covered by this report is as follows:

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





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

Our assurance was with respect to the selected data as at 31 December 2023 and for the year then ended only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 Social Responsibility Report.



### Independent accountant's assurance report

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#### Criteria applied by China Construction Bank

In preparing the Subject Matter, China Construction Bank applied the criteria which is set out in the "Appendix: Basis of Subject Matter Compilation" of 2023 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 for Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"). The standard requires that we plan and perform our engagement to 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 express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in the Social Responsibility Report 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 management

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

EY also applies *International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of



### Independent accountant's assurance report

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quality management including 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 work was performed at the Head Office of China Construction Bank, Sichuan Branch, Fujian Branch and Heilongjiang Branch, which included:

- 1) Conducted interviews with personnel to understand the business and reporting process;
- 2) Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period;
- 3) Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Basis of Reporting;
- 4) Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified;
- 5) Tested, on a sample basis, underlying source information to check the accuracy of the data; and
- 6) Other procedures deemed necessary.



**Independent accountant's assurance report**

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**Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the subject matter as of 31 December 2023 and for the year then ended in the 2023 Social Responsibility Report, in order for it to be in accordance with the Criteria.

**Restricted use**

Our report has been prepared for and only for the board of directors of [the Bank] and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

*Ernst & Young Hua Ming LLP*

Ernst & Young Hua Ming LLP

28 March 2024

Beijing, China

