



耕耘美丽中国

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Message from the Chairman



Gu Shu

Chairman of Agricultural Bank of China

Since the 18th National Congress of the Communist Party of China(CPC), the CPC Central Committee with Xi Jinping at its core, focusing on the fundamental way to realize the sustainable development of the Chinese nation, has strengthened environmental protection in all aspects, deeply participated in the global environment and climate governance, and pushed forward with the green and low-carbon transformation of economic and social development in an all-round way. In September 2020, General Secretary Xi Jinping, from the perspective of building a community with a shared future for mankind, officially put forward the carbon peaking and carbon neutrality goal, defining new missions for and enriching the connotations of ecological civilization building and green and low-carbon development.

Achieving carbon peaking and carbon neutrality is an inevitable choice for China to reduce the dependence of its economic development on high-carbon industries, resolve the prominent problems constraining resources and environment and realize the sustainable development of the Chinese nation, as well as a major move China takes to pursue deeper engagement in global climate governance and demonstrate its role as a responsible major country. In recent years, we have felt deeply about the tremendous changes caused by the work towards the carbon peaking and carbon neutrality goal in advancing the adjustment of the energy structure, the upgrading of the industrial structure and R&D and application of green and low-carbon technologies. While new energy industries thrive, traditional high-carbon industries are gathering pace in green transformation. China's economic and social development will embrace profound changes in quality, growth drivers and efficiency.

Being green is a defining feature of Agricultural Bank of China (hereinafter referred to as "ABC" or the "Bank" or "we/us/our/ourselves"), and green development is the cultural gene of ABC. As a global systematically important bank and a large state-owned commercial bank, ABC has always taken green, low carbon and sustainable development as its mission, and attached great importance to the development of green finance. By continuously strengthening the top-level design, optimizing the policy system and advancing product innovation, we have worked hard to build a green bank and contribute our financial resources to protecting lucid water and lush mountains and building a beautiful China.

2021 was the beginning year of the 14th Five-year Plan. In 2021, China took new steps in creating a new development dynamic and achieved new results in boosting high-quality development. Paying great attention to the challenges arising from global climate changes, we have centered around the decisions and plans about carbon peaking and carbon neutrality, thoroughly put into practice the requirements of the country about the development of the ecological civilization, and applied the new development philosophy in full, in the right way and in all fields of endeavor, in a bid to promote the green and low-carbon transformation of our economy and society on all fronts.

In 2021, we resolutely carried out the decisions and plans of the CPC Central Committee and the State Council, included the development of green finance into our three major strategies, and developed the green finance development plan across the Bank for the 14th Five-year Plan period to strengthen strategy-led development. Focusing on the key areas in green development, we beefed up the supply of green finance, fully served the green development of agriculture and rural areas, supported energy revolution and steady production and supply, and facilitated the transformation and upgrading of traditional industries. We vigorously forged a competitive green finance brand, put in place a multi-layered and multi-domain business system that covers green credit, green investment banking, green consumption and carbon finance, and injected new impetus into green development with innovative services. We effectively responded to the potential risks arising from green transformation, improved our management system and forestalled risks in business development.

Upholding the principles of openness and inclusiveness, we've been actively aligned with international mainstream standards. In 2021, we joined the 3rd annual meeting of the Global Investors for Sustainable Development (GISD) Alliance, and advanced the implementation of the UN Agenda 2030. We attended the 15th meeting of the Conference of the Parties (COP 15) to the Convention on Biological Diversity, and signed the *Joint Declaration of Banking Sector to Support Biodiversity Conservation* and the Principles for Responsible Banking. We became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), taking an active part in global climate governance and contributing our "ABC Solutions" to green development worldwide.

If we do not fail Nature, Nature shall never fail us. Looking forward, ABC will remain guided by Xi Jinping Thought on Ecological Civilization, unswervingly implement the new development philosophy, and follow the path to ecology-first green development. We will apply the carbon peaking and carbon neutrality requirement to the whole process and all aspects of our operation and management, and go all out to coordinate the progress of reducing carbon emission, cutting pollution, expanding green efforts and promoting growth. We are ready to join hands with all sectors of society, contribute our endeavors to realizing the carbon peaking and carbon neutrality goal and building a beautiful China, and take a greater part in the response to global climate change and the building of a community with a shared future for mankind.



Message from the President



Zhang Qingsong

President of Agricultural Bank of China

As pointed out by General Secretary Xi Jinping, eco-environmental protection is a contemporary cause that will benefit many generations to come. At present, the momentous changes and a global pandemic both unseen in a century are posing severe challenges to the development of the global economy. Faced with the dual tasks of recovering the economy and protecting the environment, the world has reached the consensus of working towards green transformation. As a strong pillar supporting green and low-carbon development, green finance has become a converter turning lucid waters and lush mountains into invaluable assets.

In 2021, we, ABC, earnestly implemented the decisions and plans of the CPC Central Committee and the State Council, and stepped up financial support for green and low-carbon industries, finding a new path for our development while fulfilling our responsibilities as a major state-owned bank. By the end of 2021, the bank-wide balance of green credit stood at RMB1.98 trillion, an increase of 30.6% from the end of last year; the balance of green bond investment was RMB88.3 billion, an increase of 35.0% from the end of last year; 27 issues of green bonds were underwritten in 2021, raising RMB44 billion in total, channeling financial resources into the green transformation.

We strengthened strategy-led development. We set up the Strategic Planning and Sustainable Development Committee under the Board of Directors, and launched the Green Finance Committee in the Senior Management, so as to intensify the overall planning and organizational leadership of green finance businesses in all aspects. Regarding the development of green finance as one of the three major strategies of the Bank, we made the bankwide green finance development plan for the 14th Five-year Plan period, and released the *Guiding Opinions on Accelerating the Development of Green Finance Businesses* and the *Action Plan for Accelerating the Development of Green Finance (2021-2023)*. By doing so, we put in place a systematic framework for the bankwide development of green finance, made clear the path of implementation, and advanced the implementation of green finance at the strategic level.

We secured the supply of funds. Giving full play to our role as a national team and major force serving “Sannong”, we continued to bolster support for green agriculture across the industrial chain from ecological planting and farming to under-forest economy and the protection of germplasm resources, and vigorously promoted the integrated protection of mountain, water, forest, farmland, lake, grassland and sand ecosystems and the improvement of living environment in rural areas. All these efforts helped secure the green transformation of agriculture and rural areas. Giving priority to green and low-carbon development based on production and consumption with energy, we strongly supported the move of renewable energy substitution, actively backed the steady production and supply of energies, and served the energy revolution through green development. We deepened and expanded the projects of building green and low-carbon

transport and environment infrastructures, and vigorously facilitated the building of energy conservation, environmental protection and green production systems, so as to push forward the green transformation of high-carbon industries.

We stuck to the innovation-driven approach. We put in place a multi-layered and multi-domain business system that covers green credit, green investment banking, green consumption and carbon finance. We introduced new distinctive products like ecological restoration loan, green transportation loan, green energy-saving building loan, and EMC future yield right pledge loan to develop a green credit product lineup. We were among the first in the financial industry to launch green bond investment and financing services such as the “Carbon Neutrality Bond” and Sustainability-Linked Bond, and provided green syndicated loan and M&A services for more than 400 enterprises in 2021. As the strategic banking partner of China Carbon Emissions Registration and Clearing Co.,Ltd., we launched the “ABC Carbon Service” system, and aligned with China's national carbon emission trading market.

We firmly guarded against risks. Attaching great importance to the risks and impacts arising from climate change and low-carbon transformation, we explored and carried out stress tests of climate risks targeted at key industries like coal power and iron & steel to evaluate and prevent the impacts from carbon emission and other factors on the quality of assets in a timely manner. Incorporating environmental and social risks into our comprehensive risk management system, we implemented green development requirements in every process from client research to credit review and post-loan management, and applied the “one-vote veto system” to the clients and projects that are not environment friendly. We raised the bar for the management of environmental protection and energy consumption in high-carbon industries, and energetically promoted energy conservation and carbon emission reduction in industries such as iron & steel, nonferrous metals, petrochemicals, chemicals and building materials.

Though the road ahead is long and hard, we will get through with persistent efforts. ABC is a proactive practitioner of green finance standards, as well as an active advocate of responsible investment and financing. In the year ahead, guided by Xi Jinping Thought on Ecological Civilization, we will ground our work in the new stage of development, implement the new development philosophy, and serve the building of the new development pattern. Upholding the overarching principle of pursuing progress while ensuring stability, we will work to make a new contribution to the green transformation of economic and social development in an all-round way.

张青松

Message from the Chairman of the Board of Supervisors



Wang Jingdong

Chairman of the Board of Supervisors of Agricultural Bank of China

2021 was a year of landmark significance in the history of both the CPC and China, as well as a year in which Agricultural Bank of China ("ABC") took new strides forward and made fresh progress in various undertakings. In the face of a complex situation with growing risks and challenges, we diligently implemented the decisions and deployment of the CPC Central Committee and the State Council on carbon peaking and carbon neutrality, and made all-out efforts to serve the green and low-carbon transformation of both the economy and society. We strengthened targeted financial services for key areas, and took green finance businesses into a fast lane of development. By the end of 2021, our balance of green credit stood at RMB1.98 trillion; the balance of green bond investment was RMB88.3 billion; and the funds raised through green bonds underwritten in the year were RMB44 billion.

While promoting the green and low-carbon transformation of the investment and financing structure, we also worked hard to achieve energy conservation and carbon emission reduction in our operations. In 2021, we set up the Carbon Neutrality Working Committee. By popularizing green office, advancing green use of energy, building green outlets and making green procurement, we continuously improved our green performance and actively fulfilled our corporate social responsibility (CSR) and missions.

This 2021 Green Finance Development Report released by ABC is the first subject report on green finance and environment information prepared in accordance with the *Guidelines for Financial Institutions Environmental Information Disclosure* formulated by the People's Bank of China, taking for reference the *Principles for Responsible Banking* (PRB) and the suggestions from the Task Force on Climate-related Financial Disclosures (TCFD) concerning information disclosure. This Report showcases the solid steps ABC has taken in recent years, particularly since 2021, in such aspects as the strategic plan of green finance, governance system, policy system, innovative services, risk management and financial support. Preparing and disclosing this Report is a major move taken by ABC to strengthen information disclosure and proactively receive supervision from all walks of life. Responsible for supervising the implementation of the green finance strategy across the Bank, the Board of Supervisors ("BOS") has played a positive role in supervising, supporting and boosting the development of green finance over the past years. In the years to come, the BOS will continue to push ABC to thoroughly implement the decisions and deployment concerning carbon peaking and carbon neutrality, in an aim to effectively facilitate the green and low-carbon transformation of both the economy and society.

Attention and care from all walks of life is the power driving us forward on the path to supporting green and low-carbon development through financial services. We expect to deepen our exchanges and cooperation with financial institutions both at home and abroad and make new contributions to the green, low-carbon and sustainable development of the global economy and society.

About ABC

Company Overview

The predecessor of the Agricultural Bank of China (“ABC” or “the Bank”) was the Agricultural Cooperative Bank established in 1951. Since recovery 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, and was listed on the Shanghai Stock Exchange (“SSE”) and the Stock Exchange of Hong Kong (“HKEX”) respectively in July 2010.

Being one of the major integrated financial service providers in China, ABC 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. Meanwhile, the Bank conducts financial market businesses and asset management. The business scope also covers, among other items, investment banking, fund management, financial leasing and life insurance.

By the end of 2021, the Bank had a total of 22,807 domestic branch outlets, including the Head Office, the Business Department at the Head Office, 3 specialized institutions managed by the Head Office, 4 training institutes, 37 tier-1 branches, 402 tier-2 branches, 3,348 tier-1 sub-branches, 18,961 foundation-level branch outlets and 50 other establishments. Overseas branch outlets included 13 overseas branches and 4 overseas representative offices. The Bank had 16 major subsidiaries, including 11 domestic subsidiaries and 5 overseas subsidiaries.



In 2021, the Bank ranked **No.29** in the *Fortune's* Global 500.

The Bank ranked **No.3** in *The Banker's* “Top 1,000 World Banks 2021” list by tier 1 capital.



By the end of 2021

Total assets
RMB **29,069,155** million

Capital adequacy ratio
17.13 %

Loans and advances
RMB **17,175,073** million

Net profit
RMB **241,936** million

Deposits
RMB **21,907,127** million

Development History and Development Achievements

- Milestones
- Development Achievements
- Honors

Milestones



2013

- Issued the *Opinions on the Implementation of Green Credit Work*.

2015

- Issued USD 995 million equivalent dual-currency green bonds in London, UK and listed on London Stock Exchange ("LSE").

2017

- Issued the *Opinions on the Implementation of the Guidelines of Seven Ministries and Commissions for Building a Green Financial System*.
- Issued the *Agricultural Bank of China Green Finance Development Plan (2017–2020)*.
- Issued the *Guidelines for Promoting the Development of the Green Investment Banking Business*.

2019

- Among one of the first group of companies to sign the "Belt and Road" Green Investment Principles.
- Underwrote, as the lead underwriter, the first green + poverty alleviation debt financing instrument in the Chinese interbank market, "China Longyuan Power Group 2019 Phase I Green Super Short-term Commercial Paper".

2021

- In May, issued the *Guiding Opinions on Accelerating the Development of Green Finance Businesses*.
- In May, set up the Carbon Neutrality Working Committee.
- In July, signed the strategic cooperation agreement with China's national carbon emission right registration and trading institution.
- In July, signed the cooperation agreement on the Wuhan Carbon Peaking Fund.
- In July, established ABC Green Finance Research Institute.
- In August, issued the *Action Plan of the Agricultural Bank of China for Accelerating the Development of Green Finance (2021–2023)*.

2014

- Built a green credit indicator system that covers five categories of indicators, namely, efficiency, benefit, environmental protection, resource consumption and social management, to promote the deep integration of green development requirements and industry credit policies.

2016

- Led the issuance of the first certified green asset securitization product in the exchange market, "Goldwind Green Asset-backed Securities".

2018

- Issued the *Measures of Agricultural Bank of China for the Management of Environmental and Social Risks of Credit Business*.
- Issued the *Notice on Distributing the Opinions on Supporting the Development of Pilot Zones for Green Finance Reform and Innovation in Zhejiang, Jiangxi, Guangdong, Guizhou and Xinjiang*.

2020

- Renamed the "Strategic Planning Committee of the Board of Directors" to the "Strategic Planning and Sustainable Development Committee of the Board of Directors".
- Participated in the establishment of the National Green Development Fund (NGDF) of China.
- Served as the lead underwriter of the first asset-backed note pledged with the right to revenue from industrial wastewater charges in the domestic interbank market-2020 Phase 1 green asset-backed note of Siensol Environment Protection Industry Group Co., Ltd.

- In October, signed the *Principles for Responsible Banking*.
- In November, became the supporting organization of the Task Force on Climate-related Financial Disclosures (TCFD).
- In December, issued the *Agricultural Bank of China Green Finance Development Plan (2021–2025)*.
- In December, established the Green Finance Committee.
- Launched innovative green credit products, including ecological restoration loan, green transportation loan, green energy-saving building loan, EMC future yield right pledge loan, etc.
- Served as the lead underwriter of the first "carbon neutrality bonds", the first "Sustainability-Linked Bonds", the first "sustainability panda bond", the first "carbon neutrality + rural revitalization" bond and the first "green + rural revitalization + old revolutionary base areas" bond.

Development Achievements



The Bank has actively practiced the green, low-carbon and sustainable development strategy. With green finance business as an important means to fulfill social responsibilities and serve the real economy, the Bank has constantly improved the top-level design and governance system of green finance, optimized the green finance development policy system and guarantee mechanism, promoted innovation in diversified green financial products and increased fund support to green and low-carbon fields. In this process, the Bank has protected lucid waters and lush mountains with financial resources and provided strong financial support for the ecological conservation and high-quality economic development of the country.

Green credit

By the end of 2021

Balance of green credit loans

RMB **1,977.8** billion

Compared with the prior year-end, an increase of

RMB **462.9** billion

Or **30.6**%

much higher than the average loan growth rate of the Bank

Saving standard coal equivalent to

46.88 million tons

on an annual basis

Reducing chemical oxygen demand equivalent to

410,000 tons

on an annual basis

Reducing ammonia nitrogen equivalent to

80,000 tons

on an annual basis

Reducing carbon dioxide equivalent to

95.54 million tons

on an annual basis

Reducing nitrogen oxides equivalent to

1.34 million tons

on an annual basis

Saving water equivalent to

72.55 million tons

on an annual basis

Green investment banking

2021

Green bonds (including carbon neutrality bonds) underwritten and issued

27 sessions

Funds raised

RMB **44** billion



By the end of 2021

Balance of investments in green industry funds

RMB **7.3** billion

Balance of green syndicated loans and green M&A loans over

RMB **450** billion



Green investment

By the end of 2021

Balance of green bond investments

RMB **88.3** billion

Balance of green bond investments of Agricultural Bank of China Wealth Management Co., Ltd.

RMB **6.5** billion

Balance of green debt-to-equity swap investments over

RMB **24** billion



Green innovation business

By the end of 2021

Balance of green leasing projects

RMB **48.8** billion



The time-point scale of "ABC Anxin ESG-theme" and "ABC Tongxin ESG-theme" wealth management products reached

RMB **18.5** billion



Honors



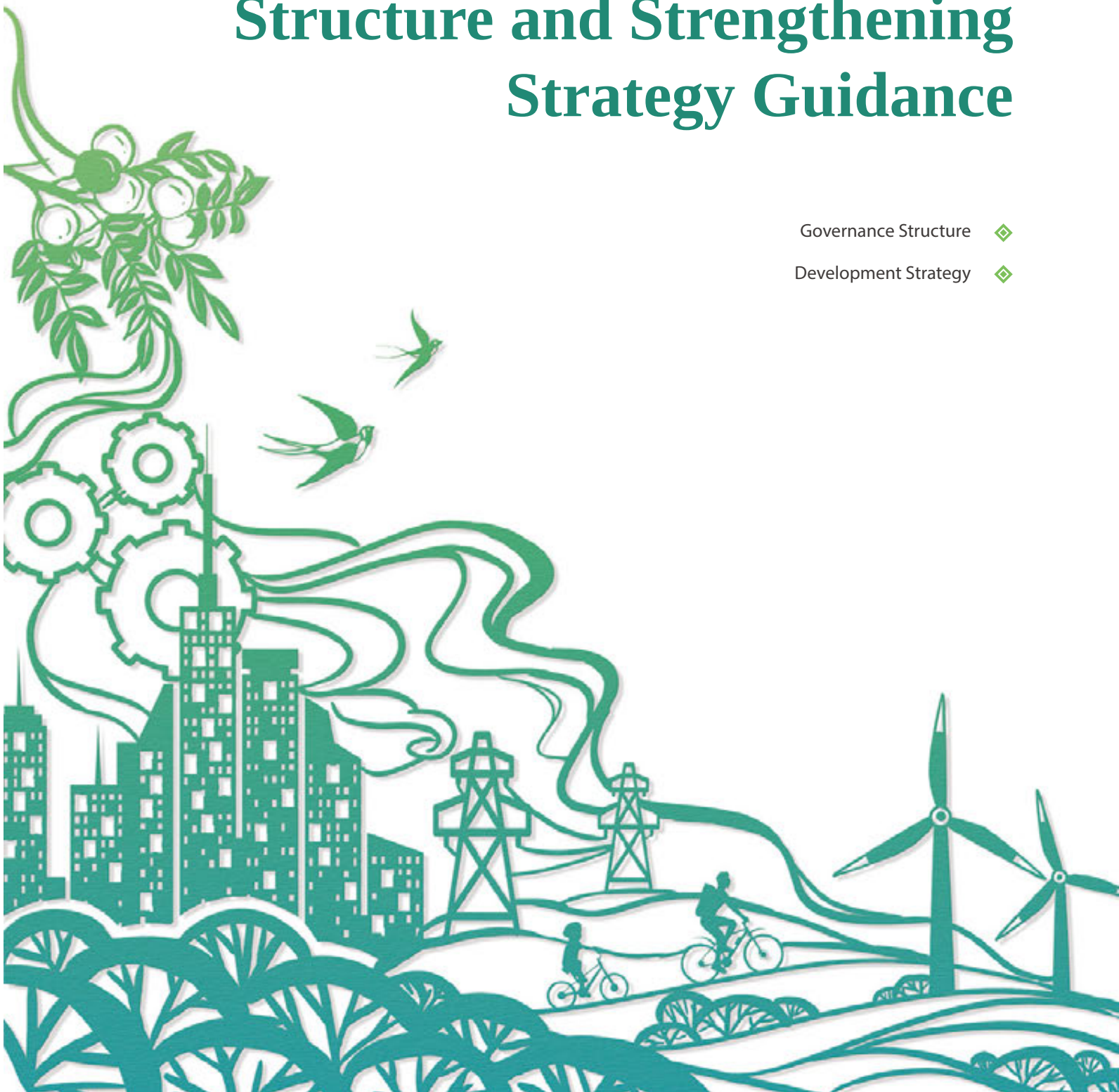
Award	Granted by
Best Green Finance Bank in 2021	Asiamoney
Outstanding Green Bank of the Year 2020-2021	The Economic Observer
2021 "Green and Low Carbon Vanguard" Award	Caillian Press
The 10th "Mother River Awards"	The National Leading Group for Protecting the Mother River of China
2021 Hong Kong Green and Sustainable Finance Award- Outstanding Award for Green and Sustainable Loan Structuring Advisor-Vision Green Lending Framework	Hong Kong Quality Assurance Agency (HKQAA)
Outstanding Award for Green and Sustainable Bond Leading Bank-Vision Green Bond Framework	
Advanced Enterprise in the 2020 Evaluation of Green Banks	The China Banking Association
Best Green Bond Bank in 2020	Asiamoney
Outstanding Institutional Investor in Green Bond Index Constituents in the comprehensive evaluation of ChinaBond members in 2020	China Central Depository & Clearing Co., Ltd.
2020 Excellent Member of the Yangtze River Eco-environmental Protection Industry Alliance	Yangtze River Eco-environmental Protection Industry Alliance
Advanced Enterprise in the 2019 Comprehensive Evaluation of Green Banks	The China Banking Association
2019 Syndicated Green/Sustainable Finance Deal Award	Asia Pacific Loan Market Association (APLMA)
Outstanding Institutional Investor in China Green Bond Index Constituents in the comprehensive evaluation of ChinaBond members in 2019	China Central Depository & Clearing Co., Ltd.



2

Improving Governance
Structure and Strengthening
Strategy Guidance

- Governance Structure
- Development Strategy



Governance Structure



The Bank has attached great importance to and actively developed green finance and kept improving the “Board of Directors – Board of Supervisors – Senior Management” corporate governance structure, to provide an organizational guarantee for planning and promoting the development of green finance.

At the Board of Directors level



Board of Directors

The Board of Directors determines the Bank's green finance development strategy and assesses the implementation of the strategy.

The Board of Directors set up the Strategic Planning and Sustainable Development Committee.

In 2021, the Board of Directors and the Strategic Planning and Sustainable Development Committee reviewed and approved the *Agricultural Bank of China Green Finance Development Plan (2021–2025)*, which has effectively promoted the development of the green finance business of the Bank.

At the Board of Supervisors level



Board of Supervisors

The Board of Supervisors oversees the implementation of the Bank's green finance strategy.

At the Senior Management level



Senior Management

The Senior Management develops the objectives of the green finance business based on the decision made by the Board of Directors; establishes the mechanisms and procedures and implements the green finance development strategy.

The Senior Management sets up the Green Finance Committee.

The Green Finance Committee makes overall arrangements for the Bank's green finance development and deliberates on major policies and measures related to the development of green finance.



▲ The directors, supervisors and senior management of the bank attend the lecture titled “Carbon Peaking and Carbon Neutrality: Opportunities and Challenges of Commercial Banks”. (Photo credit: ABC Board of Directors Office)



▶ Gu Shu, Board Chairman of the Bank, chairs 2021 symposium for directors, supervisors and senior management and listens to suggestions on improving the corporate governance system and promoting high-quality development. (Photo credit: ABC Newspaper Limited)

At the Special departments



Special departments

The special departments implement the arrangements for strategic planning of green finance, policy formulation, business marketing, product innovation, evaluation, internal control management, information disclosure and culture building.

Branches

The branches establish and improve green finance mechanisms, innovate and develop based on local conditions and create system synergy.



Centering on the strategy to peak carbon emissions and achieve carbon neutrality, the Bank made green finance one of its three major strategies during the 14th Five-Year Plan period to promote the green transformation of operation and management in all respects. In 2021, the Bank formulated the *Agricultural Bank of China Green Finance Development Plan (2021–2025)*, which laid down the green finance development objectives, major tasks and guarantee measures of the Bank during the 14th Five-Year Plan period, providing the direction and guidance for the implementation of the green finance strategy.

Strategic orientation



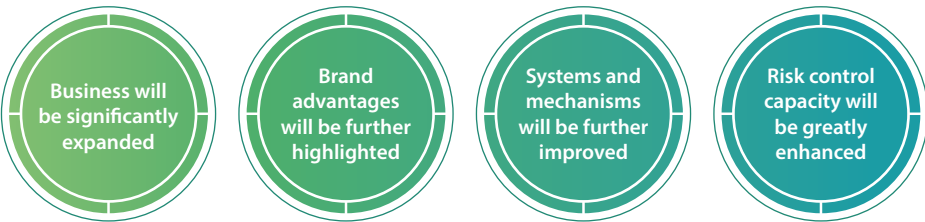
The Bank applied the new development philosophy in full, in the right way and in all fields of endeavor, adhered to systematic approaches, innovation-driven development, Group synergy and sustainable development, accelerated the optimization of the customer structure, innovation in products and services and the transformation of the governance system relating to green finance, focused on building an advantageous green finance brand with defining features and wide recognition, and provided stronger financial support to the ecological conservation and green, low-carbon and high-quality development of the country.

Basic principles



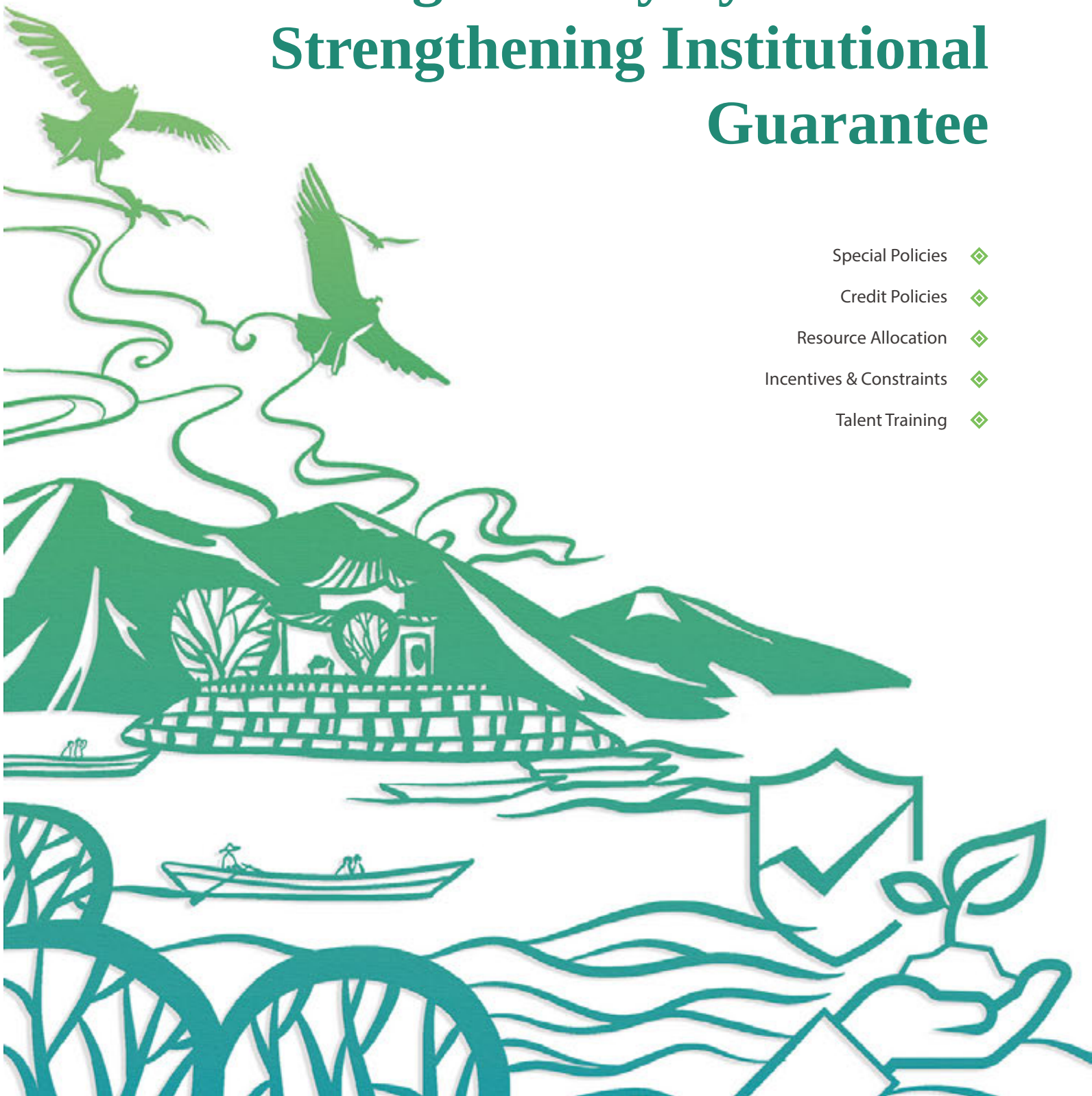
Adhering to the strategy guidance The Bank should vigorously implement the green finance strategy, promote green finance development from the perspective of corporate governance, and integrate the green development philosophy and requirements into all fields and all procedures of operation and management.	Adhering to innovation-driven development The Bank should keep abreast of green finance development trends at both home and abroad, make active attempts in new fields of green finance, improve green finance regulations and mechanisms, and stimulate the inner drive of green finance development.
Adhering to the Group synergy The Bank should give play to its advantage in integrated operations that cover both urban and rural areas, and comprehensively employ various instruments such as equity, debt, loan and investment to improve the capability to serve green finance customers and Group cohesion.	Adhering to the sustainable development The Bank should take market demand as the orientation, take into account both economic benefits and social benefits, effectively balance the requirements of accelerating business development, forestalling financial risks, and securing business sustainability, and keep improving market competitiveness and risk control capability.

Development objectives



Building a Policy System and Strengthening Institutional Guarantee

- Special Policies
- Credit Policies
- Resource Allocation
- Incentives & Constraints
- Talent Training



Special Policies



Issuance of guiding opinions

In 2021, the Bank issued the *Guiding Opinions on Accelerating the Development of Green Finance Businesses*, determining the mainline of the Bank in the implementation of the green finance business, further defining the working mechanism of supporting the investment and financing for green and low-carbon development and addressing climate change and setting out development objectives, policies, measures and major work.

Issuance of action plan

In 2021, the Bank issued the *Action Plan of Agricultural Bank of China for Accelerating the Development of Green Finance (2021-2023)*, further defining the implementation path of the green finance business of the Bank in the next three years and actively promoting the implementation of the green finance strategy.

Credit Policies



Strengthening the annual policy guidance

Following closely national policy orientation, the Bank included green finance requirements in its annual credit policy guidelines, “Sannong” credit policy guidelines and inclusive finance credit policy guidelines, and laid down general requirements and management measures for green finance development across the Bank annually.

Strengthening the industry policy guidance

The Bank included green credit indicator requirements in industrial credit policies, and constantly expanded the coverage of industries by the green credit indicator system. The Bank issued credit policies for green industries (such as wind power, solar power, biomass power generation and urban mass transit) to actively guide fund investment orientation.

Strengthening the research on green industries

The Bank issued analysis reports on industries like wind power, solar power, biomass power generation, new energy vehicle, forestry and seed industry, and carefully analyzed and forecasted green industry trends.

Implementing differentiated policies

The Bank increased differentiated authorization support to quality customers and projects in green industries, established the approval mechanism and opened a “green channel” to effectively ensure the approval efficiency of quality projects of green finance.



Credit Policies in Relevant Areas



Agriculture, forestry, animal husbandry, and fishery

The Bank formulated credit policies for agriculture-related industries (such as grain, seed, forestry, animal husbandry, aquaculture and processing), clarified green and environment-friendly policy orientation, constantly tightened environmental risk management and control and served the state's food security strategy.



Biodiversity conservation

The Bank formulated credit policies for seed, forestry, flowers and plants and traditional Chinese medicine related to biodiversity conservation and introduced relevant opinions on ecological protection in the Yellow River Basin. The Bank specified stronger support for whole industrial chain of green agriculture, including ecological planting, ecological breeding, under-forest economy, modern agricultural seed industry, forestry gene protection, etc. The Bank actively supported afforestation and forest resources tending projects with outstanding carbon sink or carbon sequestration effects. The Bank actively supported the protection of natural forests and animal and plant resources, the construction and protective operation of nature reserves, ecological functional areas and national parks, and the project of turning farmland to forests and grasslands, the protection of rivers and lake wetland, and the comprehensive improvement of soil erosion. The Bank implemented “one-vote veto” for non-eco-friendly customers and projects.



Energy

The Bank formulated credit policies for thermal power, hydropower, wind power, solar power and biomass power generation industries. Conforming to the trend of energy transformation, the Bank actively supported the clean and efficient use of traditional energy, put forward relevant requirements for environmental and social risk management, and promoted the green and low-carbon transformation of energy production and consumption.



Mining

The Bank formulated credit policies for coal, oil and gas, metal mining and other related industries, put forward relevant requirements for environmental and social risk management, and served the green and low-carbon development of the mining industry.



Transportation

The Bank formulated credit policies for railway, highway, urban rail transit, airport, air transport and other related industries, put forward relevant requirements for environmental and social risk management, and served the green and low-carbon development of transportation.



Materials

The Bank formulated credit policies for chemical, iron & steel, non-ferrous metals, building materials and other related industries, put forward relevant requirements for environmental and social risk management, and served the green and low-carbon development of industrial enterprises.



ABC Yunnan Branch supports the ecological management of Erhai Lake to promote biodiversity conservation. (Photo credit: ABC Yunnan Branch)

Resource Allocation



Prioritizing the resource allocation to green credit

When arranging the Bank's credit scale in a holistic manner, the Bank prioritized the resource allocation to the green credit business.

Increasing economic capital support

The Bank brought green credit under the coverage of the strategic economic capital.

Earmarking money for incentive purposes

The Bank offered expense incentives to branches with faster growth in green credit business.

Incentives & Constraints



Doing a good job in business plan management

The Bank laid down a separate green credit plan in the annual business plan.



Strengthening incentives & constraints

The Bank created green finance evaluation indicators, kept optimizing the evaluation system, and refined the incentive and constraint mechanism.

Talent Training



Expanding the training coverage

The Bank further improved its professional capability of green finance management and services by taking advantage of the training resources both in and outside the Bank, making full use of online learning platforms like ABC e-Learning, e-Class, etc., and incorporating relevant content of green finance into leadership, business sector and new hire training. The Bank made green finance management and service more professional. In 2021, 26 green finance related courses were made available on ABC e-learning.

Promoting cutting-edge knowledge

The Bank invited experts from the Chinese green finance field to hold "ABC Lectures" on green finance, in a bid to expand the breadth and depth of the professional knowledge on green finance across the Bank.

Meeting talent needs

The Bank augmented the green finance talent team by introducing talents and optimizing the staffing. The number of graduates hired in green finance-related majors such as environmental science, energy engineering, ecology, etc. increased year by year.

4

Building a Business System and Strengthening the Innovation in Services



Green Credit

Green Investment Banking

Green Consumption

Carbon Finance

Innovative Services

Green Credit



Focusing on key fields

The Bank rapidly responded to the policies of the PBOC for carbon emission reduction support tools and special re-loans for clean and efficient coal use, conducted targeted marketing in specified business areas, perfected working mechanisms, and actively provided fund support for the projects (such as clean energy, energy conservation & environmental protection and carbon emission reduction technologies) with obvious carbon emission reduction effect and the clean and efficient coal use projects.

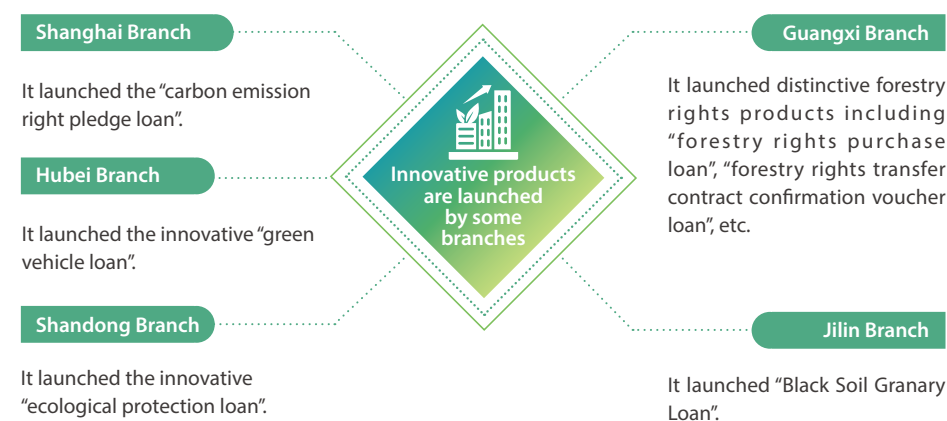
Increasing support

Centering on the state's decisions and plans for green low-carbon development, the Bank actively supported such industries as energy conservation & environmental protection, clean production, clean energy, ecological environment, green upgrading of infrastructure and green services. The Bank analyzed in depth the characteristics of green industry structure and customers, determined the focuses of business marketing support, explored the growth potential of the green finance business, and actively built a synergetic layered marketing mechanism.

Developing innovative competitive products

The Bank accelerated the building of green credit brands and launched a number of innovative products including ecological restoration loan, green transportation loan, green energy-saving building loan, EMC future yield right pledge loan, etc.

Supporting regional innovation



Innovating the "ecological restoration loan" to help enhance the stability of ecosystem

To support the ecological restoration of land and ecological environment management, the Bank launched the innovative "Ecological Restoration Loan" product in 2021, providing financial support for ecological restoration fields such as overall protection, systematic restoration and comprehensive management of mountain, water, forest, field, lake, grass and sand ecosystems. Since the launch of the product, it has supported many ecological environment restoration projects in Shanxi and Hubei, effectively boosting the stability of regional ecosystems and improving their carrying capacity.

Launching the "Black Soil Granary Loan" to protect scarce black soil

ABC Jilin Branch launched a distinctive loan product named "Black Soil Granary Loan" to actively support the protection and utilization of black soil, improve the quality and efficiency of grain production. Targeting new types of agricultural businesses, "Black Soil Granary Loan" supports the development of high-standard farmland, intelligent agriculture, efficient and water-saving irrigation, protection of ecological forest, large-scale grain production, cultivation of improved varieties, etc.

Since the first loan was granted in July 2021, ABC Jilin Branch has completed 4,705 transactions under the "Black Soil Granary Loan", with a total amount of RMB880 million, and protected scarce black soil with financial services.



▲ ABC Jilin Branch supports the protection and utilization of black soil. (Photo credit: ABC Jilin Branch)

Launching the innovative "green vehicle loan" and actively serving the development of the new energy vehicle industry

ABC Hubei Branch reinforced financial support for new energy vehicle enterprises, launched the innovative product of "green vehicle loan" pledged by the income right of bonus points of new energy vehicles based on the national policy for "double bonus point" for passenger vehicles, and completed the first issuance in November 2021.

The "green vehicle loan" product can help new energy vehicle enterprises to revitalize bonus point assets and expand their financing channels. It is an effective exploration for supporting the development of the new energy vehicle industry through innovation.



▲ ABC Hubei Branch supports the development of new energy vehicle enterprises. (Photo credit: ABC Hubei Branch)

Green Investment Banking

Actively developing the green bond business

To effectively meet the direct financing needs of green industry customers, the Bank actively supported quality enterprises in issuing green bonds, consolidating the Bank's position as a lead underwriter. Since 2021, the Bank has underwritten, as the lead underwriter, one of the first "carbon neutrality bonds", one of the first "sustainability-linked bond" the first "sustainability panda bonds", the first "carbon neutrality" and "rural revitalization" dual-standard bond and the first "green", "rural revitalization" and "old revolutionary base area" triple-standard bond in the domestic interbank market.



In 2021, the Bank underwrote
27 issues of green bonds
(including carbon neutrality bonds)

raising the funds of
RMB **44** billion

Developing the green industry fund business in an orderly manner

◆ Participating in the founding of the National Green Development Fund

Founded in July 2020 and with an initial scale of RMB88.5 billion, the National Green Development Fund of China mainly invested in green and low-carbon development fields such as pollution prevention and control, ecological restoration and greening of national land, energy resource saving and utilization, green transportation and clean energy.



In 2020, the Bank participated in the founding of the National Green Development Fund, contributing
RMB **8** billion

In 2021, the Bank completed its first installment of contribution, actively promoted relevant projects in the field of green industries and participated in the operation of the fund and project investment.

Actively developing green syndicated loan and M&A loan business

The Bank used syndicated financing products to create a synergy to provide long-term and stable fund support to major green development projects. With M&A loans and restructuring loans, the Bank provided fund support to leading players in green industries to complete their M&A projects and the integration of upstream and downstream sections of industrial chains.



In 2021, the Bank provided green syndicated loans and M&A services for over
400 enterprises

By the end of 2021, the balance of the Bank's green syndicated loans and M&A loans exceeded
RMB **450** billion

Underwriting, as the lead underwriter, the carbon neutrality bond in the clean energy field

In July 2021, the Bank led, as the lead underwriter, the successful issuance of Phase I Green Medium Term Notes (carbon neutrality bond) of Shenzhen Energy Corporation in 2021, with the issuance scale of RMB3 billion and a term of 5 years. All funds raised were used for the construction of wind and photovoltaic power generation projects. The project is expected to save 978,000 tons of standard coal, and reduced 2,596,300 tons of carbon dioxide equivalent, 513.24 tons of sulfur dioxide, 574.19 tons of nitrogen oxide emissions and 102.65 tons of smoke dust emissions, creating significant environmental benefits.



▲ The Bank makes proactive efforts to support clean energy project construction. (Photo credit: ABC Guangxi Branch)

Underwriting, as the lead underwriter, the first "sustainability panda bond" in the domestic interbank market

In November 2021, "Far East Horizon Co., Ltd. 2021 Phase IV Medium Term Notes (Sustainability, Bond Connect)" was successfully issued with the Bank as its lead underwriter. This phase of panda bonds is the first sustainability panda bond in the domestic interbank market, and the proceeds will be mainly used to support wastewater treatment, intelligent public transport, purchase of new energy vehicles, and health and elderly care projects, producing significant environmental and social benefits.



▲ The Bank underwrites, as the lead underwriter, the first "sustainability panda bond" on the Chinese market. (Photo credit: ABC Shanghai Branch)

Green Consumption

Accelerating and expanding key fields of green consumption

With a focus on consumption fields like green housing, green consumption electric and electronic products, green building materials and new energy vehicles, the Bank established cooperation via both online and offline channels, increased green consumption scenarios, and expanded business scale.

Stepping up the promotion of green credit card services

The Bank actively developed low-carbon and environmental protection-themed credit cards. In 2021, the Bank launched a new version of the eco-friendly credit card, carried out service promotion campaigns such as special offers for green travel, and actively promoted electronic billing service of credit cards.

By the end of 2021, the coverage of electronic billing service reached

97.8%

Issuing an eco-friendly credit card to advocate the green and environmental protection idea

The eco-friendly credit card (Protecting Stars) is made of eco-friendly materials and with the graphic design of stars implying green living, the product is available to the public.

Committed to advocating the environmental protection idea, the product provides convenient financial services for the public's green travel, including gifts for new users, low-interest installments for new energy vehicles, bus and subway rides, etc. The product also provides privileges like electronic billing, accumulated points for public welfare, etc., effectively leading to a green lifestyle.



▲ The Bank issues the eco-friendly credit card ("Protecting Stars") (Photo credit: ABC Credit Card Center)

Carbon Finance

Financial service for the national carbon emission trading market

The Bank signed the strategic cooperation agreement with national carbon emission right registration and trading institution.

At the launching ceremony of putting transaction online in the national carbon emission trading market, the Bank signed the cooperation agreement on Wuhan Carbon Peaking Fund with Wuhan Municipal People's Government, Wuchang District People's Government, the financial institutions and industrial capital attending the ceremony.



At the launching ceremony of putting transaction online in the national carbon emission trading market, the Bank became one of the founding organizations of the Carbon Neutrality Action Alliance and issued the *Joint Initiative of Financial Institutions to Support the Building of Shanghai International Carbon Finance Center* with relevant financial institutions.

The Bank developed and launched the exclusive service system "ABC Carbon Service" for national carbon emission right registration institutions and provided fund settlement, reconciliation and account checking and clearing and other services for national carbon emission trading market and membership enterprises, facilitating the capital turnover of the national carbon emission trading market.



▲ Zhang Qingsong, President of the Bank, delivers a speech at the launch ceremony of the online trading in the national carbon emission trading market. (Photo credit: ABC Shanghai Branch)

Quota management for the enterprises included in the national carbon market

By the end of 2021, the Bank coordinated with the

marketing to more than **2,000**

enterprises to be included in the national carbon market for quota management

More than **1,000**

enterprises opened settlement accounts at the Bank

Innovative Services



ABC Wealth Management Co., Ltd.

Established the environmental, social and corporate governance (ESG) investment target rating system and laid down rating principles, rating standards and investment scope. It launched ESG-themed wealth management products and prioritized investments in enterprises with excellent performance in green development, environmental protection, CSR and corporate governance.



ABC-CA Fund Management Co., Ltd.

Improved its green financial product and service capabilities by developing ESG-themed funds, actively pooled "green energy-themed selected hybrid fund", "MSCI China A-share Climate Change Index Fund", etc. It made attempts to embed ESG factors into the selection criteria of investment targets to gradually promote the greening of its corporate stock library and bond library.



ABC Financial Asset Investment Co., Ltd.

Started to establish a sustainable development system to green its debt-to-equity swap business. By setting up a green debt-to-equity investment fund through its subsidiary ABC Capital Management Co., Ltd. and other means, it raised social capital to expand its green debt-to-equity investment scale.



ABC Life Insurance Co., Ltd.

Directly or indirectly participated in green investment and responsible investment in such forms as stock, equity, bond and infrastructure creditors' rights investment plan, etc. In 2021, it mainly invested in green projects in the fields of infrastructure, clean transportation and clean energy.



ABC Financial Leasing Co., Ltd.

Actively developed a defining feature of green leasing. With the focus on wind power, solar power and biomass generation and green transportation, the Company kept advancing the green transformation of leasing business.

Actively conducting new energy bus leasing business

To meet urban residents' diversified low-carbon travel needs, ABC Financial Leasing Co., Ltd. actively planned the new energy bus leasing business. Through precision joint marketing and innovative design solutions, it provided lease financing to a number of urban public transport companies to help them purchase more than 6,000 new energy buses. Meanwhile, it actively partnered with new energy vehicle manufacturers, provided financing service to the downstream new energy carrier vehicle manufacturers of upstream core enterprises. It effectively promoted the optimization of the new energy vehicle industry landscape and accelerated development.

5

Establishing a Risk Control System and Dealing with Transformation Risks

Opportunities and Risks

Environmental and Social Risk Management

Credit Risk Management

Business Foundation Management

Opportunities and Risks



Achieving the goals of carbon peaking and carbon neutrality will trigger a broad and profound systematic transformation in the economy and society. Economic and social development will usher in an all-round reform in quality, power and efficiency. The profound adjustment to economic, energy and industrial structures will give rise to lots of green investment and financing demands. New industries, new business forms and new modes will flourish. Financial institutions will embrace major development opportunities in business development, operation mode, product innovation and asset allocation.

Meanwhile, green and low-carbon transformation will also lead to new risks and challenges. Global situation of response to climate changes is complex and severe. The impact of environmental and climate risks on the real economy is increasing obviously. Traditional high-carbon industries are under increasing pressure in operation and transformation. It is increasingly necessary and urgent for financial institutions to adjust investment and financing structure. Environmental and climate risk management has become an important subject to be studied.

Environmental and Social Risk Management



The Bank proactively strengthened environmental and social risk management, explored the improvement of climate risk management tools and modes, integrated relevant management requirements into the business process, continuously improved the establishment of an effective risk management and mitigation mechanisms.

Strengthening credit environmental and social risk management



The Bank introduced measures for managing environmental and social risks in the credit business, implemented full-coverage, classified management and whole-process control for environmental and social risk management of the credit business, took differentiated management measures in light of the potential environmental and social risks faced by customers, and adopted "one-vote veto" for non-eco-friendly customers and projects.

The Bank developed a commitment letter on environmental and social risk responsibility, and enhanced the ability to control environmental and social risks in key customers through contractual constraints. The Bank optimized system management tools, tightened rigid system management and control, and refined management.

Strengthening environmental and social risk management of investment and financing



The Bank conducted due diligence on issuers for environmental and social risks with respect to bond underwriting business, paid attention to their corporate governance, social responsibility and environmental responsibility, and collected and collated relevant information. The Bank encouraged and guided issuers to disclose environmental and social risk information, and provided guidance during the duration of bonds.

In the investment business, the Bank analyzed and studied the impact of the "carbon peaking and carbon neutrality" goals on business operations before investment, paid attention to the green attributes, environmental benefits, third-party assessment and issuer commitment of green bond investment projects, and improved investment quality and efficiency. The Bank strengthened the tracking of the use of funds after investment and improved the ability to identify and respond to environmental and social risks.

Including climate risk in the comprehensive risk management system



The Bank attached importance to climate risk in the Bank's comprehensive risk management strategy, formulated relevant management and control strategies, explored the establishment of a climate risk analysis framework and stepped up efforts in the climate risk identification, assessment and management with respect to investment and financing business.

Improving quantitative climate risk management tools

The Bank proactively developed relevant climate risk management tools and explored the conduct of climate risk stress test. In 2021, the Bank selected the coal-fired power industry with high carbon emissions, deeply analyzed and judged the transmission path of climate risk, and independently explored and carried out climate risk stress testing. The test was conducted mainly with reference to the carbon price scenario of Central Banks and Supervisors Network for Greening the Financial System (NGFS) and the carbon price changes in the domestic carbon emission trading market. Multiple stress scenarios were set, and the changes in the carbon price, coal-fired power generation electricity price and other factors under different carbon emission reduction paths were comprehensively considered. The test calculated the future financial performance

of coal-fired power enterprises, quantified and assessed the risk changes of credit asset portfolio, and promoted the forward-looking prevention of transformation risks. The test results showed that customers in the coal-fired power industry were obviously affected by low-carbon transformation factors, but the risks were generally controllable.

In 2021, the Bank also participated in the climate risk stress test organized by the People's Bank of China to assess the potential impact of carbon peaking and carbon neutrality goals on the Bank's credit assets. The test results showed that under the stress scenarios, the credit risk of customers in thermal power, steel & iron and cement industries has increased, but the impact on the capital adequacy was generally controllable.

Credit Risk Management



The Bank continuously improved its capability for managing credit risk of green finance, stepped up the follow-up research on the green industry, strengthened the transformation risk management of high-carbon industries, actively responded to the impact of climate change and low-carbon transformation, and ensured the healthy and sustainable development of its business.

Stepping up efforts in the risk judgment of the green industry

According to the national policy orientation and industry development situation, the Bank strengthened the analysis and judgment in green industries and fields, paid close attention to the changes in supply and demand in the energy market and the progress in the market-oriented application of green industry technology, and promptly issued analysis reports on industries such as clean energy, new energy vehicle, smart power grid and environmental protection equipment manufacturing.

Closely guarding against the transformation risk of high-carbon industries

The Bank stepped up transformation risk prevention and control, implemented quota management for high-carbon industries, tightened review of environmental protection, energy consumption and work safety and intensified the effort in the exit of potential risk customers.

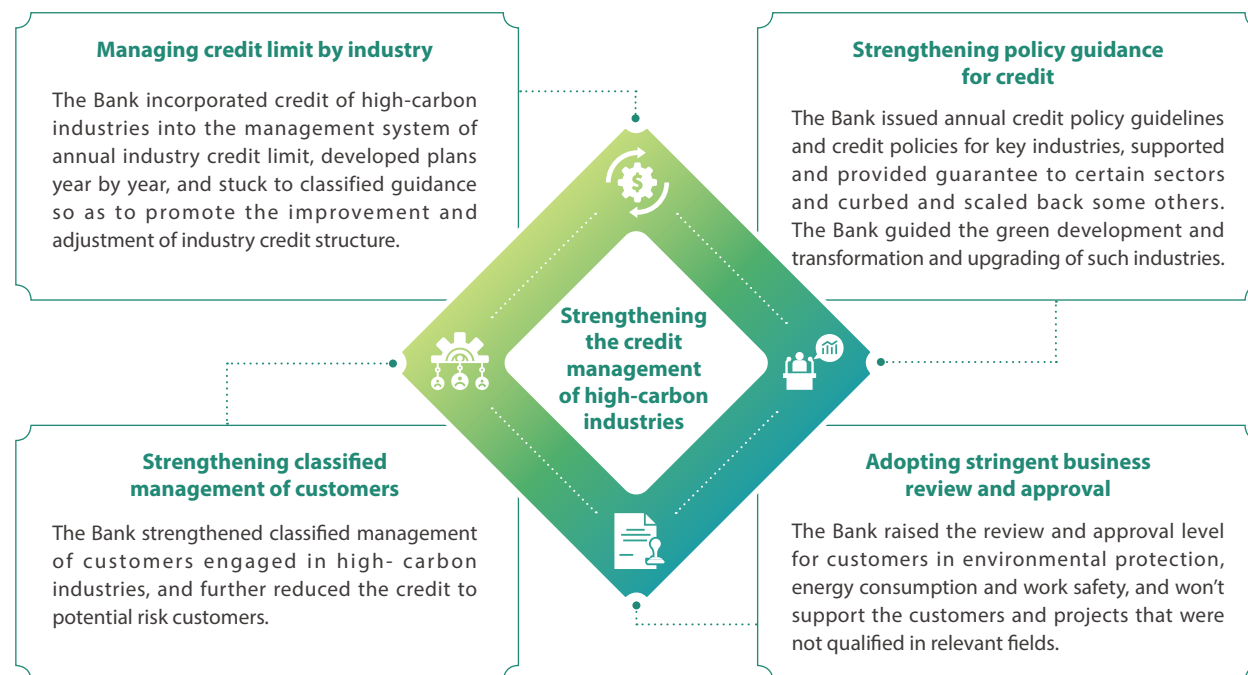
Increasing Fund Supply and Promoting its Increment and Expansion

Boosting Rural Revitalization 

Serving Clean Energy 

Serving Industrial Transformation and Upgrading 

Serving Regional Strategies 



Intensifying the risk monitoring of key areas

The Bank brought under the risk monitoring customers with large green credit balance and environmental and social risks, strengthened early risk warning, and earnestly forestalled and defused risks.

Business Foundation Management



Ramping up efforts in developing a green bank

The Bank constantly improved work measures and actively built a green bank in the areas of organizational management, capacity building, process management, internal control management and information disclosure.

Earnestly managing data

The Bank formulated data quality management measures, set out the quality control requirements throughout the lifecycle of data. The Bank, under its data quality management system and according to the characteristics of green finance business, clarified the requirements of green finance data management, stepped up system building and continuously enhanced green finance data quality management.

The Bank formulated data security management measures, clarified data security protection requirements, continuously optimized the data leakage prevention system, and strengthened research & development and application of data security control technologies to ensure data security. The Bank kept improving the contingency plan for information system emergencies, formulated targeted countermeasures according to different scenarios of data and privacy leakage events, organized emergency drills regularly, and improved emergency handling capabilities.

Stepping up supervision and evaluation

The Bank put the focus of duty performance supervision on the implementation of green finance policies and rules and environmental and social risk management, and promoted the high-quality development of green finance business.

Boosting Rural Revitalization



Staying committed to serving “Sannong”, the Bank actively aligned the green development with rural revitalization drive, and supported the comprehensive green transformation of agriculture and rural areas around national food security, rural industrial development, rural infrastructure construction and environmental protection.



By the end of 2021,
the balance of green credit for
counties stood at RMB

759.8 billion

a year-on-year increase of RMB

202 billion

Pushing forward with the development of green industries in rural areas

◆ Serving the national strategy about food security

The seed industry is the source of agricultural industrial chain, as well as a national strategic and basic industry. Focusing on national food security, the Bank took the lead in issuing a credit policy for the seed industry in 2020 and a credit policy for revitalizing the seed industry in 2021, and put forward a package of differentiated support policies for serving the seed industry development around key areas such as support for excellent seed enterprises, base upgrading, protection of germplasm resources and innovation and tackling of key problems in the seed industry.



▲ Wang Jingdong, Chairman of the Board of Supervisors of the Bank, visits Heilongjiang to learn about how financial services serve national food security and support rural revitalization. (Photo credit: ABC Heilongjiang Branch)

Vigorously supporting the enterprises integrating breeding, reproduction and promotion and leading seed enterprises, and creating the list of key targets of services in the seed industry
Covering

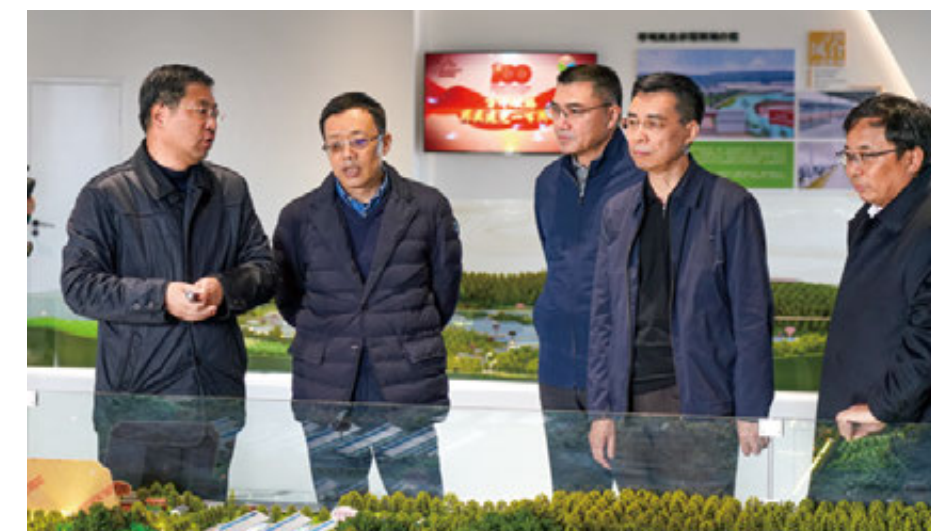
560 customers under

five categories in

200 regions

◆ Supporting the green development of featured industries in rural areas

The Bank stepped up support for the whole industrial chain of green agriculture including ecological planting and farming, under-forest economy and green agricultural and forest product processing, and ensured comprehensive services for the construction of modern agricultural industrial parks, competitive or featured industrial clusters and beautiful leisure villages. The Bank cooperated with relevant ministries and commissions and issued the list of green projects related to green agricultural product trading markets and beautiful leisure villages. Using credit services, e-commerce platforms and self-service machine and tools, the Bank worked to improve the comprehensive financial services for the green industries in rural areas.



Zhang Xuguang, Executive Director and Vice President of the Bank, visits Pengxin Xundian Fenghe Demonstration Farm in Yunnan. (Photo credit: ABC Yunnan Branch)

Serving the rural construction

Focusing on rural construction initiatives and action plans for improving the rural living environment and controlling agricultural and rural pollution, the Bank unveiled the *Action Plan for Serving Rural Construction through Financial Services*, and increased support for key areas of rural construction such as rural toilet renovation, rural domestic sewage and waste treatment, and overall improvement of village appearance. The Bank increased support for eligible customers through innovative investment and financing modes in key regions, such as key counties for receiving assistance for rural revitalization, experimental rural reform areas, and agricultural green development pilot areas.



Tang Jun, head of the Discipline Inspection and Supervision Office of the CCDI and NCS at ABC, visits the ecological settlement site at extreme high altitude in Senburi Village, Gongga County, Shannan City, Tibet. (Photo credit: ABC Tibet Branch)

Serving rural ecological protection

Focusing on increasing farmland area and improving farmland quality, the Bank actively provided financial services for projects in areas like the construction of high-grade farmland, the building of high-efficiency water-saving irrigation facilities, the comprehensive improvement of rural land and the prevention & control of agricultural non-point source pollution and farmland pollution. Centering on the national afforestation initiative and the enhancement of ecological carbon sink capacity, the Bank issued the lists of national forestry industry demonstration parks, national key leading forestry enterprises and national under-forest economic demonstration bases, and actively supported afforestation and forest resources tending projects with impressive carbon sink or carbon sequestration effect, and national reserve forest development projects. The Bank proactively advanced the integrated protection and systematic governance of mountain, water, forest, farmland, lake, grassland and sand ecosystems.



▶ Zhang Yi, Executive Vice President of the Bank, visits the Xueba Village in Huangping County, Guizhou to investigate the poverty alleviation in villages. (Photo credit: ABC Guizhou Branch)

Practicing the philosophy that “lucid waters and lush mountains are invaluable assets” and contributing to the building of beautiful villages

Thoroughly carrying out the philosophy that “lucid waters and lush mountains are invaluable assets”, Huzhou Branch in Zhejiang stepped up support for the revitalization of rural areas through green financial services. By actively facilitating projects such as the sewage treatment, flood prevention, waterlogging drainage, water supply and water conservation in the Taihu basin, the building of beautiful villages in Yucun Village and Lujia Village in Anji, and the land improvement and ecological restoration in Dongling Town, it effectively promoted the conversion from lucid waters and lush mountains into valuable assets.

Accelerating the building into a demonstration bank for the development of green finance, Huzhou Branch has been rated as an excellent financial institution for the construction of the experiment area for national green finance reform and innovation.



▶ ABC Huzhou Branch practices the philosophy that “lucid waters and lush mountains are invaluable assets”. (Photo credit: ABC Zhejiang Branch)

Fully supporting a “chip” enterprise engaged in green agriculture

Actively implementing the country’s major strategy of food security, Hunan Branch leveraged loans, settlement, bond issuance, cross-border M&A and some other means to provide comprehensive services for Yuan Longping High-tech Agriculture Co., Ltd. (“Longping High-tech”), a leading enterprise in the seed industry, and secure the accelerated development of the “chip” enterprise.

In 2021, the Bank signed the Special Strategic Cooperation Agreement on the Revitalization of the Seed Industry with Longping High-tech. According to the agreement, both sides will increase cooperation in areas like “county-enterprise joint construction of projects”, modern seed breeding and production bases, smart seed industry and green agriculture, so as to provide a strong boost to the revitalization of the seed industry and the green development of agriculture.

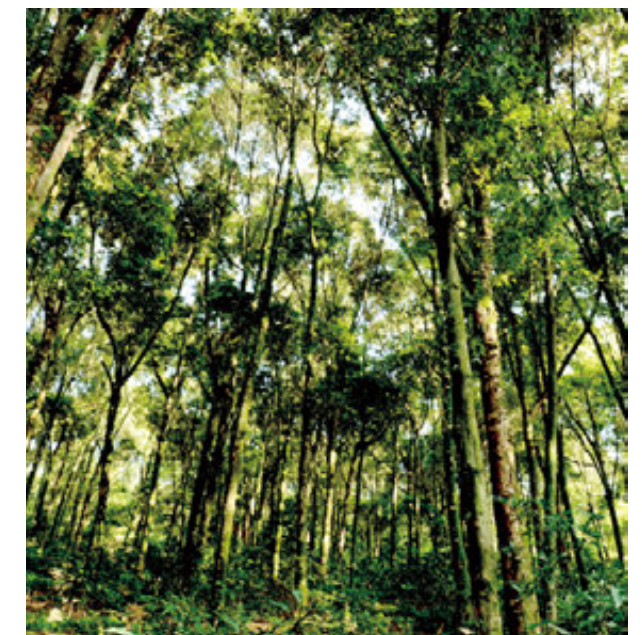


▶ ABC Hunan Branch and Longping High-tech carry out exchanges and cooperation on the revitalization of the seed industry. (Photo credit: ABC Hunan Branch)

Creating new forest ownership loan products and actively supporting forest tending

By introducing the new portfolio that combines forestry rights purchase loans and forestry rights transfer contract confirmation voucher loans, Guangxi Branch strongly supported local forest related customers in building national forest reserves and fostering forest resources. Built on a new way of mortgage, the portfolio proved effective in activating the forest assets leased outside state-owned forest farms. By the end of 2021, Guangxi Branch has issued more than RMB1.9 billion of forestry rights purchase loans and forestry rights transfer contract confirmation vouchers loans on a cumulative basis.

With forest related financial services as the entry point, Guangxi Branch supported local featured industries through innovative services, helping rural households across the industrial chain increase income and shake off poverty and making forestry an inclusive green industry.



▶ ABC Guangxi Branch vigorously supports forest tending projects. (Photo credit: ABC Guangxi Branch)

Safeguarding lucid waters and lush mountains and jointly building a natural treasure house

Underscoring ecological protection and upholding inclusive services, Fujian Branch effectively served the construction and protective operation of Wuyi Mountain National Park, and created knockout products such as “Huinong E-loan (Wuyi Rock Essence Tea)” and “Loans to Wuyi Rock Essence Tea Small and Micro Enterprises”, so as to popularize the two brands of “Wuyi Mountain Tourism” and “Wuyi Rock Essence Tea”.

By the end of 2021, nearly RMB1 billion had been granted to the construction and protective operation of Wuyi Mountain National Park, and approx RMB1.9 billion had been granted to Wuyi Rock Essence Tea industry, benefiting 105 local administrative villages in Wuyi Mountain and promoting the effective integration between the building of the national park system and the values of ecological products.



ABC Fujian Branch supports the construction of Wuyi Mountain National Park. (Photo credit: ABC Fujian Branch)

Boosting the green transformation and development of a leading husbandry enterprise

Strongly supporting the green development of the husbandry industry, Henan Branch signed an agreement on comprehensive strategic cooperation with Muyuan Foods Co., Ltd., a leading enterprise of large-scale agricultural industrialization to power projects like the development of a harmless treatment system for sick and dead livestock and poultry and the construction of storage, treatment and utilization facilities for livestock and poultry waste. In doing so, it promoted the green transformation and development of husbandry enterprises and injected impetus to rural revitalization.



ABC Henan Branch facilitates the green development of a leading husbandry enterprise. (Photo credit: ABC Henan Branch)

Injecting green impetus to boost rural revitalization

Actively serving the development of clean energies in the key counties receiving paired assistance under the national rural revitalization, Guizhou Branch granted credit support for the “Xiaoguanshan, Zhongliangzi and Pingjing” photovoltaic power station project in Weining County, Bijie City, Guizhou.

After the completion of the project, 69,000 tons of standard coal can be saved every year, and the emission of various air pollutants can be reduced. Moreover, the project loan was used to rent wasteland by means of land transfer, which improved the utilization value of barren hills and wasteland, increased farmers’ income, and created remarkable environmental, economic and social benefits.



ABC Guizhou Branch supports the construction of the photovoltaic power station project. (Photo credit: ABC Guizhou Branch)

Propelling the accelerated development of green agriculture across the industrial chain

Shanghai Branch strengthened the cooperation with a local key leading enterprise of agricultural industrialization. It served its green food processing and production line projects by offering long-term funds, and particularly provided liquidity support at important time nodes such as Spring Festival, to help the enterprise build a green agriculture industrial chain integrating R&D, planting, production and sales. In doing so, it effectively guaranteed the vegetable basket (non-staple food supply) program in Shanghai, and contributed financial resources to the development of local agriculture.



ABC Shanghai Branch supports the development of green agriculture across the industrial chain. (Photo credit: ABC Shanghai Branch)

Serving Clean Energy



The energy sector is the key sector for carbon peaking and carbon neutrality in China. Based on China's energy endowment, the Bank actively supported the construction of a new-type power system with new energy as the mainstay around building a clean, low-carbon, safe and efficient energy system.

By the end of 2021, the Bank's balance of loans for the clean energy industry exceeded RMB

500 billion

Vigorously supporting renewable energy substitution action

The Bank increased support for wind power, solar energy, biomass energy, ocean energy, geothermal energy, hydrogen energy and other clean energy industries, and strongly backed the construction of national large-scale wind power and photovoltaic power bases. The Bank signed strategic cooperation agreements with large power groups including SDIC, SPIC and China Datang Corporation Ltd. to deliver on the carbon peaking and neutrality goals. The Bank vigorously supported the pilot areas for the development of county-wide rooftop distributed photovoltaic projects, and joined forces with governments and enterprises to empower the clean energy industry in counties.



▲ The signing ceremony for the *Special Cooperation Agreement on Promoting Carbon Peaking and Neutrality and Serving Rural Revitalization* between the Bank and SDIC. (Photo credit: ABC Newspaper Limited)

Energetically supporting the clean energy industry in supplementing and reinforcing the industrial chain

The Bank actively supported equipment manufacturing in key areas such as clean energy and new-type energy storage, provided more financial services for supporting industries of clean energy infrastructure such as the intelligent transformation of power grid infrastructure and smart microgrid construction, and promoted intelligent transformation and interconnection of energy systems.

Vigorously promoting the clean and efficient use of coal

The Bank provided strong financing support for areas such as safe, efficient, green and intelligent coal mining, clean and efficient coal processing and utilization, clean coal burning and clean heat supply in industrial fields, clean civil heat supply, full use of coal resources, and the development and use of coalbed methane.



▶ A team led by Cui Yong, Executive Vice President of the Bank, visits China Three Gorges Renewables (Group) Co., Ltd. to learn about the financial services provided for new energy projects. (Photo credit: ABC Big Client Department)

Supporting the “complementary fish farming and photovoltaic power generation” projects

Increasing support for the clean energy industry, Ningbo Branch provided financing services for the 300-MW Changdatu mudflat photovoltaic power generation project in Xiangshan to promote the construction of the “mountain-ocean synergy” zero-carbon power grid demonstration area and the development and utilization of coastal mudflat in Xiangshan, a move to realize power generation on top and fish breeding below. By facilitating green development, it served rural revitalization.

The project was connected to the grid for power generation in June 2021, with an annual design generating capacity of about 400 million kWh. Calculated based on the average standard coal consumption for thermal power generation, that's equivalent to a saving of 100,000 tons of standard coal and the reduction in the emission of 270,000 tons of carbon dioxide, 2,300 tons of sulfur dioxide and 1,000 tons of nitric oxide annually, with significant environmental benefits.

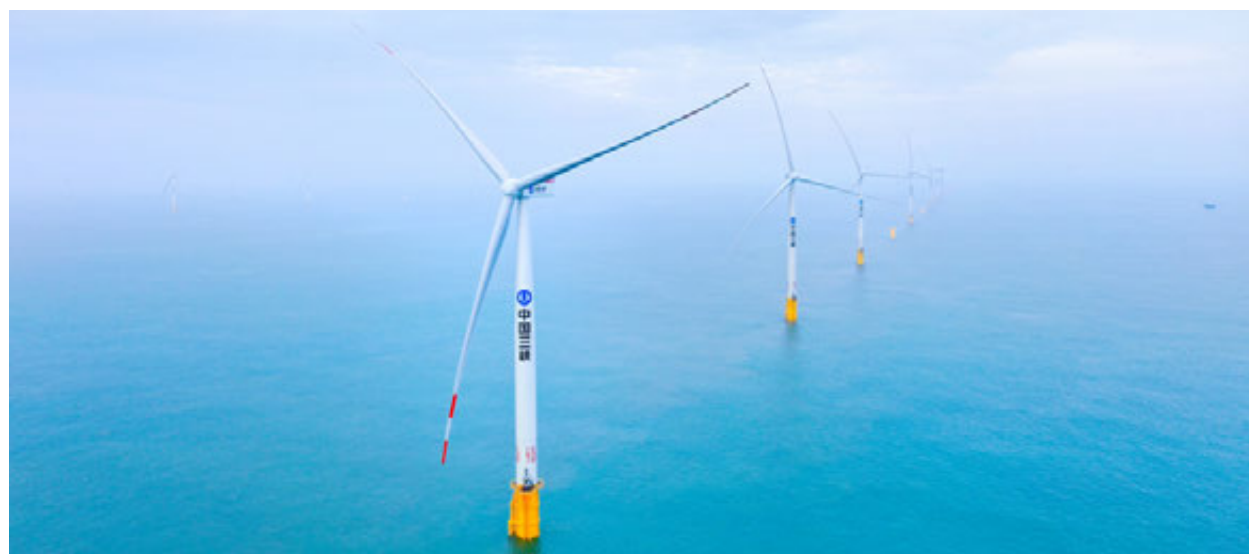


▲ ABC Ningbo Branch supports the “complementary fish farming and photovoltaic power generation” projects. (Photo credit: ABC Ningbo Branch)

Supporting offshore wind power projects

Catering to the financing demand of clean energy projects, Jiangsu Branch set up a marketing team, and provided financing assistance for the H6 (400 MW) offshore wind power project in Rudong, Nantong, Jiangsu through a syndicated loan within the Bank.

The project has an annual design generating capacity of about 1.2 billion kWh, which is equivalent to the saving of 369,000 tons of standard coal and a reduction in the emission of 921,000 tons of carbon dioxide, 8,123 tons of sulfur dioxide and 14,000 tons of nitric oxide annually, with significant environmental benefits.



ABC Jiangsu Branch supports the construction of offshore wind power projects. (Photo credit: ABC Jiangsu Branch)

Promoting the clean and efficient use of coal

In fast response to the State's decisions and plans about the clean and efficient use of coal, Hubei Branch actively served the green and low-carbon development of traditional energy industries. By being aligned with project standards and conducting targeted marketing, it provided financing support for the 2×660 MW ultra-supercritical coal-fired unit project locally.

After the project is completed, coal consumption for the same power output will be reduced. That means higher cost effectiveness power generation and effective cut on the emission of harmful gases like carbon dioxide and sulfur dioxide, thereby facilitating the clean and efficient use of traditional energies.



ABC Hubei Branch actively supports the clean and efficient use of coal. (Photo credit: ABC Hubei Branch)

Serving Industrial Transformation and Upgrading

Under the goal of "carbon peaking and carbon neutrality", the green and low-carbon industry has entered a fast lane of development. The Bank seized the opportunity arising from the green development of industries and channeled financial resources to fully support the green and low-carbon transformation of traditional industries.

Supporting green upgrading of infrastructure

The Bank further expanded green and low-carbon transportation projects, and actively supported high-quality projects in areas like environmental infrastructure, urban energy infrastructure, sponge city, landscaping, green building, and green and energy-saving transformation of buildings.

Supporting the building of energy conservation, environmental protection and green production systems



Aiming at energy saving and environmental protection, pollution prevention and control and resource recycling, the Bank proactively supported energy efficiency improvement and the manufacturing of high-efficiency & energy-saving equipment and advanced environmental protection equipment in the industrial field, sustained financial services for the prevention against and treatment of atmosphere, water and soil pollution, and served the building of a waste material recycling and utilization system.



The Bank actively supported green upgrading of industrial parks and green manufacturing in the industrial field, served the transformation and upgrading and cleaner production of traditional industries such as iron and steel, petrochemical, chemical, non-ferrous metals and building materials, and facilitated the establishment of a green production system.

Energetically supporting green service and technology innovation

The Bank actively supported green service and technology innovation, provided strong financial support for advanced green technologies with impressive emission reduction effects and economic benefits, and promoted the exploration of new paths to deepened decarbonization.



Supporting the construction of urban rail transit networks

Focusing on the green upgrading of infrastructures, Shanghai Branch stepped up support for green and low-carbon transport projects. It maintained sound and long-term partnership with Shanghai Shentong Metro Co., Ltd. (Shanghai Shentong) by customizing financial service solutions for the customer.

By the end of 2021, Shanghai Branch has been involved in 14 rail transit projects of Shanghai Shentong, effectively helping accelerate the construction of large-scale urban rail transit networks, promote green travel in cities and ease the pressure from traffic congestion.



ABC Shanghai Branch actively supports the construction of green transport projects. (Photo credit: ABC Shanghai Branch)

Expanding cooperation to help environmental protection enterprises accelerate their development

Focusing on key areas of pollution prevention and control, Tianjin Branch actively provided financing support for the sewage treatment projects of a regionally leading environmental protection enterprise in Xinjiang, Anhui, Hubei and other places. Upon the completion of the supported projects, the total sewage treatment capacity was reached

more than 400,000 cubic meters per day, and the effluent quality was optimized to Grade A emission standard. It will have a significant effect to reduce chemical oxygen demand and total ammonia nitrogen, and effectively improve local water resources quality and ecological environment.



ABC Tianjin Branch supports the upgrading and renovation of sewage treatment facilities. (Photo credit: ABC Tianjin Branch)

Helping build a green raw material supply base in Xiong'an

Focusing on energy conservation in buildings, Hebei Branch strongly supported the whole industrial chain of green buildings through financial services. It actively provided financial assistance for the National Building Conservation Technology International Innovation Park. As an ultra-low energy consumption building industry base, the project will offer green raw material for the construction of Xiong'an New Area.

By supporting the project, Hebei Branch will effectively help build Xiong'an New Area into a first-class green and low-carbon ecological city.



ABC Hebei Branch provides strong financial services for the industrial chain of green buildings. (Photo credit: ABC Hebei Branch)

Promoting the low-carbon transformation of industrial enterprises

Leveraging Quzhou's carbon account system, Zhejiang Quzhou Branch created and designed new applicable products, and launched the "Industrial Carbon Reduction Loan", effectively applying carbon account information to the support for energy conservation and emission reduction through financial services. In July 2021, the first loan was granted, helping the enterprise realize the expansion and transformation of carbon dioxide storage equipment and reduce 75,000 tons of carbon dioxide equivalent every year. The stored carbon dioxide can be converted into dry ice products, realizing carbon sequestration and emission reduction.

Quzhou Branch further deepened the application of "carbon account" in financial scenarios and continuously expanded the application of industrial enterprises' carbon accounts. By the end of 2021, a total loan of RMB848 million was granted, aimed to help Quzhou City stand out in the application of carbon account scenarios.



ABC Quzhou Branch supports the low-carbon transformation of industrial enterprises. (Photo credit: ABC Zhejiang Branch)

Serving Regional Strategies



Based on regional development positioning, resource endowment and environmental carrying capacity, the Bank varied green financial services and advanced the optimization of the regional layout of green and low-carbon development.

Serving major regional development strategies

Focusing on major national regional development strategies, such as the coordinated development of the Beijing-Tianjin-Hebei region, the construction of Guangdong-Hong Kong-Macau Greater Bay Area, the integrated development of the Yangtze River Delta, and Chengdu-Chongqing Economic Circle, the Bank increased financing support for joint prevention and improvement of the ecological environment, regional ecological shelter zone building, industrial transformation and upgrading, transportation integration, technological innovation and clean energy base construction.

Serving the ecological protection and high-quality development of important river basins

Sticking to the strategic orientation of “stepping up conservation” of the Yangtze River Economic Belt and the ecological protection and high-quality development of the Yellow River Basin, the Bank actively met the financing needs for green and low-carbon development, pollution prevention & control, ecological protection and water resources conservation in the important river basins, and boosted the ecological protection and green development of the Yangtze River Economic Belt and the Yellow River Basin.

◆ Serving the green development of the Yangtze River Economic Belt

The Bank actively increased financial support for major water conservancy project construction, shipping system improvement, river ecosystem restoration, energy infrastructure construction and sponge city construction.

By the end of 2021, the Bank's balance of green loans to 11 provinces/cities along the Yangtze River Economic Belt surpassed RMB

1 trillion

◆ Serving the ecological protection and high-quality development of the Yellow River Basin

The Bank increased financing support for major ecological projects, conversion of the values of ecological resources and the construction of major grain production areas. Based on key projects such as ecological environment protection of the Yellow River Basin, the Yellow River Harnessing Project and the construction of a green ecological corridor, the Bank kept increasing financial support.

By the end of 2021, the Bank's balance of green credit extended to 329 counties (banners/cities) in the Yellow River Basin was RMB

59.3 billion

Serving coordinated regional development strategies

The Bank was effectively aligned with the green and low-carbon financing demand arising from the large-scale development of the western region, the revitalization of northeast China and the high-quality development of central region, and actively supported the green development of old revolutionary base areas, ethnic minority areas and border areas.

Serving the building of a demonstration area of green finance development

The Bank kept up with the construction of national pilot zones for green finance reform and innovation, and enhanced the capability of green finance services.

By the end of 2021, the balance of green loans of ABC branches in six provinces (regions) (i.e. Zhejiang, Guangdong, Xinjiang, Guizhou, Jiangxi and Gansu) was RMB

536.6 billion

A year-on-year increase of RMB

147.2 billion

Supporting the Beijing-Zhangjiakou Intercity Railway Project to serve the coordinated development of the Beijing-Tianjin-Hebei region

Following the major strategy about the coordinated development of the Beijing-Tianjin-Hebei region, Beijing Branch vigorously supported the integrated transport development in the Beijing-Tianjin-Hebei region. It set up a marketing team, worked out a special financing service plan for the Beijing-Zhangjiakou Intercity Railway Project, and became the first cooperative bank to open an account, grant credit and provide drawdown for the project. In this case, it effectively promoted the construction and coordinated development of the green transport system in the Beijing-Tianjin-Hebei region.



▲ ABC Beijing Branch supports the Beijing-Zhangjiakou Intercity Railway Project. (Photo Credit: ABC Beijing Branch)

Supporting the construction of an “air passage” in Central China and Promoting the green development of the “Belt and Road” Initiative

Focusing on the Chengdu-Chongqing Economic Circle development strategy, Sichuan Branch vigorously supported the airport construction, airspace management, oil supply and airline base project of Chengdu Tianfu International Airport. By customizing financial service solutions, it stepped up support for the project, so as to facilitate the building of an “air passage” for direct flights between Central China and Europe and get Sichuan Province integrated into the “Belt and Road” Initiative rapidly.

By reducing the consumption of electricity, water and oil, the project is expected to save 8,716 tons equivalent of standard coal and cut about 19,000 tons equivalent of carbon dioxide annually, producing considerable energy conservation and emission reduction results.



▲ ABC Sichuan Branch supports the construction of Chengdu Tianfu International Airport. (Photo credit: ABC Sichuan Branch)

Making concerted efforts to “step up conservation of the Yangtze River”

The Bank strongly supported the Yangtze River conservation projects, and assisted China Three Gorges Corporation in establishing the “Yangtze River Eco-environmental Protection Industry Alliance”. Through HQ-to-HQ marketing and multi-level collaboration, by the end of 2021, the Bank has served 26 Yangtze River conservation projects, including the quality and efficiency improvement of the urban sewage system of Wuhu City, Anhui Province, the integrated improvement of urban water environment in Liu’an, the systematic and integrated improvement of the water environment in the central urban areas of Jiujiang, Jiangxi, and the ecological restoration and improvement of Longxi River basin in Chongqing City, which covered over 20 counties/cities in seven provinces in the Yangtze River basin.



▲ ABC Anhui Branch supports the Yangtze River conservation project. (Photo credit: ABC Anhui Branch)

Supporting the ecological protection and high-quality development of the Yellow River Basin

Targeted at key areas such as ecological protection and restoration, comprehensive improvement of environmental pollution and intensive use of water resources in 25 counties (county-level cities and districts) in 9 cities along the Yellow River in the province, Shandong Branch prepared the Ecological Map of Financial Services for the Ecological Protection and High-quality Development of the Yellow River Basin. In this case, it got a clear picture of the resource endowment and industrial structure of the Yellow River Basin, clarified the priority of support, and was effectively aligned with the provincial-level project library of the ecological protection and high-quality development of the Yellow River Basin. The Branch was the first to launch the “Finance supporting Shandong · Yellow River Series Loan” in the industry, and took a combination of measures to practically support the ecological protection and high-quality development of the Yellow River Basin.



▲ ABC Shandong Branch supports the ecological protection and high-quality development of the Yellow River Basin. (Photo credit: ABC Shandong Branch)

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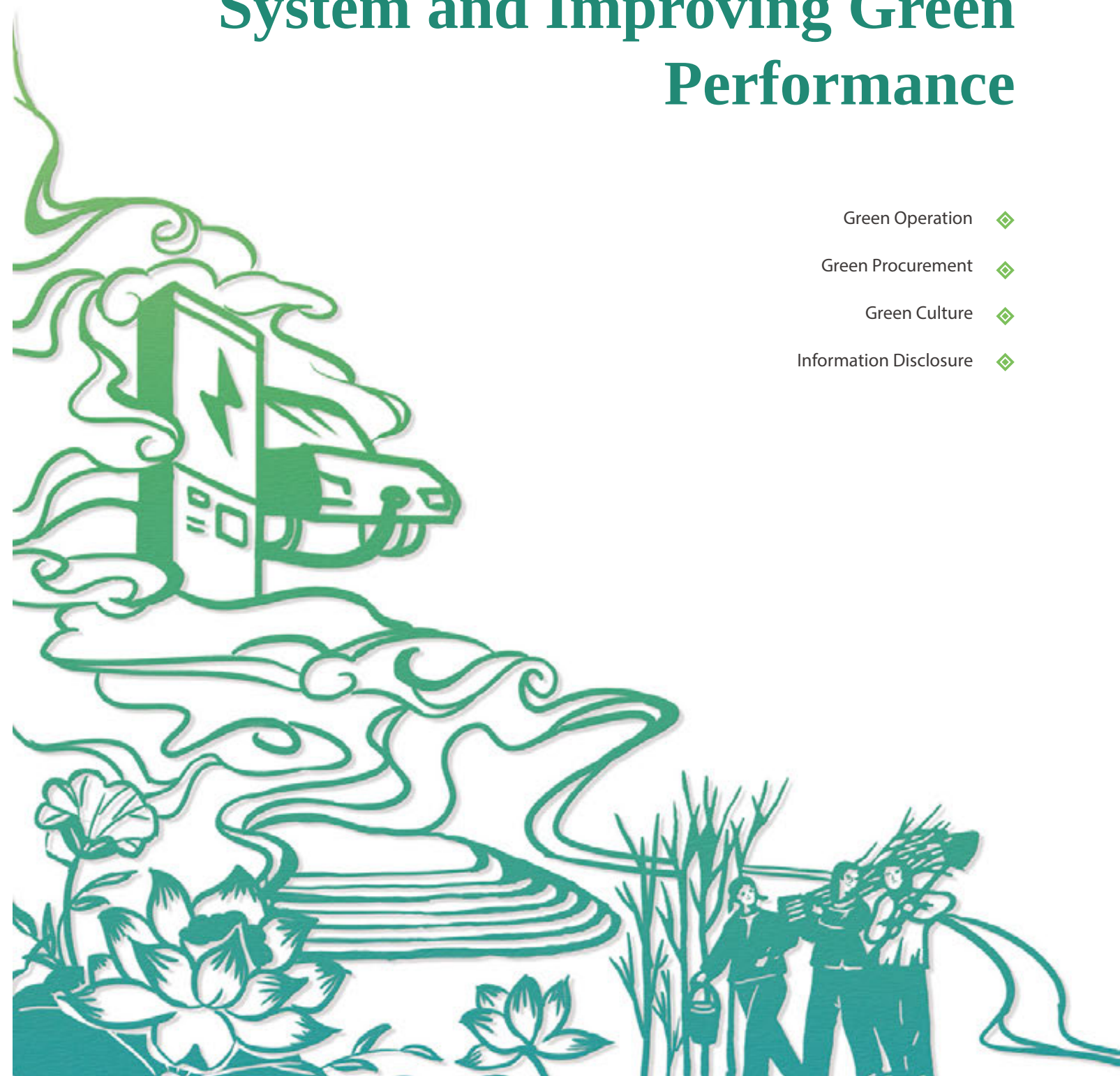
Perfecting the Operation System and Improving Green Performance

Green Operation ◆

Green Procurement ◆

Green Culture ◆

Information Disclosure ◆



Green Operation



With the goal of building a resource-saving and environment-friendly bank, the Bank has effectively reduced resource consumption and environmental pollution, continued to reduce total carbon emissions and the per capita emission density of the whole bank and enhanced its carbon footprint management by carrying out carbon inspections, optimizing operating models, promoting green offices and green energy use, and building green outlets.

Strengthening its carbon footprint management

In May 2021, the Bank established the Carbon Neutrality Working Committee to strengthen the overall planning and organizational implementation of green and low-carbon development. The Bank promoted the implementation of the bank-wide carbon inventory, innovating and developing the carbon emission and energy consumption monitoring platform, carrying out regional pilot projects, promoting the construction of zero-carbon outlets, and actively exploring the “Carbon Neutrality” work system and implementation path suitable for its own actual situation.



The Bank holds the 2021 Technology Conference to support green transformation. Xu Han, Executive Vice President of the Bank, attends the conference. (Photo credit: ABC Technology and Product Management Bureau)

Continuously optimizing the business mode

In 2018, the Bank fully completed the comprehensive transformation of counter-based business, and applied electronic vouchers, seals and signatures. The Bank promoted business modes such as “face recognition”, “fingerprint authentication” and “code scanning” in counter and super-counter channels, and implemented cardless, online, and electronic business process with fingerprint authentication.

By the end of 2021, the counter-based account vouchers conducted via electronic channels exceeded

99%

Keeping enhancing online services

Focusing on digital transformation and green and low-carbon development strategies, the Bank further promoted platform construction, online marketing and operational support, and continuously enriched and improved corporate and personal financial services.

By the end of 2021, there were 9.47 million customers using corporate financial service platforms

There were 410 million personal customers using mobile banking

In 2021, the number of online financial transactions of the Bank reached

74.48 billion,

accounting for 98.9% of all transactions

Actively promoting green offices

	2021 ¹
Total greenhouse gas emissions²	
Category 1: Direct greenhouse gas emissions (Tons of carbon dioxide equivalent)	20,663.74
Category 2: Indirect greenhouse gas emissions (Tons of carbon dioxide equivalent)	237,531.54
Total greenhouse gas emissions (Tons of carbon dioxide equivalent)	258,195.28
Per capita greenhouse gas emissions (Tons of carbon dioxide equivalent/person)	9.03
Energy and Resource Consumption	
Electricity (kW-h)	310,158,563.97
Per capita use of electricity (kW-h/person)	10,843.95
Natural gas (Cubic meters)	5,348,851.81
Per capita use of natural gas (Cubic meters/person)	187.01
Liquefied petroleum gas (Tons)	1,024.50
Gasoline (Tons)	1,194.39
Diesel oil ³ (Tons)	632.95
Purchased heat (MkJ)	439,125.46
Comprehensive energy consumption ⁴ (Tons of standard coal)	64,698.05
Per capita comprehensive energy consumption (Tons of standard coal/person)	2.26
Water consumption (Tons)	3,852,301.41
Per capita water consumption (Tons/person)	134.69
Discharged wastewater ⁵ (Tons)	3,274,456.19

1. The statistics covered the Head Office institutions in Beijing (including the Southern and Northern Building of ABC Plaza, the office building at Zhanlan Road, Chemsunny Plaza, Glorious Oriental Plaza, Fengtai Science and Technology Plaza, the office building at Gongzhufen, Jintang International Financial Building and the Technological Innovation Park at Daoxiang Lake) and the office buildings of the 37 tier-1 branches (excluding the data center, the archive room, the training room, the cash center and other non-office buildings).

2. The calculation of greenhouse gas emissions: Direct greenhouse gas emissions: The Bank's consumption amount of natural gas, liquefied petroleum gas, gasoline, diesel and coals multiplied by the corresponding emission factors. As for the factors, you may refer to the *Fifth Assessment Report 2014* of the Intergovernmental Panel on Climate Change (IPCC). Indirect greenhouse gas emissions: The Bank's consumption amount of electricity and purchased heat multiplied by the corresponding emission factor. You may refer to the *Guidelines for Assessment Report on Greenhouse Gas Emission of Enterprises (for Trial Implementation)* promulgated by the Ministry of Ecology and Environment.

3. Diesel was mainly used for backup generators in the office buildings and for self-owned corporate vehicles.

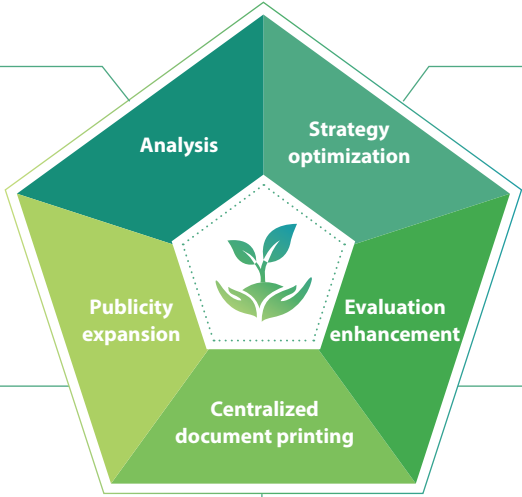
4. The conversion of energy consumption into standard coals was based on the *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020).

5. Wastewater was calculated by water consumption*0.85, and the GB 50318-2017 *Code for Urban Wastewater and Stormwater Engineering Planning of the People's Republic of China* and relevant documents of the Bureau of Statistics were used as reference for the wastewater discharge coefficient.

Relevant energy-saving measures of the Head Office

The Bank conducted the statistics and analysis of monthly office building energy use, carbon dioxide emissions, real-time energy use and other data, and supervised energy management, energy conservation and emission reduction by relevant energy management organizations.

The Bank stepped up the publicity and management of the energy-saving use of office equipment, and regularly produced publicity materials for promoting energy saving.



The Bank strengthened the operation management of air conditioners by reasonably controlling indoor temperature and air conditioner operation time. The Bank optimized the management of lighting system and greatly reduced the electricity consumption of buildings. The Bank reduced inefficient equipment.

The Bank intensified the evaluation of energy conservation and emission reduction in office buildings, and urged relevant energy use and energy management organizations to move ahead with energy conservation and emission reduction.

Centralized document printing was implemented for some office buildings in an all-round way, greatly reducing equipment and effectively lowering energy consumption and carbon emission. After implementation, it can save about 15,000 kW-h of electricity and reduce carbon emissions by about 11.2 tons every year.

Green Procurement

The Bank actively practiced the “transparent, honest, green and efficient” procurement concept and enhanced the green procurement awareness of all employees.

At the institutional and policy level

The Bank required that the centralized procurement should be embedded with the green procurement concepts such as giving priority to energy-saving and environmental protection products, and gave full consideration to factors such as human health and safety, resource conservation and recycling, and environmental impact reduction. The Bank also incorporated relevant requirements into the procurement demand review and the standard template of bidding documents, and promoted them across the Bank for implementation.

At the project implementation level

The Bank introduced energy-saving and low-carbon evaluation elements, focused on the review of environmental protection qualifications of bidding enterprises and products, and actively developed a low-carbon supply chain. The Bank guided the units putting forward demands to increase the application of green environmental protection technologies and products, and encouraged them to select the suppliers that adopt cleaner production and logistics mode, provide environmental protection products and services, and advocate green culture under the same conditions.

At the self-building level

The Bank pushed ahead with the digital transformation of procurement, and built a procurement management platform integrating the procurement management system, ABC e-procurement mall and electronic bidding platform. The Bank rendered online remote reviews the main way of procurement project review, reduced business travel and paper documents, and lowered energy consumption in procurement activities.

Green Culture

Following the philosophy of “Shouldering Responsibilities, Serving the People, Putting Responsibilities in the First Place and Benefiting the Society”, the Bank actively cultivated and advocated sustainable green culture.



Incorporating green culture into the corporate culture system

The Bank incorporated the concept of green development into the corporate culture manual, reinforced publicity and guidance in this regard, popularized the concept among employees, raised their awareness, and constantly enhanced their sense of responsibility.



Guiding the formation of a green and low-carbon production and lifestyle

The Bank advocated green culture such as green office, green travel and resource conservation, so as to build a beautiful homeland.



Actively advocating green public welfare activities

The Bank increased green environmental protection volunteer services, gave full play to the role of the China Young Volunteers Association, and encouraged its employees to participate in environmental protection and social welfare activities such as tree planting, urban cleaning and green travel.

Information Disclosure

The Bank constantly improved the green finance information disclosure system, communicated and interacted with all sectors of society and stakeholders, and told “ABC stories” about supporting the green and low-carbon development of the economy and society.

Preparing a comprehensive report

The Bank prepared the first report on the development of green finance to demonstrate the measures and results of its green finance development.

Launching a series of special reports

The Bank integrated the advantages of various communication platforms such as mainstream media and “one newspaper, one magazine, one website and one WeChat account” of the Bank, built a communication matrix combining online and offline channels, publicized achievements and cases, and effectively spread its green and low-carbon development concept.

Building an information disclosure platform

The Bank opened a “Green Finance” column on the official website, disclosed information such as carbon emission reduction loans in a timely manner, and showcased the development trend of green finance.

Deepening Cooperation to Achieve Win-win Results and Participating in Climate Governance

- Win-win Cooperation
- Alignment with International Standards
- Prospective Study

Win-win Cooperation



Attending the First Sustainable Finance Summit of the Institute of International Finance (IIF)

In April 2021, the Bank was invited to attend the first Sustainable Finance Summit of IIF, accepted an exclusive interview with Timothy Adams, President of IIF, in which the Bank mainly introduced its practical experience and future development plan in green finance innovation and green bank brand building, and conducted in-depth exchanges and discussions with him on environment, climate, corporate governance and other topics.

Attending the Annual Meeting of the Global Investors for Sustainable Development (GISD) Alliance

In October 2021, the Bank was invited to attend the third annual meeting of the GISD Alliance, where ABC Chairman Mr. GU Shu delivered a keynote speech, introducing the Bank's major measures, work results and future action plan to promote the realization of UN 2030 Agenda for Sustainable Development.



▶ Gu Shu, Board Chairman of the Bank, delivers a keynote speech at the annual meeting of the Global Investors for Sustainable Development (GISD) Alliance. (Photo credit: ABC International Finance Department)

Attending the Ecological Civilization Forum of the 15th Meeting of the Conference of the Parties to the United Nations Convention on Biological Diversity

In October 2021, the Bank was invited to attend and address the Ecological Civilization Forum of the 15th meeting of the Conference of the Parties to the United Nations *Convention on Biological Diversity* with the theme of Financial Sector Supporting Biodiversity, sharing its experience and characteristics in supporting biodiversity conservation and advocating closer cooperation between financial peers and stakeholders. They jointly launched and signed the *Joint Declaration of the Financial Sector Supporting Biodiversity*.



▶ Zhang Qingsong, President of the Bank, addresses the forum themed on "Financial Sector Supporting Biodiversity" at the 15th meeting of the Conference of the Parties to the United Nations *Convention on Biological Diversity*. (Photo credit: ABC Credit Management Department)

Attending the Global Systemically Important Financial Institutions Meeting of Annual Conference of Financial Street Forum 2021

In November 2021, the Bank was invited to attend the Conference on G-SIFIs of Financial Street Forum 2021, sharing its experience and characteristics in practicing the concept of green development and building a climate-friendly bank and advocating strengthening cooperation among financial peers to contribute financial wisdom to coping with climate change and building a community with a shared future for man and nature, and signed the *Beijing Initiative of Climate-friendly Banks*.

Attending the 16th 21st Century Annual Finance Summit of Asia

In November 2021, the Bank was invited to deliver a keynote speech at the 16th 21st Century Annual Finance Summit of Asia, sharing its experience and development plan in boosting sustainable development through green finance and calling for all participants to go hand in hand to contribute to building a beautiful homeland with harmony between man and nature.

Alignment with International Standards



Among the first group to sign the "Belt and Road" Green Investment Principles

The *"Belt and Road" Green Investment Principles* (GIP) is one of the main outcomes of the Second Belt and Road Forum for International Cooperation, with the aim of improving the investment environment and social risk management of the "Belt and Road" Initiative and promoting the green investment and financing of the "Belt and Road" Initiative. In April 2019, the Bank officially signed the *"Belt and Road" Green Investment Principles* as one of the first group of financial institutions to sign the Initiative. The Bank actively promoted the integration of green concepts into financial services for the "Belt and Road" Initiative, and jointly pushed forward with the realization of the green sustainable development of the "Belt and Road" Initiative.

Signing the *Principles for Responsible Banking* (PRB) of the United Nations

The *Principles for Responsible Banking* (PRB) is one of the international standards formulated by UNEP FI for commercial banks to promote sustainable development. In October 2021, the Bank formally signed the PRB of the United Nations and became a member of UNEP FI. The Bank Referred to relevant frameworks of PRB, actively conducted responsible investment and financing, and promoted sustainable development.

Becoming a supporter of the Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), mainly provides voluntary information disclosure recommendations on climate-related financial risks and assesses climate-related risks and opportunities. In November 2021, the Bank officially became a supporter of TCFD, actively improved its capacity for quantitative analysis of environmental information based on its information disclosure framework, and ramped up efforts in environmental information disclosure.

Prospective Study



Strengthening the green finance research capability

In July 2021, the Bank established the Green Finance Research Institute (“ABC-GFRI”), which bears three major functions, namely, basic research, result application and exchange and cooperation. It has several research centers and innovation laboratories and endeavors to build a leading integrated platform featuring industry, academy and research cooperation with effective combination of theoretical research and practices of green finance in China.

ABC-GFRI set up a green finance innovation laboratory in Shandong Branch, actively built a role model of green finance services for financial institutions in Shandong Province and an example of bank-government cooperation. It focused on Shandong's green development, selected topics in the fields of ecological agriculture, high-carbon industry transformation, water resources utilization, and ecological products' value realization, conducted in-depth research and provided wisdom support for green and low-carbon development.



Lin Li, Executive Director and Vice President of the Bank, attends the founding ceremony of Green Finance Research Institute of the Bank. (Photo credit: ABC Shandong Branch)

Conducting subject research in key fields

As the deputy leader of the Expert Group set up by China Banking Association for “Banking Sector Supporting Attainment of Targets of Carbon Peaking and Carbon Neutrality”, the Bank took the lead in climate risk management system study by banking financial institutions, included carbon indicators into subject (such as green banking evaluation system) research and provided intellectual support for the banking sector to attain the targets of “carbon peaking and carbon neutrality”.

Annex

Global Legal Entity Identifier (LEI): 549300E7TSGLCOVSY746

Report Index Table

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Environment-related policies and rules of financial institutions	Environment-related internal management rules formulated by financial institutions	3. Building a Policy System and Strengthening Institutional Guarantee 5. Establishing a Risk Control System and Dealing with Transformation Risks
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	Calculation and expression of the impact of environmental risks on the investment and financing of financial institutions	1.2 Development Achievements 7.3 Green Culture 7.4 Information Disclosure
Environmental impact of business activities of financial institutions		7. Perfecting the Operation System and Improving Green Performance
Data review, verification and protection		5.4 Business Foundation Management

Indicator Description	Section
Innovation and research results of green finance	4. Building a Business System and Strengthening the Innovation in Services 6. Increasing Fund Supply and Promoting its Increment and Expansion
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Other environment-related information	Appendix

Index Table of the Principles for Responsible Banking (PRB)

Indicator Description	Section
Principle 1 Alignment	
1.1 Describe (high-level) the bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which the bank has operations or provides products and services.	About Us 1. Development History and Development Achievements 4. Building a Business System and Strengthening the Innovation in Services 6. Increasing Fund Supply and Promoting its Increment and Expansion
1.2 Describe how the bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	2.2 Development Strategy 3. Building a Policy System and Strengthening Institutional Guarantee 6. Increasing Fund Supply and Promoting its Increment and Expansion
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2.4 Progress on Implementing Targets	
Principle 3 Clients and Customers	
3.1 Provide an overview of the policies and practices the bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.	3. Building a Policy System and Strengthening Institutional Guarantee 6. Increasing Fund Supply and Promoting its Increment and Expansion
3.2 Describe how the bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/ implemented, products and services developed, and, where possible, the impacts achieved.	4. Building a Business System and Strengthening the Innovation in Services 6. Increasing Fund Supply and Promoting its Increment and Expansion
Principle 4 Stakeholders	
4.1 Describe which stakeholders (or groups/types of stakeholders) the bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving the bank's impacts. This should include a high-level overview of how the bank has identified relevant stakeholders and what issues were addressed/results achieved.	7. Perfecting the Operation System and Improving Green Performance 8. Deepening Cooperation to Achieve Win-win Results and Participating in Climate Governance

Indicator Description	Section
Principle 5 Governance and Culture	
5.1 Describe the relevant governance structures, policies and procedures the bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.	2. Improving Governance Structure and Strengthening Strategy Guidance 3. Building a Policy System and Strengthening Institutional Guarantee 5. Building a Risk Control System and Dealing with Transformation Risks
5.2 Describe the initiatives and measures the bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.	3. Building a Policy System and Strengthening Institutional Guarantee 7.3 Green Culture
5.3 Governance Structure for Implementation of the Principles.	2. Improving Governance Structure and Strengthening Strategy Guidance
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b) Describe management's role in assessing and managing climate-related risks and opportunities.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	5.1 Opportunities and Risks
Strategy	
b) Describe the impact of climaterelated risks and opportunities on the organization's businesses, strategy, and financial planning.	1.2 Development Achievements 2.2 Development Strategy 5. Building a Risk Control System and Dealing with Transformation Risks 6. Increasing Fund Supply and Promoting its Increment and Expansion
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2. Improving Governance Structure and Strengthening Strategy Guidance 5. Building a Risk Control System and Dealing with Transformation Risks
Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	5.2 Environmental and Social Risk Management 5.3 Credit Risk Management 5.4 Business Foundation Management
b) Describe the organization's processes for managing climate-related risks.	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into 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 process.	1.2 Development Achievements 2.2 Development Strategy 5.2 Environmental and Social Risk Management
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	7.1 Green Operation 7.2 Green Procurement
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	1.2 Development Achievements 2.2 Development Strategy 5.2 Environmental and Social Risk Management

Compilation Statement

Reporting Scope

Organizations covered

This Report covers ABC HQ, domestic tier-1 (directly managed by the Head Office) branches, institutions directly managed by the Head Office, Academies, overseas institutions and principal subsidiaries.

Reporting period

From January 1, 2021 to December 31, 2021. As this report is the first green finance development report issued by the Bank, some contents are beyond this period.

Basis for preparation

This report is prepared in accordance with the *Guidelines for Financial Institutions Environmental Information Disclosure* issued by the People's Bank of China and with reference to relevant recommendations in information disclosure frameworks of the United Nations' PRB and the TCFD. This report has been reviewed and approved by the Bank's Board of Directors.

Data

The data in this report is mainly from the Bank's internal systems and the statistics of branches, and amounts herein are denominated in RMB.

The following data herein has been authenticated by a third party under limited warranty. See the Bank's 2021 CSR for specific instructions.

◆ Balance of green credit business (RMB100 million)	◆ Natural gas (cubic meters)
◆ Phases of underwritten green bonds and funds raised (RMB100 million)	◆ Natural gas per capita (cubic meters/person)
◆ Time-point scale of existing ESG wealth management products (RMB100 million)	◆ Liquefied petroleum gas (tons)
◆ Scope I: Direct greenhouse gas emissions (tons of carbon dioxide equivalent)	◆ Gasoline (tons)
◆ Scope II: Indirect greenhouse gas emissions (tons of carbon dioxide equivalent)	◆ Diesel oil (tons)
◆ Total greenhouse gas emission (tons of carbon dioxide equivalent)	◆ Outsourced heat (millions of kilojoules)
◆ Greenhouse gas emissions per capita (tons of carbon dioxide equivalent/person)	◆ Comprehensive energy consumption (tons of standard coal)
◆ Electricity (kWh)	◆ Comprehensive energy consumption per capita (tons of standard coal/person)
◆ Electricity consumption per capita (kWh/person)	◆ Water consumption (tons)
	◆ Water consumption per capita (tons/person)
	◆ Sewage discharge (tons)

Channels for Publication

This report is published in both paper and electronic forms. The electronic version can be accessed on the official website of the Bank (<http://www.abchina.com>). It is published in both Chinese and English. In case of discrepancy between the two versions, the Chinese version shall prevail.