诚信立业
稳健行远

中国农业银行
AGRICULTURAL BANK OF CHINA
Address: No. 69 Jianguomennei Street,
Dongcheng District,Beijing,China
Service hotline: 95599
Postcode:100005
www.abchina.com

中国农业银行

2023 GREEN FINANCE DEVELOPMENT (ENVIRONMENTAL INFORMATION DISCLOSURE) REPORT

中国农业银行
AGRICULTURAL BANK OF CHINA

2023

AGRICULTURAL BANK OF CHINA

GREEN FINANCE DEVELOPMENT (ENVIRONMENTAL INFORMATION DISCLOSURE) REPORT

耕耘
美丽中国
共创幸福生活

CONTENTS

Message from the Chairman

Chairman of Agricultural Bank of China

Gu Shu

2023 was the first year for fully implementing the guiding principles from the 20th National Congress of the Communist Party of China (CPC). Under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, China's economic recovery and growth were boosted, steady progress was made in pursuing high-quality development, and solid advances were made in building a modern socialist country in all respects. The Central Financial Work Conference was successfully held, drawing up a new blueprint for building a strong financial country, and providing fundamental guidance for financial institutions to unswervingly pursue the path of financial development with Chinese characteristics and serve high-quality economic and social development.

In 2023, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Agricultural Bank of China (ABC) fully implemented the guiding principles of the 20th CPC National Congress, the Second Plenary Session of the 20th CPC Central Committee and the Central Financial Work Conference, thoroughly implemented Xi Jinping Thought on Eco-Civilization, put into action the new development philosophy in a complete, accurate and comprehensive way, continuously improved the governance structure, service system and risk control mechanism specified for eco-civilization construction and green and low-carbon development, vigorously developed green finance, and contributed to promoting green development and building a beautiful China.

Maintain strategic focus and continuously improve ESG governance structure. Agricultural Bank of China firmly established and practiced the concept that lucid waters and lush mountains are invaluable assets, promoted the inclusion of environmental, social and governance (ESG) work in its Articles of Association, and further advanced the green financial strategy. The Bank gave full play to the roles of the Strategic Planning and Sustainable Development Committee under the Board of Directors and the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee under the Senior Management, improved the ESG governance structure, and continuously improved top-level design and organizational promotion. The Bank actively practiced domestic and international ESG and green finance standards, integrated the green development concept into the entire process and various fields of operation and management, and while expanding the scale of green investment and financing, promoted energy conservation and carbon reduction in its own operations, and its green bank brand image has been widely recognized. In 2023, Agricultural Bank of China was selected as one of the first top ten "China ESG Model" enterprises by China Media Group (CMG) in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce, the Chinese Academy of Social Sciences, and the China Enterprise Reform and Development Society and other authoritative organizations, and was awarded "Advanced Institution of Green Bank Evaluation" by China Banking Association.

Brighten the green image and actively promote the green transformation of the real economy. In line with China's strategic deployment of promoting green development and achieving carbon peaking and neutrality goals, Agricultural Bank of China fully guaranteed the green funding needs of the real economy. As at the end of 2023, the balance of green credit business exceeded RMB 4 trillion, with both increment and growth rate reaching new highs. Based on China's energy resource endowment, we made good use of structural monetary policy tools such as the People's Bank of China's carbon-reduction supporting tools and special re-loans for clean and efficient utilization of coal, to help build a clean, low-carbon, safe and efficient energy system. We promoted the green transformation of the industrial structure, explored the development of transitional finance, strengthened the credit management of high-energy-consuming and high-emission industries, and actively supported the accelerated development of strategic emerging industries, high-tech industries, and green industries. We attached great importance to ecological and environmental protection, increased financial support for national parks, nature reserves, and biodiversity protection, and strengthened financial services for green development in key river basins such as the Yangtze River and Yellow River. Loans to the ecological environment industry continued to grow rapidly.

Adhere to our key responsibilities and main businesses, and make every effort to provide financial services for the construction of China's strength in agriculture. Agricultural Bank of China adhered to its original aspiration and mission, focused on serving "Sannong" (agriculture, rural areas and farmers) and fully developed its role in rural revitalization as a leading bank. As of the end of 2023, the county-level loan balance recorded RMB 8.78 trillion. We actively served key areas such as seed industry revitalization and food security, and innovated and promoted financing models such as high-standard farmland construction. We continuously increased financial support for 832 counties lifted out of poverty and 160 counties with key assistance for national rural revitalization, and promoted the effective connection between consolidating and expanding the achievements in poverty alleviation and rural revitalization. We vigorously supported the green development of agriculture and rural areas, provided precise financial services for ecological agriculture, green animal husbandry and other specialty industries, strengthened financial support in rural public infrastructure, residential environment improvement, urban-rural integrated development and other fields, served the construction of a beautiful and harmonious countryside that is desirable to live and work in, and continuously improved the quality and efficiency of financial services for Sannong and County Areas and rural revitalization.

Develop inclusive finance and strive to serve a wider customer base. Agricultural Bank of China has a strong sense of serving the people, fulfills its social responsibilities, and strives to benefit a wider customer base with high-quality financial services. We innovatively launched "ABC Inclusive E-Site" 3.0, and optimized and upgraded the "Small & Micro E-Credit" and "Beneficial E-Credit for Farmers" products to improve the efficiency and convenience of inclusive financial services. Aiming for financial service coverage at the grass-roots level, we established more than 10,000 small and micro credit business development outlets, as well as nearly 300 small and micro technology, green, manufacturing and supply chain specialty branches, and continuously expanded inclusive financial service channels to provide tailored and professional financial services for inclusive customer groups. As of the end of 2023, the balance of loans in the inclusive finance sector under the People's Bank of China's standards was RMB 3.5 trillion, and the number of loan customers among inclusive small and micro enterprises exceeded 3.5 million.

Adhere to win-win cooperation and promote to build a clean and beautiful world. As a global systemically important bank, Agricultural Bank of China actively participated in building a win-win, collaborative and efficient global environmental governance system. We deepened strategic cooperation with the Ministry of Ecology and Environment, the Ministry of Agriculture and Rural Affairs, the National Energy Administration and other ministries and commissions as well as local governments, and fulfilled the functions of the director unit of the Professional Committee for the Green Credit Business of the China Banking Association to gather the joint efforts of multiple parties and converge green kinetic energy. We participated in the special meetings of the United Nations Global Investors for Sustainable Development (GISD) Alliance, the Davos Forum, Annual Conference of Financial Street Forum, and the opening ceremony of the "China Corner" and the "Ecological Civilization and Beautiful China Practice" side meeting of the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), participated in the formulation of global sustainable development standards, issued ABC initiatives, and provided ABC solutions. Keeping up with the pulse of the times and relying on mainstream media such as People's Daily and China Central Radio and Television, we vigorously promoted the green development concept and demonstrated the responsibility of supporting green and low-carbon development from the financial perspective.

Agricultural Bank of China will closely focus on promoting Chinese path to modernization which is of the utmost political importance, anchor the goal of building a Beautiful China, further enhance the sense of responsibility and mission of finance serving the real economy and supporting green development, and continue to pursue a model of sound development featuring improved production, higher living standards, and healthy ecosystems on our journey in the new era so that we can make new contributions to comprehensively promoting the construction of a Beautiful China and accelerating the modernization with the harmony between man and nature.

About ABC

The predecessor of Agricultural Bank of China (ABC) was Agricultural Cooperative Bank established in 1951. Since its re-establishment in February 1979, the Bank has evolved from a state-owned specialized bank to a wholly state-owned commercial bank and subsequently a state-controlled commercial bank. The Bank was restructured into a joint stock limited liability company in January 2009. In July 2010, the Bank was listed on both the Shanghai Stock Exchange and the Stock Exchange of Hong Kong.

The Bank is one of the major comprehensive financial service providers in China. Under the guiding principle of high-quality development, the Bank highlights its two major orientations, namely, "a leading bank serving rural revitalization" and "a major bank serving the real economy", and fully implements three strategies - "Sannong" inclusive finance, green finance, and digitalized operations. With its comprehensive business portfolio, vast distribution network and leading technology platform, the Bank provides customers with a variety of corporate banking and retail banking products and services. It also conducts financial market business and asset management business, and its business scope also covers investment banking, fund management, financial leasing, life insurance, and other fields.

As of the end of 2023, the Bank had 22,843 domestic branch outlets, including the Head Office, Business Department of the Head Office, 4 specialized business units managed by the Head Office, 4 training institutes, 37 tier-1 branches, 409 tier-2 branches, 3,316 tier-1 sub-branches, 19,025 foundation-level branch outlets and 46 other establishments, as well as 13 overseas branches and 4 overseas representative offices. The Bank has 16 major holding subsidiaries, including 11 domestic subsidiaries and 5 overseas subsidiaries.

As of the end of 2023

the Bank had total assets of RMB **39,872.989** billion

total loans and advances issued of RMB **22,614.621** billion

a capital adequacy ratio of **17.14** %

deposits received of RMB **28,898.468** billion

net profit of RMB **269.82** billion for the year

Since 2014, the Financial Stability Board has included ABC in its list of **global systemically important banks for ten consecutive years**

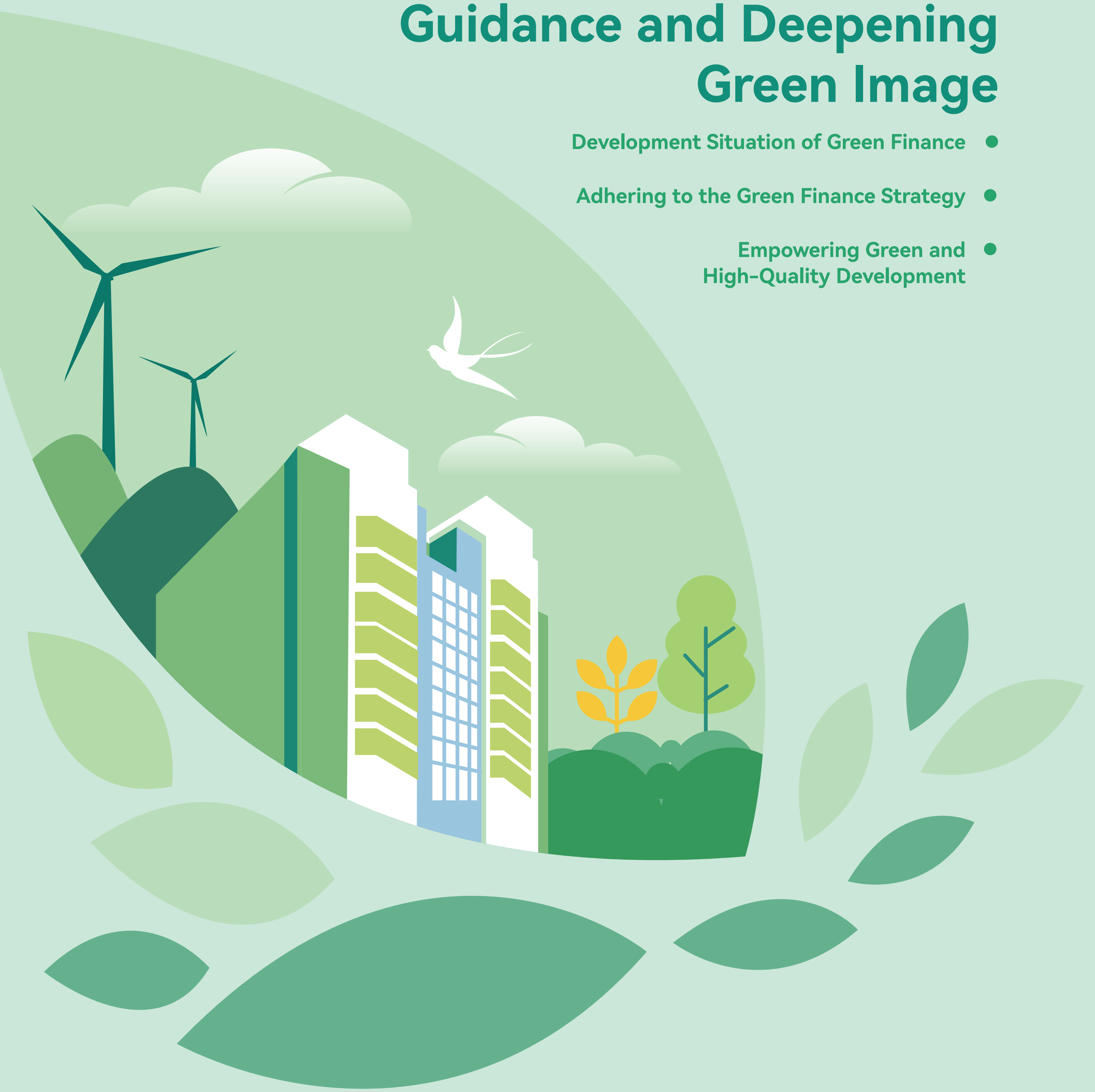
In terms of Tier 1 capital, ABC was ranked **3rd**

As of the date of this annual report, Standard & Poor's affirmed long-/short-term issuer credit ratings of the Bank at A/A-1. Moody's affirmed long-/short-term bank deposit ratings of the Bank at A1/P-1 and Fitch Ratings affirmed long-/short-term issuer default ratings of the Bank at A/F1+.

01

Adhering to Strategic Guidance and Deepening Green Image

- Development Situation of Green Finance
- Adhering to the Green Finance Strategy
- Empowering Green and High-Quality Development



Development Situation of Green Finance

In 2023, global economic growth slowed down, and issues such as food security, climate change, and energy transition were intertwined and overlapped and had an increasingly prominent impact on the smooth operation of the economy, ecology, and society, bringing more challenges to realize global sustainable development goals. The 28th Conference of the Parties to the *United Nations Framework Convention on Climate Change was* held, and the UAE Consensus was reached on a number of issues including the first Global Stocktake under the *Paris Agreement*, mitigation, adaptation, finance, loss and damage, and just transition, further consolidating the irreversible trend of global green and low-carbon transformation.

2023 was the first year for China to fully implement the guiding principles from the 20th CPC National Congress. Under the guidance of the spirit of the 20th CPC National Congress and Xi Jinping Thought on Eco-Civilization, the top-level design and strategic layout of China's ecological civilization construction have been continuously strengthened, the "1+N" policy system for carbon peaking and carbon neutrality has been improved at a faster pace, and the practical exploration of green and low-carbon development in various provinces, cities, and regions has been continuously advanced. The Central Financial Work Conference clearly listed green finance as one of the five major areas in building a nation with a strong financial sector, guiding more financial resources to promote green development. Focusing on green development and the "dual carbon" goals, China's green finance system and incentive and constraint mechanisms continued to improve, and the scale of businesses such as green credit, green bonds, green funds, and green insurance continued to grow. The national voluntary greenhouse gas emission reduction trading market was restarted, the carbon emissions trading market has been expanded and accelerated, and green financial products have been continuously enriched.

International cooperation in green finance continued to be deepened. The China-EU *Common Ground Taxonomy for Sustainable Finance* effectively promoted the integration of China's green finance standards with international standards, further enhancing the global market competitiveness and influence of China's green finance. The Green Development High-Level Forum of the Third Belt and Road Forum for International Cooperation released three outcomes including the Belt and Road Green Development Beijing Initiative, the Green Development Investment and Financing Partnership, and the Action Plan for Green Technology Development in Central Asia, creating a communication and cooperation platform and providing practical solutions to the investment and financing bottlenecks faced in the construction of the Belt and Road Initiative.

The Bank will take the initiative to leverage its own advantages and featured operations, better play its role, build consensus with all sectors of society, focus on actions, and continue to contribute to addressing climate change and building a clean and beautiful world.

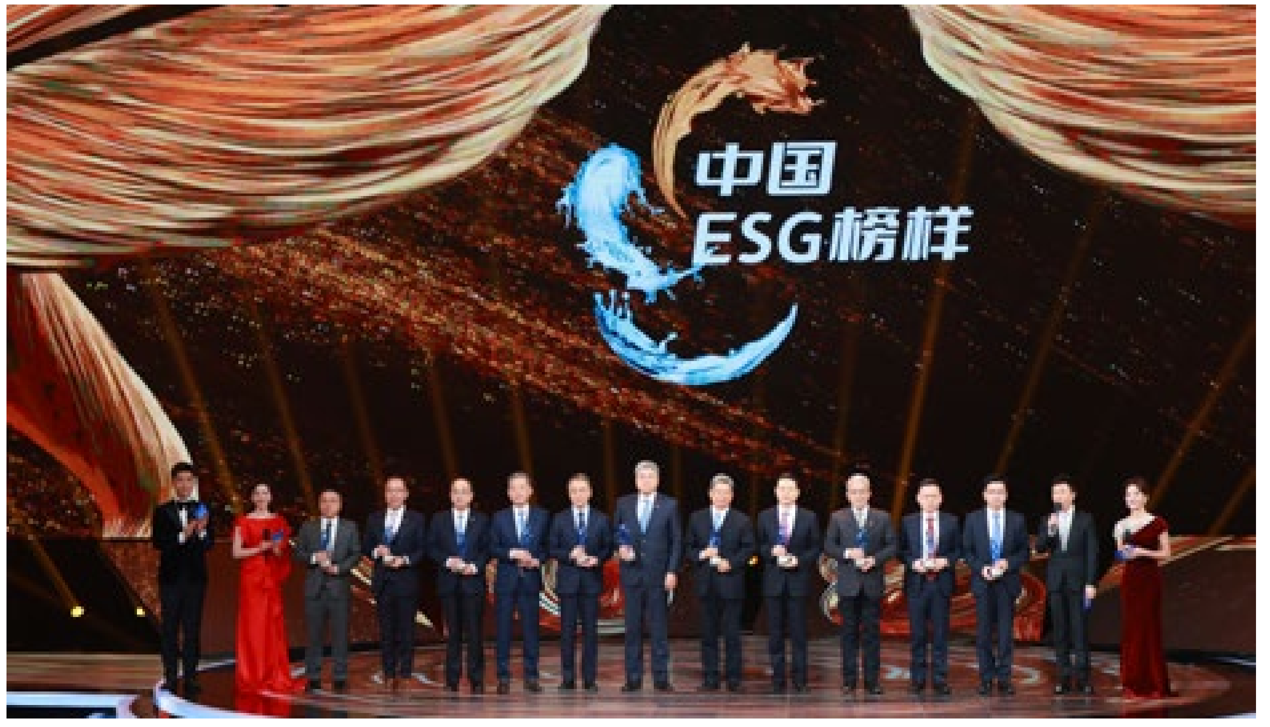
Adhering to the Green Finance Strategy

The Bank adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the guiding principles of the 20th CPC National Congress, the Second Plenary Session of the 20th CPC Central Committee and the Central Financial Work Conference, deeply grasped the political and people-oriented nature of financial work, put into action the new development philosophy in a complete, accurate and comprehensive way, with high-quality financial development as the theme and deepening of the financial supply-side structural reform as the main line, always focused on serving "Sannong" as the key responsibilities and main businesses, strove to support the "five priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance, firmly held the bottom line of preventing systemic financial risks, insisted on being a leading bank in serving rural revitalization and a main bank in serving the real economy, and unswervingly followed the path of financial development with Chinese characteristics to contribute to the construction of a strong financial country.

topic

The Bank was selected as one of the first top ten "China ESG Model" enterprises by China Media Group (CMG) in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce, the Chinese Academy of Social Sciences, and the China Enterprise Reform and Development Society and other authoritative organizations

The Bank adhered to the concept of ESG sustainable development, gave full play to its ESG genetic advantages, and continued to brighten its green image. The Bank's image with ESG advantages has been widely recognized. On December 2, 2023, China Media Group (CMG) held the first "China ESG Model" annual ceremony in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce, the Chinese Academy of Social Sciences, and the China Enterprise Reform and Development Society and other authoritative organizations. With the theme of "Leading a Sustainable Future with Responsible Role Models", the ceremony focused on using the power of role models to guide Chinese enterprises to improve their sustainable development capabilities. At this grand ceremony, the Bank won the honor of the first top ten "China ESG Model" enterprises.



The Bank was selected as one of the first top ten "China ESG Model" enterprises by China Media Group (CMG) in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce, the Chinese Academy of Social Sciences, and the China Enterprise Reform and Development Society and other authoritative organizations. Gu Shu, Chairman and Secretary of the Party Committee of the Bank, attended the "China ESG Model" annual ceremony (Photo provided by the Office of Board of Directors)

Strategic Planning

In 2023, the Bank focused on serving green and low-carbon development and the goal of peak carbon emission and carbon neutrality, fully and faithfully applied the new development philosophy on all fronts, and comprehensively promoted the implementation of strategies such as the *Green Finance Development Plan of Agricultural Bank of China (2021-2025) and Work Plan of Agricultural Bank of China for Peak Carbon Emission and Carbon Neutrality.* Strategic orientation: persist to the system concept, innovation-driven, group synergy and sustainable development; accelerate the green financial customer structure improvement, product and service innovation and transformation of the governance system; strive to build a distinctive and widely recognized advantageous brand in green finance; and provide financial support for China's eco-civilization construction and green and high-quality development.

Basic Principles

Strategic guidance. Vigorously implement the green financial strategy, promote green financial development for the purpose of corporate governance, strengthen strategic transmission, policy support, mechanism matching, resource guarantee and organizational talent support, and practice the green development concept and requirements in all areas and throughout the process of business management.

Innovation-driven. Based on international mainstream standards and domestic regulatory requirements, keep up with the development trend of green finance at home and abroad, actively explore new areas of green finance, strive to innovate green financial products and services, implement and optimize green financial systems and mechanisms, and stimulate the endogenous power to develop green finance.

Group synergy. Give full play to the integrated and urban-rural coverage banking advantages, innovate and improve business synergy and profit sharing mechanisms, actively carry out "investment-loan linkage" and "rent-loan linkage", and take advantage of equity, bonds, loan, investment and other instruments to enhance the green customer financial service capability and group synthesis capability.

Sustainable development. Consider both economic and social benefits under the guidance of market demands, identify market positioning, highlight service priorities, increase the proportion of high-quality customers, take effective measures to seek a balance between accelerating business development, preventing financial risks and realizing commercial sustainability, and continue to improve ABC's market competitiveness and risk prevention and control capability.

Development Goals

Growing business scale. Achieve larger scale, optimized structure and leading growth of the green investment and financing business. During the "14th Five-Year Plan" period, enable the growth rate of green credit to continue to be higher than the average growth rate of the Bank's credit, and the proportion of green credit balances in various loans to continue to increase. Boost rapid growth of green bonds, green leasing, ESG wealth management, etc.

Prominent brand advantages. Establish a multi-level and three-dimensional business system covering green credit, green direct financing, green consumer finance, and carbon finance, and form a product portfolio with broad market influence. Significantly enhance the green finance innovation capability, develop rich and diversified service models, improve systems and mechanisms, and firmly establish a multi-party cooperation network between the Bank, government and enterprises. ABC's brand image in green finance is widely recognized by the market.

Sound system and mechanism. Establish and improve a special mechanism in compliance with the development of green financial business, and fully activate and release endogenous development momentum. The system and mechanism for linking the head office and branches and group collaboration to support the development of green finance business operate smoothly, and the organizational capability, operational vitality and guarantee capability are significantly improved. Make significant progress in green finance professional capacity building.

Higher risk control capability. Maintain a leading level in the construction of environmental, social, and governance management systems. Environmental, social and governance risk identification, assessment and management tools are in line with advanced levels at home and abroad. The non-performing loan ratio of green credit is significantly lower than the average level of loans across the Bank, and the asset quality of green finance business remains at a good level.

Empowering Green and High-Quality Development

In 2023, the Bank firmly established and practiced the concept that lucid waters and lush mountains are invaluable assets, deeply implemented the green finance strategy, continued to promote business development in terms of quantity and quality, accelerated product and service model innovation, coordinated development and safety, and continued to improve the quality and efficiency of serving green development and the building of a Beautiful China.

The green finance strategy was implemented in depth

The Bank gave full play to the roles of the Strategic Planning and Sustainable Development Committee under the Board of Directors and the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee under the Senior Management, strengthened the overall planning and organizational leadership of green finance work, promoted the integration of green development concept in all areas and throughout the process of business management, and continued to promote the effective implementation of existing strategies such as the "14th Five-Year Plan" and the green finance development plan across the Bank. We published annual key work points, refined development goals and specific measures, and steadily promoted the development of green financial business as well as energy conservation and carbon reduction work.

Increased the quantity and quality of investment in key areas

We adhered to the original intention of serving "Sannong", promoted the integrated development of "Sannong" and green development, and increased financial services in key areas such as modern seed industry, the entire industry chain of green agriculture, and residential environment improvement in rural areas. Focusing on key areas such as clean energy, green upgrading of infrastructure, ecological environment, energy conservation and environmental protection, clean production, and green services, we increased green funding support, fully serving the national energy revolution and the green transformation of the industrial structure.

Gu Shu, Chairman and Secretary of the Party Committee of the Bank, went to Raoyang County of Hebei Province to investigate and guide targeted assistance work. (Photo provided by Hebei Branch)

Increased the quantity and quality of investment in key areas

As of the end of 2023

the Bank's green credit business balance was RMB **4,048.7** billion

an increase of RMB **1,351.2** billion

50.1 % from the end of the previous year

Effectively expanded diversified financing channels

We accelerated the construction and improvement of a green financial product and service system meeting the multi-level needs of customers. We continuously increased green bonds investment, underwriting and issuance, expanded businesses for green syndicated loans and green M&A loans, and accelerated the expansion of green innovative businesses such as green wealth management, green leasing, and green insurance.

As of the end of 2023

the balance of self-operated green bonds investment was RMB **144.34** billion

an increase of **18.7**% from the end of the previous year

In 2023

we underwrote and issued **31** issues of green bonds (including carbon neutral bonds)

with a total raised capital of RMB **28.5** billion

provided financing of over RMB **330** billion to green industries and customers by using investment banking products and services

As of the end of 2023

there were **50** existing ESG-themed financial products

with a total current scale of RMB **36.883** billion

As of the end of 2023

the balance of green leasing assets was RMB **68.77** billion

an increase of **24.7** % from the end of the previous year

green leasing assets accounted for **67.9** %

an increase of **2.5** percentage point from the end of the previous year

Continuously improved risk management and control capabilities

The Bank issued the *Risk Management Measures of Agricultural Bank of China for Environmental, Social and Governance of Credit Business* to incorporate ESG risk management requirements into the entire credit business process and continuously strengthened the "one-vote veto system" management of ESG risks. Technologies and tools such as scenario analysis, stress testing, fintech and big data were effectively used to improve the level of refined management of environmental and climate risks.

Accelerated its own energy conservation and carbon reduction

We strengthened technology-enabled development and actively expanded online business to reduce resource consumption. We promoted the transformation of outlets, accelerated the construction of green outlets, and phased out inefficient equipment in an orderly manner. We promoted green office practices, improved system functions, and vigorously promoted online documents and meetings. We strengthened our own carbon footprint management and continued to conduct a group-wide "carbon emission inventory" work. We implemented green procurement, set green evaluation standards for suppliers, and selected energy-saving equipment. Besides, we practiced green culture, released green and low-carbon production and life initiatives, and created a simple, moderate, green, low-carbon, civilized and healthy working and living environment.

Domestic and international exchanges and cooperation continued to deepen

We participated in the special meetings of the United Nations Global Investors for Sustainable Development (GISD) Alliance, the Annual Conference of Financial Street Forum, and the opening ceremony of the "China Corner" and the "Ecological Civilization and Beautiful China Practice" side meeting of the 28th Conference of the Parties to the *United Nations Framework Convention on Climate Change* (COP28), actively shared the Bank's measures and achievements in high-quality development, and promoted the consensus on green development. We earnestly fulfilled the functions of the director unit of the Professional Committee for the Green Credit Business of the China Banking Association, deeply participated in the construction of green banks, and strengthened interconnection and resource sharing. Our MSCI ESG rating was upgraded to "AA".

Major Honors

The First Top Ten "China ESG Model" Enterprises

China Media Group (CMG) in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce, the Chinese Academy of Social Sciences, and the China Enterprise Reform and Development Society and other authoritative organizations.

2023 GF60 Green Finance Cases "The Best Financial Institution of the Year"

Green Finance Forum of 60 (GF60)

2023 ESG Excellence Practice in China

China Media Group (CMG)

"China's Pioneer 100 ESG Listed Companies" list

China Media Group (CMG) Financial Program Center, State-owned Assets Supervision and Administration Commission, etc.

Green Finance Golden Bull Award

China Securities Journal

"GoldenWis" Award Outstanding Green Finance Award

JRJ Navigation CHINA

2023 Corporate ESG Outstanding Social Responsibility Practice Cases

Xinhuanet

Excellent Member Organization

Yangtze Ecology and Environment Industry Alliance

Advanced Institution of Green Bank Evaluation

China Banking Association

ESG Corporate Platinum Award

Hong Kong "The Asset"

"Top 20 Bank ESG Comprehensive Performance" list

ESG Annual Green Finance Model Case in the Banking Industry (2023)

China Banking and Insurance Media Company Limited (CBIMC)

ESG Financial Innovation Award

Cailian Press

ESG Investment Golden Bull Award

China Securities Journal

2023 "Low Carbon Solution of the Year"

Southern Weekend

China's Best Sustainable Bank

FinanceAsia

The Most Socially Responsible Listed Company

Phoenix TV, www.ifeng.com

2023 Outstanding Cases of Green Finance Innovation

The Chinese Banker

"Golden Cicada Award" 2023 Green Financial Service Institution

China Times

02

Improving Governance Efficiency and Building a Solid Green Foundation

- Board of Directors Assuming the Principal Responsibility
- Board of Supervisors Performing Supervisory Functions
- Senior Management Improving Working Mechanisms
- Institutions at All Levels Promoting Implementation of Various Tasks

ABC continued to improve the governance structure in compliance with the requirements of ecological civilization construction. Special committees were established in the Board of Directors and Senior Management to strengthen top-level design and strategic transmission, improve management functions, strengthen organizational guarantees, and promote the whole-process, full-business and all-scenario implementation of green development requirements.

Board of Directors Assuming the Principal Responsibility

The Board of Directors actively assumed the principal responsibility for green finance management, responsible for formulating the Bank's sustainable development strategies and goals, determining the Bank's green finance development strategy, and evaluating the implementation of the strategy.

The Bank incorporated ESG work into its Articles of Association, promoted ABC-wide implementation of the national green development and carbon peaking and neutrality decision-making deployment, and accelerated the improvement of the green financial management system and mechanisms.

The Board of Directors established the Strategic Planning and Sustainable Development Committee, the County Area Banking Business and Inclusive Finance Development Committee, the Risk Management and Consumer' Interests Protection Committee, and the Related Party Transaction Management Committee to review core environmental, social, and governance issues such as sustainable development, "Sannong" finance and inclusive finance, consumer rights and interests protection, and related party transactions according to their respective responsibilities.

Review of issues related to green finance by the Board of Directors and professional committees during the reporting period

March

The Bank's Board of Directors reviewed and approved the 2022 *Annual Report and Summary of Agricultural Bank of China Co., Ltd.*

The Strategic Planning and Sustainable Development Committee and the Board of Directors respectively reviewed and approved the *2022 Social Responsibility Report of Agricultural Bank of China Co., Ltd. and 2022 Work Report of Agricultural Bank of China for Green Finance/Peak Carbon Emission and Carbon Neutrality (including the 2022 Green Finance Development Report of Agricultural Bank of China Co., Ltd.).*

The Risk Management and Consumer' Interests Protection Committee and the Board of Directors respectively reviewed and approved the *2022 Comprehensive Risk Management Report of Agricultural Bank of China.*

April

The Strategic Planning and Sustainable Development Committee and the Board of Directors respectively listened to reports on the *Implementation of the 14th Five-Year Plan by Agricultural Bank of China in 2022 and Strategic Risk Assessment Report.*

The Risk Management and Consumer' Interests Protection Committee listened to the report on the implementation of stress testing and system validation evaluation for the year 2022.

August

The Board of Directors reviewed and approved the *2023 Semi-Annual Report and Summary of Agricultural Bank of China Co., Ltd.*

The Risk Management and Consumer' Interests Protection Committee and the Board of Directors reviewed and approved the *Comprehensive Risk Management Report of Agricultural Bank of China for the First Half of 2023.*

topic

The Bank held a special training course on "ESG and Green Finance" for duty performance of directors and supervisors in 2023

From December 11 to 15, the Bank held a 2023 duty performance training course for directors and supervisors. The training focused on in-depth study and implementation of the spirit of the Central Financial Work Conference and the Central Economic Work Conference. Relevant experts were hired to provide in-depth interpretation of key tasks such as technology finance and green finance, covering innovative management of enterprises in the digital era, green finance progress and latest practices, etc. Through this training, the professional duty performance capabilities of directors and supervisors of the entire group to serve high-quality development were effectively improved.

Board of Supervisors Performing Supervisory Functions

The Bank's Board of Supervisors actively performed its supervisory functions, paid close attention to and studied issues related to green finance and carbon peaking and carbon neutrality, and effectively supervised the implementation of the Bank's green finance strategy.

During the reporting period, the Bank's Board of Supervisors focused on the green finance strategy and formed the *Phased Supervision and Evaluation Report on the Implementation of ABC's Green Finance Development Strategy based on the performance of strategic* management responsibilities of the Board of Directors and Senior Management, supervising and evaluating the implementation of the Bank's green finance development strategy and putting forward supervision suggestions.

Review of issues related to green finance by the Board of Supervisors and professional committees during the reporting period

March

The Financial and Internal Control Supervision Committee and the Board of Supervisors respectively reviewed and approved the *2022 Annual Report and Summary of Agricultural Bank of China Co., Ltd.*

The Bank's Board of Supervisors reviewed and approved *the 2022 Social Responsibility Report of Agricultural Bank of China Co., Ltd.* and the *2022 Green Finance Development Report of Agricultural Bank of China Co., Ltd., and listened to the report on the 2022 Comprehensive Risk Management Report of Agricultural Bank of China.*

August

The Board of Supervisors and its Financial and Internal Control Supervision Committee respectively reviewed and approved the *2023 Semi-Annual Report and Summary of Agricultural Bank of China Co., Ltd.*

The Bank's Board of Supervisors listened to the Phased Supervision and Evaluation Report on the Implementation of *ABC's Green Finance Development Strategy and the Comprehensive Risk Management Report of Agricultural Bank of China for the First Half of 2023.*

The Financial and Internal Control Supervision Committee of the Bank's Board of Supervisors listened to the *Report on the Review Results of the 2023 Interim Financial Report for Agricultural Bank of China* and paid special attention to the development of green credit business.

Senior Management Improving Working Mechanisms

The Senior Management of the Bank is responsible for implementing various resolutions approved by the Board of Directors and its professional committees, formulating green finance business objectives in accordance with the Bank's strategy, establishing corresponding working mechanisms and processes, and coordinating to promote the development of the Bank's green finance business and its own energy conservation and carbon reduction work.

The Senior Management set up a Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee, with the President serving as the chairman. The Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee is the Bank's deliberation, coordination and decision-making body for the green finance and carbon peak and carbon neutrality work across the Bank. It is responsible for the overall planning of the Bank's green finance/carbon peak and carbon neutrality work, and coordinates and implements strategic decisions and overall arrangements of the Party Committee and the Board of Directors on such work, reviews the development plan, major policy measures and annual work report for such work, and deploys key green finance tasks.

The Senior Management set up a Risk Management and Internal Control Committee to coordinate ABC-wide risk management and compliance management, promote the integration of environmental and climate-related risks into the operation and management process, and enhance ABC-wide environmental and climate risk management capability.

Fu Wanjun, then President and Deputy Secretary of the Party Committee of the Bank, went to Huangping County, Guizhou Province to investigate and guide the work of targeted assistance and financial services in old revolutionary base areas. (Photo provided by Guizhou Branch)

Review of issues related to green finance by the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee during the reporting period

January

The Bank's Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee Office organized a discussion on the progress of green finance work of various departments in 2022, and fully communicated on the main work measures in 2022 and the key work to be carried out in 2023.

March

The Bank's Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee reviewed and approved the *2022 Work Report of Agricultural Bank of China for Green Finance/Peak Carbon Emission and Carbon Neutrality and 2023 Key Work Points of Agricultural Bank of China for Green Finance/Peak Carbon Emission and Carbon Neutrality.*

July

The Bank's Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee organized a study on the progress of green finance work in the first half of 2023 and promoted key work in the next step; it also studied related matters such as green finance brand building and accurate identification of green assets.

October

The Bank's Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee Office organized a study and discussion focusing on the national "dual carbon" goals, bank carbon accounting and carbon finance market development, summarized the work situation in the first three quarters, and promoted to complete various key tasks to the year end.

Review of issues related to green finance by the Risk Management and Internal Control Committee during the reporting period

March

The Bank's Risk Management and Internal Control Committee reviewed and approved the *2022 Comprehensive Risk Management Report of Agricultural Bank of China.*

April

The Bank's Risk Management and Internal Control Committee reviewed and approved the *Risk Preference Statement of Agricultural Bank of China* and *Comprehensive Risk Management Strategy of Agricultural Bank of China.*

August

The Bank's Risk Management and Internal Control Committee reviewed and approved the *Comprehensive Risk Management Report of Agricultural Bank of China for the First Half of 2023.*

topic

Holding ABC Lectures - Special Lecture on "Dual Carbon"

In order to promote the high-quality development of green finance business across the Bank and strengthen follow-up understanding of the frontier areas of green finance, on October 23, the Bank held the "Strategy Lecture" of the "ABC Lectures" series - Carbon Accounting and Carbon Finance Development of Commercial Banks against the Background of 'Dual Carbon'. The special lecture focused on the opportunities and challenges brought by the national "dual carbon" goal, the mainstream carbon accounting methods at home and abroad, the development status quo of the carbon trading market, as well as the exploration and practices of domestic and foreign peers in carbon finance innovation, improving the Bank's capability and business level in serving green development and carbon peak and carbon neutrality management.

Institutions at All Levels Promoting Implementation of Various Tasks

The Bank continued to improve the long-term mechanism for green finance development, established an office for the Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee, clarified 34 member departments of the Committee, and continuously strengthened the linkage between the head office and branches and departmental collaboration to jointly promote the high-quality development of green finance across the Bank. Member departments of the Committee actively assumed corresponding responsibilities for green finance/carbon peak and carbon neutrality work, collaborated to carry out green financial service innovation in key areas such as rural revitalization, clean energy, ecological environmental protection, and industrial green transformation, and improved the construction of environmental, social and governance risk management systems to promote its own energy conservation and carbon reduction, green transformation, environmental information disclosure and other work.

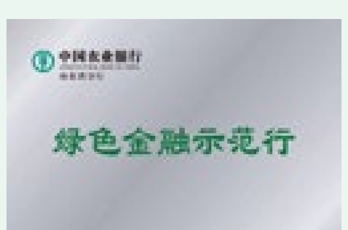
All domestic branches, overseas institutions, and integrated operating subsidiaries continuously improved the green financial management system and mechanism within their jurisdiction or the Bank by combining their own business characteristics, adapting to local conditions, and innovating practices.

topic

The Bank's domestic and overseas branches continuously improved the green financial management system and mechanism

Shandong Branch

Shandong Branch established a Green Finance/Peak Carbon Emissions and Carbon Neutrality Committee, and set up a dedicated green finance innovation department to form a cross-departmental green finance team. Shandong Branch released the *Administrative Measures for Green Finance Demonstration Banks of ABC-Shandong Branch*, and 6 green finance demonstration branches and 23 demonstration sub-branches were established within its jurisdiction. It also issued the *Work Plan of ABC-Shandong Branch for Peak Carbon Emission and Carbon Neutrality*, clarifying the overall goals of energy conservation and carbon reduction during the "14th Five-Year Plan" period, and refining the division of responsibilities, to solidly promote its own energy conservation, carbon reduction and green development.



Hubei Branch

Hubei Branch formulated the *List of Key Tasks for Planning and Implementation of Hubei Branch* to clarify the tasks of green financial development and consolidate the principal responsibilities of each business department and line. Hubei Branch issued the *Key Work Points of ABC-Hubei Branch for Green Finance/Peak Carbon Emission and Carbon Neutrality*, which clarified 24 key tasks for the development of green finance and guided the entire branch to vigorously support green industries. Based on local regional development characteristics, Hubei Branch provided differentiated support to advantageous green industries or key customer groups within its jurisdiction.

Xizang Branch

Xizang Branch published normative documents such as the regulations and implementation rules of the Green Finance Committee, clarifying the principal responsibilities and work norms of green bank construction. It issued a green bank construction initiative, organized employees to actively participate in voluntary tree planting activities, and called on employees to strive to practice green concepts, and become pioneers of green office practices, leaders of green life, and builders of green outlets.

Hong Kong Branch

Relying on the advantages of Hong Kong as an international financial center, Hong Kong Branch continuously improved the green and sustainable development financial management and service system. It successfully organized green and sustainable development-related syndicated loans and underwrote green bonds for its clients many times. In the "Hong Kong Green and Sustainable Finance Awards 2023" organized by the Hong Kong Quality Assurance Agency, ABC-Hong Kong Branch won the "Visionary Sustainability Linked Loan Performance Metrics" and "Visionary Green Bond Framework" awards. In terms of deposit business, it won the "Visionary Green Deposit Service" award.

03

Serving the National Strategy and Demonstrating Financial Responsibility

- Serving Rural Revitalization
- Serving Energy Revolution
- Serving Ecological and Environmental Protection
- Serving the Green Transformation of All Sectors and Industries
- Serving Regional Major Strategies
- Serving "the Belt and Road Initiative" and Enterprises' "Going Global"

Serving Rural Revitalization

Adhering to the basic positioning of "Sannong" (agriculture, rural areas and farmers), the Bank focused on key areas such as food security, green development of rural industries, as well as the construction of a beautiful and harmonious countryside that is desirable to live and work in, and made an overall planning of serving rural revitalization and developing green finance for coordinated promotion to continuously improve the service quality and efficiency of financial support for the green development of agriculture and rural areas, injecting green momentum into moving faster to build up China's strength in agriculture and realizing modernization of agriculture and rural areas.

As of the end of 2023 the Bank's county-level loan balance was RMB **8.78** trillion

an increase of **19.8**% from the end of the previous year

Agricultural loan balance stood at RMB **6.55** trillion

an increase of **18.4**% from the end of the previous year

Zhang Xuguang, Vice President and Party Committee Member of the Bank, went to Heilongjiang for investigation to gain an in-depth understanding of and support the work in areas such as high-standard farmland construction, water conservancy infrastructure construction, and innovative financial products (Photo provided by Heilongjiang Branch).

Supporting National Food Security

Focusing on key areas such as the seed industry vitalization, the entire food industry chain, farmland protection and construction, and upgrading of agricultural machinery and equipment, the Bank actively innovated featured financial products, explored effective service models, and continued to provide financial services for food security.

Increasing financial supply to invigorate the seed industry. The Bank launched an action to improve services for the seed industry vitalization, continued to strengthen product and service innovation, policy resource allocation and digital technology support, and accelerated the construction of a financial ecosystem serving the seed industry. The Bank signed cooperation agreements with a number of leading seed industry enterprises, and provided a list-based and precise services for the leading enterprises and technology enterprises in the seed industry. Special financial service plans were formulated for national-level seed breeding and production bases and super seed production counties. The Bank actively promoted regional specialty products such as "New Plant Variety Rights Pledge Loan" and "Hexi Corridor Seed Industry Loan".

As of the end of 2023 the balance of loans in seed industry-related fields was RMB **42.4** billion

an increase of **50.24**% from the end of the previous year

achieving comprehensive connection with national seed breeding and production bases and leading seed industry enterprises as well as full coverage of financial services.

Serving the development of the entire food industry chain. The Bank paid close attention to the financial needs during the important farming seasons, provided services for spring plowing and preparation, carried out activities such as "Financial Services to the Countryside for Autumn Harvest", strengthened credit support in grain cultivation, and launched the "Grain & Agriculture E-Loan" product to timely meet the funding needs of grain farmers. The Bank launched innovative services for regional specialty products in grain procurement, and provided grain enterprises with support such as grain procurement and inventory mortgage financing. An "Agricultural Machinery Loan" financial service plan was launched to provide an "online + offline" package of services and product packages so as to meet the financial needs of various entities in the agricultural machinery industry chain.

As of the end of 2023 the loan balance in the fields related to ensuring the supply of grain and important agricultural products exceeded RMB **840** billion

of which the loan balance in key areas of grain production exceeded RMB **280** billion

Innovating the high-standard farmland construction service model. The Bank introduced special credit support policies to support high-standard farmland, carried out financing pilot projects to support high-standard farmland construction in Jiangsu Branch, Anhui Branch, Hubei Branch, and other branches, launched pilot programs in line with local conditions, and explored financial support models for high-standard farmland construction.

Lin Li, Vice President and Party Committee Member of the Bank, went to Jiangsu to hold a special meeting on "Autumn Harvest Action" serving the high-quality development of food finance, and conducted in-depth research at the grassroots level (Photo provided by Jiangsu Branch)

Gansu Branch supported the development of national seed breeding and production bases

Gansu Branch actively cooperated with local government departments and seed industry enterprises to explore innovative financial service models and assisted in the construction of seed industry bases. It innovated the "Industrial Revitalization Loan" service model to meet the financial needs of small and medium-sized seed industry enterprises in batches and improve business processing efficiency. It served the development of the entire seed industry chain, and with seed industry enterprises as the core, provided diversified financial services to seed farmers and seed dealers, meeting the financing needs of upstream and downstream entities in the industry chain. It strengthened the innovation of specialty products and launched the special product "Hexi Corridor Seed Industry Loan" to help solve the financing difficulties of seed production enterprises.

Gansu Branch supported the development of national seed breeding bases. (Photo provided by Gansu Branch)

Supporting Rural Industries with Local Features

- Industrial revitalization is the top priority of rural revitalization. Adhering to the principle of agricultural and rural development, the Bank focused on the green development of rural industries, and introduced a series of credit policies for agriculture-related industries such as grain, fishery, and animal husbandry, to help build a green, low-carbon, and circular agricultural industry system.

- Increasing support for rural specialty industries. The Bank increased support for the entire green agriculture industry chain such as ecological seed breeding, non-timber forest-based economy, and green agricultural and forestry product processing, and provided financial services in healthy livestock and poultry breeding, ecological fisheries, marine ranching, and other fields. It also increased support for the forestry industry, developed smart forestry scenarios, promoted the integrated development of rural green industries, and provided financial services for forest recreation and health preservation, rural leisure tourism, etc.

- Increasing financial services in key rural areas. Focusing on the construction of national agricultural green development pilot zones and agricultural modernization demonstration zones, ABC, the Ministry of Agriculture and Rural Affairs and Sinochem Group jointly issued the *Notice on Supporting the Construction of National Agricultural Green Development Pilot Zones and Promoting the Comprehensive Green Transformation of Agricultural Modernization Demonstration Zones*, introducing special policies and optimizing financial services to help build national agricultural green development demonstration zones.

Tang Jun, leader of the Discipline Inspection and Supervision Team of the Central Commission for Discipline Inspection and the National Supervisory Commission stationed in ABC and Party Committee Member of ABC, led a team to Oroqen Autonomous Banner of Inner Mongolia to investigate and guide targeted assistance work. (Photo provided by Inner Mongolia Branch)

Jiangsu Branch strengthened financial services for high-standard farmland project construction

Implementing the national green development strategy, Jiangsu Branch signed a comprehensive cooperation agreement with an agricultural enterprise within its jurisdiction to actively support the construction of high-standard farmland project, advance the large-scale and intensive development of local agriculture, and promote the transformation of agricultural production methods towards environmental friendliness and resource conservation. The project closely adhered to the goal of "high-quality, centralized and contiguous" with a total of 80,000 *mu* of high-standard farmland built, helping income increase of downstream growers and rural revitalization, while improving the ecological environment and creating beautiful pastoral scenery.

Jiangsu Branch strengthened financial services for high-standard farmland project construction. (Photo provided by Jiangsu Branch)

Fujian Branch increased financial services for green animal husbandry industry chain

Fujian Branch implemented the national green development strategy and signed a comprehensive cooperation agreement with a large green animal husbandry group to actively support the group's improvement of green high-quality varieties and the breeding of new varieties, and to construct a green circular economy industry chain. The group has developed China's first white-feather broiler supporting system with independent intellectual property rights, continues to strengthen the comprehensive and efficient utilization of resources, promotes the formation of a pollution-free and zero-waste circular economy production model, and has built new factories in more than 300 administrative villages to help income increase of farmers and rural revitalization. Fujian Branch provided enterprises with a "package" of financial services in terms of financing services, fund settlement, and foreign exchange business, and helped enterprises become better and stronger through priority processing, preferential interest rates, innovative products, etc.

Fujian Branch increased financial services for leading enterprises in the green animal husbandry industry. (Photo provided by Fujian Branch)

Shandong Branch supported a leading enterprise in agricultural industrialization to build an ecological circular industry chain

Shandong Branch innovated its service model to support a leading enterprise group in agricultural industrialization to build a wheat industry chain with "integration of three industries and green circulation". By increasing the supply of funds, Shandong Branch actively supported the group's key projects such as deep processing of high-quality wheat and disposal of livestock and poultry manure, introduced special supply chain financing plans, implemented "whitelist" management of the group's upstream and downstream enterprises, and achieved a credit coverage rate of 25% for enterprises in the industry chain. At the same time, the Branch established information files for 5,200 poverty-stricken households and large-scale operating farmers in the industry chain, effectively increasing financial support for farmers.

Shandong Branch supported a leading enterprise in agricultural industrialization to build an ecological circular industry chain. (Photo provided by Shandong Branch)

Supporting the construction of a harmonious and beautiful countryside

Implementing the decisions and arrangements of the CPC Central Committee and the State Council on promoting the construction of a livable, business friendly and beautiful countryside, the Bank issued the *Service Plan of Agricultural Bank of China for the Construction of a Livable, Business Friendly and Beautiful Countryside (2023-2025)*, implemented financial service plans related to agricultural and rural emission reduction and carbon sequestration, and continued to strengthen financial services in areas such as rural public infrastructure construction, agricultural and rural emission reduction and carbon sequestration, and urban-rural integrated development.

Introducing service products for residential environment improvement. The Bank solidly promoted the five-year action plan to improve the rural living environment, issued the *Operating Procedures for 'Loans for Rural Habitat Improvement' of Agricultural Bank of China*, continued to optimize and promote special products for rural living environment loan, and actively supported key areas such as rural toilet revolution, rural domestic sewage treatment, rural domestic waste treatment, and overall improvement of village appearance, to help improve the rural living environment.

Innovating industrial integration development service models. The Bank launched financial service models such as "Beautiful Countryside + Industrial Park" and "Beautiful Countryside + Integration of Agriculture, Culture and Tourism" to support the improvement of living environment and coordinated development of industries, and help accelerate the construction of a harmonious and beautiful countryside that is desirable to live and work in.

Anhui Branch supported the Huizhou ancient villages protection and utilization project

Anhui Branch actively supported the protection and utilization project of ancient villages in She County, Huangshan City within its jurisdiction. The project adopted the model of "industrial implantation + residential environment improvement + traditional village protection" to organically combine rural residential environment improvement with rural tourism development, protecting the natural ecosystem, while gradually enhancing the distinctive level of architectural scene. With an aim to "earn dividends for farmers, develop enterprises, improve industries, and gain collective benefits", the project effectively helped rural revitalization and farmers' income increase. Anhui Branch empowered the protection of ancient villages through financial vitality and helped develop diverse rural values, revitalizing ancient villages.

Anhui Branch supported the Huizhou ancient villages protection and utilization project (Photo provided by Anhui Branch)

The Bank continued to promote "Loans for Rural Habitat Improvement" and supported projects such as rural sewage treatment and overall improvement of village appearance in Chongqing, Jiangsu, Zhejiang, Sichuan, and other places. The picture shows the support of ABC-Wenzhou Branch for the development and construction of colorful fishing villages to help improve the rural living environment of Dongtou Island. (Photo provided by Zhejiang Branch)

Serving Energy Revolution

Based on China's energy and resource endowment and in line with the principle of building the new before discarding the old, the Bank coordinated development and security to provide a full range of financial services to build a clean, low-carbon, safe and efficient energy system.

Supporting the Accelerated Development of the Clean Energy Industry

The Bank continued to deepen its strategic cooperation with the National Energy Administration, gave priority to supporting the accelerated development of the clean energy industry, and continuously improving the level of financial services in the clean energy field.

The Bank strengthened policy guidance for the clean energy industry. It introduced credit policies for clean energy fields such as wind power, solar power generation, hydropower, nuclear power, biomass power generation, and power grids. Based on the latest national industrial policy guidance, it clarified the focus of financial support, promoted product and service model innovation, and guided the increase in capital supply.

The Bank ensured financial services for key areas and major projects, strengthened financial services for key projects during the "14th Five-Year Plan" period, carbon emission reduction projects and carbon market in the clean energy sector, and increased support for clean energy projects such as national large-scale wind power and photovoltaic base projects, hydropower projects included in national plans in compliance with ecological protection requirements, as well as safe and efficient nuclear power projects. For key clean energy projects meeting the standards, priority was given to be included in the major green finance project database, to gain targeted and all-round financial support.

Qinghai Branch helped build the photovoltaic ecosystem in the Gobi desert

Qinghai Branch actively supported the construction of a comprehensive demonstration park in the Talatan area of Gonghe County, Hainan Tibetan Autonomous Prefecture. The park has the world's largest installed capacity photovoltaic power generation park, and actively promotes the photovoltaic ecological animal husbandry model of "mutual promotion of pastoral and photovoltaic power". Qinghai Branch actively opened up green financing channels, increased the supply of funds, actively supported the development of photovoltaics and animal husbandry in the region, and helped create a green development ecosystem of "power generation on the board, sand control under the board, vegetation restoration, and fattening and storing sheep", promoting a win-win situation of power station profitability, farmer and herdsman prosperity, and Gobi ecological restoration.

Qinghai Branch helped build the photovoltaic ecosystem in the Gobi desert (Photo provided by Corporate Culture Department)

Ningxia Branch supported the construction of a green energy base

Ningxia Branch actively supported the construction of 3 million kilowatt photovoltaic composite project in Zhongwei City. This project is a key supporting project of the "Ningxia-Hunan DC Transmission" project, China's first ultra-high voltage transmission channel that focuses on developing a large desert photovoltaic base and transmitting new energy. After the project is completed, the annual power generation capacity can reach 5.78 billion kilowatt-hours, which is equivalent to an annual saving of 1.92 million tons of standard coal and an annual emission reduction of 4.66 million tons of carbon dioxide equivalent. It is conducive to optimizing the energy structure, maintaining the stability of the regional power grid, and protecting the ecological environment, and has significant economic, social and environmental benefits.

Inner Mongolia Branch increased support for a wind power project

In line with the regional energy transformation goals and the funding needs for clean energy base construction, Inner Mongolia Branch used the People's Bank of China's carbon-reduction supporting tools to provide low-cost financial support for the "Chifeng Wengniute Banner West Wind Farm Phase II (Expansion) 200,000-kW Wind Power Project" within its jurisdiction. After the project is completed, it is estimated that the annual power generation will be 829 million kilowatt-hours, which is equivalent to an annual saving of 184,300 tons of standard coal and an annual emission reduction of 518,500 tons of carbon dioxide equivalent, with significant environmental and economic benefits.

Inner Mongolia Branch increased support for a wind power project. (Photo provided by Inner Mongolia Branch)

Sichuan Branch supported the construction of a wind, solar and thermal storage demonstration bases

Sichuan Branch actively supported the 1GW "solar thermal + photovoltaic integration project" of Shudao Group. By optimizing the configuration of heat storage solar thermal and photovoltaic power generation projects, this project effectively exerts the flexible regulation function on the power supply side and improves the level of new energy consumption. The project also has good energy-saving and emission reduction benefits. After completion, the average annual power generation will be 1.894 billion kilowatt-hours, equivalent to an annual emission reduction of 1.69 million tons of carbon dioxide equivalent, 7,871 tons of smoke and dust, 6,582 tons of nitrogen dioxide, 6,393 tons of sulfur dioxide, and 147 tons of carbon monoxide.

Supporting the Clean and Efficient Utilization of Traditional Energy

The Bank made full use of the People's Bank of China's special re-loans for clean and efficient utilization of coal, and actively supported the clean and efficient utilization of traditional energy such as safe, efficient, green and intelligent mining of coal, clean and efficient processing of coal, clean and efficient utilization of coal power, industrial clean combustion and clean heating, and civil clean heating. The Bank implemented national energy security decisions and arrangements, made every effort to provide financial support for ensuring the supply of coal power, and actively increased financial support for the exploration and development of oil and gas resources and for increasing reserves and production.

Guangxi Branch supported the construction of a clean and efficient coal utilization project

Guangxi Branch actively used the People's Bank of China's special re-loans for clean and efficient utilization of coal to support the construction of Unit 1 of SDIC Qinzhou Power Plant Phase III, a key project in the national energy development plan. The project adopts an ultra-supercritical unit scheme, with an annual power generation of 3.3 billion kWh and an annual heat supply of 12,449,800 GJ. The designed standard coal consumption for power generation is 257 grams/kWh, which is about 12 grams/kWh lower than the standard coal consumption for power supply using the supercritical unit scheme. Under the premise of the same heat supply, the heat consumption rate of the heating steam turbine of the supercritical unit is reduced by about 3.4%, and the annual standard coal consumption is reduced by about 3.4%. The project is synchronously equipped with desulfurization and denitrification and other environmental protection facilities, and the pollutant emissions meet the ultra-low emission requirements, significantly reducing dust emissions, nitrogen oxides, sulfur dioxide, and carbon dioxide emissions.

Guangxi Branch supported the construction of a clean and efficient coal utilization project. (Photo provided by Guangxi Branch)

The head office and branches jointly supported the West-East Gas Pipeline 4 project

The West-East Gas Transmission Project is a landmark project for China's implementation of the Western Development Strategy. In 2023, the construction of the section from Turpan, Xinjiang to Zhongwei, Ningxia of West-East Gas Pipeline 4 was launched, with a total length of 1,745 kilometers and a total investment of RMB 24 billion, effectively meeting the demand for new natural gas resource transmission in the western region. The Bank strengthened the linkage between the head office and branches, designed exclusive financial service plans, successfully won the bid as the lead bank and agent bank of the syndicate, and continued to increase green credit funding support for the construction of the West-East Gas Pipeline 4, contributing financial strength to the construction of the Western Energy Strategic Corridor.

Supporting the Coordinated Development of the Entire Energy Industry Chain

The Bank vigorously supported the construction of the energy production, supply and marketing system, actively supported equipment manufacturing in key areas such as clean energy and new energy storage, strengthened financial services for clean energy infrastructure supporting industries such as the intelligent transformation of power grid infrastructure and construction of smart micro-grids, and promoted intelligent transformation and interconnection of the energy system for its efficient operation.

Henan Branch supported a regional pumped storage power station project

Henan Branch actively supported the construction of "Henan Luoning 1400MW Pumped Storage Power Station Project" of State Grid. After completion, the project will undertake tasks such as peak regulation, valley filling, frequency regulation and emergency backup, conducive to maintaining the safety and stability of power grid operations. The project construction will create in-situ employment for a large number of local residents, increase their income, and have high economic, environmental and social benefits.

Henan Branch supported a regional pumped storage power station project. (Photo provided by Henan Branch)

Guangdong Branch supported smart grid construction and operation of China Southern Power Grid Group

Focusing on providing services to build a safe and stable new power system, Guangdong Branch fully supported core projects of China Southern Power Grid such as ultra-high voltage project, rural power grid upgrading and renovation, smart grid construction and operation, as well as the construction of supporting industries. In 2023, Guangdong Branch provided credit support of more than RMB 20 billion to China Southern Power Grid and issued RMB 700 million of green bonds to the group headquarters, specifically for smart grid construction and operation, ultra-high voltage engineering construction and other fields, using financial power to promote the intelligent transformation of the power system and help maintain stable operation of the power grid.

Serving Ecological and Environmental Protection

The Bank attached great importance to financial support for ecological and environmental protection, actively helped to improve the diversity, stability and sustainability of the ecosystem, built a solid national ecological security barrier, and promoted the harmonious coexistence between man and nature.

Supporting the Improvement of Ecosystem Quality

The Bank focused on key areas of ecological protection, actively supported the construction of national parks and nature reserves, assisted in the integrated protection and systematic management of mountains, waters, forests, farmlands, lakes, grasslands, and deserts, and continued to provide financial services for major projects related to the protection and restoration of important ecosystems. The Bank focused on greening programs and increased financial support for afforestation and forest resource nurturing projects with outstanding carbon sink or carbon sequestration effects. Besides, the Bank continued to deepen strategic cooperation with the Ministry of Ecology and Environment, strengthened the communication of ecological protection policies and information sharing, increased funding support for key projects in the fields of climate investment and financing and ecological environmental protection, guided branches for service interconnection, and supported multiple ecological restoration projects of mines and wetland in Guangdong, Shandong, Yunnan and other places, achieving rapid growth in loans in the field of ecological and environmental protection.

Supporting Biodiversity Conservation

The Bank introduced credit policies for industries related to biodiversity conservation such as seed industry and forestry, formulated specialized policies to support the Yangtze River protection, ecological protection in the Yellow River Basin and high-quality development, allocated resources preferentially, and continued to increase financial support for major biodiversity conservation projects.

Supporting the Realization of Ecological Product Value

Focusing on the integration of the ecological product industry chain and value chain, the Bank actively supported key areas of ecological industrialization and industrial ecology, and innovatively launched financial service plans such as "Beautiful Countryside + Industrial Park" and "Beautiful Countryside + Integration of Agriculture, Culture and Tourism" to help transform ecological advantages into development advantages and achieve the unity of ecological protection, green development and improvement of people's livelihood.

topic

The Bank signed a strategic cooperation agreement with the National Forestry and Grassland Administration

The Bank signed a strategic cooperation agreement with the National Forestry and Grassland Administration. With the integrated development of forestry, grassland and national parks as the main line, the two sides will take a holistic and systematic approach to the conservation and improvement of mountains, waters, forests, farmlands, lakes, grasslands, and deserts, and use industrial policies and green finance as means to deepen cooperation in key areas such as forestry and grassland ecological protection and restoration, natural reserve system, comprehensive forestry reform, oil-tea camellia and other forestry and grassland industries, and exploration of forestry carbon sink support paths, to continuously expand the depth and breadth of strategic cooperation.

Xu Han, Vice President and Party Committee Member of the Bank, went to Fujian to investigate financial services for the development of ecological agriculture. (Photo provided by Fujian Branch)

Xizang Branch actively protected lucid waters and lush mountains with the green credits model of ecological protection and forest protection

In line with local conditions, Xizang Branch increased the guidance of green concepts by launching green financial points system. This model mainly uses household as a unit to score points for village collective tree planting, household waste recycling, new energy vehicle ownership in the name of family members, etc., and uses the points as the basis for the evaluation of credit lines. Through the implementation of the green financial points system, farmers and herdsmen can be effectively encouraged and guided to improve their awareness of ecological and environmental protection, and strive to become practitioners and promoters of green environmental protection.

Shandong Branch supported the renovation of forest parks within its jurisdiction

Shandong Branch actively supported a project for the upgrading and renovation of forest parks within its jurisdiction. The project relies on the requirements for the creation of a national-level all-area tourism demonstration zone and is constructed in accordance with the sponge city forest park standards. Based on the existing resources of the scenic spot, it improves the tourism in the scenic spot by greening the surrounding barren hills and slopes, renovating rivers and ravines, and building fitness trails and bicycle paths. It provides supporting functions to create forest oxygen bars and ecological barriers in county-level urban areas, effectively promoting the accelerated development of local tourism. Shandong Branch established a joint team of provincial, municipal and sub-branches to successfully organize a syndicated loan for this project, using financial momentum to help realize the value of ecological products.

Shandong Branch supported the renovation of forest parks within its jurisdiction. (Photo provided by Shandong Branch)

Hong Kong Branch assisted the People's Government of Hainan Province in successfully issuing the first biodiversity-themed green bonds

As the joint lead underwriter and joint bookrunner, Hong Kong Branch assisted the People's Government of Hainan Province in successfully issuing offshore RMB bonds in Hong Kong for two consecutive years. The scale of this bond issuance was RMB 5 billion, including RMB 3 billion of sustainable bonds with a 2-year term, RMB 1 billion of biodiversity-themed green bonds with a 3-year term, and RMB 1 billion of blue bonds with a 5-year term. This was the first time that a local government in China had issued biodiversity-themed green bonds in the international capital market.

Fujian Branch supported ecological protection of Dajin Lake

Fujian Branch supported the ecological protection and tourism enhancement project of Dajin Lake within its jurisdiction. With Dajin Lake as the regional center, the project comprehensively integrates the high-quality tourism resources of Taining, Jianning, and Jiangle counties to promote the optimization of the regional ecological environment. Fujian Branch actively provided credit support to the project, effectively serving the accelerated development of the local tourism industry and promoting "good ecology" to bring "good returns".

Jiangsu Branch supported the construction of Huanghai Forest Park

Jiangsu Branch actively supported the construction of Dongtai Huanghai Forest Park, providing high-quality financial services and increasing financial support to help it accelerate the creation of a national 5A tourist scenic spot and create a comprehensive "seaside forest park" with functions such as seaside ecological sightseeing, leisure vacation, and learning.

Jiangsu Branch supported the construction of Huanghai Forest Park. (Photo provided by Jiangsu Branch)

Serving the Green Transformation of All Sectors and Industries

The Bank focused on key areas of industrial structure adjustment, vigorously supported the accelerated development of green and low-carbon industries, actively assisted traditional industries in energy conservation, carbon reduction and green transformation, and effectively promoted the green upgrading of industrial structure.

Supporting Green Upgrading of Infrastructure

Focusing on green and low-carbon actions in transportation, the Bank actively supported the construction of low-carbon transportation systems, provided financial services for the green upgrading of infrastructure such as urban public transportation, airport terminals, and freight railways, increased support for green buildings, and helped improve the quality of green and low-carbon development in urban and rural construction. The Bank also increased financial services in the field of environmental infrastructure and actively satisfied financial needs of environmental infrastructure, urban energy infrastructure, sponge cities and other fields.

Liaoning Branch supported the construction of urban rail transit projects

Liaoning Branch established a strategic partnership with Shenyang Metro, and through the "Credit+" product linkage, it tailored a comprehensive exclusive financial service plan for Shenyang Metro with a coverage of seven dimensions including settlement, corporate deposits, financing, corporate annuities, international business, investment banking, and personal products. At the same time, Liaoning Branch took the subway smart travel project as an opportunity to build subway-themed carriages and carry out a series of activities such as "ABC Mobile Banking APP 50% discount ride", "Shengjingtong recharge with ABC APP", "1 cent subway ride with ABC-Shengjingtong Platinum credit card" and other activities, guiding green commuting and promoting the formation of a new trend of green and low-carbon life.

Liaoning Branch supported the construction of urban rail transit projects.
(Photo provided by Liaoning Branch)

Shanghai Branch supported the development of green buildings

The construction of Shanghai's "Five New Cities" is an important carrier for Shanghai to undertake national strategies and serve the construction of a new development pattern. The Jiabao Smart Bay project among the "Five New Cities" focuses on highlighting the characteristics of industry-city integration, job-housing balance, and ecological livability, with a title of "Future City Practice Zone". After completion, this project will be a near-zero energy consumption building in Shanghai with the largest single-building area, integrating eight core technologies such as high-performance skin system, high-efficiency heat recovery system, and BIPV photovoltaic integrated system, providing new sustainable office experience for settled enterprises. Shanghai Branch quickly responded to project construction needs, provided cooperation plans and financial support for the project, and used financial power to help build green cities.

Supporting Green Upgrading of Traditional Industries

The Bank closely followed the carbon peaking action in the industrial sector, continued to optimize credit policies for traditional industries, actively served the green transformation of traditional industries such as steel, nonferrous metals, petrochemicals, chemicals, and building materials, focused on the construction of a waste recycling system, increased financial support for centralized disposal of waste and garbage and resource recycling, and actively served the in-depth integration of new technologies and green and low-carbon industries, to resolutely curb the blind development of high-energy-consuming, high-emission, and low-level projects.

Liu Jiawang, Vice President and Party Committee Member of the Bank, went to Shandong for investigation to gain an in-depth understanding of the production, operation and green transformation of petrochemical and chemical enterprises, and to study how to improve financial services. (Photo provided by Shandong Branch)

Guangxi Branch took the lead in organizing ESG sustainability-linked syndicated loans

In response to the development stage of the industrial manufacturing industry and customer financing needs, Guangxi Branch organized an ESG sustainability-linked syndicated loan for an aluminum foil manufacturer within its jurisdiction. This loan was benchmarked against the *Sustainability-Linked Loan Principles* promulgated by the Asia Pacific Loan Market Association, selecting "energy consumption per unit product of corroded foil", "acid recovery rate" and "enterprise safety production" as sustainable development linked indicators. From the three aspects of clean production, circular economy, and social responsibility, a price adjustment mechanism dynamically linked to indicator compliance was designed for borrowers, effectively guiding enterprises to strengthen innovation, reduce consumption, improve resource utilization efficiency, and actively practice green and sustainable development in the production and operation process.

Shandong Branch took the lead in organizing sustainability-linked syndicated loans for foreign-funded enterprises

Shandong Branch, as the exclusive lead bank and agent bank, successfully organized a sustainability-linked syndicated loan for the pulp and paper company of Singapore Golden Eagle Group. This syndicated loan was benchmarked against the *Sustainability-Linked Loan Principles* promulgated by the Asia Pacific Loan Market Association, focusing on the three sustainable development directions: clean production, circular economy, and social responsibility. It was linked to five sustainable development performance goals (KPIs), including air pollutant emissions, unit water consumption, and water reuse rate, alkali recovery rate and new employment opportunities. A loan price adjustment mechanism has been established, and if the standards are met, specific interest rate discounts can be enjoyed according to the syndicate agreement. This syndicated business set a record of "double first-order" sustainability-linked syndicated loans for foreign-funded enterprises in the domestic market and the pulp and paper industry. It is an innovative exploration to guide the green transformation of traditional industries.

Shandong Branch took the lead in organizing sustainability-linked syndicated loans for foreign-funded enterprises. (Photo provided by Shandong Branch)

Guangdong Branch underwrote and issued green bonds to help Gree Electric create a "zero-carbon life"

Guangdong Branch strengthened its cooperation with Zhuhai Gree Electric Appliances Co., Ltd., a leading green home appliance company, established a head office and branch linkage business team, and successfully assisted the company in issuing the first phase of green ultra-short-term financing bonds in 2023. All funds raised from this bond will be used for the company's production of high-efficiency, energy-saving home appliances, effectively aligning with Gree Electric's business philosophy of building a "zero-carbon life, green world" and helping the company reduce costs, increase efficiency, and develop green.

Guangdong Branch underwrote and issued green bonds to help Gree Electric create a "zero-carbon life". (Photo provided by Guangdong Branch)

Serving Regional Major Strategies

Supporting the Green and High-Quality Development of the Yangtze River Economic Belt

The Bank issued the *2023 List of Policies to Serve the Integration of the Yangtze River Delta Region*, clarifying the policy orientation of serving green development. Relying on the comprehensive service advantages of the Yangtze River Economic Belt and the Yangtze River Delta region, we focus on key areas such as green infrastructure upgrades, clean energy, and ecological environment, and actively serve key green projects such as urban rail transit, large-scale wind power and photovoltaic bases, new energy storage, and climate investment and financing, promoting the accelerated development of regional integration in the Yangtze River Delta.

We support China Three Gorges Corporation to take the lead in establishing the Yangtze River Ecological and Environmental Protection Industry Alliance, making joint efforts to support the "Yangtze River Protection" and clearly identifying it as a key area of strategic cooperation. The two sides will coordinate and support the comprehensive management of water environment and ecological restoration in the upper, middle and lower reaches of the Yangtze River, and actively help improve the ecological environment and water ecological functions in the Yangtze River Basin. As of the end of 2023, the Bank had supported more than 50 "Yangtze River Protection" projects led by China Three Gorges Corporation, covering eight provinces in the Yangtze River Basin. The funds invested were among the top in the industry, and the Bank was awarded as an excellent member unit of the Yangtze River Ecological Environmental Protection Industry Alliance for three consecutive years.

Hubei Branch actively supported the green and high-quality development of the Yangtze River Economic Belt. (Photo provided by Hubei Branch)

Chongqing Branch

Strengthen financial services for water environment management in the Yangtze River Basin, actively connect with the "Yangtze River Protection" project in Chongqing, and provide a total credit amount of more than RMB 7 billion for key projects such as sewage treatment, rainwater and sewage diversion renovation, and river and lake water ecological environment improvement, helping the Yangtze River Coastal ecological protection and restoration and water pollution prevention and control.

Hubei Branch

Actively promote the construction of ecological restoration projects in the Yangtze River Basin, launch regional specialty products such as "Lucid Water and Lush Mountain Loan", effectively connect with the national carbon market, and provide high-quality financial services to customers in the carbon market.

Jiangxi Branch

Fully support the "well-coordinated environmental conservation" of the Yangtze River Economic Belt, while promoting ecological protection and high-quality development of the Yangtze River Economic Belt. Formulate special service plans, optimize financial service measures, and vigorously support the comprehensive management project of the water environment system in the central urban area of Jiujiang. The smooth implementation of this project can effectively optimize the regional ecological environment and turn domestic sewage into clear water in the surrounding area.

Anhui Branch

The Yangtze River Protection Service Team was established to focus on ecological environmental protection, industrial development and other fields, innovate and optimize financial product portfolios, and improve business approval efficiency. In recent years, it has effectively supported the quality and efficiency improvement of Wuhu urban sewage system and the integration of Lu'an urban water environment. The construction of 17 "Yangtze River Protection" projects including comprehensive management will serve the ecological environment improvement and high-quality economic development of cities along the river.

Jiangsu Branch

Focusing on key areas such as cross-border water environment management and comprehensive pollution prevention and control, we provide comprehensive financial services for projects such as water system management of Taihu Lake and Hongze Lake, and construction of ecological protection forests along the river. Focusing on improving the rural living environment, we will vigorously support professional, market-oriented rural domestic sewage treatment projects, rural river dredging, and ecological river construction projects.

Shanghai Branch

Assist the protection of ecological water sources in the Yangtze River, focusing on areas such as water pollution control, upgrading of water facilities, and resource recycling. Actively support projects such as the construction of the water supply system of the Qingcaosha water source, the upgrading and renovation of Zhuyuan Sewage Treatment Plant, the treatment and recycling of sewage from highly polluting industries such as steel, and protect water sources and the Yangtze River with green finance.

The Bank actively supported China Three Gorges Corporation in deploying comprehensive water environment management projects along the Yangtze River. (Photo provided by Key Customer Department)

Anhui Branch supported the construction of the Yangtze River Protection Project. (Photo provided by Anhui Branch)

Supporting Ecological Protection and High-Quality Development of the Yellow River Basin

The Bank thoroughly implemented the national *Outline of the Plan for Ecological Protection and High-Quality Development in the Yellow River Basin, formulated the Work Opinions on Supporting Ecological Protection and High-Quality Development in the Yellow River Basin*, and strengthened policy resource guarantees. The Bank held a meeting to promote the work of supporting ecological protection and high-quality development in the Yellow River Basin, comprehensively summarizing the progress of the Bank's supporting work, and making a systematical deployment to promote the next phase of work, to continuously increase financial support for ecological protection and high-quality development in the Yellow River Basin.

Identifying key support areas. Establish 68 prefecture-level cities (including provincial capital cities) in 9 provinces (regions) through which the Yellow River flows as key areas for the bank to implement the ecological protection and high-quality development strategy of the Yellow River Basin, and formulate quantifiable plans to serve the ecological protection and high-quality development of the Yellow River Basin, assessable annual key tasks.

Clarifying key service areas. Regard green economy, ecological protection, rural industries, rural construction, strategic emerging fields, water conservancy and cultural tourism as key supporting industries, clarify business plans, and guide branches to continue to increase support.

Qinghai Branch actively implemented the policy orientation of ecological priority and green development, innovated products and services around ecological protection and high-quality development in the Yellow River Basin, and continued to increase financial services for ecological protection of the Three-River-Source and the Yellow River Basin to help improve the Yellow River water source conservation capacity. It actively strengthened the national clean energy industry highland, vigorously supported large-scale wind power and photovoltaic base construction projects, and injected momentum into the high-quality development of the Yellow River Basin.

Gansu Branch formulated an implementation plan for financial support for ecological protection and high-quality development in the Yellow River Basin, clarifying the division of responsibilities and detailing work measures. It actively coordinated with relevant government plans, actively coordinated ecological protection and high-quality development projects in the Yellow River Basin, and focused on supporting key areas such as green upgrading of regional infrastructure, clean energy, photovoltaic desertification control, green agriculture, and major water conservancy projects, providing strong financial support for ecological security in the western region.

Gansu Branch supported the construction of wind farm projects. (Photo provided by Gansu Branch)

Sichuan Branch provided financial assistance to the "Ground Distributed Photovoltaic Project" in Aba Area of the Yellow River Basin. (Photo provided by Sichuan Branch)

Sichuan Branch focusing on financial services for ecological protection and high-quality development in the Yellow River Basin, and based on ecological protection, urban-rural integration and energy construction in areas along the Yellow River, it actively supported the accelerated development of industries such as clean energy, green transportation, plateau characteristic agriculture and animal husbandry, and eco-tourism.

Ningxia Branch was deeply integrated into the construction of ecological protection and high-quality development pilot areas in the Yellow River Basin, focusing on key areas of clean energy, optimizing policy supply, strengthening factor guarantees, and vigorously supporting the construction of national large-scale wind power and photovoltaic bases such as the "Ningxia-Hunan DC Transmission" project, injecting new vitality and adding new momentum for the high-level construction of the national new energy comprehensive demonstration zone in Ningxia.

Shandong Branch provided credit support for the resumption of navigation on the Xiaoqing River. (Photo provided by Shandong Branch)

Inner Mongolia Branch strengthened credit support in areas such as comprehensive prevention and control of desertification along the Yellow River and construction of ecological projects in northeast China, north China and northwest China. The balance of ecological protection loans increased nearly five times compared with the end of the previous year.

Shanxi Branch actively provided financial support to world heritage sites such as Wutai Mountain and Pingyao Ancient City, as well as national geological park protective operation projects such as Tongtian Gorge, Wangmangling Ridge and Yunqiu Mountain, by relying on the advantages of natural resources in the Yellow River Basin, and actively promoted the protection of natural resources in the Yellow River Basin and tourism in Shanxi Industrial integration and development.

Shaanxi Branch increased its support for the construction of major water conservancy projects, jointly issued the Notice on Providing Financial Support in the Field of Water Conservancy Infrastructure Construction with the Shaanxi Provincial Department of Water Resources, and actively supported major water conservancy projects such as diverting water from the Han River to the Wei River, Dongzhuang Water Conservancy, Yellow River Water Diversion, and diverting water from the Hongyan River to the Shitou River, actively leveraging the comprehensive benefits of water conservancy projects to ensure the safety of food production and regional water supply.

Henan Branch focused on key areas such as natural ecological environment protection, water conservation and energy efficient utilization, and environmental pollution prevention and control, mainly providing financial support for ecological protection in the Yellow River Basin. It supported multiple ecological corridors along the Yellow River, wetland protection and soil management, and construction of flood control and conservancy projects along the Yellow River.

Shandong Branch signed a strategic cooperation agreement with the city governments in the province along the Yellow River, implemented differentiated support policies, innovated special credit products such as the "Yellow River Series Loan", created the "Damei Yellow River" series brand, and supported major projects such as the resumption of navigation on the Xiaoqing River. The number and amount of special bonds invested in ecological protection projects in cities along the Yellow River ranked first among its peers.

Supporting Coordinated Development of Key Regions

The Bank effectively implemented the national major regional development strategies and regional coordinated development strategies, focusing on key areas such as joint construction, joint prevention and joint management of regional ecological environment, industrial transformation and upgrading, major infrastructure construction, as well as transportation integration; actively provided green financial services in key areas such as Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, as well as Chengdu-Chongqing Economic Circle; increased funding support for high-quality projects to promote regional coordinated development; and supported green finance-related policies in regional differentiated policies, promoting the construction of a regional green development pattern with distinctive features and complementary advantages through the power of finance.

Beijing Branch supported the construction of green building projects in Beijing City Sub-center

The Beijing Branch actively supported the green building projects in Beijing City Sub-center, issuing fixed asset loans for the three major shared facilities supporting projects of the Beijing City Sub-center Art Center, the City Library, and the Grand Canal Museum, and promoting to build the Beijing City Sub-center as a national green development demonstration area with high standards.

Beijing Branch supported the construction of green building projects in Beijing Sub-center. (Photo provided by Beijing Branch)

Shaanxi Branch supported the construction of green projects in old revolutionary base areas

Shaanxi Branch supported the construction of Shaanxi Zichang Lijiacha wind power project. (Photo provided by Shaanxi Branch)

Huaneng Shaanxi Zichang Lijiacha Wind Power Project is a key project of China Huaneng Group Co., Ltd. to serve the economic development of the old revolutionary base area. Shaanxi Branch actively supported the construction of the project, and improved the efficiency of loan approval to accelerate the construction of the project. After the completion of the project, the annual power generation will exceed 600 million kilowatt-hours, equivalent to an annual saving of 170,000 tons of standard coal and an annual emission reduction of 450,000 tons of carbon dioxide equivalent. The project has played an important role in supporting the optimization of economic development and energy structure in old revolutionary base areas.

Qinghai Branch supported the construction of national sustainable development agenda innovation demonstration zone

In 2022, Qinghai Hainan Tibetan Autonomous Prefecture was approved to build a national sustainable development agenda innovation demonstration zone. This area closely focuses on the theme of "ecological protection and high-quality development in river source areas" and accelerates the creation of a sustainable development model with a good ecological environment, coordinated industrial development, and significant improvement in people's livelihood. Qinghai Branch gave full play to its unique advantages and signed a strategic cooperation agreement with the Hainan Tibetan Autonomous Prefecture government on financial support for the construction of a national sustainable development agenda innovation demonstration zone, and fully served industries such as regional ecological protection, ecological agriculture and animal husbandry, clean energy, and ecological cultural tourism. Group, vigorously expand green financial business, and contribute financial strength to building a new Hainan of "ecology, vitality, harmony, integrity, and happiness".

Qinghai Branch supported the construction of national sustainable development agenda innovation demonstration zone. (Photo provided by Qinghai Branch)

The Bank underwrote and issued asset-backed debt financing instruments with four themes of "carbon neutrality, carbon assets, rural revitalization and old revolutionary base areas"

The Bank took the lead in underwriting Jilin Electric Power Co., Ltd.'s first phase of 2023 carbon emission asset-backed debt financing instruments. The instruments focused on the four themes of "carbon neutrality, carbon assets, rural revitalization and old revolutionary base areas", and innovatively supported issuers to use carbon emission rights in the national carbon market for financing, endowing them with financial attributes to effectively activate carbon assets. At the same time, the funds raised from this product are mainly used for wind farm construction projects in the old revolutionary base areas of Xingguo County, Jiangxi Province, playing a positive role in rural revitalization and the construction of the old revolutionary base areas.

The Bank underwrote and issued asset-backed debt financing instruments with four themes of "carbon neutrality, carbon assets, rural revitalization and old revolutionary base areas". (Photo provided by Jilin Branch)

Supporting the construction of green finance reform and innovation pilot zones

The Bank closely follows the construction of national green finance reform and innovation pilot zones, climate investment and financing pilot cities, etc., accelerates the development of branches located in innovation pilot areas, and actively promotes the coordinated development of cross-regional green finance.

As of the end of 2023 the balance of green credit business in the seven provinces and cities (regions) where the green finance reform and innovation pilot zones are located, including Zhejiang, Guangdong, Xinjiang, Guizhou, Jiangxi, Gansu and Chongqing was RMB **1,265.2** billion, an increase of RMB **478.4** billion from the end of the previous year

Zhejiang Branch	Zhejiang is the birthplace of the "Two Mountains" concept. Zhejiang Branch focused on the construction of the first batch of national green finance reform and innovation pilot zones, and designated Huzhou and Quzhou branches as green finance pilot banks. It actively connected with the local government, implemented various reform measures first, established green specialized branches, and innovated green financial products based on local characteristics. Among them, Huzhou Branch innovatively developed special products such as beautiful countryside loans and beautiful town loans, and actively supported the green upgrading of rural infrastructure and ecological governance in rural areas. Quzhou Branch continues to expand carbon account application scenarios to assist industrial enterprises in their green and low-carbon transformation. At present, Zhejiang Branch has innovated more than 50 green financial products to continuously meet the financing needs in niche areas such as ecological environment governance and industrial transformation and upgrading.
Guangdong Branch	Closely following the construction of the national green finance reform and innovation pilot zone, the Branch served and empowered regional green development with high-quality and efficient financial products. Guangzhou Branch was supported to join the Guangzhou Green Finance Association to serve the construction of green finance and green industry business environment in Guangzhou. It accelerated the development of green industries in the Guangzhou Huadu Green Finance Reform and Innovation Pilot Zone, upgraded Guangzhou Huadu Sub-branch to a green finance reform and innovation pilot zone branch, and continued to increase policy preferences and resource guarantees.
Jiangxi Branch	It formulated a green finance work implementation plan and clearly supported the construction of the green finance reform and innovation pilot zone in Ganjiang New Area. Branches within the jurisdiction actively connected with local government departments and professional institutions, relied on the green resource endowment within the jurisdiction, focused on solar power generation, ecological restoration, sewage treatment, green buildings and other green industries, and continued to increase green financial support.
Gansu Branch	Lanzhou New Area is the only one green finance reform and innovation pilot zone located in the Yellow River Basin in the country. Gansu Branch formulated an action plan for green financial reform and innovation of Lanzhou New Area Sub-branch, established a green financial reform and innovation working committee in the Sub-branch, and established a green financial service team to build it a green financial reform and innovation demonstration sub-branch in the province. Gansu Branch actively connected with local government departments and professional institutions, relied on the green resource endowment within the jurisdiction, focused on high-standard farmland, photovoltaic power generation, sewage treatment, green building materials and other green industries, and continued to increase the effective investment of green credit.
Chongqing Branch	Chongqing is China's first green finance reform and innovation pilot zone covering the entire province/municipality. Chongqing Branch signed a strategic cooperation agreement with the Chongqing Municipal Government to carry out in-depth cooperation in areas such as serving the implementation of major national strategies and promoting the high-quality development of green finance. Formulate the *Chongqing Branch Green Finance/Carbon Peak and Carbon Neutrality Work Plan (2023-2025)* to clarify the work responsibilities and business development goals of each department. It actively participated in the work of the Chongqing Green Finance Reform and Innovation Pilot Zone Leading Group Office and the "Green Finance Digital Innovation Laboratory" to provide intellectual support for regional green finance innovation practices.

Supporting pilot projects for coordinated development of regional green finance. The Bank gave full play to the cross-regional linkage and synergy promotion role of the system. Relying on the green finance management experience of Zhejiang Huzhou Branch, and taking the opportunity of Xinyang City, Henan Province to build a national climate investment and financing pilot city, the Bank introduced a special pairing assistance work plan for green finance development, carried out paired assistance work for the green finance special projects of Huzhou Branch and Xinyang Branch, and supported Xinyang Branch to take bigger, bolder steps as a trailblazer in the process of building Xinyang as a national climate investment and financing pilot city, further improving the level of green finance management. Since the launch of special paired assistance, Xinyang Branch has actively adapted to the characteristics of the regional green industry, learned from the advanced experience of Huzhou Branch, improved the green financial management mechanism, innovatively developed regional characteristic green financial products, and built green sub-branches. The quality and efficiency of green finance business development were significantly improved.

The Bank supported Xinyang Branch to take bigger, bolder steps as a trailblazer in the process of building Xinyang City as a national pilot city for climate investment and financing. (Photo provided by Henan Branch)

Serving "the Belt and Road Initiative" and Enterprises' "Going Global"

The Bank is committed to serving the Belt and Road Initiative, and actively supports major projects in the Belt and Road Initiative such as international energy cooperation and infrastructure interconnection.

Guangdong Branch supported the construction of Guangzhou Baiyun International Airport

Guangzhou Baiyun International Airport is a large international aviation hub airport. The Phase III expansion project is a key project for Guangzhou to serve the national "Belt and Road" strategy, implement the Outline of Development Plan for the *Guangdong-Hong Kong-Macao Greater Bay Area*, and boost the development of the world-class urban agglomeration in the Greater Bay Area. Guangdong Branch actively supported the construction and operation of green airport, established a dedicated service team, increased linkage between branches and branches, collaborated with the front and back offices to carry out project consultations and parallel operations, continued to increase the financing support for the Baiyun Airport project, and contributed financial strength to promote the high-quality development of the "Belt and Road Initiative".

Guangdong Branch supported the construction of Guangzhou Baiyun International Airport. (Photo provided by Guangdong Branch)

Dubai International Financial Centre (DIFC) Branch supported local clean energy projects

Dubai International Financial Centre (DIFC) Branch proactively complied with the UAE's clean energy transformation strategy and participated in a number of green syndicated loan projects. Among them, the supported 950-megawatt solar thermal photovoltaic power station project in Dubai was the world's largest single concentrated solar thermal power generation project, which could provide clean electricity to 320,000 residents, equivalent to an annual reduction of 1.6 million tons of carbon dioxide equivalent. At the 2023 China International Fair for Trade in Services, this project case won the "China Service Practice Case" award.

Dubai International Financial Centre (DIFC) Branch supported local clean energy projects. (Photo provided by Dubai International Financial Centre Branch)

The green bonds issued by Macao Branch won the Excellence Award for Green Finance Cases in the Guangdong-Hong Kong-Macao Greater Bay Area

In 2023, in the "2022 Guangdong-Hong Kong-Macao Greater Bay Area (GBA) Outstanding Green Finance Cases" organized by the Guangdong-Hong Kong-Macao Greater Bay Area Green Finance Alliance (GBA-GFA), ABC-Macao Branch won the "Excellence Award" with its application of the "2022 MOP 1 billion Senior Unsecured Green Bonds by Agricultural Bank of China Macao Branch", making it the only local financial institution in Macao to receive this honor.

The award-winning bonds were issued by Macao Branch on February 15, 2022, with a term of 18 months. All the funds raised have been used for green projects such as wind power and photovoltaics.

The green bonds issued by Macao Branch won the Excellence Award for Green Finance Cases in the Guangdong-Hong Kong-Macao Greater Bay Area. (Photo provided by Macao Branch)

Beijing Branch supported a clean energy project in Pakistan

Pakistan's Karot Hydropower Station construction project is the first large-scale hydropower investment and construction project in the China-Pakistan Economic Corridor, with a total installed capacity of 720,000 kilowatts. Focusing on power generation, the project has comprehensive benefits such as flood control, sediment interception, improving downstream shipping conditions, and developing navigation in the reservoir area. Beijing Branch increased project funding support and actively provided cross-border financial services to domestic project contractors. As of June 29, 2023, the Karot Hydropower Station achieved one anniversary of safe operation, with a cumulative power generation of 3.64 billion kilowatt hours, equivalent to an annual saving of about 1.59 million tons of standard coal and an annual emission reduction of 3.98 million tons of carbon dioxide equivalent, effectively helping to improve the regional energy structure, with significant economic and environmental benefits.

Beijing Branch supported the construction of a clean energy project in Pakistan. (Photo provided by Beijing Branch)

04

Deepening Innovation Drive and Converging Green Kinetic Energy

- Improving Green Credit
- Developing Green Bonds
- Supporting Green Consumption
- Deeply Exploring Opportunities in the Carbon Finance Market
- Releasing "Blue&Green" Retail Brand Elements
- Expanding Green Innovative Businesses

The Bank fully leveraged the advantages of group-based integrated operations and continued to build a multi-level and three-dimensional green financial service system covering green credit, green bonds, green consumption, carbon finance, and innovative businesses.

Improving Green Credit

The Bank focused on green industries such as clean energy, green upgrading of infrastructure, ecological environment, energy conservation and environmental protection, clean production and green services, strengthened its advantages and made up for its shortcomings, increased the investment of green credit funds, innovated characteristic industries and service models, maintained rapid growth in green credit business, and effectively improved carbon emission reduction benefits.

As of the end of 2023 the Bank's green credit business balance was RMB **4,048.7** billion, an increase of RMB **1,351.2** billion, **50.1**% from the end of the previous year, with both increment and growth rate reaching new highs

the Bank's green credit business had saved **54.88** million tons of standard coal annually

equivalent to an annual emission reduction of **128.95** million tons of carbon dioxide equivalent

equivalent to annual water saving **136.69** million tons

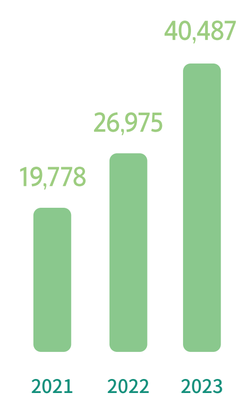
equivalent to annual emission reduction of nitrogen oxides **2.58** million tons

equivalent to annual emission reduction of sulfur dioxide **2.92** million tons

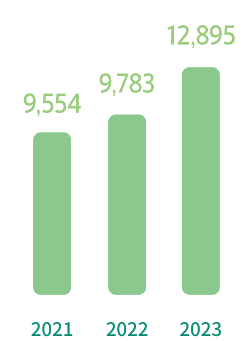
equivalent to annual emission reduction of chemical oxygen demand **0.27** million tons

equivalent to annual emission reduction of ammonia nitrogen **0.02** million tons

Green credit balance (RMB 100 million)



Equivalent to annual emission reduction of carbon dioxide equivalent (10,000 tons)



Environmental impact of green credit business

The Bank mainly calculated the environmental benefits of green credit business based on the status of green credit projects and relevant data from project approval documents, feasibility study reports or project environmental impact assessment reports, as well as the calculation guidelines for energy conservation and emission reduction of regulatory green credit projects.

Accelerating Innovation of Green Credit Products

The Bank accelerated the establishment of a product innovation mechanism linking the head office and branches in line with local conditions, and continuously enriched the series of green credit products.

Strengthening "Sannong" green credit innovation. The Bank issued opinions on the innovation of financial products for "Sannong" (agriculture, rural areas and farmers), gave priority to the establishment of "Sannong" product innovation bases in national agricultural green development pilot zones, key ecological protection and high-quality development areas, and actively promoted innovation in the pledge of rights such as forestry carbon sink rights. The Bank innovatively launched specialty products such as Leisure Tourism Key Village Loan, Harmonious Countryside Loan, Marine Ranching Loan, and Beautiful Countryside Loan to promote green and low-carbon development of agriculture and rural areas and realize the value of ecological products.

Promoting the application of advantageous products. The Bank created leading products in the field of green finance, continued to promote specialty products such as Loan for Rural Habitat Improvement, Green Transportation Loan and Green Energy-saving Building Loan, and continuously enriched the application scenarios of green credit products.

Key Areas
- Loan for Rural Habitat Improvement
- Green Transportation Loan
- Green Energy-saving Building Loan
- Lucid Water and Lush Mountain Loan
- Ecological Co-Prosperity Loan
- Leisure Tourism Key Village Loan

New-type Rights Pledge
- Contract Energy Management Future Income Rights Pledge Loan
- New Plant Variety Rights Pledge Loan

Regional Characteristics
- Zhejiang Branch: Beautiful Countryside Loan; Green and High-quality Manufacturing Loan; Industrial and Commercial User-side Energy Storage loan; Carbon Emission Rights Mortgage Loan
- Hubei Branch: Harmonious Countryside Loan
- Shandong Branch: Ecological Protection Loan; Jinsui Qilu Yellow River Series Loan
- Gansu Branch: Hexi Corridor Seed Industry Loan
- Guizhou Branch: Carbon Reduction Loan
- Guangdong Branch: Marine Ranching Loan
- Zhejiang Huzhou Branch: Forest (Bamboo) Carbon Exchange Loan; Green Inclusive Loan
- Zhejiang Lishui Branch: Hydropower Ecological Value Transformation Loan

Promoting "New Plant Variety Rights Pledge Loan"

Focusing on the fields of food security and seed industry revitalization, the Bank innovatively launched a special credit product in the seed industry called "New Plant Variety Rights Pledge Loan", in response to the "difficulty in guaranteeing" for financing of seed industry enterprises, and in terms of key links such as collateral access, value assessment, pledge registration and ongoing management, explored new financing models for independent pledge of new plant variety rights in the seed industry. The product was launched for the first time in Chongqing and then optimized and promoted in Heilongjiang, Shaanxi and other places, supporting seed industry enterprises to increase their seed production area by nearly *10,000 mu*.

Innovative launch of "Green Inclusive Loan"

Zhejiang Huzhou Branch deepened the "green + micro, small and medium" product service system, relied on Huzhou City's green product certification and "dual carbon" certification system, innovatively launched "Green Inclusive Loan", formulated differentiated credit plans based on green products and green attributes of enterprises, and dynamically adjusted credit plans according to the ESG evaluation level of enterprises. By using financial power, it strove to guide industrial transformation and upgrading, promote the integrated development of inclusive finance and green finance, and improve the quality and efficiency of green product supply for micro, small, and medium-sized enterprises.

Innovative launch of "Harmonious Countryside Loan"

Hubei Branch focused on supporting the rural collective economy and the construction of a harmonious and beautiful countryside that is desirable to live and work in. It promoted the three-level linkage of provincial, municipal and county branches, established special teams with business backbones, conducted multiple surveys, and innovatively launched the "Harmonious Countryside Loan" product, continuously increasing the comprehensive financial services for local Harmony Rural Pilot Villages, actively supporting the development of rural industries, and assisting in the construction of a harmonious and beautiful countryside.

Hubei Branch increased comprehensive financial services for local Harmony Rural Pilot Villages. (Photo provided by Hubei Branch)

Deepening the Cooperation Mechanism at the Source

The Bank deepened its cooperation with relevant ministries and commissions at the source, prepared high-quality project reserves in key areas such as ecological and environmental protection, climate investment and financing, and clean energy, and made full use of various differentiated support policies to promote the green transformation of economic and social development.

Promoting cooperation with the Ministry of Ecology and Environment. The Bank actively supported the construction of national nature reserves and national wetland parks, and increased support for climate investment and financing as well as key ecological protection projects.

Strengthening cooperation with the Ministry of Culture and Tourism. The Bank, in conjunction with the Ministry, jointly issued a notice on financial support for the high-quality development of culture and tourism, and supported projects such as infrastructure upgrading, expansion and improvement within the planning scope of national ecological tourism demonstration zones, green tourism development pilot zones, and rural tourism cluster areas.

Seizing the opportunity of cooperation with the National Energy Administration. The Bank increased financial support in key areas such as renewable energy project construction, clean and efficient utilization of traditional energy, and construction of new power systems.

Carrying out strategic cooperation with the National Forestry and Grassland Administration. The Bank deepened cooperation in areas such as forestry and grassland ecological protection and restoration, natural reserve system, comprehensive forestry reform, oil-tea camellia and other forestry and grassland industries, and exploration of forestry carbon sink support paths.

Innovating Exclusive Service Models

Based on the characteristics of green industry development, the Bank actively innovated credit service models and effectively met the funding requirements of green enterprises by strengthening industrial chain financial services in key areas, establishing characteristic credit service institutions, and using special products.

Liu Hong, Vice President and Party Committee Member of the Bank, attended the Action Conference on Modern Industrial Chain of High-end Agricultural Machinery in Luoyang, Henan Province, to promote the intelligent and high-end development of agricultural machinery through high-quality financial services, and enhance the supporting role of agricultural machinery equipment in ensuring food security. (Photo provided by Henan Branch)

Innovatively opening special outlets for the development of new energy vehicles

Anhui Branch innovatively opened special outlets to serve the development of new energy vehicles. Relying on professional talents, services and resource advantages to meet the financing needs of various links such as production, operation, and consumption of new energy vehicles, Anhui Branch strove to help the new energy industry build a healthy capital ecosystem with professional and efficient financial services, achieving a development "acceleration" of 1+1>2.

Anhui Branch innovatively opened special outlets to serve the development of new energy vehicles.
(Photo provided by Anhui Branch)

Exploring the service model of "green finance + green countryside"

Fujian Sanming Branch established and improved a green financial service system with "five specialties" as the main content, including specialized business units, specialized windows, professional teams, proprietary products, and specialized mechanisms, used rural ecological environment indicators, such as forest quality and ecological industry development, as important reference basis for financial support, designed differentiated and exclusive products for different levels of "green countryside", and provided progressive financial services to support rural green development and promote the upgrading and efficiency of "green countryside".

Fujian Sanming Branch actively explored the service model of "green finance + green countryside".
(Photo provided by Fujian Branch)

Organizing blue-green dual-standard SLL sustainability-linked syndicated loans

Shanghai Branch continuously explored and promoted ESG business innovation, focusing on the fields of marine vessels and sewage treatment. As the joint lead bank and sustainability coordinator, Shanghai Branch organized sustainability-linked syndicated loans for International Far Eastern Leasing Co., Ltd., actively satisfying the diversified needs of the company for green and sustainable development. This syndicated loan was the first blue-green dual-standard SLL syndicated loan in the market linking indicators in the field of marine vessels and sewage treatment.

Developing Green Bonds

Carrying out Green Bonds Underwriting and Issuance

The Bank continuously expanded its green bonds services, focusing on green and low-carbon fields such as clean energy, green buildings, and green transportation, and actively underwrote and issued green bonds, carbon neutrality bonds, transition bonds, and sustainable development bonds, etc.

In 2023
the Bank underwrote and issued
31 issues
of green bonds (including carbon neutral bonds)

with a total raised capital of RMB
28.5 billion

topic

London Branch successfully issued floating-rate green bonds

The Bank simultaneously listed and issued the first SOFR floating-rate green bonds linked to the new benchmark interest rate on the London Stock Exchange and the Stock Exchange of Hong Kong, with a term of 3 years and a total scale of USD 300 million. The funds raised were used for financing or refinancing of qualified green projects under the "Green Financing Framework" of ABC-London Branch. Issued on the occasion of the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change, this green bond was an important measure for the Bank to vigorously promote the internationalization of green financial services.

Exclusively underwriting the three-label perpetual medium-term notes of "Green + Rural Revitalization + Sci-Tech Innovation"

The Bank exclusively underwrote the three-label perpetual medium-term notes of "Green + Rural Revitalization + Sci-Tech Innovation". The funds raised from this product will be invested in the operation of green projects such as energy conservation and environmental protection, as well as the construction of key counties for rural revitalization in Yunnan Province, effectively helping the project areas to fill the gaps in agricultural and rural development, improve agricultural and rural infrastructure construction, and achieve green and sustainable development.

Underwriting and issuing sustainable development Panda Bonds

During the reporting period, the Bank underwrote and issued two tranches of sustainable development RMB bonds (Panda Bonds) for the Asian Infrastructure Investment Bank, with a total issuance scale of RMB 4 billion. The two tranches of bonds were issued under the issuer's "Sustainable Development Bond Framework", raising funds to support the construction of sustainable development infrastructure, with significant environmental and social benefits.

ABC International actively participated in the development of green bond financing market

ABC International, as a green bond underwriting arranger recognized by the Hong Kong Monetary Authority, participates in the underwriting and issuance of green and sustainable development bonds, with a cumulative underwriting scale of about USD 13.1 billion, and the funds raised are used for green finance, green buildings, energy efficiency improvement, green transportation and other fields.

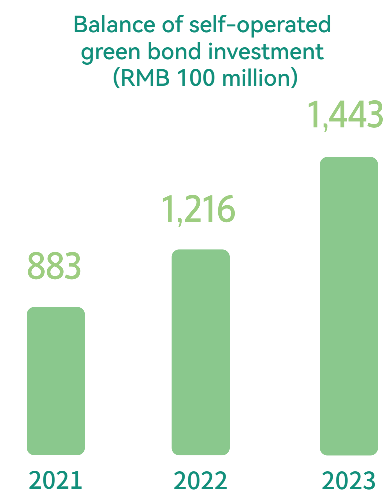
Increasing Green Bond Investment

The Bank focused on green industries such as clean energy, green infrastructure upgrading, energy conservation and environmental protection, and continued to increase green bond investment to support the high-quality development of the green bond market. In recent years, with the steadily increasing balance of green bond investment, the Bank ranked among the top investors in green debt financing instruments announced by the National Association of Financial Market Institutional Investors (NAFMII).

As of the end of 2023 the balance of self-operated green bonds investment was RMB **144.3** billion

an increase of RMB **22.7** billion

18.7% from the end of the previous year



Supporting Green Consumption

The Bank continued to enrich green consumer financial products, improve green consumer financial services, and embed personal credit products in different green consumption scenarios to boost the development of green consumption.

Increasing support for green building mortgage business

The Bank increased support for housing loans related to individual purchases of energy-saving buildings and high-quality green buildings, and provided mortgages for green buildings to help improve the living environment and promote the urban green transformation and development.

Innovating green product consumption scenarios

In terms of different stages such as the purchase, use and replacement of new energy vehicles, the Bank increased support for new energy vehicle consumption loans. The Bank promoted consumer products such as "ABC Quick Loan" (WangJieDai) around areas such as "old-for-new" home appliances as well as green and intelligent home appliances going to the countryside. The Bank implemented differentiated policy support for green home appliance scenarios and cooperative markets to accelerate the development of green home consumption.

Promoting Green Credit Cards

Enriching application scenarios. The Bank launched a campaign of cashback after specified-amount consumption with credit card when taking public buses and subways. We put promotional materials on WeChat official accounts and bus and subway stations, and guided customers to practice low-carbon concepts through activities such as "1-cent bus/subway ride", promoting green commuting. We specially created a public welfare section for exchanging credit card points, converting points for charity at a certain ratio according to customer wishes, to donate to public welfare projects such as the "Mother River Protection Action". As of the end of 2023, the cumulative number of green credit cards issued exceeded 1,229,500; 843,000 new cards were issued in 2023, an increase of 196.22% year on year.

Promoting new energy vehicle installments. The Bank established a full-process management mechanism for high-quality automobile installments scenarios, implemented inventory management of new energy high-quality automobile brands, and guided its branches to carry out new energy vehicle installments business. Cooperating with the China Association of Automobile Manufacturers, the Bank became the official partner of the New Energy Going to the Countryside Campaign, providing inclusive and high-quality consumer finance services to county-area customers. In 2023, the new energy installments transaction volume reached RMB 21.457 billion, up 276.37% year on year.

Deeply Exploring Opportunities in the Carbon Finance Market

Assisting the Construction of Carbon Market

The Bank closely followed the development trend of the national carbon trading market, continuously increasing communication and cooperation with the national carbon emission rights registration authority and the national carbon emission rights trading authority, and deeply participated in the construction of the national carbon market.

Continuously providing financial services for the carbon trading market

The Bank improved the functions of the "ABC Carbon Service" system, built a matrix of "ABC Carbon" featured products, and provided safe and efficient fund settlement and account management services for the national carbon market and its member units through various methods such as high-level interaction, linkage between the head office and branches, as well as integration of industry and technology, fully ensuring the efficient and stable operation of the carbon market.

Increasing strategic cooperation with Beijing Green Exchange

The Bank signed a *Comprehensive Strategic Cooperation Framework Agreement* with Beijing Green Exchange to communicate and connect with businesses such as CCER trading and carbon quota product innovation.

Strengthening exchanges and cooperation with Shanghai Environment and Energy Exchange

The Bank signed an agreement with the Shanghai Environment and Energy Exchange to deeply participate in the China Carbon Neutrality Action Alliance (CCNAA). As an executive director unit of the CCNAA, the Bank participated in the second CCNAA Member Conference and Corporate Carbon Neutrality Seminar to deepen exchanges and cooperation, actively supporting the national "dual carbon" strategy.

With the theme of "Focus on green transformation, and serve the real economy; practice finance for the people, and create a happy life together", the Bank made its debut at the first Shanghai International Carbon Neutrality Expo. (Photo provided by Shanghai Branch)

Empowering the Development of Carbon Finance

The Bank actively promoted innovation in carbon financial products and services to help enterprises effectively revitalize carbon assets and accelerate green and low-carbon transition. By making full use of the Internet and big data technology and based on green low-carbon consumption scenarios, green financial big data application platforms, etc., the Bank continuously strengthened scientific and technological support, and effectively empowered the development of carbon finance.

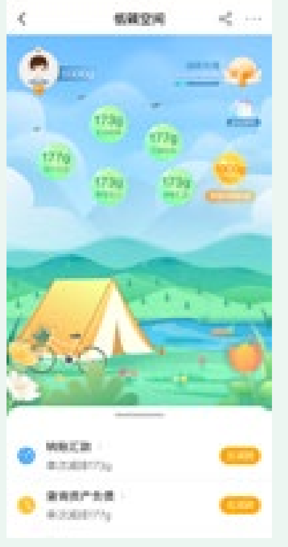
Launching "Industrial Carbon Reduction Assistance Loan"

Zhejiang Quzhou Branch relied on Quzhou's "Carbon Account Financial System" to continuously promote the "Industrial Carbon Reduction Assistance Loan" product, granted special loans based on the "Carbon Credit Report" + "Green Carbon Guarantee" issued by Quzhou's carbon account as the main reference indicators, and supported qualified industrial enterprises to improve their process technology, transform carbon dioxide storage equipment, and enhance their capabilities for collection, storage and reuse. As of the end of 2023, Zhejiang Quzhou Branch cumulatively granted a total of RMB 22.762 billion of industrial carbon reduction assistance loans, supporting 807 enterprises.

topic

Launching a green and low-carbon consumption scenario - "Low-carbon Space"

Relying on the Mobile Banking APP, the Bank launched a green and low-carbon consumption scenario - "Low-carbon Space". By constructing a "recordable, measurable, incentivized, and recognized" carbon emission reduction mechanism, this scenario specifically quantifies individual customers' energy-saving and carbon-reducing behaviors and endows them with a certain value. Customers could activate the "Low-carbon Space" scenario on the Mobile Banking App to participate in the "Carbon Reduction and Medal Winning" activity to obtain corresponding carbon energy. When reaching a certain level of carbon energy, they could receive virtual medal incentives of the corresponding level. By doing so, customers could be effectively guided to form a green, low-carbon and healthy lifestyle.



Empowering the development of carbon finance through data platforms

Zhejiang Branch launched a green finance big data application platform to connect with the province's multi-field diversified data on climate governance, timely import various government certification information such as "carbon accounts", "carbon efficiency codes" and "carbon labels" to obtain climate investment and financing related data of the province's industrial enterprises such as comprehensive energy efficiency indicators, and carbon accounts, achieve the effective output of measurement, accounting and evaluation indicators for green and low-carbon development levels, open up the data transmission channel between "enterprises, governments and the Bank", and accurately support the green and low-carbon transition of enterprises.

Releasing "Blue&Green" Retail Brand Elements

The Bank cooperated with the national brand cultural IP *Only Blue and Green*, to innovatively launch a series of specialty products and services infused with "blue and green" elements, vividly interpreting the idea that lucid waters and lush mountains are invaluable assets, and fully demonstrating the mission and responsibility of finance to support green and low-carbon development.

The Bank held a press conference on "Blue&Green" retail brand elements. (Photo provided by Personal Finance Department)

"Renewed" card face design

The standard set of Jinsui debit cards has been upgraded to the "Green Country Card" (Qinglv Jiangshan). The design is based on the beautiful Chinese landscape textures, outlining the majesty and thickness of mountains and rivers with lines, and in a style of imitation copperplate printing, showcasing the beauty of colors, art, finance, and the country. At the same time, "Green Character Card" (Qinglv Renwu), "Avalon Green" gradient color, etc. were released.

The Bank upgraded the card face design of the Jinsui Debit Cards. (Photo provided by Personal Finance Department)

Enriching green retail scenarios

The Bank actively implemented the green development concept and took the "renewal" of bank cards as an opportunity to cooperate with China UnionPay during the bank card promotion period to carry out activities such as "green commuting - 50% discount for cycling" and "digital consumption - full discounts on online ticket purchases", actively advocating green commuting and digital consumption among customers.

The bank enriched green retail scenarios and advocated green travel. (Photo provided by Personal Finance Department)

Expanding Green Innovative Businesses

Green Wealth Management

ABC Wealth Management practices the sustainable development value concept of "balancing justice and benefit, investing for the good" and vigorously develops ESG-themed products. As of the end of 2023, there were 50 existing ESG-themed financial products, with a total current scale of RMB 36.883 billion. During the reporting period, ABC Wealth Management won the "ESG Investment Golden Bull Award" in the "Banking Industry Wealth Management Golden Bull Award" selection activity of China Securities Journal; and won the "ESG Financial Innovation Award" in the financial industry selection activity of "Lucid Water and Lush Mountain Award" by Cailian Press.

Green Fund

Strengthening cooperation with the National Green Development Fund. The Bank actively participates in the operation of National Green Development Fund and project investment, recommends high-quality projects to the investment management team, and helps to serve the equity financing needs in the field of green development.

ABC Investment participated in the establishment of a regional green development fund. It participated in the equity investment fund for high-quality development of county-level economy in Guangdong Province, with a focus on investing in enterprises and projects related to county green fields: agricultural and forestry crop planting, food security, seed industry, animal husbandry, as well as agriculture-related technology, energy, equipment, logistics, supply chain, water conservancy, etc. ABC Investment has reached investment cooperation intentions with a number of leading enterprises, and will promote the cluster development of county specialty industries and green industries by building an innovative cooperation model of "fund + financial investment + industrial investment + key projects".

ABC-CA actively carries out research and development of green-themed investment fund products. It continuously improved green finance investment and research capabilities, built a team-based, platform-based, and integrated investment and research system, and enhanced the innovation capabilities of ESG-themed investment products. As of the end of 2023, the total current scale of existing green-themed investment funds was RMB 10.857 billion.

Green Investment

ABC Investment has improved its organizational structure of green finance management by establishing a strategic planning committee in the Board of Directors, responsible for reviewing the company's green finance development strategies and goals, and promoting the integration of ESG concepts into the investment process. It clarifies green and low-carbon as a key area for the development of corporate debt-for-equity swap business, and steadily expands the scale and proportion of green investment. As of the end of 2023, the balance of green debt-for-equity swap investments was RMB 41.42 billion, an increase of 23.4% from the end of the previous year, accounting for 36.6% of debt-for-equity swap assets.

ABC Life Insurance fully leverages its advantage of large-amount and long-term insurance funds, and comprehensively uses financial instruments such as stocks, equity and bonds to participate in green project investment. During the reporting period, it increased green investment by relying on financial products such as insurance debt plans, asset-backed special plans, stocks, and bonds, covering green transportation, photovoltaic power generation, waste treatment and other green fields.

ABC International firmly grasps the market opportunities brought by the interconnection of the capital markets of Hong Kong and Chinese Mainland, embeds green elements in business expansion, and actively carries out green equity investments and green bond investments to effectively meet the medium and long-term financing needs of green enterprises.

Green Insurance

ABC Property Insurance has increased its research and development efforts in green insurance. It consolidated and improved the green insurance bank-insurance linkage mechanism, focus on increasing business cooperation with green and energy-saving enterprises, and explored and developed insurance products such as green technology and equipment insurance, environmental pollution liability insurance, green agriculture insurance, safety production liability insurance, and green industry property insurance.

ABC Life Insurance actively promoted its own energy conservation and efficiency improvement. A paperless preservation acceptance platform was launched to directly handle preservation procedures for temporary customers at the counter through mobile tablet terminals, simplifying the preservation process and promoting the company's energy conservation, emission reduction, cost reduction and efficiency enhancement. ABC Life Insurance updated and iterated the functions of "ABC Micro Claims", "ABC Express e-Claim" and "ABC Hui e-Claim", and introduced ABC's "Smart Core" Phase I to automatically approve eligible cases, further improving claims efficiency on the basis of controllable risks. As of the end of 2023, "Smart Core" automatically approved 4,765 cases, accounting for 25.3% of the company's total approved cases.

Green Leasing

ABC Financial Leasing continued to leverage its advantages in leasing financing business, actively developed green leasing business in fields such as new energy power generation and urban rail transit, and increased the proportion of green leasing assets.

As of the end of 2023 the balance of green leasing assets was RMB **68.77** billion

an increase of **24.7** % from the end of the previous year

green leasing assets accounted for **67.9** %

ABC Financial Leasing carried out direct leasing business for an offshore wind power installation vessel

ABC Financial Leasing innovated industrial chain financing and carried out direct leasing business for a 2200T offshore wind power installation vessel for a certain enterprise, exploring a new model of multi-party cooperation as well as integration of production and finance among manufacturing enterprises, construction enterprises, and financial enterprises. After completion of the vessel, installation and operation services for 20MW large-scale wind turbines will be provided, further promoting the large-scale development of offshore wind power.

ABC Financial Leasing actively carried out direct leasing business for an offshore wind power installation vessel.
(Photo provided by ABC Financial Leasing)

05

Strengthening Policy Support - Establish a Long-term Mechanism

- Formulating Sound Policy for Business Development
- Intensifying Resource Allocation
- Enhancing Incentive and Constraint Mechanisms
- Strengthening Carbon Footprint Management
- Strengthening Data Compliance Governance

The Bank adhered strictly to national environmental policies, regulations, and standards, implementing state industrial policy requirements and actively responding to international green principles and initiatives. The Bank continually refined its policies, systems, and mechanisms to align with the demands of ecological civilization development.

Compliance with National Environmental Laws and Regulations

The Bank rigorously follows a suite of national environmental legislation, including *the Environmental Protection Law of the People's Republic of China, the Law of People's Republic of China on Environmental Impact Assessment, the Law of People's Republic of China on Prevention and Control of Water Pollution, the Law of People's Republic of China on Prevention and Control of Atmospheric Pollution, the Law of People's Republic of China on Prevention and Control of Soil Pollution, the Law of People's Republic of China on Conserving Energy, the Yangtze River Protection Law of People's Republic of China, and the Yellow River Protection Law of the People's Republic of China*, among others.

Implementing the "Dual-Carbon" Strategy and meeting Industrial Policy Requirements

The Bank is steadfast in implementing *the Central Committee of the Communist Party of China and the State Council's Directives on Comprehensively Adopting the New Development Philosophy to Peak Carbon Emissions and Achieve Carbon Neutrality, the Opinions on Comprehensively Advancing the Construction of a Beautiful China and the Action Plan for Carbon Dioxide Peaking Before 2030*, among other strategic deployments. Additionally, the Bank adheres to various green development and carbon peaking and neutrality policies in key areas, such as the *14th Five-Year Plan for Industrial Green Development, the 14th Five-Year Plan for a Modern Energy System, the 14th Five-Year Plan for Renewable Energy Development, the Implementation Plan for Pollution Reduction and Carbon Reduction Synergy Enhancement, the14th Five-Year Plan for Green Transportation Development, and the Implementation Plan for Agricultural and Rural Areas Emission Reduction and Carbon Sequestration, as well as Opinions on Enhancing the Energy Sector's Green and Low-Carbon Transition Mechanisms and Policy Measures.*

Implementing Regulatory Policies and Management Requirements

The Bank stringently enforced supervisory directives such as the *Guidance on Establishing a Green Financial System, Guidelines on Green Finance for the Banking and Insurance Industries, Green Finance Evaluation Scheme for Banking Financial Institutions*, and the green finance statistical system. The Bank is committed to continuously enhancing the quality and efficiency of its services in green development and in achieving carbon peaking and neutrality.

Responding to International Environmental and Climate-Related Principles and Initiatives

The Bank supports the implementation of the United Nations Sustainable Development Goals (SDGs), the *Paris Agreement*, and other relevant sustainable development principles and frameworks. It adheres to international standards such as the *Green Investment Principles (GIP) for the Belt and Road Initiative*, the Principles for Responsible Banking (PRB), and the Task Force on Climate-Related Financial Disclosures (TCFD). The Bank actively participates in the Global Investors for Sustainable Development (GISD) Alliance of the United Nations, contributing to sustainability initiatives and keeping abreast of the International Sustainability Standards Board (ISSB) sustainability disclosure standards.

Formulating Sound Policy for Business Development

Comprehensive Policy

Strengthening Annual Policy Guidance

The Bank integrated green and low-carbon requirements into its annual credit policy guidelines, "Sannong" credit policy guidelines and inclusive finance credit policy guidelines , to ensure coordinated support for rural revitalization, inclusive finance, green finance, and high-quality development of the real economy.

Clarifying Annual Key Tasks

The Bank issued key points of annual work, focusing on effectively strengthening institutional and mechanism guarantees, promoting innovation in green financial products and services, solidly advancing risk prevention and control, and steadily progressing in energy conservation and carbon reduction. These points delineate the Bank's annual key tasks in green finance and carbon peaking and neutrality.

Annual Credit Policy Guidelines

Focused on the "dual carbon" goals, these guidelines aim to support the creation of new competitive advantages in green industries. They advocate for actions such as the substitution of clean energy, green upgrades to infrastructure, energy conservation and environmental protection, green agriculture, and the industries of ecological environment, as well as green services and technological innovation.

The guidelines call for refined and differentiated credit policy management, especially in the realm of green and low-carbon development. They propose differentiated credit policies for projects that align with the People's Bank of China's carbon-reduction supporting tool and specialized re-lending projects for the clean and efficient use of coal.

"Sannong" Credit Policy Guidelines

Aligning with the "dual carbon" objectives, these guidelines actively support green ecological agriculture, the resourceful utilization of agricultural waste, and the management of non-point source pollution in agriculture. They outline specialized policies to support the construction of national pilot zones for green agricultural development, intensify credit services in these zones, expand the coverage of green financial services in agricultural and rural areas, and boost emission reduction, carbon sequestration, and green development in agriculture and rural regions.

Inclusive Finance Credit Policy Guidelines

These guidelines identify leverage points that combine inclusive and green finance, providing financial services in areas like the green agricultural industry chain, rural green industries, and the construction of beautiful villages. They focus on orderly promoting green energy development, supporting the green transformation of traditional industries, and advancing low-carbon transportation and logistics for SMEs, actively facilitating the transition to green development.

topic

The Bank held a credit management conference, continuously guiding and enhancing policy support in the field of green finance.

During the reporting period, The Bank convened the 2023 Credit Management Work Conference, further emphasizing the importance of aligning closely with national strategies and socio-economic development objectives. The focus was on key areas such as the construction of China's strength in agriculture, modern infrastructure systems, modern industry systems, inclusive financing for SMEs, and green development. The Bank continues to optimize fund allocation and enhance the adaptability of its credit structure.

The Bank held a Credit Management Work Conference, continuously guiding and intensifying policy support in the field of green finance.
(Photo provided by the Credit Management Department)

Industry Policies

In accordance with national industry policy requirements, The Bank incorporated standards related to technology, energy consumption, and environmental impact into its industry credit policies, directing more funds towards key areas of green and low-carbon development.

The Bank strengthened its analysis and research on key industries

By giving equal importance to traditional and emerging industries and staying abreast of the latest national policy requirements and industry trends, the Bank conducted thematic analyses and research on industries such as power batteries, photovoltaic manufacturing, wind power, and papermaking. It promptly assesses the development situation of green industries and closely monitors the transition risks of high-carbon industries.

The Bank enhanced the guidance of industry credit policies

Based on the latest national policy requirements and industry development trends, the Bank formulated and revised credit policies for industries like flat glass, photovoltaic manufacturing, power batteries, papermaking, textiles, and rubber products, continuously improving the level of industry-specific management. Green development indicators were used as important criteria in industry credit policies, with clear management strategies and a strong orientation towards green development. The Bank actively supported the growth of green emerging industries and guided the green transformation of traditional industries.

Industry	Relevant Policy Overview
Agriculture	Implementing and enforcing national directives for green agricultural development and the efficient reduction of agricultural inputs, The Bank developed credit policies for sectors like grain, seed industry, pesticide manufacturing, fertilizer production, and edible vegetable oil processing. The Bank continuously amplified its support for green agricultural policies. It strengthened guidance on green and environmental protection policies, especially supporting environmentally friendly, efficient, and safe agricultural chemical and fertilizer production enterprises. While ensuring national food security, the Bank focused on structural adjustments in agriculture, crop variety improvement, the application of organic fertilizers, and the promotion of green and efficient cultivation techniques, thereby intensifying credit support and reinforcing green and environmentally friendly policy directions.
Forestry	The Bank formulated credit policies related to the forestry sector, increasing support for key areas like national forestry industry demonstration parks and non-timber forest economy demonstration bases. It enhanced the environmental protection facility and environmental impact assessment review for forestry processing enterprises, steadily promoted forest rights mortgage guarantee business, and encouraged exploring the pledge of forestry carbon sequestration rights.
Livestock, Poultry Farming, and Fisheries	Credit policies were developed for the dairy, aquaculture and processing, and feed processing sectors, aligned with the national actions for low-carbon emission reduction in livestock and poultry and emission reduction in fisheries. The Bank actively supported feed variety improvement, resource utilization of livestock and poultry manure, and various demonstration farms and marine ranches, promoting the development of the ecological breeding industry. It enforced strict environmental protection requirements, applying a "veto" policy for clients and projects that fail to meet ecological and environmental protection standards, particularly those illegally discharging livestock and poultry waste.
Biodiversity Conservation	Credit policies were established for the seed industry, forestry, and traditional Chinese medicine sectors, enhancing support for the entire green agricultural industry chain, including ecological planting, breeding, non-timber forest economy, and modern seed industry. For clients posing significant ESG risks, a strict "veto" policy is enforced. The Bank actively supported afforestation, greening projects, and forest resource nurturing with notable carbon sequestration effects, as well as integrated protection and systematic management of mountains, rivers, forests, fields, lakes, grasslands, and deserts, and significant financial services projects for biodiversity conservation.

Industry	Relevant Policy Overview
Energy	The Bank actively supported the clean and efficient utilization of traditional energy and the substitution with renewable energy sources. It established credit policies for the coal, thermal power, hydropower, wind power, solar energy, nuclear power, and biomass energy sectors. The Bank carefully balanced carbon reduction and energy security, enhancing support for clean and efficient coal utilization and clean energy industries, emphasizing green, environmental protection, energy consumption, and safety in its low-carbon management requirements.
Mining	Credit policies were formulated for industries such as coal, oil and natural gas extraction, and metal ore mining. These policies set clear entry standards for relevant clients and projects, addressing ESG risks and supporting the green, low-carbon development of the mining industry.
Transportation	The Bank developed credit policies for the railway, highway, urban rail transit, airport, and air transport sectors, offering financial services for green transportation and environmental infrastructure construction. It addressed ESG risks, aiding the green, low-carbon progression of the transportation industry.
Construction	Credit policies were in place for the construction sector, promoting the development of green buildings and prefabricated construction enterprises. These policies addressed ESG risks, supporting the green, low-carbon development of construction enterprises.
Materials	Credit policies were established for the petrochemical, steel, non-ferrous metals, flat glass, cement, and rubber products industries. These policies addressed ESG risks, guiding material production enterprises toward green, low-carbon development.

Specialized Policies

Focusing on the green development strategy, The Bank actively kept abreast of customers' operational statuses and financial service demands, proactively enhancing the supply of specialized policies in key areas. The Bank intensified policy support for carbon emission reduction tools, clean and efficient coal utilization projects, national large-scale wind and photovoltaic base projects, and agricultural and rural emission reduction and carbon sequestration projects. It offered differentiated policy support for rural power grid projects, the "hundred-billion-jin grain" project, and the "rural common prosperity" initiative, continuously improving the specificity and effectiveness of policy supply. Specialized policies supporting the construction of national pilot zones for green agricultural development were promulgated, guiding financial provision to ecological agriculture and green livestock industries in key areas. The Bank formulated specialized policies for Shandong's in-depth transformation of new and old kinetic energy, supporting regional green and high-quality development. It introduced a work plan for serving the national water network construction, focusing on major national water network projects, and enhanced financial services for the optimal allocation of water resources, basin flood control and disaster reduction systems, and water ecological protection and management systems.

Intensifying Resource Allocation

Ensuring Credit Scale.
Priority was given to green credit, directing more credit resources toward green development areas.

Enhancing Economic Capital Support.
Green credit operations were supported in strategic economic capital allocation and economic capital measurement.

Strengthening Financial Resource Support.
Specialized financial resources were allocated to green finance operations, stimulating the enthusiasm and initiative of institutions in developing green finance.

Enriching Professional Talent Pool.
Through various methods, including the introduction of external talents and optimization of talent allocation, the Bank focused on the developmental needs of green finance, continually bolstering the strength of its green finance talent pool. A "Green Finance Specialized Program" was specifically designed for campus recruitment to implement targeted hiring and arrange for employees to engage in green finance industry research, product development, and risk management.

Strengthening Digital Technology Empowerment.
The Bank fully leveraged big data, artificial intelligence, and other technological means to align technology resources. This enhanced the functionality of the green finance system, empowering the high-quality development of green finance.

Establishing Differentiated Review and Approval Channels.
Key clients and major projects within the green finance domain were given differentiated approval channels, which boosted approval efficiency.

Enhancing Incentive and Constraint Mechanisms

Strengthening Business Plan Management
Annually formulated and distributed business plans for green credit and loans in the clean energy industry, guiding branches to efficiently allocate loans related to green industries.

Enhancing Internal Control and Evaluation Management
Incorporated the execution of green finance policies and systems into the institution's internal control evaluation framework. Emphasized evaluation guidance in areas like green finance and ESG to guide branches to actively implement green finance strategies and upheld environmental, social, and governance responsibilities.

Improving Evaluation Management
Implemented evaluations for green finance operations, focusing on the development and management effectiveness of green finance across various dimensions, including the progress of green finance activities and the establishment of green finance systems and mechanisms at branch levels.

Conducting Green Finance Audits
Monitored the implementation and compliance management of green finance policies, organized regular internal audits, and continuously enhanced the compliance management capability in green finance.

Strengthening Carbon Footprint Management

Advancing Energy Conservation and Carbon Reduction Initiatives

Develop the *Specialized Work Plan for Energy Conservation and Emission Reduction in ABC Data Centers*, creating a clear list of tasks and defining energy conservation and emission reduction targets for data center facilities by 2030. Enhance energy management at the Head Office, improve energy utilization efficiency, and execute energy-saving technical modification projects.

Enhancing Carbon Management Capabilities

Continuously promoted the implementation of the *Work Plan of Agricultural Bank of China for Peak Carbon Emission* and the *Carbon Neutrality and the Carbon Emission Inventory Implementation Plan of ABC*, strengthened carbon footprint management, and solidly advanced energy conservation, carbon reduction, and green development.

Accelerating Green Branch Construction

Implemented the *ABC Green Branch Construction Guidelines (Trial)*, advocated for green, environmentally friendly, and low-carbon concepts, and actively promoted the construction of green branches.

Shandong Branch Accelerates Energy Conservation and Carbon Reduction

The Shandong Branch released its Work Plan for Peaking Carbon Emissions and Achieving Carbon Neutrality, establishing overarching goals for energy conservation and carbon reduction. It has issued an implementation plan for creating a "green institution", urging all employees at the provincial branch to embrace the green development concept. A "carbon emission inventory" implementation plan has been developed to routinely check the branch's carbon emissions. Additionally, a green branch construction plan has been formulated, resulting in the establishment of 88 green branches within the reporting period.

Strengthening Data Compliance Governance

Optimizing Data Governance Structure

The Bank strictly adhered to the *Data Governance Guideline for Banking Institutions*, establishing a comprehensive enterprise-level data governance framework that includes the "Board of Directors, the Board of Supervisors and the senior management", all departments, branches, and affiliated institutions. It clarified the responsibilities of all parties, enhanced working mechanisms, and, driven by regulatory reporting and internal data usage, fostered a bank-wide data governance culture involving all employees.

Enhancing Data Quality Management Capabilities

The Bank regularly conducted reviews and verifications of environmental-related statistical data quality, established data management systems and processes, and improved the quality of related foundational data, ensuring the timeliness and accuracy of data and externally disclosed information.

In strict compliance with regulatory requirements, the Bank meticulously managed green financing data statistics, continuously refined the identification in source systems, and solidified system foundations, thereby ensuring that the regulatory reporting and external disclosures were completed in time and accurately.

Solidifying Data Security Management Foundations

The Bank rigorously implemented laws and regulations, including the *Data Security Law of the People's Republic of China*, along with banking industry data security supervisory provisions. It has established a comprehensive data security management system, refining principles, governance structures, classification levels, management requirements, risk assessments, and supporting mechanisms for data security, standardizing the management throughout the data usage lifecycle. The Bank advanced data classification and grading, expanded the data security classification system, identified core, important, and sensitive data, and compiled data inventories and catalogs, reinforcing the protection of sensitive data in key areas.

Developing Data Security Measures

Establishing Specialized Information Security Emergency Plans

These plans cover scenarios related to data security emergencies such as worm ransomware infections, website tampering, and database server breaches leading to data leaks. The plans clearly outlined the steps to be taken in response to data security incidents.

Conducting Internal Attack and Defense Drills

The Bank conducted internal attack and defense drills and routine penetration testing covering network and data security, intensifying the identification and handling of data security risks, and continuously enhancing the response and management capabilities for such emergency scenarios.

06

Addressing Climate Change and Proactively Controlling Risks

- Enhancing the Environmental and Climate Risk Management Framework
- Strengthening Environmental and Climate Risk Identification and Response
- Strengthening Environmental and Climate Risk Management Systems
- Enhancing Quantitative Analysis Capabilities for Environmental and Climate Risks

The global response to climate change is in a complex and severe situation, with environmental and climate risks increasingly impacting the socio-economic landscape. Financial institutions are facing escalating challenges related to environmental and climate risks.

Commercial banks are primarily exposed to physical risks and transition risks due to environmental and climate changes. Physical risks mainly arise from increased extreme weather events leading to asset losses, while transition risks are associated with the revaluation of assets and financial distress in certain industries or businesses during the low-carbon economic transition, thereby translating into credit, market, liquidity, and reputation risks for commercial banks.

Effective environmental and climate risk management aids commercial banks in maintaining financial stability and business continuity and represents a crucial step in fulfilling social responsibilities and supporting sustainable development goals.

Enhancing the Environmental and Climate Risk Management Framework

The Bank fully acknowledges the significance of environmental and climate risk management, defining the management roles of the Board of Directors, the Board of Supervisors, senior management, and relevant departments. The Bank has refined the articulation of green finance business credit risk preferences within the group's risk preference framework and updated the risk management requirements for green finance operations. It continuously optimizes the environmental, social, and governance (ESG) risk management system, enhancing the identification, assessment, management, and process control of ESG risks, thereby boosting the effectiveness of ESG risk management. The Bank is exploring and improving tools and models for managing climate-related risks, effectively enhancing its capability to support green and low-carbon development and to mitigate risks associated with green transformation.

Main Responsibilities

Board of Directors	Develops risk management strategies and risk preferences that encompass environmental and climate risks, aligned with the overall strategic development plan
Board of Supervisors	Oversees the Board of Directors and senior management's performance in managing environmental and climate-related risks.
Senior Management	Coordinates the management of environmental and climate-related risks, implements the risk management strategies and preferences set by the Board of Directors, and continuously promotes the green and low-carbon transformation of production and operations.
Various Business Departments	Assesses the environmental and climate-related risks faced by their respective business areas, ensuring effective risk identification, assessment, monitoring, control, or mitigation.

Strengthening Environmental and Climate Risk Identification and Response

Risk Identification

By actively identifying, assessing, and managing environmental and climate risks, the Bank thoroughly analyzed the transmission paths of climate risk factors, continuously refining response strategies.

Main Risk	Risk Factors	Main Impact	Time Frame	Countermeasures
Credit Risk	Extreme weather and natural disasters cause damage or accelerated depreciation of debtors' properties and assets, leading to operational interruptions or collateral damage. The low-carbon transition leads to cost increases and production declines in some industries, causing troubles in operations. Policies and standards related to energy transition, pollution control, resource conservation, and carbon emissions, introduced in the context of addressing climate change and promoting low-carbon economic transition, increase operational uncertainties in certain industries.	May lead to restrictions on the development of certain high-carbon industries, increase production costs for debtors, and reduce their debt repayment capacity. Non-compliance with national environmental laws, regulations, and policy requirements could lead to environmental and climate-related litigation or legal risks, increasing the risk of default.	Medium to Long Term	Enhance the management of credit and investment financing services for high-carbon industries. Improve the methods for managing ESG risks in credit operations. Strengthen compliance investigations and reviews concerning environmental protection, safe production, and occupational disease prevention.
Operational Risk	Natural disasters or extreme weather conditions may damage the Bank's branches, data centers, or other physical infrastructures, causing operational interruptions and asset losses. Changes in banking operational norms due to policies and regulations introduced in response to climate change.	Interrupt banking operations. Increase compliance and legal risks for the Bank.	Short Term	Ensure that branch infrastructure meets national disaster resilience standards. Promote the construction of multiple data centers to guarantee operational continuity. Expand the digitalization of services and enhance the capacity for online work.
Market Risk	Carbon reduction policies cause price fluctuations in energy and industrial commodities, as well as revaluation of corporate bonds and stocks. Extreme weather and natural disasters lead to surges in food prices. Significant changes in consumer and investor preferences.	Consumers may reduce consumption of high-carbon or non-eco-friendly products, and investors may reduce investments in these enterprises, impacting the production and operations of certain industries.	Medium to Long Term	Continuously monitor policy changes and scientifically assess their market impact. Timely develop products and services that meet customers' low-carbon and environmental protection needs.
Liquidity Risk	Extreme weather and natural disasters lead to property losses for borrowers, increasing the risk of default. Operations funding for clients and the Bank's own operational liquidity are impacted.	Client business operations and the Bank's own operations are limited, sources of funds are reduced, and liquidity protection is impacted.	Medium to Long Term	Closely monitor and assess the impact of climate risks on the bank's operations and customer businesses. Integrate climate risk factors into liquidity management and promptly optimize them.
Reputational Risk	Insufficient support from the Bank to customers affected by climate disasters, holding excessive high-carbon assets, and providing loans to high-carbon enterprises in violation of regulations. Negative evaluations by stakeholders due to environmental and climate-related factors can impact the Bank's management and other activities.	The public, media, and regulatory bodies may have negative perceptions of the Bank. It may impact on investor relations, customer relationships, and brand value, potentially leading to significant operational risks.	Short to Medium/ Long Term	Regularly conduct checks for potential reputation risks and actively welcome public oversight. Intensify efforts in disclosing environmental information.
Legal Risk	Introduction of environmental protection-related laws and regulations.	Facing legal litigation or fines if the Bank fails to promptly follow up on and study relevant national laws and regulations.	Medium to Long Term	Maintain a focus on national environmental laws and regulations, and enhance research and analysis. Conduct legal knowledge training to improve employees' legal awareness.

Opportunity Identification

The Bank actively seeks out business development opportunities in addressing and adapting to climate change, vigorously expanding its green finance operations, innovating products and services in green and low-carbon areas, and continuously promoting its own energy conservation, carbon reduction, and green development.

Developing green finance and expanding business scale

Focus on the growth and low-carbon transformation of traditional industries, enhance support for key areas such as clean energy, energy conservation, environmental protection, and carbon reduction technologies. Build a diversified product system that includes green credit, green bonds, green insurance, and green funds to effectively meet market demands and promote the green transformation of asset structures in a steady and prudent manner.

Strengthening the brand and fulfilling social responsibilities

Align closely with the theme of high-quality development, implement green development concept throughout all processes, businesses, and scenarios, improve green bank evaluation and ESG ratings, establish a positive social responsibility image, and create a distinctive and widely recognized brand of green bank.

Enhancing the environmental and climate risk management framework

Develop an analysis framework for environmental and climate-related risks. For industries like agriculture, which are significantly affected by long-term trends such as rising average temperatures, land desertification, and rising sea levels, as well as traditional energy and high-carbon industries impacted by transition risks, analyze the physical and transition risks faced by the asset portfolio, and conduct timely risk assessments, early warning monitoring, and emergency drills. Establish an environmental and climate risk management framework, incorporating environmental and climate risks into business strategy and preference management, medium and long-term development planning, and the entire process of investment and financing activities. Intensify research and monitoring of traditional energy and high-carbon industries, closely follow relevant legal, policy, and regulatory requirements in the environmental and climate sectors, and promptly adjust and optimize credit policies for traditional energy and high-carbon industries as well as key green development sectors, enhancing the precision of policy management.

Driving digital transformation to empower bank development

Continuously advance the digital business strategy, innovate and promote online products and services, improve service quality and efficiency, reduce operational costs, and enhance market competitiveness.

Strengthening carbon footprint management to promote green operations

Develop a "dual-carbon" work plan, actively and orderly advance the group's "carbon emission inventory" initiatives. Implement green office practices, green procurement, and green commuting to effectively reduce energy consumption and costs.

Enhancing emergency capabilities for stable operations

Develop emergency response plans for environmental and climate risks. Refine the emergency response system for operational business, clearly define emergency management requirements for natural disasters like heavy rain, floods, and typhoons, establish and strengthen mechanisms for material reserves, disaster inspections, and duty reporting to ensure the safety of customers and employees and the continuity and smoothness of financial services. Conduct business continuity training and emergency drills to improve response and handling capabilities for sudden events. Enhance the construction of multiple data centers to improve the assurance of stable business operations.

Strengthening Environmental and Climate Risk Management Systems

Credit Business

Introducing Specialized Systems. During the reporting period, the Bank introduced the *Risk Management Measures of Agricultural Bank of China for Environmental, Social and Governance of Credit Business*, implementing comprehensive coverage, categorized management, and end-to-end control of ESG risk management in credit operations. The Bank clearly required clients to pay attention to relevant ESG risks and gives priority to supporting clients and projects that align with green and low-carbon development directions and meet advanced international and domestic technical and economic standards.

Conducting Pre-loan Investigations. ESG risks are considered a crucial part of due diligence. The Bank conducted investigations and assessments of ESG risks, analyzing clients' ESG risk management capabilities and intensifying the investigation of potential risk points.

Strengthening Business Review. The Bank treated the nature and severity of a client's ESG risks as crucial criteria for credit review and approval processes, proposing restrictive conditions and management requirements for ESG risk management as needed.

Enhancing Duration Management. The Bank closely monitors changes in laws, policies, technology, and market trends domestically and internationally, affecting clients' operational status and industry development, and strengthened ongoing management of clients' ESG risks. For clients with potential significant ESG risks, targeted management measures were developed and implemented.

Enhancing Management of Overseas Institutions. Overseas branches were required to strengthen communication with regulatory bodies in their host countries or regions, develop differentiated ESG risk management measures based on actual business conditions, and ensure compliance with local ESG risk management regulations. The Bank encouraged its branches in Hong Kong, Singapore, New York, and other overseas locations to incorporate climate risk preferences into their risk appetite and management policies, effectively controlling climate risks according to local conditions.

Bond Investments

Pre-investment Due Diligence

During the pre-investment due diligence and analysis, the Bank focused on the green attributes of green bond projects, their economic and environmental benefits, fund supervision, and disclosure status. It also examined the issuer's management of ESG risks.

Post-investment Management

The Bank continuously monitored the usage of funds raised by green bonds and the construction of related projects, meanwhile keeping a close eye on industry policies and market changes to enhance the response capabilities to ESG risks.

Bond Underwriting

Conducting Due Diligence

The Bank performed due diligence on the issuer's ESG risks, focusing on their corporate governance, social responsibility, and environmental accountability.

Providing Ongoing Guidance

The Bank encouraged and guided issuers to disclose information on environmental, social, and corporate governance, and provided relevant guidance during the bond's tenure.

Investment Management

ABC Investment has introduced the *ESG Risk Management Measures* for *ABC Investment*, integrating ESG principles comprehensively into the company's operational management. These principles are embedded in various phases of debt-to-equity projects, including due diligence, review, agreement signing, and post-investment management, urging invested enterprises to improve their ESG performance.

Enhancing Quantitative Analysis Capabilities for Environmental and Climate Risks

The Bank continued to refine its quantitative analysis of climate-related risks, expanding the scope and depth of climate risk stress testing. The Bank developed models for transition risk macro scenarios and physical risk pressure transmission methods, aiming to enhance its climate resilience. This supported the optimization of credit policies, the formulation of risk control measures, and the systematic response to climate risks.

Strengthening Stress Testing on Transition Risk

Consideration Factors

The Bank actively conducted climate risk macro scenario stress testing, examining the comprehensive impact of factors like carbon emission pricing, energy consumption, production capacity changes, and cost price fluctuations on high-carbon industries, their upstream and downstream sectors, and other industries. This assessed the Bank's capability to manage transition risks under the "dual carbon" targets.

Scenario Design and Methods

During the reporting period, The Bank's stress tests covered the years 2023 to 2060, aligning with national policies and contexts while leveraging internationally recognized scenarios provided by the Central Bank and Supervisory Authority's Network for Greening the Financial System (NGFS). These scenarios included macroeconomic indicators, energy usage, carbon emissions, and carbon pricing. Comprehensive analyses were conducted at the enterprise level, industry level, and overall asset portfolio level, utilizing mathematical and statistical models to quantitatively estimate the default probabilities across various industries and further assess the potential impacts on the Bank's asset quality and capital adequacy.

Test Results

The results indicate that under both orderly and disorderly transition scenarios, industries are affected to varying degrees with a slight increase in credit risk, yet the overall risk remains manageable.

Exploring Stress Testing on Physical Risk

Scenario Design and Methods

The Bank explored physical risk-related climate disaster stress testing for agricultural loans, expanding the new direction of stress testing. The test considered three types of disasters: drought, flood, and typhoon. Based on historical data, the Bank developed probability distribution models for key climate indicators, constructed loss curve models for the three disaster types, and simulated future climate characteristics and disaster losses under different global warming scenarios. This assessed the impact of extreme disasters on agricultural enterprises and farmers and evaluated the potential losses to the Bank's agricultural loans.

Test Results

The results show that physical risks associated with extreme climate scenarios slightly increase agricultural loan risks but have a limited overall impact on the Bank.

Disseminating Climate Risk Management Concepts

Through specialized training on climate risk stress testing and organizing branches to collect climate-related data, the Bank disseminates climate risk management concepts, deepening the institution-wide understanding of climate risks and enhancing the capability for proactive prevention and control of climate risks.

Continuous Improvement of Climate Risk Management Framework at Hong Kong Branch

Following the requirements of the Hong Kong Monetary Authority's *GS-1: Climate Risk Management* supervisory policy manual, the Hong Kong Branch continuously refined its climate risk management framework. It conducted climate risk transmission assessments, designed climate risk stress testing methodologies, and performed stress tests on transition risks and physical risks.

07

Embracing Green Principles and Building a Green Bank

- Enhancing Digital Empowerment
- Advocating for Green Operations
- Implementing Green Office Practices
- Promoting Green Commuting
- Enhancing Carbon Management Capabilities
- Implementing Green Procurement
- Cultivating Green Culture

The Bank prioritizes fostering a green production and lifestyle, actively responding to green production and living initiatives. The Bank vigorously advocates for a green development concept of simple, moderate, green, low-carbon, and healthy, continuously enhancing its green banking image.

Enhancing Digital Empowerment

Upgrading Personal Mobile Banking. In line with its digital transformation strategy, focusing on user growth, customization for customer groups, wealth management, lifestyle assistance, security risk control, and technological innovation, the Bank developed and launched version 9.0 of its mobile banking app to significantly improve the user experience for individual customers.

By the end of 2023 the number of monthly active users (MAU) for mobile banking reached **213** million maintaining a leading position among comparable peers

Optimizing Corporate Service Platforms. ABC introduced version 7.0 of its Corporate Online Banking platform, version 5.0 of its Corporate Mobile Banking App, and the third phase of the Salary Management Project, continuously advancing platform development around themes of large customer customization, open client acquisition, and public-private sector integration.

By the end of 2023 active Corporate Online Banking customers totaled **7.37** million with active users of the Corporate Mobile Banking App reaching **4.08** million

Empowering Grassroots Marketing. With the goal of reducing the burden on and empowering customer managers, ABC deepened its data utilization methods and enhanced process monitoring to improve grassroots marketing and business expansion efficiency. Focusing on products like the "House-for-Loan e-Service" and four other loan categories, ABC optimized loan acceptance, remote video investigations, contract signing, and manual reviews by customer managers. This effectively enhanced the online and remote service capabilities of loan products, achieving the objectives of reducing grassroots burden, enhancing efficiency, and conserving resources.

Advocating for Green Operations

Promoting Green Branch Transition

Actively Engaging in Constructing Green Branches. Following national green building standards and other related criteria, the Bank issued guidelines for green branch construction, directing branches to adopt effective green and energy-saving measures in remodeling, relocating, or constructing new branches. These effective green and energy-saving measures focus on various aspects such as signage, indoor lighting, heating and air conditioning, paperless operations, decorative materials, intelligent control, construction methods, and water conservation, all of which met relevant requirements for green development, serving as impetus for green transformation of branches.

In 2023, a total of **1,380** green branches were established that met relevant guidelines

Systematic Advancement of Self-service Device Energy Reduction. The Bank continued to refine equipment management, aiming for a "controlled reduction" in the total number of devices, analyzing branch equipment configurations to phase out inefficient devices. By enhancing the entire lifecycle management of devices and implementing modular procurement for Smart Teller Machines, the Bank further reduced the energy consumption per unit.

By the end of 2023 the number of branch devices was reduced by **9,901** from the previous year a decrease rate of **6.71** %

In terms of energy consumption,there was an annualized reduction of **33.9** million kilowatt-hours from the previous year, a decrease rate of **7.53** %

Accelerating the Construction of "Carbon Neutral" Branches

The Bank selected pilot institutions to promote "carbon neutral" initiatives, actively creating a model for its operations to achieve carbon neutrality.

The Si'an Green Special Branch in Huzhou, Zhejiang Province

It utilized energy-saving materials and low-carbon renovations, and replaced appliances with low energy efficiency ratios, thus enhancing energy conservation and consumption reduction. These measures are estimated to reduce energy consumption by approximately 20%, equivalent to an annual decrease of 11.2 tons of CO_2 emissions. Additionally, a rooftop photovoltaic power station with a capacity of 21.6 kilowatts was installed, generating approximately 21,900 kilowatt-hours annually, which translates to a reduction of 13 tons of CO_2 emissions per year. Additionally, the development and establishment of an energy consumption management IoT platform enables the automatic collection of energy consumption data from the branch, calculation of the branches' operational carbon emissions, and energy-saving and emission reduction amounts. The intelligent monitoring and rational control of the status of electrical equipment contributes to reduce carbon emissions.

The Jiangnan Branch in Hangzhou, Zhejiang Province

Vigorously promoted green, low-carbon operations. It undertook green transformations at branches, reinforce water and energy-saving measures, advocated for green commuting, and methodically implemented energy and carbon reduction in its operations. The branch explored effective pathways to "carbon neutrality", hiring third-party agencies to calculate branch carbon emissions and enhancing "carbon footprint" management. By purchasing an equivalent amount of Certified Emission Reductions (CERs), the branch implements "carbon offsetting" to achieve its operational carbon neutrality goal.

Shenzhen Branch

Following the "green branch - low-carbon branch - zero-carbon branch" construction philosophy, tracked carbon footprints, conducted carbon audits, and explored carbon offsetting. It took the lead in exploring the establishment of "zero-carbon branches," with two affiliated institutions successfully receiving "carbon-neutral" certification and officially being designated as "zero-carbon branches," effectively covering scenarios at both the headquarters of tier-1 sub-branches and tier-2 sub-branches business locations.

Two branches in Shenzhen successfully received "carbon-neutral" certification. (Photo provided by Shenzhen branch)

Implementing Green Energy Use

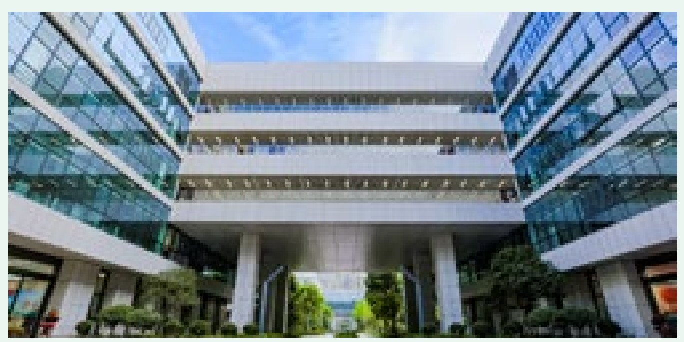
Enhancing Data Center Energy Conservation and Emission Reduction. The Bank developed an energy-saving and emission reduction plan for data centers, advocating for intensified efforts in this area. By fully utilizing advanced energy-saving technologies and design concepts, the Bank coordinated the construction of green data centers. It also promoted energy-saving and emission reduction renovation projects for existing data centers, exploring ways to reduce the Power Usage Effectiveness (PUE).

Promoting Green Data Room Construction. New data rooms were constructed following the principles of "safety and reliability, green intelligence, simplicity and practicality." By integrating waste heat recovery and AI optimization technologies, the data room management model was optimized to ensure green and efficient operation.

topic

Digital Business Operation Center (Hefei) Strictly Adheres to Green Emission Standards

In July 2023, the Digital Business Operation Center in Hefei commenced operations. The center's construction adheres to green building standards, using lighting, elevators, and other energy-consuming equipment as needed and strictly controlling air conditioning temperatures to effectively reduce building carbon emissions.



Digital Business Operation Center (Hefei) Strictly Adheres to Green Emission Standards. (Photo provided by Operation Management Department)

topic

Expedite Green and Low-Carbon Transition of Data Centers

The Inner Mongolia Data Center, aligned with the national "East Data, West Computing" strategic plan, leverages the region's abundant electricity, high proportion of green energy, and lower average annual temperature. It adopts various efficient energy-saving technologies such as indirect evaporative cooling, fluorine pump natural cooling, and intelligent lighting to promote the green and low-carbon transition of the data center.

The design of the **Shanghai intra-city disaster recovery data room** draws on advanced industry experiences. Following the principle of advanced applicability, it employs new energy-saving technologies and equipment like indirect evaporative cooling, integrated power modules, magnetic levitation chilled water units, natural cooling, and AI optimization to create a green and low-carbon data center.

The Bank's data centers are accelerating their green and low-carbon transition. (Photo provided by the Data Center)

Emission Reduction Plan Development. Detailed energy conservation and emission reduction plans for buildings were formulated, including the signing of an *Energy Management Responsibility Agreement*. Responsibilities for energy management were clarified, energy-saving and emission reduction data were regularly monitored, and annual emission reduction targets were effectively met.

Data Verification. Engaged professional organizations to verify the annual energy usage of the office building of the Head Office, analyze the reasons for energy consumption fluctuations, and adjust energy usage measures promptly.

Energy Efficiency Retrofitting. Promoted the use of new energy-saving products, processes, and materials. Upgrade to LED energy-saving lighting, replace energy-efficient equipment, reduce air conditioning energy consumption, explore the use of photovoltaic materials, and assembly-type building materials.

Standardizing Vehicle Management. Fully utilized the "Smart Logistics Vehicle Management System" for strict vehicle usage approvals. Strengthened official vehicle fuel management through a one-card-per-vehicle fueling system.

Strengthening Green Operations. Developed and continuously tracked operation plans for lighting, air conditioning, and water systems. Optimized adjustments dynamically based on weather conditions and temperature changes. Enhanced lighting management in public areas to ensure lights off when not in use and save electricity. Monitored outdoor temperature changes and started the central air conditioning cooling system based on the maximum energy-saving scheme.

Enhancing Energy Conservation Awareness. Promoted the use of an energy-saving and emission reduction toolbox. Improved energy utilization efficiency through energy management and technological retrofits. Continuously "visualized and digitalized" energy savings in the head office buildings, achieving normalized monitoring and display of carbon emission data of buildings within the Bank's areas. Utilized occasions like World Water Day and the National Urban Water Conservation Publicity Week to conduct energy-saving campaigns, such as displaying promotional posters on elevator screens, thereby conveying the concepts of green development and energy conservation to employees.

Implementing Green Office Practices

Full Process Digitization for Electronic Document System. The Bank revised and issued regulations and detailed rules for handling official documents, specifying clear requirements for online circulation, and intensifying efforts to promote paperless offices. It continuously advanced office informatization construction, optimized and enhanced office system functions, supporting the complete digitization of non-confidential official document processing. It also launched comprehensive mobile office system features like "Cloud Notes" and "Cloud Signing" to significantly reduce paper waste in office operations.

Reducing Carbon Emissions from Meetings and Events. The Bank vigorously promoted paperless meetings, demonstrated by its deep integration of electronic meeting systems to minimize the use of paper materials. Branches at all levels were encouraged to hold meetings via video or telephone whenever possible. Bank-wide communication management platform and teleconference systems were utilized extensively. Approximately 4,450 teleconferences were held during the reporting period, involving around 88,000 attendees, showing the Bank's efforts in reducing carbon emissions associated with meeting activities.

Advancing the Construction of Integrated Electronic Archives Management Platform. The Bank developed functions for an integrated archives management platform, established standard interfaces and channels, which were integrated with business systems, achieving automatic archiving of data, standardized management of electronic archives, and efficient utilization of archival resources. Electronic archives management capabilities were elevated comprehensively, reducing paper consumption in archives management.

Promoting Green Commuting

Updating and Deploying New Energy Vehicles

The Bank formulated a vehicle update plan for official business, specifying the proportion of new energy vehicles, and methodically advanced the replacement with new energy vehicles. It also supported institutions with the necessary premises to build or reserve charging facilities, thus ensuring the normal use of new energy vehicles while prioritizing safety.

Encouraging Green Commuting Methods

Employees were encouraged to use public transportation or walk to work. Carpooling was encouraged to minimize empty seats, with preference given to new energy vehicles. Strict compliance with safe and civilized driving practices was prioritized.

Conducting Special Commuting Activities

Green commuting special activities were integrated into annual work priorities. A variety of green commuting and public welfare activities were held to enhance employees' awareness of green commuting. By the end of 2023, over 80 green commuting events were organized by unions across all tier-1 branches, with more than 90,000 employee participants.

topic

Promoting Green Commuting Tailored to Local Conditions

Beijing

In line with the Bank's "Green ('Qing Lv' in Chinese) characteristic, Beijing branch initiated the "Summer Cycling Themed on Green" event, embedding the concept that "lucid waters and lush mountains are invaluable assets" deeply into the participants' hearts.

Beijing Branch's "Summer Cycling Themed on Green" Riding Event. (Photo provided by Beijing Branch)

Tianjin

Tianjin Branch proactively carried out a series of green commuting promotions, recommended green commuting enthusiasts, and organized themed activities, calling on employees to be advocates, influencers, and practitioners of green commuting.

Tianjin Branch's Green Theme Activities. (Photo provided by the Union Work Department) topic

Hebei

Hebei Branch conducted a green commuting initiative among employees, organized related knowledge competitions, and held themed activities to enhance employees' awareness of green commuting.

Hebei Branch's Green Commuting Activities. (Photo provided by the Union Work Department)

Shanxi

Shanxi Branch launched the "Passing on the May Fourth Spirit, Everybody Practices Green Commuting" eco-friendly team-building activity, picking up plastic bags, beverage bottles, and other litter while walking, contributing to urban cleanliness. The last week of May each year is designated as Green Commuting Week.

Shenzhen

Shenzhen Branch organized green fun sports events, walking activities, and "Discover the Beauty Along the Way in Green Commuting" photo snap theme activities, encouraging employees to promote "green and low-carbon" education within their families and conduct "green commuting" themed parent-child painting activities.

Qingdao

Qingdao Branch conducted environmental volunteer activities themed "Green Commuting, Low-carbon Living," spreading green and low-carbon concepts.

Qingdao Branch's Green Commuting Activities. (Photo provided by Qingdao Branch)

Enhancing Carbon Management Capabilities

Structured Advancement of Carbon Emission Inventory. The Bank established a dedicated team to collect and consolidate relevant energy data. Professional institutions were hired to verify energy data and carbon dioxide emissions, ensuring the integrity and reliability of the data.

Upgrade of the Carbon Emission and Energy Consumption Monitoring Platform. To construct a digitalized, visualized carbon inventory system, the Bank continuously optimized the carbon emission and energy consumption monitoring platform. During the reporting period, it achieved functionalities for energy information entry and carbon emission data conversion, thereby enhancing system capabilities in energy information management, carbon emission data management, and boundary scope management, meanwhile providing efficient data support for carbon inventory and reduction.

Emission Index Table

Indicator	2023
Total Greenhouse Gas Emissions[1]	
Scope 1: Direct GHG Emissions (tons CO2e)	212,583.03
Scope 2: Indirect GHG Emissions (tons CO2e)	1,998,863.40
Total GHG Emissions (tons CO2e)	2,211,446.43
Per Capita GHG Emissions (tons CO2e/person)	4.76
Energy and Resource Consumption[2]	
Electricity (kWh)	2,936,975.27
Per Capita Electricity Consumption (kWh/person)	6.319
Natural Gas (cubic meters)	24,233,750.36
Per Capita Natural Gas Consumption (cubic meters/person)	52.14
Liquefied Petroleum Gas (tons)	1,918.19
Gasoline (tons)	30,389.93
Diesel[3] (tons)	1,494.60
Purchased Thermal Energy (million kJ)	2,944,603.65
Comprehensive Energy Consumption[4] (tonne of standard coal)	4,527,060.91
Per Capita Total Energy Consumption (tonne of standard coal/person)	9.74
Water Use[5] (tons)	2,081,695.05

Indicator	2023
Per Capita Water Consumption (tons/person)	73.43
Wastewater Discharge[6] (tons)	1,769,440.79
Waste of Institutions in Beijing	
Office Paper Usage (tons)	73.79
Per Capita Office Paper Usage (kg/person)	10.62
Hazardous Waste Disposal Total	
Waste Toner Cartridges (units)	216
Disposed waste lead-acid batteries (tons)	11.5
Waste Fluorescent Lamps (tons)	3.01
Non-Hazardous Waste Disposal Total	
Disposal of Waste Electronic and Information Products	
Discarded PC (computer tower) (units)	403
Discarded Monitors (units)	379
Discarded Laptops (units)	1,303
Discarded Printers (units)	75
Discarded Servers (units)	335
Discarded Dry Batteries (kg)	18
Per Capita Discarded Dry Batteries (kg/person)	0.003

1. Greenhouse Gas Emissions Calculation Method: The greenhouse gas accounting for 2023 follows the ISO14064-1 "Greenhouse Gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals" and the GHG Protocol (Greenhouse Gas Protocol). Direct greenhouse gas emissions are calculated by multiplying the consumption of natural gas, liquefied petroleum gas, gasoline, diesel, and coal by their respective emission factors, referencing the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report 2014. Indirect greenhouse gas emissions are determined by multiplying the electricity and purchased heat consumption by their respective emission factors, referencing the latest data released by the Ministry of Ecology and Environment in 2023. The total greenhouse gas emissions are the sum of direct and indirect emissions.
2. Greenhouse Gas Emissions and Energy Consumption Data encompasses the group's scope, including domestic and overseas branches, various integrated operating subsidiaries, and head office institutions.
3. Diesel was mainly utilized for office building standby generators and owned vehicles.
4. Reference is made to the General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020) for all energy data conversion to standard coal.
5. Water Resources Data Scope: The data includes the head office in Beijing (including the Agricultural Bank of China Building's south and north towers, Exhibition Road Office Building, Kai Chen Building, Guang Yao Dong Fang, Fengtai Science and Technology Building, Gongzhufen Office Building, Jin Tang International Finance Building, and Daoxiang Lake Science and Technology Innovation Park) and the main office buildings of 37 tier-1 branches (excluding data centers, archive rooms, training facilities, cash centers, and other non-administrative office buildings).
6. Water consumption is adjusted by multiplying by 0.85, and the sewage discharge coefficient references the Code for Urban Wastewater and Stormwater Engineering Planning (GB50318-2017) and related statistical bureau documents.

Implementing Green Procurement

Clarifying Green Procurement Requirements. The Bank specified that centralized procurement should prioritize energy-saving and environmentally friendly products in the *ABC Centralized Procurement Management Methods and the 2023 ABC Centralized Procurement Catalog*. In the *2023 ABC Procurement Management Focus*, it's highlighted to integrate ESG concepts organically with procurement activities, emphasizing the examination of green, environmental, and energy-saving indicators.

Incorporating Green Procurement into Evaluation Criteria. The Bank set green procurement evaluation indicators in procurement documents, using environmentally friendly certifications and environmental management system certifications as criteria in the bidding process, encouraging and guiding suppliers to comply with national energy-saving and emission reduction requirements.

Digitization Empowering Green Procurement. The Bank accelerated the construction of the electronic bidding and tendering platform, which has launched main functional processes such as "bidding, tendering, bid opening, evaluation, and selection", laying a technical foundation for fully online and paperless bidding and tendering processes.

Cultivating Green Culture

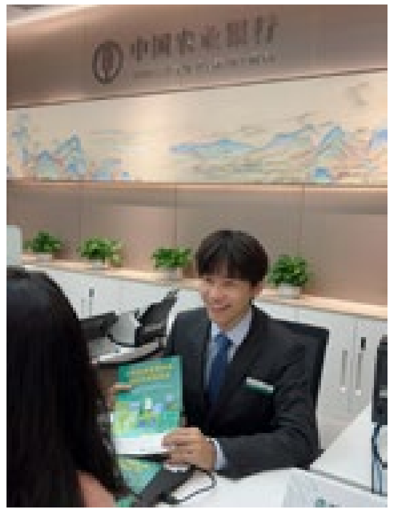
Incorporating Green Financial Concepts into Corporate Culture. The Bank has published a *Corporate Culture Manual* to enhance the promotion of green concepts, continuously nurture green culture, and guide all employees to establish environmental and ecological awareness, embedding green culture and concepts deeply in their minds and hearts.

Issuing Green Finance Initiatives. The Bank released an initiative titled *Lead by Example in Green Living: Practitioners, Contributors, and Pioneers*, urging employees to deeply engage with Xi Jinping Thought on Eco-Civilization and embody green office practices, commuting, dining, and consumption, spearheading a new green trend.

Engaging in Green Philanthropy. The Bank innovatively launched the "ABC Philanthropy" brand, encouraging employees to actively participate in tree planting, urban cleaning, and energy-saving activities, advocating for everyone to contribute to building a beautiful China.

Enhancing the Dissemination of Green Concepts. Leveraging the role of the Bank's history museum, the design and narration of exhibits emphasized the Bank's green financial services and awards, promoting our green culture and sharing stories of green finance. Numerous articles and press releases on green concepts were published across mainstream media and official bank channels, with special thematic promotions on "National Low Carbon Day" and "National Ecology Day" on our official WeChat account to spread the green development concept.

Implementing Green Actions. The Bank continued to enhance "green dining" management, enforcing frugality, implementing measures against food waste and garbage sorting, and consistently promoting the "Clean Plate Campaign."



Through youth commandos and volunteer actions, Shenzhen Branch promoted the Bank's green financial products to the public and merchants, sharing knowledge on energy conservation, waste sorting, and water-saving. (Photo provided by Shenzhen Branch)

The Bank's Emphasis on Green Ecology in Philanthropic Practices

The Bank has introduced a philanthropy brand focusing on rural revitalization, green ecology, and vulnerable groups, aiming to create impactful initiatives in "Revitalization," "Care," "Protection," and "Dream Fulfillment." Aligning with the "dual carbon" goals and the Bank's green finance strategy, there's a continuous focus on environmental protection, raising awareness, enhancing support for green development, promoting green and low-carbon operations, and fostering harmonious coexistence between humanity and nature.

农银公益

The Bank's Proactive Green Philanthropic Activities

Beijing Branch conducted a tree-planting event titled "Planting Greenery," actively engaging in afforestation efforts. (Photo provided by Beijing Branch)

Shanghai Branch organized "Green Low-Carbon Education for Children" themed activities for Children's Day, including absorbing green knowledge, promoting environmental protection and low carbon practices, and educating on waste classification. (Photo provided by Shanghai Branch)

For three consecutive years, Jiangbei Branch in AnKang Shaanxi Province, initiated the "Protecting Our Mother River – We Are in Action" ecological and environmental protection youth volunteer service. (Photo provided by the Union Work Department)

Inner Mongolia Branch actively responded to the local call for "Financial Contribution to a Thousand Acres of Ecological Forest," organizing branch staff to participate in afforestation activities combating desertification, contributing to building a beautiful home. (Photo provided by Inner Mongolia Branch)

Shandong Branch, in collaboration with the Provincial Internet Media Group, launched the "2023 ABC · Dazhongwang Yellow River Greening Action" in efforts to plant trees, contributing to ecological protection and high-quality development in the Yellow River Basin with practices. (Photo provided by Shandong Branch)

08

Strengthening Empowerment and Deepening Exchange and Cooperation

Enhancing Internal Empowerment

The Bank continues to intensify its recruitment efforts in green finance, enhancing education and training for all levels of staff and executives, actively cultivating dedicated, willing, capable, and knowledgeable green finance professionals.

Stepping up Talent Cultivation

Persistently focusing on green finance training, the Bank designated a special topic on "Green Finance," channeling high-quality training resources toward green finance. Over the year, the head office organized 51 "Green Finance" in-person training sessions, training more than 3,900 individuals, covering the deputy branch managers of tier-2 branches and tier-1 sub-branches responsible for green finance. Each branch has conducted specialized training or courses in the field of green finance.

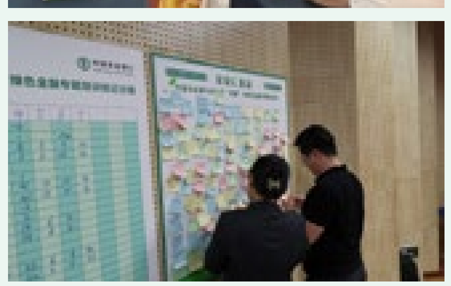
Enhancing the Competency of Leadership in Serving Green and Low-Carbon Development

The Bank integrates green finance into the cadre education and training system, enhancing the green development consciousness and capability of leaders at all levels to serve green and low-carbon development. Training extensively covers leadership at various levels, providing robust support for the high-quality development of green finance services. Ongoing training sessions were held for presidents of tier-2 branches and tier-1 sub-branches managers on "dual carbon" goals and green finance, strengthening the capabilities of front-line managers in supporting green and low-carbon development.

topic

Conducting Specialized Rotational Training on "Dual Carbon" Goals and Green Finance

Leveraging renowned domestic universities, the Bank organized 48 sessions of specialized rotational training on "dual carbon" goals and green finance for deputy managers of tier-2 branches and tier-1 sub-branches, training over 3,700 individuals. Forty-four green finance-related training courses were carefully selected and launched online, totaling nearly 312,000 hours of learning.



Conducting Specialized Rotational Training on "Dual Carbon" Goals and Green Finance.
(Photo provided by Human Resource Department)

Enhancing the Knowledge Reserve of Professional Talents in Business Lines

Credit Management Line

The Bank conducted a green finance thematic training session in 2023, targeting key personnel in the credit management departments of branches and relevant business management staff at the head office. The course content includes green finance policies and compliance management requirements, ESG risk management, innovative practices in green finance, and policies and measures for quality improvement and upgrading in "two high" industries.

Review and Approval Line

In 2023, specialized training for the credit review and approval line on "advanced manufacturing" and green finance was conducted, targeting key personnel involved in review and approval processes. The curriculum covers key points for reviewing industries such as wind power, nuclear power, photovoltaics, new energy vehicles, and power batteries, as well as strategies, initiatives, and product innovation practices for accelerating the development of green finance at the Bank.

Financial Markets Line

The Bank organized training classes on green finance in financial market operations, intensifying training for key personnel in the financial market line of branches. The content encompasses the development of green finance, an overview of the carbon trading market, the ESG rating system, and practical applications of products such as foreign exchange transactions, gold leasing, and green bonds in serving green enterprises.

Corporate Business Line

The Bank conducted thematic training on the development of green finance business, targeting newly hired employees, R&D personnel, business leaders, and key staff with a diverse curriculum. The content includes green financial service solutions, product innovation practices, and the application of carbon reduction support tools.

The Bank held training sessions for key talent among corporate customer managers in the major customer line, covering the development of the new energy industry, construction and operation of the electricity market, carbon reduction support tools, and special reloans for clean and efficient utilization of coal in the realm of green finance, thereby continually enhancing the green finance knowledge base of line customer managers.

Investment Banking Line

Specialized training classes on green investment banking business were conducted for key personnel from tier-1 branches and key tier-2 branches, focusing on green investment banking practices, ESG trends and requirements, and the field of carbon finance. In collaboration with the Bank's training institute, "micro-interviews" on green finance were organized, inviting representatives from Huzhou and Chongqing Branches, locations of green finance reform and innovation pilot zones, to share experiences in green finance development.

Enriching Learning Platforms

"ABC Lecture Hall"

The Bank leverages the "ABC Lecture Hall" as a crucial platform, inviting internal and external experts to conduct thematic lectures on green finance and high-quality development in transformational finance. Through a blend of online and offline formats, the initiative continuously broadens the perspectives and approaches of personnel at all levels in serving green and low-carbon development.

May

In May, to fully grasp the national energy policy orientation and planning layout, and to enhance the precision and effectiveness of energy financial services, a lecture titled "Empowering Lecture Hall – Key Tasks in High-Quality Energy Development in the New Era" was organized as part of the "ABC Lecture Hall" series.

June

In June, to study the international market practices of ESG financial products and explore an ESG financial product system that aligns with international standards and fits national conditions, a lecture titled "Empowering Lecture Hall – Development of ESG Linked Financial Products in International Markets and Domestic Practice" was held as part of the "ABC Lecture Hall" series.

September

In September, to accurately comprehend the national policies, measures, and requirements regarding rural revitalization and to further improve financial services for rural revitalization, a lecture titled "Strategic Lecture Hall – Strengthening Financial Services for Rural Revitalization" was conducted as part of the "ABC Lecture Hall" series.

October

In October, to better implement the Central Party Committee's strategy of "accelerating the planning and construction of a new type of energy system" and "ensuring energy security," and to further enhance the Bank's capability to serve the energy sector's development, a lecture titled "Strategic Lecture Hall – Accelerating the Construction of a New Type of Energy System to Support and Guarantee National Energy Security" was organized.

October

In October, to promote the high-quality development of the Bank's green finance business and advance progress in cutting-edge areas such as carbon accounting and carbon finance, a lecture titled "Strategic Lecture Hall – Carbon Accounting and Carbon Finance Development in Commercial Banks Under the 'Dual Carbon' Background" was held as part of the "ABC Lecture Hall" series.

October

In October, to further promote the development of green finance across the Bank and to serve the national "Dual Carbon" strategy with high quality, a lecture titled "Strategic Lecture Hall – Innovative Topics on Commercial Banks Supporting Green Development" was held as part of the "ABC Lecture Hall" series.

November

In November, to deeply implement the Central Party's decisions on enhancing agriculture based on quality and through green practices, to accurately grasp the national goals and policy measures for green development in agriculture and rural areas, and to enhance the financial service capabilities at all levels, a lecture titled "Strategic Lecture Hall - Key Tasks and Policy Measures for Green Development in Agriculture and Rural Areas" was organized as part of the "ABC Lecture Hall" series.

"ABC e-Learning"

The Bank continuously optimized and upgraded its internal online learning platform "ABC e-Learning," offering high-quality learning resources. It arranged targeted online training and online thematic learning projects to effectively meet the learning needs of all employees and promote green training throughout the Bank. In 2023, "ABC e-Learning" conducted 17,900 online management training sessions, over 1,490 live broadcasts, updated more than 3,700 courses, and introduced 1,445 "Bo Xue Tang (meaning 'Hall of Knowledge')" audio books, 555 "One Book One Lesson" boutique courses, and 30,000 "Cloud Book House" e-books, with an average learning time of over 65 hours per employee.

Deepening Exchange and Cooperation

The Bank continues to strengthen exchanges and cooperation in green finance and climate change response, enhancing communication and collaboration with governments at all levels, peers in the financial industry, market entities, and relevant domestic and international organizations, actively participating in the construction of a cooperative, win-win, and efficiently coordinated global environmental governance system.

Enhancing High-Level Exchanges

Participation in the 14th Summer Davos Forum

In June, the Bank was invited to participate in the 14th Summer Davos Forum and met with the Chairman of the World Economic Forum, Klaus Schwab. The Bank introduced its three major development strategies: "Sannong Inclusiveness, Green Finance, and Digital Operations." It also highlighted the achievements made in increasing the supply of green finance through credit funds and direct investments.

Participation in the UN Global Investors for Sustainable Development (GISD) Alliance Thematic Meeting

In October, The Bank was invited to participate in a video thematic meeting of the UN Global Investors for Sustainable Development (GISD) Alliance. The Bank presented its work and achievements in enhancing ESG management capabilities, increasing financial support for sustainable development, and closely following the progress of ESG information disclosure standards. It also proposed two initiatives to promote the integration of green finance standards and empower ESG management with technological means, aiming to support the United Nations' 2030 Agenda for Sustainable Development.

Participation in the Annual Conference of Financial Street Forum 2023

In November, ABC was invited to the opening ceremony of the Annual Conference of Financial Street Forum 2023 and delivered a keynote speech at the People's Bank of China's main forum "Strengthening International Macro Policy Dialogue and Enhancing Global Economic and Financial Resilience." The Bank introduced its role as a state-owned commercial bank and a major force in serving the real economy, leveraging social resources to promote rural revitalization, technological innovation, advanced manufacturing, green development, and support for SMEs. It committed to solidly advancing in the Five Key Areas of technology finance, green finance, inclusive finance, pension finance, and digital finance.

Chairman and Secretary of the Party Committee of ABC, Gu Shu, attended the opening ceremony of the Annual Conference of Financial Street Forum 2023 and delivered a keynote speech. (Photo provided by the Strategic Planning Department)

Participation in the 2nd China International Conference on Climate Investment and Finance 2023

In April, ABC was invited to the 2nd China International Conference on Climate Investment and Finance 2023 and gave a speech, introducing the Bank's practices and achievements in constructing the ESG governance framework and accelerating the development of green finance and climate investment and finance.

Participation in the 2023 ESG Global Leaders Conference

In September, ABC was invited to the 2023 ESG Global Leaders Conference, where it shared experiences and features formed in practicing ESG concepts. The Bank expressed its commitment to continue integrating ESG concepts with business operations, actively exploring ESG practices with Chinese characteristics, and contributing financial strength to support sustainable economic and social development and build a beautiful China.

Participation in the opening ceremony of the "China Corner" and the "Ecological Civilization and Beautiful China Practice" side meeting of the 28th Conference of the Parties to the *United Nations Framework Convention on Climate Change* (COP28)

In November, the Bank was invited to the opening ceremony of the "China Corner" and the "Ecological Civilization and Beautiful China Practice" side meeting of the 28th Conference of the Parties to the *United Nations Framework Convention on Climate Change* (COP28), specifically to the "China Corner" opening ceremony and the "Ecological Civilization and Beautiful China Practice" side event. The Bank delivered a keynote speech titled "Joining Hands to Address Climate Change and Promote High-Quality Development in Climate Finance." The Bank shared its continuous improvements in green finance to support structures, actively showcasing its distinctive approach by integrating services for "Sannong" and green development. The Bank emphasized its focus on addressing climate change, continuing to enhance domestic and international exchanges and pragmatic cooperation, and intensifying financial support for key areas of green development.

The Vice President and Party Committee Member of ABC, Zhang Xuguang, delivered the keynote speech at the COP28 "China Corner" and side event. (Photo provided by the Credit Management Department)

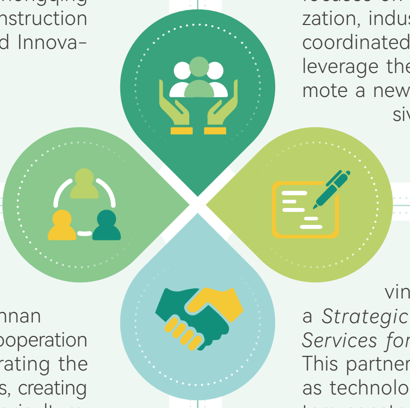
Participation in the 2023 Green Finance Bund Forum

In December, ABC was invited to the 2023 Green Finance Bund Forum, where it presented a speech on the theme "Technology Empowers Green Finance with Great Potential." The Bank outlined how it leveraged its abundant technological resources, ample tech personnel, and diverse tech application scenarios to empower the high-quality development of its green finance business. The Bank is committed to implementing the spirit of the Central Financial Work Conference, fully demonstrating the exemplary and leading role of state-owned banks in technology-empowered green finance.

Enhancing Cooperation between the Bank and the Government

ABC signed the *Strategic Cooperation Agreement to Promote the Construction of the Green Finance Reform and Innovation Pilot Zone* with the Chongqing Municipal Government, supporting the construction of the National Green Finance Reform and Innovation Pilot Zone in the Chongqing area.

The Bank signed a *Three-Year Action Strategic Cooperation Agreement for Serving Liaoning's Comprehensive Revitalization and New Breakthroughs* with the Liaoning Provincial Government. The agreement focuses on central-local cooperation, rural revitalization, industrial transformation and upgrading, and coordinated regional development. Both parties will leverage their respective advantages to jointly promote a new breakthrough in Liaoning's comprehensive revitalization over three years.



The Bank also signed a *Financial Support Agreement for Rural Revitalization and Green Economic Development* with the Yunnan Provincial Government, aiming to deepen cooperation comprehensively in fields such as accelerating the implementation of enriching farmers' actions, creating a full industry chain for unique highland agriculture, modern water network infrastructure construction, the "Hundred-Thousand-Ten Thousand Project" for rural revitalization and new urbanization in county towns, the development and utilization of new energy, and the construction of green energy projects.

In collaboration with the Shaanxi Provincial Government, the Bank established a *Strategic Cooperation Agreement on Financial Services for Shaanxi's High-Quality Development.* This partnership deepens cooperation in areas such as technological innovation, modern industrial system construction, urban-rural integrated development, ecological protection, green transformation, and people's livelihood security. The objective is to achieve mutual benefit, common development, and set a new standard for bank-government collaboration.

Thematic Exchanges

◆ Jointly with the Green Finance 60 People Forum, the Bank hosted a seminar on "Capital Market Practices and Innovations in Climate Finance". The discussions focused on China's development paths and practices in climate finance and the Bank's key approaches in supporting climate finance pilot programs.

◆ As an executive council member of the China Carbon Neutrality Action Alliance (CCNAA), The Bank deepened its exchange and collaboration with the Shanghai Environment and Energy Exchange and other alliance members. The Bank participated in the *Second Annual Meeting of CCNAA Members and Corporate Carbon Neutrality Seminar*, actively engaging in the CCNAA to support the nation's dual-carbon strategy.

◆ The Bank was present at the 2023 Green Low-Carbon High-Quality Development Conference, where it unveiled its research *Towards High-Quality Development: Explorations and Practices in Transition finance*, contributing actively to the transition of new and old energy sources.

◆ At the annual meeting of the China Society for Finance and Banks' Green Finance Committee in 2023, the Bank released its research findings *Policy, Standards, and Practices for the Integrated Development of Green Inclusive Finance* in the main forum and chaired the parallel forum on the same topic on the Integrated Development of Green Inclusive Finance.

◆ The Bank participated in the project launch meeting of "Financial Support for Sustainable Development of China's Agrifood Systems" organized by the United Nations Development Programme, Peking University's National School of Development, and the Climate Bonds Initiative. The Bank actively engaged in forward-looking research on financial support for sustainable development in the agricultural sector.

◆ The Bank participated in the Shanghai Carbon Neutrality Expo and the 6th Jiangxi World Green Development Investment and Trade Expo. The Bank comprehensively showcased its innovative practices in serving green development and the dual-carbon strategy, enhancing the brand influence of its green finance initiatives.

◆ The Bank attended a thematic seminar on climate finance in the Global Financial Stability Report organized by the Research Bureau of the People's Bank of China, discussing innovations in climate finance tools and asset identification and classification.

Enhancing Forward-Looking Research

Strengthening Internal Research

Leveraging its Green Finance Research Institute, the Bank actively conducted professional and forward-looking research aligned with the nation's significant green development strategies, focusing on the Bank's major business concerns.

Professional Research

The Bank conducted thematic research on key green finance policies and standards, green industry development trends, and green finance business practices. It produces 13 issues of *ABC Research reports*, offering intellectual support for the Bank's decision-making on green and low-carbon development. The *Green Finance Special Report* series provides references for the Bank's green finance development and guidance for branch operations.

Forward-Looking Research

In-depth Study of Hot Topics in Green Finance Development. The Bank delved into emerging fields of sustainable finance such as transition finance and carbon finance. It analyzes policies, market practices in transition finance, the integration of green and inclusive finance, changes in sustainable information disclosure rules, and developments and reforms in carbon trading systems. The Bank has successfully approved for conducting a project titled *Standards Research on the Integrated Development of Green and Inclusive Finance* by the China Society for Finance and Banks. It conducted in-depth research in water finance and advances the strategic study of the "water finance service system", a project funded by the National Social Science Fund of China.

Intensifying Research on Green Bonds and Carbon Trading Markets. Keeping abreast of market trends, policies, and hot topics in green and transition bonds, the Bank closely monitored developments in the carbon trading market, producing several thematic reports on topics like the environmental benefits of green bonds, the EU carbon border tax, transition bonds, and the relaunch of CCER.

Progress in the Construction of the Green Finance Innovation Laboratory

Shandong Branch leveraged the platform of the Green Finance Innovation Laboratory to proactively connect with relevant government and regulatory bodies, establishing a regular communication and coordination mechanism and exploring diverse models of bank-government collaboration on green development. Moreover, the branch conducted ongoing policy research on issues such as industrial structure adjustment and potential risk factors, providing policy recommendations for green development in Shandong Province. It participated in the formulation of over ten significant documents, including *the Shandong Province's 14th Five-Year Financial Industry Development Plan and the Shandong Province's 14th Five-Year Green, Low-Carbon, and Circular Development Plan.*

topic

The Green Finance Research Institute of the Bank Published ***Towards High-Quality Development: Explorations and Practices in Transition finance***

Towards High-Quality Development: Explorations and Practices in Transition finance is based on domestic and international research and practices in transition finance. It specifically addresses the development characteristics of six key areas in Shandong Province: coal power, steel, cement, non-ferrous metals, petrochemicals, and zero-carbon industrial parks. The publication proposes a targeted catalog of transition finance activities and financial service plans. Based on a comprehensive analysis of the current status and challenges of transition finance development in Shandong, it offers recommendations on key aspects such as standard setting, infrastructure, and policy coordination, providing decision-making references for creating a model of transition finance in Shandong and nationwide.

Research Achievements	Research Outcomes and Application Value
Challenges and Responses to ISSB's Sustainability Disclosure Standards for ABC	Provided an in-depth interpretation of the main contents of the ISSB Sustainability Disclosure Standards, analyzed the challenges to information disclosure, and proposed strategic recommendations based on these insights.
Opportunities and Recommendations for Deepening Green Finance Development under Collective Forest Right System Reform	Delivered a thorough analysis of the *Deepening Collective Forest Right System Reform Scheme*, explored new opportunities it presents for forestry finance, evaluated the current state of ABC's related business developments, and offered policy recommendations.
Reflections and Recommendations on Supporting the Realization of Carbon Asset Value	In light of the Ministry of Ecology and Environment's *Voluntary Greenhouse Gas Emission Trading Management Measures (Trial)*, this study examined the new opportunities and challenges for financial institutions in participating in carbon market construction, adjusting asset allocation, and developing carbon finance, proposing actionable suggestions.
Research on Chinese Commercial Banks' Participation in International Green Finance Cooperation	Focusing on green certification, green bonds, and green credit standards, this research compared the green finance standard systems of the sample countries (regions) including UK, Germany, Singapore, and Hong Kong with China's, offering recommendations to enhance internal governance in commercial banks, strengthen government and regulatory guidance, promote cross-border cooperation, enhance international research collaboration and data sharing, improve information disclosure standards, and foster product innovation and green certification. These recommendations help Chinese commercial banks better engage in international green finance cooperation.
Financial Services for Agriculture and Rural Carbon Peaking and Carbon Neutrality: Analysis and Policy Recommendations	Comprehensively reviewed domestic and international practices in financial services for green and low-carbon development in agriculture and rural areas, and systematically analyzed the basic characteristics, key areas, and main paths of carbon emissions in China's agriculture and rural sectors. Based on ABC's practices, it summarized the main approaches and typical cases of financial support for emission reduction and carbon sequestration in agriculture and rural areas, proposing policy recommendations.
Considerations on Expanding Financial Services for Low-Carbon Transformation in Industrial Parks	It delved into how the low-carbon transformation of industrial parks presents new business development spaces and opportunities for commercial banks, proposing targeted suggestions for ABC to explore new financial service models and comprehensively expand the financial service boundaries in industrial parks.
Proactive Planning for "Sannong" Methane Emission Reduction Financial Services	Analyzed the significant financial demands derived from methane emission reduction in agriculture and rural areas, proposing specific strategies for the Bank to serve methane emission reduction in "Sannong".
Reflections on Supporting the Development of the New Energy Vehicle Industry	Through research on the new energy vehicle industry, it analyzed market development opportunities and challenges, and proposing relevant recommendations based on these findings.
Coordinated Solutions for Challenges in Financial Services for Pumped Storage Energy: Research and Reflections	Through detailed analysis of the development status and potential of the pumped storage energy industry, the study proposed strategic recommendations for addressing financial service challenges in this sector based on comprehensive research and the Bank's current financial services status.
Insights into the New Trends in the Power Battery Industry and ABC's Strategic Response	Investigating and analyzing the power battery industry, the study closely monitored new trends such as industry capacity changes, raw material price fluctuations, global development, and trade protection, offering targeted suggestions for the development of the Bank's power battery business.

Research Achievements	Research Outcomes and Application Value
Strategies and Recommendations for Our Bank's Categorized Support for the Development of New Energy Storage	In the context of "proactive government" and "effective market" roles, China's new energy storage industry maintains a rapid development trend, showing significant regional and industry differentiation characteristics. Based on thorough research within the head office's relevant departments and various branches, the study proposed strategic recommendations for the Bank's categorized support for the development of the new energy storage industry.
Can Environmental Benefits Influence Financing Costs? - An Analysis from the Perspective of Green Bonds	Analyzing the environmental benefits driven by green industrial bonds from industry and project category perspectives, the study examined the correlation between green bond premiums and carbon reduction benefits of green bonds through empirical research. Subsequently, it proposed recommendations for refining the related institutional mechanisms to guide funds effectively towards green projects.
Features and Advantages of Commercial Banks Issuing Green Financial Bonds	Through a systematic review of the regulatory requirements and issuance features of commercial banks' green financial bonds, the study explored the interest rate advantages of green financial bonds issued by different types of commercial banks and forecasted the trend towards a richer green connotation. It aims to lay a comprehensive research foundation for commercial banks preparing to issue green financial bonds.
International Experience and Insights on Transition Bonds	Reviewing the international regulatory framework and characteristics of transition bonds, and using international cases to provide suggestions for the standard construction and information disclosure of China's transition bond market. This aims to offer references for further perfecting China's transition bond regulatory system and promoting the development of the transition bond market.

Advancing Joint Research

The Bank actively promoted exchanges and cooperation with government departments, regulatory authorities, and professional research institutions to broaden research perspectives and enhance research quality and effectiveness.

Strengthening Exchange and Cooperation with Regulatory Bodies

The Bank led the establishment of the "Green Inclusive Finance Integration Working Group" under the Green Finance Committee of China Society for Finance and Banks. As one of the research working groups of the Green Finance Committee, it collaborated with local financial and regulatory authorities, domestic universities, and professional third-party institutions engaged in green finance to jointly conduct research on the "Integrated Development of Green and Inclusive Finance."

Joint Research with Local Governments

In collaboration with the Shandong Provincial Government, the Bank formed a research team to study the development strategy of transition finance, providing valuable insights for the construction of transition finance standards and pathways in Shandong and across the country.

Active Collaboration with Domestic Ministries and Academic Research Institutions

The Bank collaborated with China Agricultural University and the Rural Economy Research Center of the Ministry of Agriculture and Rural Affairs to conduct "Research on Financial Support Strategies for the construction of China's strength in agriculture." The research focuses on the challenges and financial needs associated with the construction of China's strength in agriculture, offering targeted strategic recommendations.

Active Participation in Association Research

The Bank actively engages in research projects with the China Banking Association (CBA). The studies on "Strategic Research on Water Finance Services" and "Research on the Pathways for Financial Institutions to Undertake Transformational Finance" were recognized as outstanding papers in the "China Banking Industry Development Research Excellence Awards (2023)."

Enhancing Information Disclosure

Improving the Disclosure Mechanism. In alignment with the People's Bank of *Guidelines for Financial Institutions Environmental Information Disclosure* and the Hong Kong Stock Exchange's *Enhancement of Climate-related Disclosures Under the Environmental, Social and Governance Framework*, the Bank enhanced the development of green finance reports, social responsibility reports, and annual reports. This approach coordinates the disclosure of information on green finance, ESG, and social responsibility effectively.

Aligning with Domestic and International Standards. The Bank strengthened its engagement with regulatory bodies and social organizations, actively participating in the development of information disclosure standards and policies. It kept abreast of the latest international ESG trends and deepened research on sustainable information disclosure. Maintaining communication with the International Sustainability Standards Board (ISSB) and the Global Investors for Sustainable Development (GISD) Alliance showcased the Bank's unique solutions on the global stage.

Expanding Disclosure Channels. The Bank established a "dedicated section for green finance" on its official website, subdivided into reports on green finance, green finance information disclosure, and green finance news, ensuring timely disclosure of thematic reports, carbon reduction loan information, and updates on green finance. Utilizing its communication platforms such as WeChat public accounts and ABC Newspapers, along with mainstream media immersive reporting, special media features, and new media promotions, the Bank effectively showcased its commitment to ESG principles, the development of green finance, and enhanced environmental management.

Enhancing Brand Image

The Bank continuously cultivated its brand image as a promoter and pioneer of green finance. Strengthened collaboration with major central and key financial media led to the publication of articles and news releases, including an article in People's Daily titled *'ABC Green' Paints a New Green and Beautiful Landscape in Guangdong*, and a press release by Xinhua *News Agency on Agricultural Bank of China's London Branch $300 Million Green Bonds Listed on the London Stock Exchange.* Central Radio and Television General Station broadcasted news on *How do technology companies and green industries obtain financial support?* while *Economic Daily* published an article titled *Agricultural Bank of China Polishes its Green Image to Build a New Green and Low-Carbon Development Pattern.* Using portal websites, the "Agricultural Bank of China" WeChat public account, and China Urban-Rural Finance newspapers, proactive promotion of green finance development concepts, key products, and service cases was conducted to comprehensively showcase the effectiveness of business development initiatives. In conjunction with important promotional timings and work focuses, green finance-themed promotions were created. The construction case of the Xi'an Port Area was successfully selected to be showcased in the Ministry of Ecology and Environment's joint exhibition of "Belt and Road" green achievement cases.

Prospects

Addressing climate change and building a beautiful world has become a global consensus. The focus of green development worldwide is shifting towards implementing climate actions and accelerating the achievement of climate goals. Under the guidance of Xi Jinping Thought on Eco-Civilization, China is advancing green development and the construction of a beautiful country with unprecedented efforts. China has established a comprehensive "1+N" policy system for dual carbon goals, providing important guidance for the green and high-quality economic development. The establishment of a globally leading green financial market system in China has significantly facilitated the growth of green industries and the low-carbon transition of traditional industries.

As a significant state-owned commercial bank, the Bank fully embodies the political and people-oriented nature of financial work, internalizing the essence of green development into proactive actions. This approach continuously fuels the comprehensive green transformation of economic and social development, contributing robustly to the people's vision of a beautiful life. Going forward, ABC is committed to thoroughly and accurately implementing the new development philosophy, fundamentally serving the comprehensive green transformation of economic and social development. With a focus on driving the integration and innovation of "Sannong" and green finance, the Bank steadfastly pursues a path of financial development with Chinese characteristics. Embedding green development concept across all business areas and stages, the Bank is dedicated to excelling in green finance. It aims to deepen the implementation of green finance strategies, expand the service scope for green development, enhance service quality and efficiency in green finance, and provide high-quality financial services to promote the construction of a beautiful China and accelerate the harmonization of humans and nature in modernization.

Appendix

Global Legal Entity Identifier (LEI): 549300E7TSGLCOVSY746

Third-Party Verification Report

Basis for Key Data Compilation

Total Assets (in RMB100 million): Represent the book value of total consolidated financial statement assets of Agricultural Bank of China Limited at the end of each year.

Total Loans and Advances to Customers (in RMB100 million): Reflect the original amount of loans and advances granted by Agricultural Bank of China Limited as per the consolidated financial statement at year-end.

Capital Adequacy Ratio (%): Calculated in accordance with the *Administrative Measures for the Capital of Commercial Banks (Trial)* and other relevant regulations.

Net Profit (in RMB100 million): Correspond to the net profit amount in the consolidated income statement of Agricultural Bank of China Limited for each year.

Number of Domestic Branches: Include the head office, Business Department of the Head Office, specialized business units managed by the Head Office, training institutes, tier-1 branches (including branches directly managed by the Head Office), tier-2 branches (including provincial capital city branches and provincial business departments), tier-1 sub-branches (including business departments in municipalities, business departments of branches directly managed by the Head Office and business departments of tier-2 branches), foundation-level branch outlets, and other establishments.

Training Sessions Held (in 10,000 sessions): The number of training sessions held refers to the annual number of completed training sessions managed by the Bank's online learning platform, "ABC e-Learning."

Agricultural Loan Balance (in RMB100 million): The agricultural loan balance includes the balance of loans to farmers, non-farmer individual loans in agriculture, forestry, animal husbandry, and fisheries, loans to rural enterprises and various organizations, and loans related to agriculture to urban enterprises and various organizations.

Green Credit Business Balance (in RMB100 million): The balance of green credit business is calculated according to the green finance standards set by NFRA in 2020.

Underwriting Green Bonds (in issues), Raised Funds (in RMB100 million): The number of green bond issues underwritten and the amount of funds raised refer to the number of bond instruments underwritten by Agricultural Bank of China Limited, where the proceeds are specifically used to finance eligible green projects or refinance these projects, and the total funds raised through these issues.

Proprietary Green Bond Investment Scale (in RMB100 million): The proprietary green bond investment scale refers to the balance of the Bank's own non-financial corporate green bond investments and its own financial corporate green bond investments, as per the standards of NFRA.

ESG-themed Financial Products in Operation (units), Current Scale (in RMB100 million): The ESG-themed Financial Products refer to those first issued by ABC Wealth Management in 2019, which focus on avoiding and exiting investments in enterprises with poor ESG performance. They prioritize investments in clean energy, energy conservation, environmental protection, and ecological preservation industries. While practicing social responsibility, supporting green industries, and promoting sustainable development, these products aim to deliver sustainable excess returns to investors. The "ESG" wording is included in the product names. The current scale indicates the scale of ESG-themed Financial Products in operation as of December 31, 2023.

Current Scale of Green Themed Investment Funds (in RMB100 million): The ongoing green-themed investment funds refer to those managed by ABC HuiLi, where the primary investment assets are related to green energy entities. The current scale indicates the scale of green-themed investment funds in operation as of December 31, 2023.

Water Usage (tons): Water usage represents the total annual water consumption of the Bank's head office in Beijing and its 37 tier-1 branches office buildings.

Per Capita Water Usage (tons/person): The per capita water usage is calculated by dividing the total water consumption by the number of employees paid within the respective collection scope.

Wastewater Discharge (tons): The wastewater discharge refers to the total annual wastewater output from the The Bank's head office in Beijing and its 37 tier-1 branches office buildings. The calculation method is to multiply the water usage by 0.85 for conversion, with the wastewater discharge coefficient referring to the *Code for Urban Wastewater and Stormwater Engineering Planning* (GB 50318-2017) and related statistical bureau documents.

Independent Assurance Report of Certified Public Accountants with Limited Assurance

Issued by KPMG Huazhen
No. 2400057

To the Board of Directors of Agricultural Bank of China Limited:

Report on Selected Information in the Agricultural Bank of China Limited's *2023 Green Finance Development (Environmental Information Disclosure)* Report (hereinafter referred to as "The Report")

I. Conclusion

We have conducted a limited assurance engagement on the following selected information (hereinafter referred to as the "Key Audited Data") included in the Agricultural Bank of China Limited (hereinafter referred to as "The Bank") *2023 Green Finance Development Report*:

- Total Assets (in RMB100 million)
- Total Loans and Advances to Customers (in RMB100 million)
- Capital Adequacy Ratio (%)
- Net Profit (in RMB100 million)
- Number of Domestic Branches
- Training Sessions Held (in 10,000 sessions)
- Agricultural Loan Balance (in RMB100 million)
- Green Credit Business Balance (in RMB100 million)
- Underwriting Green Bonds (in issues), Raised Funds (in RMB100 million)
- Proprietary Green Bond Investment Scale (in RMB100 million)
- ESG-themed Financial Products in Operation (units), Current Scale (in RMB100 million)
- Current Scale of Green Themed Investment Funds (in RMB100 million)
- Water Usage (in tons)
- Per Capita Water Usage (tons/person)
- Wastewater Discharge (tons)

Based on the implemented procedures and obtained evidence, we did not notice anything that would lead us to believe that the Key Audited Data disclosed in the Agricultural Bank's 2023 Green Finance Development Report were not compiled, in all major respects, in accordance with the standards outlined in the "Appendix: Basis for Compilation of Key Data" ("Compilation Basis") of this report. Our conclusion on the audited performance information does not cover other information (hereinafter referred to as "Other Information") that is attached or included in the audited performance information and assurance report. Other Information is not part of this assurance engagement, and we have not performed any procedures on Other Information.

II. Basis for Conclusion

Our assurance work was conducted in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB). The "Responsibilities of CPA" section in our assurance report further explains our responsibilities under these standards.

We have complied with the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants* (including International Independence Standards), which sets forth requirements regarding independence and other ethical requirements. This code is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm follows the International Standard on Quality Management (ISQM) 1, issued by the IAASB, which requires accounting firms to design, implement, and operate a system of quality management for audits or reviews of financial statements, as well as other assurance or related services engagements. This standard requires policies and procedures related to compliance with ethical requirements, professional standards, and applicable laws and regulations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

III. Limitations on Use

This report is intended solely for the Board of Directors' use. It should not be used for any other purpose. We assume no responsibility or liability to any other party for the consequences of using this report. This section does not affect the conclusion we have formed.

IV. Responsibilities of the Entity for the Key Audited Data

The directors of the Bank are responsible for:

- Designing, implementing, and maintaining internal controls relevant to the preparation of the Key Audited Data, so that they are free from material misstatement, whether due to fraud or error;
- Selecting or developing appropriate criteria for the preparation of the Key Audited Data and adequately disclosing or describing the criteria used;
- Preparing the Key Audited Data in accordance with the Basis of Preparation.

V. Inherent Limitations in Preparing Key Data

We draw users' attention to the fact that, due to the absence of universally recognized evaluation and measurement standards for non-financial data, there are inconsistent measurement methodologies, which could affect the comparability of data across companies.

VI. Responsibilities of the Auditor

Our responsibilities include:

- Planning and performing the assurance engagement to obtain limited assurance that the Key Audited Data is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion based on the procedures we have performed and the evidence we have obtained;
- Reporting our conclusion to the Board of Directors of the Bank.

An overview of the work we performed is provided as the basis for our conclusion.

In conducting the assurance engagement, we applied professional judgment and maintained professional skepticism. We designed and implemented procedures to obtain sufficient and appropriate evidence to provide a basis for our conclusion regarding the Key Audited Data. The procedures selected depend on our understanding of the Key Audited Data and other circumstances of the engagement, as well as our consideration of areas where material misstatements could arise. Moreover, our work is not intended to provide an opinion on the effectiveness of the Bank's internal controls. In performing our assurance engagement, we:

1) Conducted interviews with the relevant departments of The Bank involved in providing the Key Audited Data for the "2023 Green Finance Development Report".

2) Performed analytical procedures on the Key Audited Data in the "2023 Green Finance Development Report".

3) Conducted sample checks on the Key Audited Data in the "2023 Green Finance Development Report".

4) Performed recalculations.

The nature and timing of procedures performed in a limited assurance engagement differ from those in a reasonable assurance engagement and are less extensive, hence the level of assurance provided in a limited assurance engagement is substantially lower than that provided in a reasonable assurance engagement.

毕马威华振会计师事务所(特殊普通合伙)

Beijing, China

March 28, 2024

Third-Party Statement for GHG Emissions and Energy Consumption Data

ctc

Third-Party Statement for GHG Emissions and Energy Consumption Data

This report object entity is

Agricultural Bank of China Limited

covering GHG emissions and main energy consumption data of all operating institutions of Agricultural Bank of China Group from January 1, 2023 to December 31, 2023.

Index	2023
Total greenhouse gas (GHG) Emissions [1]	
Scope 1: Direct GHG emissions (tCO_2)	212,583.03
Scope 2: Indirect GHG emissions (tCO_2)	1,998,863.40
Total GHG emissions : Scope 1+ Scope 2 (tCO_2)	2,211,446.43
GHG emissions per capita (tCO_2 /p)	4.76
Energy Consumption [2]	
Electricity (MWh)	2,936,975.269
Use of electricity per capita (MWh/p)	6.319
Natural gas (m^3)	24,233,750.36
Use of natural gas per capita (m^3/p)	52.14
Liquefied petroleum gas (t)	1,918.19
Gasoline (t)	30,389.93
Diesel (t) [3]	1,494.60
Power purchased (GJ)	2,944,603.65
Comprehensive energy consumption (MWh) [4]	4,527,060.91
Comprehensive energy consumption per capita (MWh/p)	9.74

1. Calculation methods of GHG emissions:

GHG accounting according to *ISO14064-1 Greenhouse Gas Part 1: Norms and Guidelines for Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level, GHG Protocol (Greenhouse Gas Protocol)*;

Direct GHG emissions: The Bank's consumption amount of natural gas, liquefied petroleum gas, gasoline, diesel and coals multiplied by the corresponding emission factors. For emission factors, you may refer to *the Fifth Assessment Report 2014* of the Intergovernmental Panel on Climate Change (IPCC);

Indirect GHG emissions: The Bank's consumption amount of electricity and purchased heat multiplied by the corresponding emission factor. For emission factors, you may refer to the latest data released by the Ministry of Ecology and Environment in 2023;

Total GHG emissions: The total sum of direct GHG emissions and indirect GHG emissions.

2. The data of GHG emissions and energy consumption are based on Group's standard, including domestic and overseas branches, integrated operation subsidiaries, and other institutions at all levels.

3. Diesel is mainly used for standby generator and bank-owned vehicles.

4. All comprehensive energy consumption data of various energy sources refer to the *General rules for calculation of the comprehensive energy consumption* (GB/T 2589-2020).

China Testing & Certification International Group Co., Ltd

Signature:

Date of Statement: March 2024

Index Table

Index Table of *Guidelines for Financial Institutions Environmental Information Disclosure*

Content		Section Index
Annual Overview		About ABC 1.1 Development Situation of Green Finance
Environmental Governance Structure of Financial Institutions		2. Improving Governance Efficiency and Building a Solid Green Foundation
Environmental Policies and Systems of Financial Institutions	Policies and systems related to environmental management developed by financial institutions	5. Strengthening Policy Support - Establish a Long-term Mechanism
	Compliance and implementation of national and regional environmental policies, regulations, and standards related to the institution	3. Serving the National Strategy and Demonstrating Financial Responsibility 5. Strengthening Policy Support - Establish a Long-term Mechanism
	Compliance with international conventions, frameworks, and initiatives related to climate and environment	5. Strengthening Policy Support - Establish a Long-term Mechanism 8. Strengthening Empowerment and Deepening Exchange and Cooperation
Innovation in Environmental Products and Services by Financial Institutions	Development of innovative green financial products and services by financial institutions	3. Serving the National Strategy and Demonstrating Financial Responsibility 4. Deepening Innovation Drive and Converging Green Kinetic Energy
	Environmental and social benefits of green product innovation	1.3 Empowering Green and High-Quality Development 3. Serving the National Strategy and Demonstrating Financial Responsibility 4. Deepening Innovation Drive and Converging Green Kinetic Energy
Environmental Risk Management Process of Financial Institutions	Process of identifying and assessing environmental-related risks	6.2 Strengthening Environmental and Climate Risk Identification and Response
	Process of managing and controlling environmental-related risks	6. Addressing Climate Change and Proactively Controlling Risks
Environmental Factors' Impact on Financial Institutions	Environmental Risks and Opportunities for Financial Institutions	6.2 Strengthening Environmental and Climate Risk Identification and Response
	Quantitative Analysis of Environmental Risks for Financial Institutions	6.4 Enhancing Quantitative Analysis Capabilities for Environmental and Climate Risks
Environmental Impact of Financial Institutions' Investment and Financing Activities	Environmental Impact of Commercial Banks' Investment and Financing	1.3 Empowering Green and High-Quality Development 3. Serving the National Strategy and Demonstrating Financial Responsibility 4. Deepening Innovation Drive and Converging Green Kinetic Energy 5. Strengthening Policy Support - Establish a Long-term Mechanism
	Calculation and Expression of Environmental Risks' Impact on Financial Institutions' Investment and Financing	1.3 Empowering Green and High-Quality Development 4.1 Improving Green Credit 7.7 Cultivating Green Culture 8.4 Enhancing Information Disclosure
Environmental Impact of Financial Institutions' Business Operations		7. Embracing Green Principles to Build a Green Bank
Data Organization, Verification, and Protection		5.5 Strengthening Data Compliance Governance
Innovation and Research Achievements in Green Finance	Innovative Cases in Green Finance	3. Serving the National Strategy and Demonstrating Financial Responsibility 4. Deepening Innovation Drive and Converging Green Kinetic Energy
	Research and Achievements in Green Finance, Environmental Risk Analysis, etc., and Prospects	8.3 Enhancing Forward-Looking Research Prospects
Other Environment-Related Information		Appendix

Principles for Responsible Banking (PRB) Index Table

Content	Response Summary
Principle 1: Alignment	
1.1 Business Model Describe your bank's business model, including its primary customer groups, main types and categories of products and services offered, and the key industries and activities within your bank's operational or service provision's primary geographical areas. Additionally, quantify relevant information by disclosing the geographical and sectoral distribution of your bank's portfolio (%), either by on-balance sheet and/or off-balance sheet, or by revealing the number of customers and clients served.	Being one of the major integrated financial service providers in China, ABC pursues high-quality development, highlights two positionings as "the leading bank serving rural revitalization" and "the main bank serving the real economy", and comprehensively implements three priorities, which include rural and inclusive finance, green finance, and digitalization. It relies on its comprehensive business portfolio, extensive distribution network, and advanced IT platform to provide a diverse portfolio of corporate and retail banking products and services for a broad range of customers. The Bank conducts financial market and asset management businesses. Its business scope also includes, among others, investment banking, fund management, financial leasing, and life insurance. As at the end of 2023, the Bank had 22,843 domestic institutions, and its overseas institutions included 13 overseas branches and four overseas representative offices.
1.2 Strategic Alignment Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks. Does your bank also reference *UN Guiding Principles on Business and Human Rights, International Labour Organization fundamental Conventions,UN Global Compact, UN Declaration on the Rights of Indigenous Peoples* or any applicable regulatory reporting requirements on environmental risk assessments, any applicable regulatory reporting requirements on social risk assessments in its strategic priorities or policies to implement these?	The Bank integrated sustainable development concepts into its series of policy documents, such as the *ABC Green Finance Development Plan (2021-2025)* and the *Guidelines on Accelerating the Development of Green Finance Business*, aiming to make greater contributions to the high-quality development of the country's economy, society, and environment. The Bank has formulated the *2023 Green Finance/Carbon Peaking and Carbon Neutrality Work Key Points*, clarifying annual work objectives and key tasks. It continued to promote the implementation of the *Work Plan of the Bank for Peak Carbon Emission and Carbon Neutrality,* advancing energy saving, carbon reduction, and green development across the Bank. ABC has signed or participated in related initiatives and mechanisms such as the UN Principles for PRB and the Task Force on Climate-Related Financial Disclosures (TCFD), actively supporting the implementation of the United Nations Sustainable Development Goals (SDGs) and the *Paris Agreement*.
Principle 2: Impact and Target Setting	
2.1 Impact Analysis Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting.	The Bank earnestly implemented the decisions and plans of China for the rural revitalization strategy, took rural revitalization as its top priority, seized the historic opportunities presented by upgrading rural consumption and building the countryside, and focused on enhancing the core competitiveness of county areas to promote the sustainable development of the "Sannong" business. The Bank fully integrated the concept of sustainable development into a series of policy documents, including the *Green Finance Development Plan of Agricultural Bank of China (2021-2025)* and the *Guiding Opinions on Accelerating the Development of Green Finance Business*, with a view to making a greater contribution to serving the country's high-quality development of economy, society and environment. It formulated the *Highlights of Green Finance/Carbon Peaking and Neutrality in 2023* to set out annual targets and tasks.

Content	Response Summary
2.2 Target Setting Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately: a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. You can build upon the context items under 2.1. b)Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline. In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these. c)SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose. d)Action plan: which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.	The annual goal of the "Sannong" business: "Three Trillions", i.e. new county loans, new county deposits, and the balance of loans to farmers would all cross the RMB 1 trillion mark. A target set and released for green finance: Green credit across the Bank would continue to outstrip the average growth rate of various loans.
2.3 Target implementation and monitoring For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target.	In promoting the "Sannong" business, the Bank continued to increase financial support, consolidate the achievements in poverty alleviation, empower "Sannong" with technology faster, innovate policy and product modes, and strengthen service support and guarantee. To achieve the goal for developing green finance, the Bank conducted a follow-up assessment of the work measures set out in the *Green Finance Development Plan (2021-2025)*, supervised the fulfillment of the responsibilities related to the plan, and accelerated the implementation of the green finance strategy. The main measures included strengthening organizational leadership, expanding the supply of high-quality policies, increasing the financial support in key areas, and rolling out a diversity of innovative products and services. As at the end of 2023, the targets of "three trillions" were fully accomplished, and the balance of green credit business was RMB 4,048.7 billion, growing by 50.09%, higher than the average growth rate of various loans.

Content	Response Summary
Principle 3: Clients and Customers	
3.1 Client Engagement Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved. This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank .	The Bank organized the "Visiting Enterprises to Boost Their Confidence and Provide Quality Services" activity to visit innovative small and micro enterprises, understanding their financial needs, examining financial products, and providing financial services in a targeted manner. With the dual carbon goal, it combined inclusive finance and green finance to provide credit support for the green transformation of production and operation modes, such as technological upgrading and pollution control by small and micro enterprises and farmers. The Bank issued the *Implementation Plan for Comprehensively Promoting the Credit Village and Credit User-oriented Comprehensive Service Mode that Could Integrate Party Building, Finance, and Technology* to extend credit based on ratings of credit villages and credit users, which both facilitated the formation of a credit system for rural customers and supported their sustainable production and operation activities. The reward points system for villagers was put online and promoted, which facilitated the compliance of villagers with village rules and agreements and assisted in the construction of rural civilization. The Bank cooperated with China Disabled Persons' Federation (CDPF) to provide financial assistance for the disabled. Relying on the online recommendation platform, they promoted a service mode in which employees of the Bank would go to families with disabilities and grant them loans upon online recommendation of CDPF organizations. With the mode, accumulated loans of RMB 2.56 billion have been issued to 13,000 households with disabilities.
3.2 Business Opportunities Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).	The Bank innovatively promoted exclusive products such as "Technology e-Loan" and "Torch Innovation Reward Points Loan" and explored service modes such as "Investment-Loan Linkage", to increase support for enterprises using special and sophisticated technologies to produce novel and unique products as well as small and micro enterprises in strategic emerging industries. To promote the sustainable development of "Sannong" customers in county areas, the Bank supported the development of customers along the entire green agriculture chain, the low-carbon transition and green consumption of customers in county industries, and the effective utilization of ecological value by customers in county areas
Principle 4: Stakeholders	
4.1 Stakeholder identification and consultation Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.	The Bank attached great importance to communication with stakeholders such as the government, regulatory agencies, shareholders and investors, customers, employees, suppliers, and partners. While proactively getting channels for communication unimpeded, it built an information disclosure mechanism to coordinate multiple channels, such as regular reports, CSR reports, green finance development reports, and official website, and all-media. At the same time, the Bank solicited the opinions of stakeholders through online questionnaires, in order to continuously improve the management of social responsibility issues on the premise of maintaining sound interactions.
Principle 5: Corporate Governance and Bank Culture	
5.1Governance Structure for Implementation of the Principles Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles.	The Bank continued to modernize its corporate governance system and capacity. Following the principles of independent operation, effective checks and balances, mutual cooperation, and coordination among different governance bodies, it kept optimizing operation mechanisms of scientific decision-making by the Board of Directors, efficient execution by the Senior Management, and strict oversight by the Board of Supervisors. During the reporting period, the Bank issued the ESG Risk Management Measures for Credit Business. As per the principle of providing classified guidance to support development in some areas while limiting growth in others, it actively supported credit business related to the green, low-carbon, and circular economy, and implemented the one-vote veto system for non-eco-friendly customers and projects.

Content	Response Summary
5.2 Promoting a culture of responsible banking *Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).*	The Bank formulated the *Education and Training Plan* with topics such as "Rural Revitalization", "Green Finance", and "Digital Operation" to give penetrating policy dissemination training on three strategies.
5.3 Policies and due diligence processes Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe. Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.	ESG risk management requirements were incorporated into the entire credit business process. Key review elements were made clear in such steps as due diligence, inspection, approval, and duration management. Dynamic assessments were carried out and full-process control requirements were implemented to manage ESG risks in a more meticulous manner.
Principle 6: Transparency and Accountability	
6.1 Assurance Has this publicly disclosed information on your PRB commitments been assured by an independent assurer? If applicable, please include the link or description of the assurance statement.	Every year, the Bank invites a professional third-party agency to carry out independent assurance on some key data of the CSR (ESG) report, so as to enhance the credibility and reliability of content and information in the report.
6.2 Reporting on other frameworks Does your bank disclose sustainability information in GRI, SASB, CDP, IFRS Sustainability Disclosure Standards (to be published), TCFD or any other of the listed below standards and frameworks?	This report is prepared in accordance with the People's Bank of *China Guidelines for Financial Institutions Environmental Information Disclosure* and refers to the United Nations Principles for PRB and the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) disclosure framework recommendations. The Bank's Social Responsibility (ESG) report is drafted in accordance with the Global Sustainability Standards Board's *GRI Sustainability Reporting Standards (GRI Standards)* and the Financial Services Industry Supplement, the International Organization for Standardization's ISO 26000 *Guidance on Social Responsibility (2010)*, and complies with the Shanghai Stock Exchange "Self-Regulatory Guidelines No. 1 for Listed Companies - Standard Operation", the Hong Kong Stock Exchange's *ESG Reporting Guide, and the Opinions on Strengthening the Social Responsibility of Banking and Financial Institutions and Guidelines for Corporate Social Responsibility of China's Banking and Financial Institutions*, among other relevant opinions and guidelines.
6.3 Outlook What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.	In the coming year, the Bank will continue to promote sustainable financial development, roll out innovative financial products and services in a more transparent and responsible way, make progress in constructing the ESG management system, improve corporate governance, and intensify the development of inclusive finance and green finance, hereby fulfilling its CSRs with concrete efforts.

Task Force on Climate-Related Financial Disclosures (TCFD) Index Table

	Content	Section Index
Governance	a) Board of Directors' oversight of climate-related risks and opportunities	2.1 Board of Directors Assuming the Principal Responsibility
	b) Management's role in assessing and managing climate-related risks and opportunities	2.3 Senior Management Improving Working Mechanisms
Strategy	a) Identification of short-term, medium-term, and long-term climate-related risks and opportunities by the organization	6.2 Strengthening Environmental and Climate Risk Identification and Response
	b) Impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	1. Adhering to Strategic Guidance and Deepening Green Image 3. Serving the National Strategy and Demonstrating Financial Responsibility 6. Addressing Climate Change and Proactively Controlling Risks
	c) Potential impact of different scenarios (including a 2°C scenario) on the organization's business, strategy, and financial planning	2. Improving Governance Efficiency and Building a Solid Green Foundation 6. Addressing Climate Change and Proactively Controlling Risks
Risk Management	a) Organization's process for identifying and assessing climate-related risks	6. Addressing Climate Change and Proactively Controlling Risks
	b) Organization's process for managing climate-related risks	
	c) Integration of climate-related risk identification, assessment, and management processes with the organization's overall risk management	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes.	1. Adhering to Strategic Guidance and Deepening Green Image 6. Addressing Climate Change and Proactively Controlling Risks
	b) Disclose Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and related risks, where applicable.	7. Embracing Green Principles to Build a Green Bank
	c) Describe the targets used by the organization in managing climate-related risks and opportunities and the performance against these targets.	1. Adhering to Strategic Guidance and Deepening Green Image 6. Addressing Climate Change and Proactively Controlling Risks

Compilation Statement

Reporting Scope

Organizational Scope

This report covers the Head Office of Agricultural Bank of China Limited, all tier-1 (including branches directly managed by the Head Office) branches in China, directly-managed institutions, training institutes, overseas branch outlets, and major holding subsidiaries.

Time Scope

January 1, 2023, to December 31, 2023.

Compilation Basis

This report is compiled in accordance with the People's Bank of China's *Guidelines for Financial Institutions Environmental Information Disclosure and takes into consideration the Principles for Responsible Banking (PRB)* of the United Nations for information disclosure and the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) framework recommendations. This report has been reviewed and approved by the Board of Directors of the Bank.

Data Explanation

The data presented in this report primarily originates from the Bank's internal systems and statistical data from various branches and institutions, with the Renminbi (RMB) used as the currency unit.

Distribution Channels

This report is available in both printed and electronic formats. The electronic version can be accessed on the Bank's website (www.abchina.com). The report is published in both Chinese and English. In the event of any discrepancies between the two versions, the Chinese text shall prevail.